Ukraine: Background, Conflict with Russia, and U.S. Policy

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In 2019, Ukraine transitioned to a new government under President Volodymyr Zelensky and his Servant of the People party. During Zelensky's presidency, Ukraine has enacted difficult economic and governance reforms and renewed talks with Russia on conflict resolution. In March 2020, a reshuffling of a six-month-old cabinet that had gained international confidence but lost domestic popularity raised concerns for some. The emergence in Ukraine of Coronavirus Disease 2019 (COVID-19) created further difficulties but also led the government to advance key reforms necessary to unlock international financial support.

The United States supports Ukraine's sovereignty and territorial integrity within its internationally recognized borders and promotes the implementation of domestic reforms. Since Ukraine's independence in 1991, and especially after Russia's 2014 invasion and occupation of Ukrainian territory, Ukraine has been a leading recipient of U.S. foreign and military aid in Europe and Eurasia. Nonmilitary aid averaged about $321 million a year from FY2015 to FY2019, plus a total of almost $240 million in humanitarian aid since 2014. The United States also provides military assistance to Ukraine: more than $1.6 billion since 2014, mainly though the Ukraine Security Assistance Initiative. In 2019, U.S. relations with Ukraine became a prominent issue in U.S. domestic affairs, as the House of Representatives agreed to articles of impeachment related in part to alleged presidential actions regarding Ukraine. The Senate acquitted the President of the charges in February 2020.

Since 2014, many Members of Congress on a bipartisan basis have condemned Russia's invasion of Ukraine, promoted sanctions against Russia, and supported increased aid to Ukraine. Key legislation includes the Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (H.R. 4152; P.L. 113-95; 22 U.S.C. 8901 et seq.); the Ukraine Freedom Support Act of 2014 (H.R. 5859; P.L. 113-272; 22 U.S.C. 8921 et seq.); and the Countering Russian Influence in Europe and Eurasia Act of 2017 (H.R. 3364; P.L. 115-44, Title II, Countering America's Adversaries Through Sanctions Act; 22 U.S.C. 9501 et seq.).

In 2018, Members of the 115th Congress agreed to resolutions condemning a Russian attack on Ukrainian naval vessels (S.Res. 709, H.Res. 1162) and calling for the cancellation of Nord Stream 2, a natural gas pipeline Russia is constructing to reduce reliance on Ukraine for transit to Europe (H.Res. 1035). In 2019, during the 116th Congress, the Senate agreed to S.Res. 74 to mark the fifth anniversary of Ukraine's Revolution of Dignity. In December 2019, Congress passed the Protecting Europe's Energy Security Act of 2019, which established sanctions related to the construction of the Nord Stream 2 pipeline (S. 1790; P.L. 116-92, Title LXXV).

Other Ukraine-related legislative initiatives in the 116th Congress include the Crimea Annexation Non-recognition Act (H.R. 596), the U.S.-Ukraine Security Cooperation Enhancement Act (H.R. 3047), the Defending American Security from Kremlin Aggression Act of 2019 (S. 482), and the Ukraine Religious Freedom Support Act (H.R. 5408, S. 3064). A resolution introduced in the House (H.Res. 802) would affirm the United States' "resolute support for Ukraine in its efforts to counter Russian aggression and continue its trajectory among the community of democracies."

For related information, see CRS Report R45415, *U.S. Sanctions on Russia*, and CRS In Focus IF11138, *Russia's Nord Stream 2 Pipeline: Will Sanctions Stop It?*

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Introduction

Ukraine has accomplished much since the country's 2013-2014 Revolution of Dignity (also known as the Euromaidan). Forced to confront a Russian invasion and occupation of the Crimea region, a Russian-instigated conflict in eastern Ukraine, and a tightening of Russian control in the nearby Sea of Azov and Black Sea, Ukraine has developed a military capable of territorial defense, reversed a decline in economic growth, implemented reforms, maintained a democratic path, and gained formal independence for the Orthodox Church of Ukraine.

Ukraine continues to grapple with serious challenges. In 2019, the country transitioned to a new government under President Volodymyr Zelensky and his Servant of the People party. During Zelensky's presidency, Ukraine has enacted difficult economic and governance reforms and renewed talks with Russia on conflict resolution. In March 2020, a reshuffling of a six-month-old cabinet that had gained international confidence but lost domestic popularity raised concerns for some. The emergence in Ukraine of Coronavirus Disease 2019 (COVID-19) created further difficulties but also led the government to advance key reforms necessary to unlock international financial support.

The United States has long supported Ukraine's independence, sovereignty, and democratic trajectory. Since 2014, many Members of Congress, on a bipartisan basis, have condemned Russia's invasion of

Ukraine at a Glance
Population: 41.9 million (2020 est., excluding about 2.2 million in Crimea)
Size: Slightly smaller than Texas
Capital: Kyiv
Ethnicity: 78% Ukrainian, 17% Russian, 0.5% Crimean Tatar (2001 census)
Languages: Ukrainian (official), 68%; Russian (regional status), 30% (2001 census)
Religion: About 75% Orthodox Christian (mostly Ukrainian Orthodox), 8%-10% Greek Catholic
GDP/GDP per capita: $153 billion/$3,649 (2019)
Top Exports: cereals (corn, wheat, barley), iron and steel, sunflower oil, iron ore, electrical equipment and parts, oil seeds
Leadership: President Volodymyr Zelensky, Prime Minister Denys Shmyhal, Foreign Minister Dmytro Kuleba, Defense Minister Andrii Taran, Parliamentary Chairperson Dmytro Razumkov
Sources: State Statistics Service of Ukraine, World Bank, Pew Research Center.

Ukraine, promoted sanctions against Russia for its actions, and supported increased economic and security aid to Ukraine. In 2019, U.S. relations with Ukraine became a prominent issue in U.S. domestic affairs, as the House of Representatives agreed to articles of impeachment related in part to alleged presidential actions regarding Ukraine. The Senate acquitted the President of the charges in February 2020.

This report provides an overview of Ukraine's domestic politics and reform challenges; Ukraine's conflict with Russia and the conflict settlement process; the Ukrainian economy; and Ukraine's relations with the United States, the European Union (EU), and NATO.

Politics and Governance

Ukraine, an independent country since 1991, is one of the largest successors, by territory, population, and economy, to the Union of Soviet Socialist Republics (USSR, or Soviet Union) (for map, see **Figure 1**). Historically, Ukrainians trace their lineage to medieval Kievan Rus, an early Orthodox Christian state that Russians also consider a core part of their heritage. Most of Ukraine's territory was incorporated over time into the USSR's predecessor, the Russian Empire, although several western regions of Ukraine were first annexed by the Soviet Union during World

War II. In December 1991, Ukraine's leaders joined those of neighboring Russia and Belarus to dissolve the USSR.[1]

Since independence, many observers have considered Ukraine to have a "hybrid" political regime, containing both democratic and nondemocratic elements. Since 2011, the U.S.-based nongovernmental organization (NGO) Freedom House has given Ukraine an annual "freedom rating" of "partly free."[2] According to Freedom House, Ukraine's democratic credentials improved after the ouster of former President Viktor Yanukovych in 2014, in Ukraine's Revolution of Dignity (see "From Orange Revolution to Revolution of Dignity" text box, below).

From Orange Revolution to Revolution of Dignity

Ukraine's first two presidents, Leonid Kravchuk (1991-1994) and Leonid Kuchma (1994-2005), were former Communist Party officials who claimed to promote Ukraine's national interests but also presided over economic mismanagement, corruption, and other abuses of power. Most prominently, Kuchma came to be suspected of responsibility for the 2000 murder of journalist Georgiy Gongadze.

In 2004, a popular movement known as the Orange Revolution thwarted the efforts of Kuchma's team—with Russian support—to fraudulently elect as president a handpicked successor, then-Prime Minister Viktor Yanukovych. Yanukovych's reformist opponent, Viktor Yushchenko, was allegedly poisoned during the election campaign, won the first round, and was elected in a rerun of the fraudulent second round. However, infighting and poor governance led to disillusionment with the "Orange government" and eventually to Yanukovych's return to power, first as prime minister (2006-2007) and then as president (2010-2014).

Many observers considered Yanukovych to be a corrupt and authoritarian president who preferred to preserve power with Russia's support rather than pursue Western-oriented reforms. Yanukovych also was reluctant to fulfill a key demand of Western partners, the release from prison of Yulia Tymoshenko, a former prime minister whom he defeated in the 2010 presidential election. In 2011, Tymoshenko was sentenced to seven years in prison for abuse of power and other charges that many observers considered to be politically motivated.

In November 2013, protests erupted over Yanukovych's decision to postpone concluding an association and free trade agreement with the European Union. The government suppressed the initial protests, leading to larger protests, violent clashes with police, and the killing of over 100 protestors (whom many Ukrainians refer to as the Heavenly Hundred); almost 20 police officers also were killed. In February 2014, Yanukovych's government collapsed. Yanukovych had agreed to a deal with the opposition that was to lead to an early presidential election, but instead he departed for eastern Ukraine amid government defections. Subsequently, Tymoshenko was freed from prison, Ukraine's parliament voted to remove Yanukovych from office, and Yanukovych left Ukraine for Russia. In 2019, Yanukovych was found guilty of treason and sentenced in absentia to 13 years in prison.

Sources: Adrian Karatnycky, "Ukraine at the Crossroads," *Journal of Democracy* 6, no. 1 (January 1995), pp. 117-130; Dominique Arel, "Kuchmagate and the Demise of Ukraine's Geopolitical Bluff," and Keith A. Darden, "Blackmail as a Tool of State Domination: Ukraine Under Kuchma," *East European Constitutional Review* 10, no. 2/3 (Spring/Summer 2001), pp. 54-59, 67-71; Andrew Wilson, *Ukraine's Orange Revolution* (Yale University Press, 2005); Anders Aslund and Michael McFaul, *Revolution in Orange: The Origins of Ukraine's Democratic Breakthrough* (Carnegie Endowment, 2006); Andrew Wilson, *Ukraine Crisis: What It Means for the West* (Yale University Press, 2014); RFE/RL, "Ukraine Sentences Ex-President Yanukovych in Absentia to 13 Years in Prison," January 24, 2019.

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[1] Historical surveys of Ukraine include Orest Subtelny, *Ukraine: A History*, 4th ed. (Toronto: University of Toronto Press, 2009); Paul Robert Magosci, *A History of Ukraine: The Land and Its Peoples*, 2nd ed. (Toronto: University of Toronto Press, 2010); and Serhii Plokhy, *The Gates of Europe: A History of Ukraine* (New York: Basic Books, 2015).

[2] Freedom House ranks all countries in the world on a "freedom" scale, which includes measures of political rights and civil liberties. Freedom House also scores post-Communist states on an index of "democratic progress" ranging between 1 (most democratic) and 7 (least democratic). States that receive a "democracy score" between 4 and 5 are considered "transitional governments or hybrid regimes." Ukraine has received a democracy score between 4 and 5 since at least 1999. See annual reports in Freedom House, *Freedom in the World 2020*, at https://freedomhouse.org/country/ukraine/freedom-world/2020, and *Nations in Transit 2018*, at https://freedomhouse.org/report/nations-transit/2018/ukraine.

Political Developments

Ukraine has a mixed presidential-parliamentary system, in which the president shares power with a prime minister appointed by Ukraine's legislature, the *Verkhovna Rada*. When the legislature is dominated by the president's party, as is currently the case, observers consider the president more powerful than the prime minister (whom the president typically chooses in such circumstances).

The most recent presidential election was held in March-April 2019, and snap parliamentary elections were held in July 2019. The victories of political novice Volodomyr Zelensky and his Servant of the People party appeared to reflect widespread disillusionment with Ukraine's political establishment.

2019 Presidential Election. On April 21, 2019, popular actor-comedian and producer Volodomyr Zelensky (now aged 42) overwhelmingly won the second round of Ukraine's presidential election, defeating incumbent Petro Poroshenko 73% to 24%.[3] International and domestic observers considered the election to be generally free and fair.

A strong supporter of Ukraine's integration with the EU and NATO, Poroshenko had unofficially campaigned under the slogan of "Army! Language! Faith!"[4] The slogan reflected Poroshenko's efforts to gain popular support as a defender of Ukraine's sovereignty and national identity. Many Ukrainians, however, believed Poroshenko had failed to combat corruption and, generally, had not done enough to restore the country's economic health after almost five years of conflict.[5]

Zelensky ran as an outsider ostensibly untainted by politics or corruption. His appeal stemmed in part from his starring role in a popular television show, *Servant of the People*, as a beloved schoolteacher who is unexpectedly elected president of Ukraine after a video of him delivering an anti-corruption rant goes viral.

The election outcome suggested that issues of ethnic and linguistic identity mattered less to voters than expected. Zelensky demonstrated broad appeal across the country, coming in first in all but one of Ukraine's regions (he lost to Poroshenko in the western region of Lviv). Despite his outsider status, Zelensky did not campaign as a nationalist or a populist. On the contrary, Zelensky is a native Russian speaker who also speaks Ukrainian, is of Jewish descent, and supports closer relations with the West. He is from Kryvih Rih (Kryvoi Rog) in Ukraine's Dnipropetrovsk region, north of Crimea.

2019 Parliamentary Elections. Zelensky consolidated his political victory with snap parliamentary elections held on July 21, 2019 (see **Table 1**). Zelensky's earlier victory in the presidential election boosted the fortunes of his nascent and politically untested party, Servant of the People (named after one of his popular television shows). The party won 60% of seats, including 43% of the party-list vote and almost two-thirds of majoritarian seats, making it the first party in independent Ukraine to win an outright majority of seats.[6] Many of the party's leading

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[3] In the first round of the election in March 2019, Volodomyr Zelensky won 30% of the vote. Petro Poroshenko came in second place, with 16%. Poroshenko is a wealthy businessman and member of parliament who supported the Euromaidan protests and won 55% of the popular vote in a May 2014 election to succeed Viktor Yanukovych. Poroshenko held government positions under Ukraine's two previous presidents, including as foreign minister (2009-2010) under Viktor Yushchenko and minister of trade and economic development (2011-2012) under Yanukovych.

[4] Leonid Bershidsky, "Religion Will Be on Ukraine's Ballot," Bloomberg, December 18, 2018.

[5] Ilko Kucheriv Democratic Initiatives Foundation, "The Fight Against Corruption in Ukraine: Public Opinion," June 1, 2018; Volodymyr Yermolenko, "Does Poroshenko Have a Chance at a Second Term?" *UkraineAlert*, Atlantic Council, October 1, 2018.

[6] Single-mandate seats from 26 districts in occupied Crimea and the nongovernment-controlled areas of eastern

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members are under the age of 40 and include, among others, Zelensky associates, anti-corruption activists, and former members of other political parties.[7]

Another four parties received enough party-list votes to enter parliament. These are the eastern Ukrainian-based (and Russian-leaning) Opposition Platform–For Life (13%); former Prime Minister Yulia Tymoshenko's Fatherland (8%); ex-President Poroshenko's European Solidarity (8%); and Voice (6%), a new party of reformists and professionals led by rock musician Svyatoslav Vakarchuk. Fatherland, European Solidarity, and Voice all are considered to be pro-Western parties. A few other parties won seats in the majoritarian races, but independent candidates received most of the seats that were not won by Servant of the People candidates. Parliamentary chairperson Dmytro Razumkov (aged 36) was head of Zelensky's election campaign and is a former political consultant.

Table 1. 2019 Parliamentary Elections

Party	Party List Seats (%)	Majoritarian Seats	Total Seats (Current Seats)
Servant of the People	124 (43%)	130	254 (248)
Opposition Platform–For Life	37 (13%)	6	43 (44)
Fatherland	24 (8%)	2	26 (24)
European Solidarity	23 (8%)	2	25 (27)
Voice	17 (6%)	3	20 (20)
Opposition Bloc	—(3%)	6	6
Freedom	—(2%)	1	1
Self Reliance	—(<1%)	1	1
Other/Independents	—	48	48
Total	225	199	424

Sources: Central Election Commission of Ukraine; *Ukrainska Pravda*.

Notes: Only parties that won seats are listed. Five other parties received between 1% and 5% of the party-list vote (another nine received less than 1% of the vote). Since the elections, two non-party "deputies' groups" have been established: For the Future (22 seats) and Trust (17 seats). Twenty-two members of parliament currently are not affiliated with any party or group.

2020 Government Reshuffle. Ukraine's new parliament held its first session at the end of August 2019. The parliament appointed as prime minister 35-year-old Oleksiy Honcharuk, formerly an economic adviser to Zelensky and head of an EU-funded business policy institute. Almost all ministers in the Honcharuk cabinet were under the age of 50.[8]

The first Servant of the People government was in power for six months. In March 2020, Honcharuk submitted his resignation after Zelensky expressed dissatisfaction with his cabinet, leading parliament to dismiss the government. Zelensky praised the outgoing government for being clean and hardworking but expressed a lack of confidence in its ability to address mounting challenges, including budgetary shortfalls, declining industrial production, wage arrears, high utility prices, low pensions, and a slow pace in prosecuting high-level corruption cases.[9]

Ukraine are unfilled.

[7] Oksana Grytsenko and Vyacheslav Hnatyuk, "What We Know About People Zelensky Will Take to Next Parliament," *Kyiv Post*, July 8, 2019.

[8] "Here's Every Member of Ukraine's New Cabinet of Ministers," *Kyiv Post*, August 29, 2019.

[9] *Kyiv Post*, "Zelensky on Cabinet Replacement: 'This Government Achieved More Than All the Rest, Combined,'" March 5, 2020.

The reshuffling followed a minor political scandal. In January 2020, alleged covert recordings of government meetings were leaked, with one purporting to capture Honcharuk saying that Zelensky had a "primitive understanding" of the economy.[10] Honcharuk offered to resign, but Zelensky expressed confidence in the prime minister and called on security agencies to identify those responsible for the recording.

Observers suggest a decline in public opinion ratings influenced Zelensky's desire to replace the government. In one regular poll, approval of the Honcharuk cabinet declined from 51% in October 2019 to 21% in February 2020.[11] Zelensky's approval rating, while higher, also declined during Honcharuk's time in office. From the president's May 2019 inauguration through September 2019, his approval rating was about 70% or higher. In February 2020, Zelensky's approval rating was about 50% or lower.[12]

The second Servant of the People government is headed by Prime Minister Denys Shmyhal (aged 44). Under Zelensky, Shmyhal served as head of administration in the western Ukrainian region of Ivano-Frankivsk and then as deputy prime minister and minister for community and territorial development. Shmyhal previously was a local official in the western region of Lviv and entered the private sector in 2015. From 2017, he worked for DTEK, a major energy conglomerate, including since 2018 as head of a large power plant.

The cabinet includes several officials with previous government experience and two former military officials. In addition to Shmyhal, about one-third of ministers remained from the Honcharuk cabinet, including Minister of Internal Affairs Arsen Avakov (an unpopular but powerful carryover from the Poroshenko government).[13] Outgoing Prosecutor General Ruslan Riaboshapka defended his office's work and implied that corrupt interests seeking to undermine reforms were behind his removal.[14]

Some observers expressed concern about Zelensky's decision to reshuffle the government, which had gained the support of international lenders and donors.[15] One concern was that the Honcharuk government had launched major reforms but was not given sufficient time to achieve results; observers feared the new cabinet might be less willing to carry out reforms. A related concern was that the reshuffle could strengthen oligarchic influences, especially given Shmyhal's recent tenure at DTEK, which is owned by Ukraine's wealthiest individual, Rinat Akhmetov.

Observers also debated the implications of the reshuffle for another wealthy businessperson, Ihor Kolomoysky, who some believe has become more influential since Zelensky's election.[16]

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[10] Anton Troianovski, "A Leak, a Resignation and Another Chance: Ukraine Infighting Grows," *New York Times*, January 17, 2020.

[11] Kyiv Institute of International Sociology, "Assessment of Authorities' Activities and Reaction to Current Events: February 2020" (in Ukrainian), February 27, 2020, at https://www.kiis.com.ua/?lang=ukr&cat=reports&id=920&page=1&t=1. Hereinafter, Kyiv Institute of International Sociology, "Assessment."

[12] Kyiv Institute of International Sociology, "Assessment"; Ukrinform, "Over Half of Ukrainians Trust President – Razumkov Center," February 24, 2020.

[13] A few ministers reportedly were invited to remain in the cabinet but declined, citing uncertainty about the government's policy course. *Kyiv Post*, "These Are the 10 Ministers Ousted in Ukraine's Cabinet Shakeup," March 9, 2020.

[14] *Kyiv Post*, "Riaboshapka to Parliament: 'I'm Leaving to Return,'" March 6, 2020.

[15] RFE/RL, "Ukraine's Government Reshuffle Raises Concerns over Reform Agenda," March 4, 2020, and Oleh Havrylyshyn and Basil Kalymon, "Ukraine's New Government Must Act Fast or Face Failure," Atlantic Council, March 5, 2020.

[16] Ihor Kolomoysky served as the head of administration in the Dnipropetrovsk region for one year until falling out with then-President Poroshenko in 2015.

Kolomoysky controls Ukraine's most popular television station, which aired Zelensky's shows. He has sought to recover or be compensated for the loss of PrivatBank, Ukraine's largest commercial bank, which the National Bank of Ukraine nationalized in 2016 after $5.5 billion went missing (Kolomoysky and other owners were suspected of benefitting from fraudulent lending).[17] Many observers had seen Honcharuk as acting against Kolomoysky's interests, and some believed the government reshuffle would permit Kolomoysky to retain influence.[18]

Far Right and Attacks on Civil Society and Minorities. Some observers have expressed concern about the rise of far-right Ukrainian nationalist groups. Such groups gained attention during the Euromaidan protests, when activists from groups such as the Freedom (*Svoboda*) political party and the Right Sector (*Praviy Sektor*) movement participated in a violent wing of the resistance against the Yanukovych government.[19] Some of these groups transformed into wartime volunteer battalions, such as the Azov Battalion (which Kolomoysky reportedly financed), fought against Russian-led forces in eastern Ukraine, and eventually were incorporated into Ukraine's National Guard in the Ministry of Internal Affairs (in Azov's case, as a regiment formally called the Azov Special Purpose Detachment).[20] Azov reportedly also is influential in Ukraine's veterans' movement.[21] Some groups, including Azov, have established political parties and ties with far-right movements outside Ukraine.[22]

Although Azov and other far-right organizations have gained a certain legitimacy in Ukrainian society and government, they have not been successful electorally. In 2014 parliamentary elections, the Freedom party won less than 5% of the vote (not enough to receive party-list seats) and received six majoritarian seats; Right Sector won one majoritarian seat. In the 2014 presidential election, the Freedom party's leader won 1% of the vote and Right Sector's then-leader won less than 1% of the vote. In 2019 parliamentary elections, the Freedom party, the Azov-affiliated National Corps, Right Sector, and other far-right parties and movements united in a single bloc; the bloc won 2% of the vote and one majoritarian seat. In the 2019 presidential election, the united right-wing candidate won less than 2% of the vote.

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[17] The former head of the National Bank of Ukraine now resides in London, where she has reported multiple attacks against her and her family related to the PrivatBank case and policies she implemented while in office. In September 2019, a house she owns outside Kyiv was the target of an alleged arson attack, for which she held Kolomoysky responsible. Matthias Williams and Natalia Zinets, "Comedian Faces Scrutiny over Oligarch Ties in Ukraine Presidential Race," Reuters, April 1, 2019; Shaun Walker and Andrew Roth, "'It's Revenge': Ukraine's Ex-Central Banker Blames Oligarch for Attacks," *Guardian*, November 12, 2019.

[18] Kolomoysky's influence also appeared to wane in February 2020, when Zelensky replaced as his chief of staff a lawyer who previously worked for Kolomoysky. Zelensky's current chief of staff is Andriy Yermak, a former foreign policy aide and media executive. Konstantin Sorokin, "Ukraine's Unromantic Reshuffle," Carnegie Moscow Center, March 6, 2020; Todd Prince, "Out Went the Cabinet, In Came the Coronavirus: Pressure Mounts for Reforms in Ukraine," RFE/RL, March 22, 2020.

[19] See, for example, Andrew Higgins and Andrew E. Kramer, "Converts Join with Militants in Kiev Clash," *New York Times*, February 21, 2014.

[20] Hromadske International, "Ukraine's 'Battalions' Army, Explained," September 17, 2014; Vera Mironova and Ekaterina Sergatskova, "How Ukraine Reined in Its Militias: The Lessons for Other States," *Foreign Affairs*, August 1, 2017; Kimberly Marten and Olga Oliker, "Ukraine's Volunteer Militias May Have Saved the Country, But Now They Threaten It," *War on the Rocks*, September 14, 2017.

[21] Bellingcat, "Ukraine's Ministry of Veterans Affairs Embraced the Far Right – with Consequences to the U.S.," November 11, 2019.

[22] Christopher Miller, "Azov, Ukraine's Most Prominent Ultranationalist Group, Sets Its Sights on U.S., Europe," RFE/RL, November 14, 2018; Oleksiy Kuzmenko, "'Defend the White Race': American Extremists Being Co-Opted by Ukraine's Far-Right," Bellingcat, February 15, 2019; Michael Colborne, "Inside the Extremist Group that Dreams of Ruling Ukraine," *Haaretz*, February 23, 2019.

Far-right groups and others have been implicated in violent attacks against civil society activists, journalists, and minorities, including members of the Roma and lesbian/gay/bisexual/transgender (LGBT) communities. Human rights NGOs reported more than 50 attacks on activists and human rights defenders in 2018 and more than 80 attacks in 2019.[23] Many of the attacks appeared to be related to local affairs, allegedly as reprisals for investigations of corruption and other illegal activities. One prominent case was that of Kateryna Handzyuk, an activist and city council employee who was the victim of a severe acid attack in July 2018; she died of her wounds in November 2018. Another lethal attack victim was local investigative journalist Vadym Komarov, who died of his wounds in June 2019.

During Poroshenko's presidency, observers expressed concern that authorities did not thoroughly investigate such cases and that, when prosecutions did occur, perpetrators may have been punished but not always those suspected of ordering the attacks.[24] In some cases, observers believe local government officials, rather than far-right groups, have instigated attacks (reportedly often hiring far-right members to carry out the attacks).

Reform Challenges

After 2014, Ukraine embarked on an ambitious reform agenda. In 2017, the International Monetary Fund (IMF) praised key reforms, including a reduction of the fiscal deficit, increase in gas prices (retaining subsidies for lower-income households), and reform of the banking system.[25] During Poroshenko's presidency, observers also noted progress in public procurement transparency, decentralization, health care reform, and judicial reform.[26]

At the same time, domestic and international stakeholders criticized the government under Poroshenko for slowly implementing, failing to complete, or backsliding on key reforms, particularly with regard to anti-corruption efforts (see "Anti-corruption Efforts," below). International partners and donors underlined the importance of further reforms in the energy sector (see "Energy," below), sustainable pension reform, the privatization of state-owned enterprises, and land sales (a moratorium has existed on land sales since 2001).[27]

In 2016, the IMF warned that stalled reforms could lead to a halt in loan disbursements to Ukraine. The IMF eventually issued two more disbursements under a four-year loan package

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[23] Amnesty International, *Ukraine: Human Rights Under Pressure, Their Advocates Under Attack*, February 8, 2019; Office of the United Nations High Commissioner for Human Rights (OHCHR), *Civic Space and Fundamental Freedoms Ahead of the Presidential, Parliamentary and Local Elections in Ukraine in 2019-2020*, March 12, 2019; Interfax Ukraine, "More than 80 Cases of Harassment of Public Activists in Ukraine Documented by Human Rights Groups in 2019 – Report," January 28, 2020.

[24] Tetiana Kozak, "Who Is Ordering Attacks on Activists in Ukraine," Open Democracy, August 23, 2018; RFE/RL, "Ukrainian Court Sentences Five Men in Activist's Death Following Acid Attack," June 6, 2019.

[25] International Monetary Fund (IMF), "Ukraine Receives IMF Support but Must Accelerate Reforms," IMF Country Focus, April 4, 2017.

[26] See, for example, Rowland Manthorpe, "From the Fires of Revolution, Ukraine Is Reinventing Government," *Wired*, August 20, 2018; Maryna Rabinovych, Anthony Levitas, and Andreas Umland, *Revisiting Decentralization After Maidan: Achievements and Challenges of Ukraine's Local Governance Reform*, Kennan Institute, July 16, 2018; UNIAN Information Agency, "Council of Europe Praises Judicial Reform in Ukraine," June 13, 2019; Melinda Haring, "Finally Some Good News from Ukraine," Atlantic Council, June 26, 2018.

[27] See, for example, IMF, "Reforming Ukraine's Pension System," in *Ukraine: Selected Issues*, March 7, 2017, pp. 19-37; World Bank, *Ukraine Special Focus Note: Reforming Land Markets for Agricultural Growth*, October 3, 2017; World Bank Group, *Reducing Market Distortions for a More Prosperous Ukraine: Proposals for Market Regulation, Competition Policy, and Institutional Reform*, March 2019.

(2015-2019) but did not release any more funds from that package after April 2017.[28] The IMF approved a new short-term loan package in December 2018.[29]

After taking power in 2019, Zelensky and his Servant of the People government unveiled their own ambitious reform program. Their program included tightening anti-corruption legislation; promoting long-awaited judicial, security, land, and privatization reforms; and investing in infrastructure and defense.[30] Some of the first votes of Ukraine's newly elected parliament were to enact a fully proportional electoral system, lift parliamentary deputies' immunity from prosecution, and reduce the size of parliament (the latter reform has not been enacted yet).[31]

In its first few months, the new Ukrainian parliament engaged in a flurry of legislative activity, popularly referred to as "turbo-mode." By the end of 2019, more than 130 laws had been enacted and dozens of others were under consideration.[32] Legislation attempted to advance anti-corruption and rule-of-law reforms; accelerate decentralization efforts; introduce fiscal, trade, and pro-business reforms; and pave the way for the privatization of state assets and the establishment of a land market.[33] In December 2019, the IMF commended Ukraine for "impressive progress ... in advancing reforms and continuing with sound economic policies," and it announced an agreement for a new $5.5 billion three-year loan package conditional on the passage of legislation on land sales and on safeguarding the restructuring of the banking sector.[34]

At the same time, observers have expressed some concerns that the rapid pace of lawmaking has introduced various substantive and procedural deficiencies in reform legislation. Observers also have raised concerns about implementation, especially with regard to judicial reforms (see "Justice Sector Reform," below) and other reforms that face resistance by wealthy businesspeople, corrupt actors, or (in the case of land reform) the public.[35] In addition, some observers have expressed disapproval of what they consider the government's pursuit of politically motivated cases against ex-President Poroshenko.[36]

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[28] IMF, "Statement by the Managing Director on Ukraine," press release, February 10, 2016; Natalia Zinets, "Ukraine Goes Back to the Future as IMF Programme Stutters," Reuters, August 1, 2018.

[29] IMF, "IMF Executive Board Approves 14-Month US$3.9 Billion Stand-By Arrangement for Ukraine, US$1.4 Billion for Immediate Disbursement," press release, December 18, 2018.

[30] Oleksiy Sorokin and Anna Myroniuk, "Zelensky to Cabinet: Adopt Budget, Lift Land Moratorium, Legalize Casinos—Fast!" *Kyiv Post*, September 2, 2019; "Quick Wins, Big Promises: Zelensky's Agenda for Parliament, Government," *Kyiv Post*, September 6, 2019.

[31] Laws amending the election code and removing parliamentary immunity were enacted by the end of 2019. RFE/RL, "Ukraine Lifts Prosecutorial Immunity for Members of Parliament," December 19, 2019; International Foundation for Electoral Systems, "Ukraine's Parliament Adopts Historic Election Code," December 19, 2019; UNIAN Information Agency, "Rada Paves Path Toward Cutting Number of Parliament Seats," February 4, 2020.

[32] Razumkov Center, *Ukraine 2019-2020: Broad Opportunities, Contradictory Results* (2020), p. 151.

[33] Tetyana Tyshchuk, "iMoRe: Quarterly Review, Quarter III, 2019: Calm Before the Storm?" Vox Ukraine, December 12, 2019, and Kseniia Alekankina, "Turbo-Mode of the Ukrainian Government: Reforms in the 4th Quarter of 2019," Vox Ukraine, January 29, 2020. Also see Razumkov Center, *Ukraine 2019-2020: Broad Opportunities, Contradictory Results*, 2020.

[34] IMF, "Statement by the IMF Managing Director on Ukraine," December 7, 2019; IMF, "Statement by the IMF Managing Director on Ukraine," March 26, 2020.

[35] Hromadske International, "Looking Back at Ukraine's 2019: A New Government at the Center of Attention," December 23, 2019; Roman Olearchyk, "Ukraine Sows Seeds of Suspicion with Land Sale Plans," *Financial Times*, January 19, 2020; Ilona Sologoub, "Ukraine's Top Five 2020 Reform Priorities," Atlantic Council, January 21, 2020; and Anders Aslund, "Zelenskyy Must Not Miss His Chance to Change Ukraine," Atlantic Council, February 6, 2020.

[36] Andrew E. Kramer, "Ukraine Is Threatening to Arrest Its Former President," *New York Times*, February 28, 2020; RFE/RL, "Ukraine's Ex-President Calls on President 'To Stop Persecuting Opposition,' Before Questioning," February

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Although Ukraine's March 2020 reshuffling raised some concerns about the government's reform commitment, the emergence in Ukraine of Coronavirus Disease 2019 (COVID-19) led to a series of rapid reform measures. Within weeks, parliament dismissed two controversial new ministers of health and finance. To reach an agreement with the IMF, and to receive greater COVID-19-related funding, the Ukrainian parliament preliminarily approved legislation to prevent the return of nationalized banks to their former owners. The parliament also passed land reform legislation, which had been bogged down with more than 4,000 draft amendments.[37] Starting in July 2021, Ukrainian nationals will be able to buy and sell land of up to 100 hectares (about 250 acres); from 2024, Ukrainian entities will be able to buy and sell up to 10,000 hectares (about 25,000 acres).[38]

COVID-19 Response

As of April 29, 2020, Ukraine had almost 10,000 confirmed cases of COVID-19 and 250 deaths attributed to the virus. The first confirmed case was reported on March 2. In response to the pandemic, the Ukrainian government adopted measures similar to those in other European countries, including restricted movement into and within the country, school closures, social distancing, and mask usage. In April 2020, the Ukrainian parliament amended the national budget to establish a $2.4 billion coronavirus fund and increase spending on health care and pensions. Ukraine is hoping to receive billions of dollars in emergency financing and other assistance from the International Monetary Fund and the European Union.

In February 2020, protesters violently resisted the arrival of more than 70 Ukrainian and foreign national evacuees from Wuhan, China, who had tested negative for COVID-19 and were to be quarantined in a nearby sanatorium. Ukraine's then-minister of health (dismissed in the March 2020 government reshuffle) reportedly joined the evacuees in quarantine to calm public fears.

Sources: Pavel Polityuk and Natalia Zinets, "With Selfie, Ukrainian Health Minister Joins Coronavirus Evacuees in Quarantine," February 21, 2020; President of Ukraine, "Address by the Head of State on Counteraction to Coronavirus," March 16, 2020; Bermet Talant, "Timeline of Ukraine's Response to Coronavirus Outbreak," *Kyiv Post*, March 19, 2020; Katya Gorchinskaya, "Ukraine Approves a Crisis Budget, But Has No Way to Cover Deficit," *Forbes*, April 13, 2020.

Anti-corruption Efforts

Combating corruption was to be a central focus of the Ukrainian government after the Revolution of Dignity. High levels of corruption allegedly persisted during Poroshenko's presidency, however, and many officials resisted anti-corruption measures. In opinion polls, respondents consistently rank corruption as one of the country's two most important issues (the other is the conflict with Russia).[39] Since 2013, Ukraine's score in the NGO Transparency International's Corruption Perception Index has improved slowly; in 2019, it ranked 126 out of 180 countries.[40]

28, 2020.

[37] Ben Aris, "Final Version of Ukraine's Banking Law Agreed with IMF," bne Intellinews, March 24, 2020; Roman Olearchyk, "Ukraine Seeks to Unblock IMF Aid with Bank Clean-Up Law," *Financial Times*, March 26, 2020; Iuliia Mendel, "Two Historic Votes for Ukraine," Atlantic Council, March 30, 2020.

[38] Land reform was more gradual than originally planned. The original draft provided for sales of up to 200,000 hectares. Hromadske International, "Ukrainian Parliament Passes Land Market Law," March 31, 2020.

[39] International Republican Institute and Rating Group Ukraine, "Public Opinion Survey: Residents of Ukraine, December 13-29, 2019," March 6, 2020, at https://www.iri.org/resource/new-national-survey-ukraine-highlights-ukrainian-views-economic-and-geopolitical-issues.

[40] The Corruption Perception Index includes absolute and relative scores. Ukraine's absolute score rose from 25 to 32 between 2013 and 2018 and declined to 30 in 2019 (primarily on the basis of Poroshenko-era developments). Transparency International, "Ukraine," Corruption Perceptions Index 2019, at https://www.transparency.org/country/UKR; Transparency International Ukraine, "Corruption Perception Index 2019," at https://ti-ukraine.org/en/research/corruption-perceptions-index-2019/.

A major focus of anti-corruption reforms has been the establishment of three related institutions: the National Anti-Corruption Bureau of Ukraine (NABU), an investigative body; the Specialized Anti-Corruption Prosecutor's Office; and the High Anti-Corruption Court.[41] NABU and the Anti-Corruption Prosecutor's Office were established in 2015. After years of delay, Poroshenko agreed in 2018 to establish the Anti-Corruption Court, after the United States, the EU, the IMF, and the World Bank called on the government to do so in line with international recommendations. Judges were selected via a competitive process that included the participation of international experts.[42]

Various obstacles have impeded the functioning of Ukraine's anti-corruption institutions, although their situation appears to have improved under the Servant of the People government. NABU repeatedly has encountered resistance from within the government, reportedly due to the agency's investigative activities and independence. In 2017, a NABU operation targeting alleged corrupt officials at the State Migration Service was intercepted and exposed by Ukraine's security service and the prosecutor general's office.[43] In early 2019, NABU came under legal pressure to close dozens of investigations into alleged corruption, after Ukraine's Constitutional Court issued a controversial ruling that the underlying basis for the investigations, related to the crime of illicit enrichment, was unconstitutional. A new law on illicit enrichment enacted in November 2019 has allowed cases to proceed. [44]

NABU's director also has faced opposition. In 2019, a district court found the director, Artem Sytnyk, guilty of a misdemeanor related to vacation expenses paid by an acquaintance; an appeals court upheld the ruling in December 2019. Sytnyk says the charges were politically motivated. Many officials and members of parliament have sought Sytnyk's removal.[45]

The Anti-Corruption Prosecutor's Office has been more controversial than NABU. During Poroshenko's presidency, many observers believed that prosecutor Nazar Kholodnytskyi did not exhibit the independence necessary for the position. By 2017, concerns emerged that Kholodnytskyi was hindering the progress of NABU-initiated investigations.[46] In 2018, NABU obtained wiretaps that purported to reveal actions indicative of witness tampering and obstruction of justice.[47] No charges were brought against Kholodnytskyi, however, and he remained in his

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[41] For an overview, see John Lough and Vladimir Dubrovskiy, *Are Ukraine's Anti-Corruption Reforms Working?,* Chatham House, November 2018.

[42] Marc Jones, "IMF Backs Ukraine Anti-corruption Court Plan," Reuters, July 25, 2018; Ukrinform, "How Judges of High Anti-Corruption Court Were Selected," April 16, 2019.

[43] Jessica Donati and James Marson, "Feud Thwarts FBI-Backed Anti-corruption Efforts in Ukraine," *Wall Street Journal*, December 7, 2017.

[44] Transparency International, "Constitutional Court Ruling Undermines Anti-corruption Achievements in Ukraine," March 1, 2019; Oleksandra Drik, "Why the West Should Be Worried About Ukraine's Flagging Fight Against Graft," Atlantic Council, March 12, 2019; Ukrinform, "World Bank Welcomes Signing of Law on Illicit Enrichment in Ukraine," November 26, 2019.

[45] Interfax-Ukraine, "Sytnyk Put on Public Register of Persons Committed Corruption-Related Crimes," December 20, 2019; Matthew Kupfer and Olga Rudenko, "Ukraine's Top Anti-Corruption Official Under Fire from Targets of His Investigations," *Kyiv Post*, February 20, 2020.

[46] Melinda Haring, "Ukraine Is Sliding Back, Sergii Leshchenko Warns," Atlantic Council, March 2, 2017. Also see UNIAN Information Agency, "Chief Anti-Corruption Prosecutor Nazar Kholodnytsky: 'As a Citizen, I Also Crave to See the Verdicts Handed Down Quickly… It's So Hard to Be a Pioneer," April 27, 2017; Anti-Corruption Action Center (Kyiv), "General Kholodnytskyi – Go Away," July 25, 2018.

[47] Oleg Sukhov and Olena Goncharova, "Anti-Corruption Prosecutor Alleged to Have Blocked Cases Against Powerful Suspects," *Kyiv Post*, April 6, 2018; Olena Makarenko, "Divorce of Ukrainian Anti-corruption Institutions: Will It Affect the Investigations Against Top-Corrupts?" Euromaidan Press, July 19, 2018.

position.[48] During the first few months of the Servant of the People government, the prosecutor general and NABU director said cooperation with the Anti-Corruption Prosecutor's Office had improved.[49]

By the end of 2019, NABU had opened almost 900 corruption investigations. Together with the Anti-Corruption Prosecutor's Office, NABU had returned 245 indictments against 438 accused persons and secured 38 convictions. Most of these cases are under the Anti-Corruption Court's jurisdiction.[50]

A fourth anti-corruption institution, the National Agency for the Prevention of Corruption (NAPC), also was established in 2015. The NAPC's main task was to establish a public electronic system for the mandatory disclosure and verification of government officials' assets and incomes. By 2018, up to 1 million officials reportedly had submitted required annual declarations.[51] The verification process moved slowly, however, and eventually stalled. Former NAPC employees accused agency officials of corruption and collusion with other government officials to avoid asset and income verifications.[52] The Servant of the People government has restructured NAPC and appointed a new director.[53]

Justice Sector Reforms

Ukraine's anti-corruption reforms are part of broader justice sector reforms. Zelensky's first prosecutor general, Ruslan Riaboshapka (2019-2020), embarked on a reform of the prosecutor general's office that included a recertification process for central and regional prosecutors. Of more than 1,300 central prosecutors, 54% were removed after they declined to be vetted, failed knowledge-based tests, or did not pass interviews designed as "integrity" checks. As of March 2020, about a quarter of the regional prosecutors who agreed to be vetted reportedly had failed knowledge-based tests. Many observers praised the recertification process, although some said integrity checks were arbitrary and nontransparent.[54] In his departure speech to parliament, Riaboshapka said the prosecutor general's office had opened hundreds of new cases targeting corruption and illicit financial outflows, illegal deforestation and gambling, police torture, and war crimes.[55]

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[48] Olena Makarenko, "Ukraine's Main Anti-Corruption Prosecutor Keeps Office Despite Gross Violations of Professional Ethics," Euromaidan Press, July 27, 2018; Oleg Sukhov, "Criminal Case Against Anti-Corruption Prosecutor Kholodnytsky Closed," *Kyiv Post*, January 29, 2019.

[49] Ukrinform, "Kholodnytsky Hopes Anti-Corruption Court Will Put End to Top Corruption Cases," October 29, 2019; Matthew Kupfer and Olga Rudenko, "Ukraine's Top Anti-Corruption Official Under Fire from Targets of His Investigations," *Kyiv Post*, February 20, 2020.

[50] National Anti-Corruption Bureau of Ukraine, *National Anti-Corruption Bureau of Ukraine: Results and Challenges*, July-December 2019 Report, pp. 23, 38-39, at https://nabu.gov.ua/sites/default/files/reports/zvit_-_ii_2019_all_0.pdf.

[51] Blerta Cela, "Electronic Asset Declarations for Public Officials – Two Years After Its Launch. A Panacea Against Corruption?" UNDP Ukraine, August 25, 2018.

[52] Oleg Sukhov, "Top Anti-graft Official Accuses Her Own Agency of Corruption, Political Persecution," *Kyiv Post*, November 14, 2017; Olena Prokopenko, "Why Ukraine's Major Achievement in Government Transparency May Fail," Atlantic Council, April 2, 2018.

[53] Government of Ukraine, "Government Appoints Oleksandr Novikov as Head of the National Agency on Corruption Prevention," press release, January 15, 2020.

[54] Oleg Sukhov, "Riaboshapka's Housecleaning: Will It Bring Justice for Ukraine?" *Kyiv Post*, January 17, 2020; Robyn Dixon and David L. Stern, "How Ukraine's Zelensky Lost the Anti-corruption Movement," *Washington Post*, March 17, 2020.

[55] *Kyiv Post*, "Riaboshapka to Parliament: 'I'm Leaving to Return,'" March 6, 2020.

After the March 2020 government reshuffling, the future of prosecutorial reforms became uncertain. The new prosecutor general, Iryna Venediktova, was a leading member of parliament from Servant of the People who served as chair of the committee on legal policy. In December 2019, Venediktova was appointed acting director of the State Bureau of Investigation (SBI), a new law enforcement agency that had been the focus of several scandals and was restructured at the time of her appointment.[56] Many criticized Venediktova for appointing as her SBI deputy director a lawyer who previously represented ex-President Yanukovych.[57]

As of April 2020, other justice sector reforms also remain uncertain. In March 2020, Ukraine's Constitutional Court rejected several elements of a November 2019 judicial reform law.[58] Observers considered the legislation to be a reboot of a Poroshenko-era judicial reform many believed to be flawed.[59] Key measures were to include the reform of a commission that hires and fires judges and a reduction in the size of the Supreme Court (by half, to 100 judges). The Constitutional Court also ruled against the establishment of an ethics commission that was to oversee both the rebooted hiring commission and the High Council of Justice, the judiciary's governing body, which "has been accused of blocked judicial reform and promoting tainted judges."[60] In addition, the court ruled against reducing the size of the Supreme Court, a change that international experts also had opposed. The Constitutional Court did not appear to invalidate new vetting regulations that some observers say are intended to keep control of the hiring process in the hands of the High Council of Justice.[61] The judicial hiring commission, like the Anti-Corruption Court, is to be formed with the involvement of international experts.

Orthodox Church of Ukraine

In January 2019, the Ecumenical Patriarch of Constantinople recognized the Orthodox Church of Ukraine (OCU) as an independent (i.e., autocephalous) church, officially separate from the Russian Orthodox Church (ROC). Many Ukrainians viewed this as a major achievement in the evolution of Ukraine's national identity. Previously, most Ukrainian Orthodox churchgoers in Ukraine had been divided between a Kyiv Patriarchate, which was not officially autocephalous, and another wing of the church subordinated to the ROC.[62]

Observers consider the OCU's development to be a long-term process. In a January 2020 poll, 34% of respondents said they were adherents of the OCU and 14% said they were adherents of the ROC-subordinated wing. Another 28% identified as Orthodox but not with a particular church

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[56] Olena Makarenko, "Ukrainian Parliament Reboots State Bureau of Investigations, Unblocks Probe into Maidan Massacre," Euromaidan Press, December 5, 2019.

[57] Hromadske International, "Yanukovych's Ex-Lawyer Becomes Deputy Head of Bureau That Probes Euromaidan Crimes," January 21, 2020.

[58] Oleg Sukhov, "Constitutional Court Cancels Most of Zelensky's Judicial Reform," *Kyiv Post*, March 12, 2020.

[59] Olena Halushka and Halyna Chyzhyk, "Is Ukraine's New Judicial Reform a Step Forward?" Atlantic Council, October 24, 2019. Also see Iryna Budz, "What Prevents Ukrainian Judiciary From Becoming Truly Effective and Independent?, Vox Ukraine, July 24, 2019; and Maria Popova and Daniel J. Beers, "No Revolution of Dignity for Ukraine's Judges: Judicial Reform After the Euromaidan," *Demokratizatsiya: The Journal of Post-Soviet Democratization*, vol. 28, no. 1 (Winter 2020), pp. 113-142.

[60] Oleg Sukhov, "Zelensky's Obstacles on the Way to Rule of Law," *Kyiv Post*, September 6, 2019.

[61] Oleg Sukhov, "Experts Claim Zelensky's Judicial Reform on Brink of Collapse," *Kyiv Post*, January 6, 2020.

[62] The newly established Orthodox Church of Ukraine incorporated the former Kyiv Patriarchate and a smaller self-declared Ukrainian Autocephalous Orthodox Church. Ecumenical Patriarchate, "Patriarchal and Synodol Tomos for the Bestowal of the Ecclesiastical Status of Autocephaly to the Orthodox Church in Ukraine," January 14, 2019.

(8% said they belonged to the western Ukrainian-based Ukrainian Greek Catholic Church).[63] As of January 2020, about 5% of the ROC-subordinated parishes in Ukraine had transferred their allegiance formally to the OCU.[64] The Greek Orthodox Church and the Patriarchate of Alexandria have recognized the OCU; other Orthodox Churches have yet to do so.[65]

Russia opposes the OCU's autocephaly and initially claimed it would threaten the religious freedom and safety of ROC parishioners.[66] U.S. Secretary of State Michael Pompeo called the granting of autocephaly "a historic achievement" and encouraged "government and Church officials to promote tolerance and respect for the freedom of members of all religious affiliations to worship as they choose."[67] In a January 2020 visit to Kyiv, Secretary Pompeo met with OCU Metropolitan Epiphany I and said he was "impressed by his efforts to ensure the independent Orthodox Church of Ukraine is open to all believers."[68]

Conflict with Russia

Many observers believe that of all the post-Soviet states, Ukraine's independence has been the most difficult for Russians to accept. Many Russians traditionally have considered much of Ukraine to be a historical province of Russia and Ukrainians to be close ethnic brethren. In June 2019, Russian President Vladimir Putin said that "Russians and Ukrainians are one people ... one nation."[69] Most Ukrainians can speak Russian, whether as a primary or secondary language. In Ukraine's last national census (2001), 17% of the population identified as ethnic Russians, mostly concentrated in the south (Crimea) and east, where ties to Russia are stronger than in the rest of the country. In Soviet times, eastern Ukraine became home to a heavy industrial and defense production sector that retained close economic ties to Russia after independence.

Before 2014, the Russia-Ukraine relationship occasionally suffered turbulence, with disputes over Ukraine's ties to NATO and the EU, the status of Russia's Crimea-based Black Sea Fleet, and the transit of Russian natural gas via Ukraine to Europe. By the end of 2013, ex-President Yanukovych appeared to make a decisive move toward Russia, postponing an Association Agreement to establish closer political and economic ties with the EU and agreeing instead to substantial financial assistance from Moscow. This decision provoked the Euromaidan protests and, ultimately, led to Yanukovych's removal from power.

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[63] RFE/RL, "One-Third Of Ukrainians Say They Belong to Church Independent of Moscow," RFE/RL, February 4, 2020.

[64] Bohdan Ben, "New Independent Church and Moscow Patriarchate Vie for Parishes in Ukraine," Euromaidan Press, January 30, 2019; RFE/RL, "Epifaniy: About 600 Parishes of Moscow-Aligned Church Convert to New Ukrainian Orthodox Church," January 6, 2020.

[65] Peter Dickinson, "Nation-Building Ukraine Marks a Year of Orthodox Independence," Atlantic Council, February 13, 2020.

[66] Gabby Deutch, "Ukraine's Spiritual Split from Russia Could Trigger a Global Schism," *Atlantic*, October 11, 2018; Robert Person and Aaron Brantly, "The Ukrainian Orthodox Church Is Trying to Withdraw from Moscow's Control. The Kremlin Is Not Happy," *Washington Post*, October 31, 2018; Christine Borovkova and Andreas Umland, "How Russia's Orthodox Church Rejects Ukrainian Autocephaly," *Vox Ukraine*, August 6, 2019.

[67] U.S. Department of State, "Declaration of Ukrainian Autocephaly," January 10, 2019.

[68] @SecPompeo, Twitter, January 31, 2020.

[69] Associated Press, "Putin: Russians, Ukrainians Are 'One People,'" July 20, 2019.

Figure 1. Ukraine

Crimea

Russia's invasion of Ukraine occurred soon after Yanukovych fled to Russia in February 2014. The Russian government covertly deployed forces to Ukraine's Crimea region and, after holding what most observers consider to have been an illegal referendum on secession in March 2014, declared it was incorporating Crimea (with a population of about 2 million people) directly into the Russian Federation.[70] In explaining these actions, Russian government officials cast the Revolution of Dignity as a Western-backed "coup" that, among other things, could threaten the security of the ethnic Russian population in Crimea, eject Russia's Black Sea Fleet from the region, and potentially even bring Ukraine into NATO, something Moscow firmly opposed.

Since 2014, Russia has significantly increased its military presence in Crimea and suppressed local dissent. Ukrainian officials say Russia has deployed more than 31,000 troops to Crimea, as well as S-400 surface-to-air missile systems and other advanced weaponry.[71] The Office of the United Nations High Commissioner for Human Rights (OHCHR) has documented "multiple and

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[70] Studies of the conflict in Crimea and eastern Ukraine include Richard Sakwa, *Frontline Ukraine: Crisis in the Borderlands* (I.B. Tauris, 2016); Michael Kofman et al., *Lessons from Russia's Operations in Crimea and Eastern Ukraine* (RAND Corporation, 2017); Samuel Charap and Timothy J. Colton, *Everyone Loses: The Ukraine Crisis and the Ruinous Contest for Post-Soviet Eurasia* (Routledge/IISS, 2017); Lawrence Freedman, *Ukraine and the Art of Strategy* (Oxford University Press, 2019); and Sabine Fischer, *The Donbas Conflict: Opposing Interests and Narratives, Difficult Peace Process*, German Institute for International and Security Affairs (SWP), 2019.

[71] Patrick Tucker, "U.S. Intelligence Officials and Satellite Photos Detail Russian Military Buildup on Crimea," *Defense One*, June 12, 2019; Ukrinform, "Already 31,500 Russian Troops Deployed in Occupied Crimea," November 7, 2019.

grave" human rights violations in Crimea and said that minority Crimean Tatars, who are generally opposed to Russia's occupation, have been "particularly targeted."[72]

Much of the international community does not recognize Russia's purported annexation of Crimea. Many states and international organizations have condemned Russia's occupation as a violation of international law and Russia's own commitments under the 1975 Final Act of the Conference on Security and Cooperation in Europe. More specifically, many consider it to be a violation of the 1994 Budapest Memorandum, in which Russia, together with the United States and the United Kingdom (UK), reaffirmed its commitment "to respect the independence and sovereignty and the existing borders of Ukraine," as well as the "obligation to refrain from the threat or use of force" against Ukraine.[73] Since 2014, the United Nations General Assembly has voted several times, most recently in December 2019, to affirm Ukraine's territorial integrity, condemn the "temporary occupation" of Crimea, and reaffirm nonrecognition of its annexation.[74]

The Ukrainian government and state-owned companies seek to uphold their rights in and around Crimea through international arbitration. In 2019, the Paris-based International Court of Arbitration awarded state-owned Oschadbank $1.3 billion in damages from Russia.[75] Ukrainian state-owned energy company Naftogaz seeks about $8 billion in compensation for its seized assets in the Hague-based Permanent Court of Arbitration.[76] In a separate case before the Permanent Court of Arbitration, the Ukrainian government seeks to broadly uphold its maritime rights around Crimea under the United Nations Convention on the Law of the Sea (for more on Russia's maritime aggression, see "Sea of Azov and Kerch Strait," below).[77] In November 2019, the International Court of Justice ruled that it has jurisdiction to hear a case Ukraine filed in 2017 against Russia for its actions in Crimea and eastern Ukraine.[78]

Eastern Ukraine

After occupying Crimea, Moscow engineered the rise of new separatist movements in eastern Ukraine (the Donetsk and Luhansk regions, collectively known as the Donbas; see **Figure 1**).

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[72] Crimean Tatars made up about 10%-15% of Crimea's population before the occupation. OHCHR, "Situation of Human Rights in the Temporarily Occupied Autonomous Republic of Crimea and the City of Sevastopol (Ukraine)," September 25, 2017.

[73] These assurances were provided in connection with Ukraine's assent to the removal of nuclear weapons from its territory. The official title of the Budapest Memorandum is the Memorandum on Security Assurances in Connection with Ukraine's Accession to the Treaty on the Non-Proliferation of Nuclear Weapons. United Nations General Assembly/Security Council (A/49/765, S/1994/1399), December 19, 1994, at https://digitallibrary.un.org/record/169471?ln=en. For details, see Steven Pifer, *The Trilateral Process: The United States, Ukraine, Russia and Nuclear Weapons*, Brookings, May 2011.

[74] U.N. General Assembly Resolutions A/RES/68/262, March 27, 2014; A/RES/71/205, December 19, 2016; A/RES/72/190, December 19, 2017; A/RES/73/194, December 17, 2018; A/RES/73/263, December 22, 2018; A/RES/74/17, December 9, 2019; and A/RES/74/168, December 18, 2019.

[75] UAWire, "Paris Court Upholds Decision To Collect Ukrainian Bank's Crimea-Related Losses from Russia," October 25, 2019.

[76] Ukrinform, "Permanent Court of Arbitration: Russia Illegally Seizes Assets of Naftogaz in Crimea," March 1, 2019; Ukrinform, "Naftogaz Continues To Sue Russia for Lost Crimean Assets," February 10, 2020.

[77] Roman Olearchyk, "Ukraine Hits Russia with Another Legal Claim," *Financial Times*, September 14, 2016; Ukrinform, "Ukraine v. Russia: Permanent Court of Arbitration Publishes Positions of Parties," June 11, 2019; UNIAN Information Agency, "Ukraine's MFA on Arbitral Tribunal Award: Russia to Face Legal Scrutiny for Kerch Bridge Construction," February 21, 2020.

[78] Will Englund, "International Court Clears Way to Hear Cases Against Russia on Crimea and Eastern Ukraine," *Washington Post*, November 8, 2019.

Beginning in April 2014, militants forcibly took power in several cities and towns, announced the establishment of two separatist entities (the so-called Donetsk People's Republic, or DPR, and the so-called Luhansk People's Republic, or LPR), and gradually expanded their control in the two regions. Ukrainian government and volunteer forces fought back, restoring state control over a portion of each region but also suffering some major defeats, including in battles in which regular Russian forces reportedly participated: near Ilovaisk (August-September 2014), the Donetsk Airport (September 2014-January 2015), and Debaltseve (January-February 2015).[79] In 2017, the Ukrainian government estimated that about 60% of the 6.4 million residents of the Donetsk and Luhansk regions (3.8 million) were living under the control of Russian proxies.[80]

For Russia, the establishment of separatist entities in eastern Ukraine may have served multiple purposes. The Russian government claimed it was seeking to "protect" relatively pro-Russian populations in these regions. Many observers believe, however, that Moscow sought to complicate Ukraine's domestic development and foreign policy and increase Russian leverage in potential negotiations over Ukraine's future trajectory.

Unlike Russia's policy toward Crimea, Moscow officially recognizes the areas it controls in eastern Ukraine as Ukrainian territory. Although the Russian government denies military involvement in eastern Ukraine, many observers assert that the Russian government has deployed troops to fight unofficially, encouraged Russian "volunteers" to join these troops, and supplied weaponry and equipment to local fighters. In 2018, then-U.S. Special Representative for Ukraine Negotiations Kurt Volker stated, "Russia has 100 percent command and control of what is happening in the occupied areas there—military forces, political entities, and direct economic activity."[81]

The estimated number of Russian troops in eastern Ukraine has declined since peaking in 2015 at about 12,000.[82] In February 2019, Ukraine's ambassador to the United Nations said over 2,100 Russian military forces, mostly in command and control positions, were fighting in eastern Ukraine, with the total number of Russian-backed fighters about 35,000.[83] In February 2020, Ukraine's minister of defense said there were more than 25,000 Russian forces (presumably including local fighters) in the region.[84]

The conflict's intensity has declined since 2015, but fighting continues. In 2018, then-Special Representative Volker characterized the conflict as a "hot war."[85] According to OHCHR, the conflict has led to an estimated 9,750 combatant deaths and at least 3,350 civilian fatalities.[86]

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[79] Maj. Michael Cohen, "Ukraine's Battle at Ilovaisk, August 2014: The Tyranny of Means," *Military Review*, June 10, 2016; Maj. Amos C. Fox, *"Cyborgs at Little Stalingrad": A Brief History of the Battles of the Donetsk Airport*, Institute of Land Warfare, May 2019; and Maj. Amos C. Fox, "Battle of Debal'tseve: The Conventional Line of Effort in Russia's Hybrid War in Ukraine," *Armor* (Winter 2017), pp. 45-52.

[80] Yuriy Vyshnevskyy, "Demography of ORDLO (Separate Districts of Donetsk and Luhansk Regions)," *Delovaya Stolitsa* (Ukraine), n.d., at https://www.dsnews.ua/static/longread/donbas-eng/demography-of-ordlo.html.

[81] Then-U.S. Ambassador to the United Nations Nikki Haley said, "militants in eastern Ukraine report directly to the Russian military, which arms them, trains them, leads them and fights alongside them." U.S. Department of State, "Press Briefing with Kurt Volker, Special Representative for Ukraine Negotiations," November 8, 2018; Remarks at the U.N. Security Council (S/PV.8270, 16), May 29, 2018, at https://undocs.org/en/S/PV.8270.

[82] Reuters, "Some 12,000 Russian Soldiers in Ukraine Supporting Rebels: U.S. Commander," March 3, 2015.

[83] Remarks at the U.N. Security Council (S/PV.8461, 23), February 12, 2019, at https://undocs.org/en/S/PV.8461.

[84] UNIAN Information Agency, "Ukraine's Defense Minister: Over 25,000 Russian Troops in Occupied Donbas Now," February 19, 2020.

[85] U.S. Department of State, "Latest Developments on Ukraine Negotiations," April 13, 2018.

[86] This includes an estimated 110 Ukrainian combatant deaths, 27 civilian deaths, and (according to Ukrainian

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The conflict's casualty count includes 298 foreign nationals killed in the July 17, 2014, downing of Malaysian Airlines Flight 17, or MH17, a commercial aircraft en route from Amsterdam to Kuala Lumpur that was shot down in Ukrainian airspace. Intelligence sources indicated that separatist forces brought down the plane using a missile supplied by the Russian military.[87] The MH17 tragedy helped galvanize EU support for more substantial sanctions on Russia in response to its invasion of Ukraine. In 2019, the Dutch government announced a decision to prosecute three Russian citizens and a Ukrainian citizen for the downing of MH17.[88]

In April 2019, the Russian government introduced new procedures to expedite the process of granting Russian citizenship to residents of "certain areas" of Donetsk and Luhansk (a diplomatic euphemism for the Russian-controlled areas). In July 2019, these procedures were expanded to apply to all residents of the Donetsk and Luhansk regions.[89] In January 2020, Russian officials stated that Russia had granted citizenship to more than 196,000 residents of the two regions (about 30% of whom live in areas controlled by Ukraine).[90]

Humanitarian Issues

The conflict has led to a large number of internally displaced persons (IDPs). The Ukrainian government has registered more than 1.4 million people as IDPs.[91] International organizations estimate the number of actually displaced persons to be under 1 million, as many IDPs still live in or have returned to their homes but remain registered as IDPs to receive pensions (a requirement established by the Ukrainian government).[92] International organizations and NGOs have called on the government to allow residents of the "nongovernment-controlled areas" of eastern Ukraine (the official term for the Russian-controlled areas) to receive their pensions without having to register as IDPs.[93]

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estimates) more than 600 deaths among Russia-led forces in 2019. OHCHR, *Report on the Human Rights Situation in Ukraine: 16 November 2019 to 15 February 2020*, pp. 7-8; Olena Goncharova, "Russia's War Kills 110 Soldiers in 2019, 10 Soldiers in 2020 Already," *Kyiv Post*, January 24, 2020; UNIAN Information Agency, "JFO HQ Reveals Enemy Death Toll in Donbas Over 2019," January 2, 2020.

[87] Zeke J. Miller, "U.S. Officials Say They Tracked 'Specific' Missile That Downed Malaysian Plane," *Time*, July 22, 2014; Aric Toler, "British Intelligence Report Confirms Russian Military Origin of MH17 Murder Weapon," Bellingcat, December 20, 2017; Netherlands Police, "Update in Criminal Investigation [of the] MH17 Disaster," press release, May 24, 2018. Also see Bellingcat, *The Open Source Investigation: Three Years Later*, July 17, 2017.

[88] Among MH17's passengers were 193 Dutch citizens and 18 citizens of other EU countries. Government of the Netherlands, "Suspects to Be Prosecuted for the Downing of Flight MH17," press release, June 19, 2019; Claire Parker, "Here's What We Know About the Four Suspects Charged with Downing Flight MH17," *Washington Post*, June 19, 2019.

[89] Nataliya Vasilyeva, "Russia Offers Ukrainians in Conflict Zones Quick Citizenship," AP, April 24, 2019; RFE/RL, "Putin Widens Citizenship Offer to All Residents of Ukraine's Donetsk, Luhansk Regions," July 18, 2019.

[90] Russia has provided citizenship to residents in regions of other countries it has militarily occupied (including Georgia's Abkhazia and South Ossetia regions and Moldova's Transnistria region). Observers note that Russia justified its invasion of Georgia in 2008 in part by asserting a need to defend Russian citizens in Georgia's South Ossetia region. UNIAN, "About 200,000 Donbas Residents Obtain Russian Citizenship in 2019 – Russian Media," January 2, 2020; Yuri Zoria, "Is Russia's Passport Scheme in Donbas a Harbinger of Full-Scale Invasion Like in 2008 Georgia?" Euromaidan Press, May 14, 2019.

[91] Ukrinform, "Social Policy Ministry: Over 1,000 IDPs Registered in Ukraine Over Past Week," March 10, 2020.

[92] Internal Displacement Monitoring Centre, at http://www.internal-displacement.org/countries/ukraine; Krzystof Nieczypor, "In the Shadow of War: Ukraine's Policy Towards Internally Displaced Persons," OSW Centre for Eastern Studies (Warsaw), January 16, 2019.

[93] U.N. High Commissioner for Refugees (UNHCR), "Supreme Court of Ukraine Takes Landmark Decision to Protect Pension Rights of IDPs," September 7, 2018; Human Rights Watch, "Ukraine: Pension Issues, Crossing Conditions,"

Residents are permitted to cross the approximately 300-mile long "contact line" that divides the government- and nongovernment-controlled areas of Donetsk and Luhansk. In 2019, an average of about 1.2 million total crossings occurred per month via five official crossing points.[94] According to the U.N. High Commissioner for Refugees (UNHCR), most crossings are by female and elderly residents of nongovernment-controlled areas, mainly to collect pensions.[95]

The Ukrainian government has taken measures to facilitate transit to and from the nongovernment-controlled areas. In 2019, the government repaired the bridge that serves as the sole crossing point in the Luhansk region; the bridge was previously unsafe for pedestrian traffic (and it can only accommodate emergency vehicular traffic).[96]

In 2019, the government also issued an order to liberalize the crossing regime by allowing individuals to carry all goods through crossing points except those specifically prohibited (previously, the crossing regime prohibited all goods except those specifically permitted).[97] In March 2020, the government restricted most movement across the contact line as part of its effort to combat the coronavirus pandemic.[98] Since 2017, the Ukrainian government has prohibited cargo traffic to and from the nongovernment-controlled areas.[99]

Conflict Resolution Process

Russia and Ukraine participate in a conflict resolution process structured around a set of measures known as the Minsk agreements (Russia refuses to engage in a similar conflict resolution process with respect to Crimea, since it claims to have annexed that region). The Minsk agreements were signed in 2014 and 2015 by representatives of Russia, Ukraine, and the Organization for Security and Cooperation in Europe (OSCE)—members of what is known as the Trilateral Contact Group—together with Russian proxy authorities. The agreements are supported by a broader international grouping known as the Normandy Four (or Normandy Format): France, Germany, Russia, and Ukraine.

The Minsk agreements were signed in September 2014 and February 2015. The 2014 agreements included the 12-point Minsk Protocol, signed days after the defeat of Ukrainian government and volunteer forces at the battle of Ilovaisk, and a follow-up memorandum outlining measures for a cease-fire and international monitoring mission.[100] The Minsk Protocol failed to end fighting or

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July 10, 2019.

[94] UNHCR, "Checkpoints Monthly Crossings – Online Dashboard," at https://www.unhcr.org/ua/en/resources.

[95] UNHCR/Right to Protection, "Eastern Ukraine Checkpoint Monitoring – Online Dashboard – 2019," at https://www.unhcr.org/ua/en/resources.

[96] Human Rights Watch, "Ukraine: Barriers to Free Movement for Older People," November 29, 2018; Olga Malchevska, "The Killer Queues of Ukraine," BBC World Service, May 28, 2019; RFE/RL, "In Symbolic Move, Ukraine's Zelenskiy Opens Rebuilt Bridge In War-Torn East," November 21, 2019.

[97] UNHCR, *Freedom of Movement Across the Line of Contact in Eastern Ukraine*, July 2018, pp. 1, 4; Ukrainian Ministry of Temporarily Occupied Territories and Internally Displaced Persons, "A New Order for Crossing the Contact Line in the East Approved," July 18, 2019.

[98] Human Rights Watch, "Ukraine: Dozens Stranded in a War Zone," April 2, 2020.

[99] Nataliya Vasilyeva, "Ukraine's Richest Man Plays Both Sides of War's Frontline," Associated Press, September 22, 2015; Fred Weir, "In Ukraine, Blockade Threatens to Force Issue at Heart of Civil War," *Christian Science Monitor*, February 28, 2017; RFE/RL, "Ukraine Announces Suspension of Cargo Traffic with Separatist-Held Areas," March 15, 2017.

[100] "Protocol on the Outcome of Consultations of the Trilateral Contact Group on Joint Steps Aimed at the Implementation of the Peace Plan of the President of Ukraine, P. Poroshenko, and the Initiatives of the President of the Russian Federation, V. Putin," September 5, 2014, at https://peacemaker.un.org/sites/peacemaker.un.org/files/UA_140905_MinskCeasefire_en.pdf; and "Memorandum on the Implementation of the Provisions of the Protocol […],"

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prompt a political resolution to the conflict. The Normandy Four met again in February 2015, amid the battle at Debaltseve, to develop a more detailed "package of measures" known as Minsk-2 (see "Summary of Minsk-2 Measures" text box).[101]

Summary of Minsk-2 Measures

1. Immediate and comprehensive cease-fire.

2. Withdrawal of heavy weapons from defined security zones.

3. OSCE monitoring and verification of the cease-fire regime and withdrawal of heavy weapons.

4. Dialogue on (1) modalities of local elections in accordance with Ukrainian legislation and (2) the future status of "certain areas" in Donetsk and Luhansk and specification of the areas in eastern Ukraine to which this status applies.

5. Amnesty via a law forbidding persecution and punishment of persons "in connection with the events" that took place in certain areas in Donetsk and Luhansk.

6. Release and exchange of all hostages and other illegally detained people based on a principle of "all for all."

7. Safe access and delivery of humanitarian aid to those in need, on the basis of an international mechanism.

8. Determining modalities for fully restoring social and economic links with nongovernment-controlled areas of eastern Ukraine, including pensions and taxes (and, consequently, functioning of the Ukrainian banking system in those areas).

9. Restoration of full Ukrainian control over its border with Russia, beginning from the first day after local elections and ending after a comprehensive political settlement, following the introduction of a new constitution and permanent legislation on the special status of certain areas in Donetsk and Luhansk.

10. Withdrawal of all foreign armed groups, weapons, and mercenaries from Ukrainian territory and disarmament of all illegal groups.

11. Constitutional reform, including on decentralization, and permanent legislation on the special status of certain areas in Donetsk and Luhansk, in agreement with representatives of nongovernment-controlled areas.

12. Local elections to be held in certain areas in Donetsk and Luhansk, in agreement with representatives of those districts and in accordance with OSCE standards.

13. Intensification of the work of the Trilateral Contact Group, including through working groups on implementation of the Minsk agreements.

Several measures in Minsk-2 consist of steps for ending hostilities. These measures include a cease-fire, the withdrawal of heavy weapons, international monitoring, the release of all illegally detained individuals, safe access for humanitarian aid, the withdrawal of foreign fighters, and restoration of Ukrainian control over an approximately 250-mile stretch of its border with Russia.

The restoration of Ukrainian border control is to be implemented concurrently with measures designed to establish a political settlement to the conflict. The return of Ukraine's border is to begin immediately after the holding of democratic local elections in the nongovernment-controlled areas. It is to conclude after Ukraine enacts permanent legislation providing special local government status to the nongovernment-controlled areas, as well as constitutional reforms on decentralization that reference "specificities" of these areas. Other measures include amnesty for conflict participants and the restoration of social and economic links across the contact line.

The U.N. Security Council, which includes Russia as a permanent member, has endorsed the Minsk agreements. U.N. Security Council Resolution 2202 (2015) endorses and calls on all

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September 19, 2014, at https://peacemaker.un.org/sites/peacemaker.un.org/files/ UA_140919_MemoImplementationPeacePlan_en.pdf.

[101] "Package of Measures for the Implementation of the Minsk Agreements," February 12, 2015, at https://peacemaker.un.org/sites/peacemaker.un.org/files/UA_150212_MinskAgreement_en.pdf.

parties to fully implement the package of measures.[102] In 2018, a Security Council "presidential statement" condemned ongoing cease-fire violations and called for the implementation of disengagement commitments and withdrawal of heavy weapons. It also urged "[the] parties to recommit to the peace process [and] achieve immediate progress in the implementation of the Minsk agreements."[103]

The United States supports the efforts of the Trilateral Contact Group and the Normandy Four. From 2017 to 2019, U.S. policy on the Ukraine conflict was directed mainly through the office of the U.S. Special Representative for Ukraine Negotiations. In July 2017, the U.S. Department of State established this position to advance "U.S. efforts to achieve the objectives set out in the Minsk agreements" and "to hold regular meetings with Ukraine and the other members of the Normandy Format."[104] Ambassador Volker resigned from this position in September 2019 prior to the start of the presidential impeachment inquiry in the House of Representatives. As of April 2020, the Administration has not appointed a successor.

Implementation Status

The signing of Minsk-2, on February 12, 2015, was intended to trigger an expedited timeframe for a "comprehensive political settlement" to the conflict. This timeframe included a cease-fire from February 15, 2015; full withdrawal of heavy weapons after 15 days of a cease-fire; full exchange of prisoners within another 5 days; and the introduction of a special status for nongovernment-controlled areas, related constitutional reforms, local elections, and Ukraine's full control of its border by the end of 2015. Although Minsk-2 established a specific timeline and/or sequencing for several of its measures, the sequencing of some key measures is ambiguous.[105]

Measures in Minsk-2 for ending hostilities largely remain unfulfilled to date:

- No lasting cease-fire exists, and heavy weapons have not been fully withdrawn from defined security zones (measures 1 and 2).[106] Although cease-fires are declared periodically, such cease-fires are temporary, often violated, and eventually break down.

  In 2019, Ukrainian and Russian-led forces implemented a related confidence-building measure agreed upon in 2016: the withdrawal of armed forces and hardware from three "disengagement areas" near the towns of Stanytsia Luhanska (which allowed for repairs to the nearby crossing point), Zolote, and Petrivske.[107]

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[102] U.N. Security Council Resolution 2202 (2015), at https://undocs.org/S/RES/2202(2015).

[103] U.N. Security Council, "Condemning Continuous Ceasefire Violations in Eastern Ukraine, Security Council Presidential Statement Expresses Grave Concern About Severe Impact on Civilians," SC/13367, June 6, 2018.

[104] U.S. Department of State, "Secretary Tillerson Appoints Ambassador Kurt Volker Special Representative for Ukraine Negotiations," July 7, 2017.

[105] See, for example, "What Are the Minsk Agreements?" *Economist*, September 14, 2016; U.S. Department of State, "U.S. Special Representative for Ukraine Negotiations Kurt Volker," November 3, 2017; Tim B. Peters and Anastasiia Shapkina, *The Grand Stalemate of the Minsk Agreements*, Konrad Adenauer Stiftung, February 2019; and Anna Hess Sargsyan, *Unpacking Complexity in the Ukraine Peace Process*, Center for Security Studies (ETH Zurich), April 2019.

[106] See, for example, remarks by Halit Çevik, Chief Monitor, Organization for Security and Cooperation in Europe (OSCE) Special Monitoring Mission (SMM) to Ukraine, in the U.N. Security Council, February 18, 2020 (S/PV.8726, 5/24), at https://undocs.org/en/S/PV.8726.

[107] Disengagement areas are provided for in a September 2016 Framework Decision on Disengagement of Forces and Hardware. See OSCE, "Special Representative of the OSCE Chairperson-in-Office in Ukraine Sajdik Welcomes

- Foreign (namely Russian) armed formations, weapons, and mercenaries reportedly still are present in the region (measure 10).

- Russia has not returned control of Ukraine's border to the government of Ukraine (measure 9).

Some of Minsk-2's measures for ending hostilities have been at least partially fulfilled:

- An international monitoring mission monitors cease-fire violations and the presence of heavy weaponry within defined security zones (measure 3). The OSCE's Special Monitoring Mission (SMM) to Ukraine is an unarmed civilian monitoring mission that was established in 2014 after Russia's occupation of Crimea. The SMM is deployed throughout Ukraine but focuses on the nongovernment-controlled areas in Donetsk and Luhansk. As of March 2020, the SMM includes 756 international monitors, including 54 from the United States, the SMM's largest contributor.[108] The SMM issues daily and spot monitoring reports on the security situation and facilitates the delivery of humanitarian aid.[109]

- Donors and nongovernmental organizations direct humanitarian assistance to nongovernment-controlled areas, but aid organizations' access to these areas is not ensured and aid delivery and distribution does not operate on the basis of an agreed-upon international mechanism.[110] According to the International Crisis Group, "the overwhelming bulk of aid to rebel-held areas comes from the Russian government ... but independent aid workers say it's unclear how many of those goods actually reach the people in need" (measure 7).[111]

- Detainee exchanges occasionally have occurred (measure 6). A major exchange took place in 2017, when more than 230 individuals held by Ukrainian authorities were exchanged for more than 70 individuals in the nongovernment-controlled areas.[112]

  A second major exchange took place in September 2019, when Russia and Ukraine each freed 35 individuals. Among those freed were some of Russia's most prominent Ukrainian political prisoners and prisoners of war, including 24 sailors Russia detained in November 2018 and Crimea-based filmmaker Oleh Sentsov. Detainees Ukraine freed included a person of interest in the downing of MH17, whom Dutch prosecutors interviewed before his release.[113]

Framework Decision on Disengagement of Forces and Hardware," September 21, 2016; Hromadske International, "Ukraine's War-Torn Stanytsia Luhanska Sees Historic Separation of Forces," June 27, 2019; Hromadske International, "Why Some Zolote Residents Oppose Disengagement of Forces," October 14, 2019; Ukrinform, "Ukraine's Armed Forces Preparing for Disengagement of Forces in Petrivske on November 8," November 7, 2019.

[108] OSCE SMM to Ukraine, "Status Report as of 9 March 2020," March 16, 2020, at https://www.osce.org/special-monitoring-mission-to-ukraine/448507.

[109] In addition to the SMM, the OSCE operates an Observer Mission at the Russian Checkpoints Gukovo and Donetsk (both within Russia) to monitor border crossings to and from eastern Ukraine. See the OSCE Observer Mission webpage at https://www.osce.org/observer-mission-at-russian-checkpoints-gukovo-and-donetsk.

[110] See, for example, Ukrinform, "UN Sends Over 157 Tonnes of Humanitarian Aid to Occupied Donbas," November 22, 2019; Ukrinform, "Red Cross Sends 137 Tonnes of Humanitarian Aid to Occupied Donbas," March 12, 2020.

[111] Anna Arutunyan, "Getting Aid to Separatist-Held Ukraine," International Crisis Group, May 13, 2019.

[112] Inna Varenytsia, "Ukrainian Authorities and Separatist Rebels Swap Prisoners," Associated Press, December 27, 2017.

[113] Oksana Grytsenko, "What We Know About 35 Ukrainian Political Prisoners Released from Russia," *Kyiv Post*,

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A third major exchange took place in December 2019, when more than 120 individuals held by Ukrainian authorities were exchanged for more than 75 individuals in the nongovernment-controlled areas.[114] Among those freed by Russian proxy authorities were Ukrainian servicemen, local residents alleged to have been cooperating with the Ukrainian government, and Radio Free Europe/Radio Liberty journalist Stanislav Aseyev.

The December 2019 exchange was somewhat controversial. Ukrainian authorities released not only fighters but also individuals who had not been involved in the conflict. Released detainees included five members of Ukraine's Berkut special police force accused of killing dozens of protesters during the Revolution of Dignity, as well as alleged Russian-hired hitmen and the perpetrators of a 2015 bomb attack in the city of Kharkiv. Some observers criticized Zelensky for accommodating Moscow's demands to release these detainees. Others argued that Moscow's demands confirmed its involvement in these crimes.[115]

In March 2020, Ukrainian officials said they were negotiating with Russia for the release of more than 200 Ukrainians (including 86 Crimean Tatars) who remained in illegal detention in nongovernment-controlled areas of eastern Ukraine, occupied Crimea, or Russia.[116] In a smaller exchange in April 2020, 20 individuals held in the nongovernment-controlled areas were exchanged for 14 individuals held by Ukrainian authorities.[117]

Of Minsk-2's other measures, one (measure 13) largely has been implemented: the establishment of working groups to address the implementation of various aspects of the Minsk agreements. Others remain partially fulfilled or unfulfilled:

- Although Russian proxy authorities in the nongovernment-controlled areas claim to have held elections in November 2018, neither Ukraine nor international stakeholders recognize these elections as in accordance with Ukrainian law, international standards, or the Minsk agreements (measure 12).[118]

- Ukraine has adopted and thrice extended a temporary law that establishes an amnesty and special status for the nongovernment-controlled areas but only after

September 7, 2019; Hromadske International, "The Great Exchange: Whom Did Ukraine Send to Russia?," September 7, 2019.

[114] Oksana Grytsenko, "Ukraine, Russian-Backed Militants Exchange 200 Prisoners amid Controversy," *Kyiv Post*, December 29, 2019; Hromadske International, "The Cost of Freedom: Who Was Exchanged in Occupied Donbas Prisoner Swap?," December 30, 2019.

[115] llia Ponomarenko and Matthew Kupfer, "In Prisoner Swap, Ukraine Releases Alleged Killers, Terrorists with Ties to Russia," December 31, 2019.

[116] Bermet Talant, "Ombudswoman: We Will Bring All Ukrainian Political Prisoners Home," *Kyiv Post*, March 12, 2020; RFE/RL, "Abductions, Torture, 'Hybrid Deportation': Crimean Tatar Activist Describes Six Years Under Russian Rule," March 17, 2020.

[117] RFE/RL, "Ukraine, Russia-Backed Separatists Hold Another Prisoner Swap," April 16, 2020.

[118] See, for example, European Council, "Declaration by the High Representative on Behalf of the EU on the 'Elections' Planned in the So-Called 'Luhansk People's Republic' and 'Donetsk People's Republic' for 11 November 2018," November 10, 2018; and U.S. Department of State, "Condemning Sham 'Elections' in Russia-Controlled Eastern Ukraine," November 12, 2018.

illegal armed formations withdraw from the areas and democratic local elections are held.[119] The law is not permanent (it needs to be renewed annually) and has not been accompanied by constitutional amendments on decentralization (measures 4, 5, 11).

- Although some socioeconomic ties with the nongovernment-controlled areas have been established, "full" social and economic linkages have not been restored (measure 8). Before the emergence of the coronavirus pandemic, residents could conduct individual trade and transit across the contact line, including to receive pensions and other social benefits. Even when transit is open, however, it remains limited to five official crossing points, cargo traffic is prohibited, and Ukraine's banking system does not operate in the nongovernment-controlled areas.

The Ukrainian and Russian governments each emphasize what they consider to be the other party's responsibilities for implementing the Minsk agreements. Ukrainian officials have emphasized the need for a permanent cease-fire and withdrawal of Russian official and unofficial forces, both on principle and as a necessary condition for establishing a secure environment to hold democratic local elections.

The Russian government, for its part, disavows direct responsibility for cease-fire violations and the failure to withdraw heavy weapons. Russia has called on Ukraine, irrespective of the security environment, to fulfill certain political measures, including a permanent grant of special status to the nongovernment-controlled areas and related constitutional reforms.

Separate from the Minsk agreements, the Ukrainian government has called for the establishment of an international peacekeeping mission throughout the nongovernment-controlled areas to help enforce a cease-fire. The U.S. government has expressed support for a peacekeeping mission as a means to establish the security conditions necessary to implement Minsk-2's package of measures.[120] Russian officials have rejected the proposal.[121]

Ukraine and Russia Relaunch Talks

President Zelensky has sought to invigorate what had been a relatively dormant conflict resolution process in eastern Ukraine. It remains to be seen whether his efforts can lay the groundwork for discussion on thornier issues, including withdrawal of Russian forces and the legal status of Russian-controlled areas. Flare-ups of conflict also may overtake new efforts.

In December 2019, Zelensky and Putin met alongside German Chancellor Angela Merkel and French President Emmanuel Macron in the first meeting of leaders of the Normandy Four since 2016. The meeting mostly produced expressions of support for the implementation or extension of prior commitments and confidence-building measures, including the securing of a "full and comprehensive" cease-fire, release of all conflict-related detainees, establishment of new

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[119] Ukraine's parliament passed a resolution in 2015 listing the cities, towns, and other settlements to which the law on local self-government applies. Law of Ukraine No. 1680-VII, as amended, at https://zakon.rada.gov.ua/laws/show/en/1680-18; Resolution of the Verkhovna Rada of Ukraine No. 252-VIII, at https://zakon.rada.gov.ua/laws/show/252-viii.

[120] U.S. Department of State, "Detainee Exchange Between Ukraine and Russia-Led Forces," December 28, 2017; U.S. Department of State, "Latest Developments on Ukraine Negotiations," April 13, 2018; UNIAN Information Agency, "Ukraine To Ask UN To Deploy Peacekeepers Throughout Occupied Donbas," February 18, 2020.

[121] In 2017, Russian President Putin proposed a peacekeeping mission, but only along the line of contact to protect OSCE monitors and help separate the conflicting sides. Tony Wesolowsky, "Explainer: Does Putin's Peacekeeper Proposal for Ukraine Have Any Merit?" RFE/RL, September 6, 2017.

disengagement areas, opening of new crossing points, and creation of an updated demining plan.[122]

Meeting participants also addressed more contentious issues related to a political settlement to the conflict. The parties expressed "interest" in the further legal development of special status for the nongovernment-controlled areas. The four leaders also stated they consider it "necessary" to incorporate into Ukrainian law the so-called Steinmeier formula, a previously defunct proposal for establishing a particular sequence for the holding of local elections in, and granting of special status to, the nongovernment-controlled areas.[123] According to the formula, special status is to come into effect on a temporary basis at the close of local elections. If international observers conclude elections were held in accordance with international standards and Ukrainian law, the special status is to become permanent. Russia made acceptance of the Steinmeier formula a precondition of the December 2019 meeting.

It is unclear when or if Ukraine will codify the Steinmeier formula. Many Ukrainians appear to oppose the formula, as they do special status more generally. The Ukrainian government's initial announcement that it would accept the Steinmeier formula was met with protests.[124] Opponents of the formula express concern that Moscow will manipulate the process to entrench its proxy regimes. Many also are concerned that Russia will refuse to withdraw its forces or restore control of the border to Ukraine after local elections. Ukrainian officials say that Russia should return control of the border before local elections, although this would reverse the order stipulated in the Minsk agreements.[125] To date, the Russian government has rejected this proposal.

Meeting participants expressed interest in holding another Normandy summit in four months' time, although a date has yet to be set. In addition to uncertainty caused by the coronavirus pandemic, the Ukrainian and Russian governments have said the next meeting should be held only after implementation of the measures agreed in December 2019, including a comprehensive cease-fire.[126] Ukrainian and foreign governments blamed Russia-led forces for a brief but serious escalation of conflict in February 2020.[127] In March 2020, a tentative agreement to establish dialogue between the Ukrainian government and representatives from nongovernment-controlled areas met with domestic opposition, including from within the Servant of the People party.[128]

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[122] Elysee, "Paris 'Normandie' Summit," December 9, 2019, at https://www.elysee.fr/emmanuel-macron/2019/12/09/paris-normandie-summit.en; David M. Herszenhorn and Rym Momtaz, "Normandy Talks Land in Paris but Fail to Deliver Peace in Ukraine," *Politico*, December 10, 2019.

[123] Christopher Miller, "Explainer: What Is the Steinmeier Formula—and Did Zelenskiy Just Capitulate To Moscow?" RFE/RL, October 2, 2019; UNIAN Information Agency, "'Steinmeier Formula,' Explained," December 10, 2019.

[124] Maria Zolkina, "What Are Ukrainians Willing to Compromise for Peace," *UkraineAlert*, Atlantic Council, October 30, 2019; Maryna Vorotnyuk, "Ukrainian Protests Against the Steinmeier Formula—A View from the Ground," *Eurasia Daily Monitor*, Jamestown Foundation, October 21, 2019.

[125] UNIAN Information Agency, "Ukraine To Insist On Revision of Minsk Agreements," January 23, 2020.

[126] Ukrinform, "Lavrov Says He Heard Nothing About Normandy Format Meeting Scheduled for March, February 27, 2020; UNIAN Information Agency, "Presidential Chief of Staff Yermak Puts Forth Main Condition for New Normandy Summit," March 31, 2020.

[127] Andrew E. Kramer, "To Make A Diplomatic Point, Ukraine Rebels Open Fire," *New York Times*, February 18, 2020.

[128] Tony Wesolowsky, "Donbas Development: Will 'Advisory Council' Unlock Door to Direct Talks Between Kyiv and Russia-Backed Separatists?" RFE/RL, March 30, 2020.

Sea of Azov and Kerch Strait

Russia seeks to establish greater control over maritime regions adjacent to Crimea and eastern Ukraine, including in the Sea of Azov, the Black Sea, and the Kerch Strait, the waterway that connects the two seas. In May 2018, Russian President Putin opened a 12-mile-long bridge over the Kerch Strait linking Russia to occupied Crimea. The bridge was designed to accommodate an existing shipping lane, but it imposed new limits on the size of ships that transit the strait. Since the bridge's opening, Russia has stepped up its interference with commercial traffic traveling to and from Ukrainian ports on the Sea of Azov in Mariupol and Berdyansk, which export steel, grain, and coal. One Ukrainian organization that tracks Russian regional activities has reported about 2,250 cases of delayed maritime transit to and from Ukrainian ports through the end of 2019.[129] Russia also has bolstered its maritime forces in the Sea of Azov.[130]

Figure 2. Southern Ukraine and the Sea of Azov

In November 2018, Russian coast guard vessels in the Black Sea forcibly prevented two small Ukrainian naval vessels and a tugboat from passing through the Kerch Strait and reportedly fired upon the vessels as they were departing the area (see **Figure 2**).[131] Russian authorities detained

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[129] In addition to delaying passage of ships through the Kerch Strait, Russian forces detained and inspected dozens of ships on the open sea in 2018. Such interceptions reportedly ceased as of October 2018. Oksana Grytsenko and Kostyantyn Chernichkin, "Dangerous Waters: As Russia Monopolizes Azov Sea, Mariupol Feels Heightened Danger," *Kyiv Post*, August 3, 2018; Andrii Klymenko, Tetyana Guchakova, and Olga Korbut, "Russia's Economic War Against Ukraine in the Sea of Azov as of February 1, 2020," Black Sea News, February 13, 2020.

[130] Joshua Kucera, "Russia Transfers Five Warships Out of Caspian Sea," Eurasianet, June 25, 2018.

[131] After the Russian vessels rammed the tugboat and blockaded all three boats for hours, the Ukrainian vessels were fired upon as they sought to leave the area, injuring six sailors. Dmitry Gorenburg and Michael Kofman, "Russia and Ukraine Had a Short Naval Battle. Here's What You Need to Know," *Washington Post*, November 28, 2018; Andrzej Wilk, "The Russian Attack on Ukrainian Ships in the Black Sea: The Military Aspects," Centre for Eastern Studies

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the ships and their crew and took them to the town of Kerch, in Crimea. The sailors were arrested and placed in pretrial detention on charges of illegally crossing what Russia referred to as its state border (i.e., territorial waters around occupied Crimea). Ukraine and its international partners considered the incident to be a major violation of international law and an escalation in Russia's efforts to control maritime access to eastern Ukraine.[132]

The U.N. High Commissioner for Human Rights considered the 24 Ukrainian sailors to be prisoners of war.[133] On May 25, 2019, the U.N.-established International Tribunal for the Law of the Sea issued an order requiring Russia to release the sailors and ships.[134] Although the Russian government said it did not recognize the tribunal's authority in this matter, it released the sailors as part of a prisoner exchange in September 2019 and returned the heavily damaged ships to Ukraine two months later.

Economy

As part of the Soviet Union, Ukraine was responsible for a large share of the country's agricultural and industrial production. The Soviet Union's collapse led to a severe economic contraction: Ukraine's gross domestic product (GDP) reportedly dropped by over 60% from 1989 to 1999.[135] Ukraine's economy recovered for much of the 2000s but was hit hard by the 2008-2009 global financial crisis; in 2009, its GDP declined by almost 15%. After returning to growth in 2010-2011, the economy stagnated in 2012-2013 and declined after Russia's 2014 invasion; GDP fell by 7% in 2014 and 10% in 2015.[136]

In recent years, Ukraine's economy has shown signs of stabilization, due in part to international assistance, including about $13 billion in IMF loan disbursements.[137] GDP annual growth was about 2.5% in 2016-2017 and 3.2% in 2018-2019. In the last two years, observers noted several positive trends in Ukraine's economy. These trends included declining inflation, rising incomes, growing retail trade, increased agricultural exports, and (in 2019) growing international reserves and a strengthening currency, in part due to an increase of foreign investment in Ukraine's sovereign bonds.[138]

Nonetheless, Ukraine faces many economic challenges, and the coronavirus pandemic has worsened the country's economic outlook. In early March 2020, President Zelensky cited concerns about declining industrial production, contracting exports, and budgetary shortfalls (in

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(Warsaw), November 28, 2018; RFE/RL, "Ukrainian Envoy Says Russian Helicopter Fired On Navy Vessel In Black Sea In 2018," February 13, 2020.

[132] A 2003 bilateral agreement between Ukraine and Russia affirms freedom of navigation through the strait for both countries. Some argue that customary international law as reflected in the United Nations Charter on the Law of the Sea, or UNCLOS, also does that. See http://www.fao.org/fishery/shared/faolextrans.jsp?xp_FAOLEX=LEX-FAOC045795, and https://www.iucn.org/theme/marine-and-polar/our-work/international-ocean-governance/unclos.

[133] OHCHR, *Report on the Human Rights Situation in Ukraine: 16 November 2018 to 15 February 2019*, p. 3.

[134] International Tribunal for the Law of the Sea, "Tribunal Prescribes Provisional Measures Ordering the Russian Federation to Release Three Ukrainian Naval Vessels and Their 24 Servicemen," press release, May 25, 2019.

[135] Anders Aslund, *Ukraine: What Went Wrong and How to Fix It* (Washington, DC: PIIE Press, 2015), p. 5.

[136] IMF World Economic Outlook Database, April 2020.

[137] IMF, "Ukraine: Financial Position in the Fund as of March 31, 2020," at https://www.imf.org/external/np/fin/tad/exfin2.aspx?memberkey1=993&date1Key=2020-03-31.

[138] Olha Hordienko, "Ukraine's Economic Outlook for 2020: Modest Growth, Low Inflation, and Possible Devaluation Return," UNIAN Information Agency, December 31, 2019; Anders Aslund, "Ukraine's Underrated Economy Is Poised for A Strong 2020," Atlantic Council, January 6, 2020.

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part due to Ukraine's stronger currency) when he expressed support for a change in government. Subsequent challenges related to the coronavirus pandemic included rapid currency depreciation, rising borrowing costs, and a decrease of more than $2 billion in Ukraine's international reserves (from $27 billion) in March 2020.[139] These developments led the government to intensify efforts to secure a new IMF program (see "Reform Challenges" above). The IMF estimates that Ukraine's GDP could decline by more than 7% in 2020 due to the coronavirus pandemic.[140]

Poverty in Ukraine has declined in recent years. The World Bank estimated that the percentage of Ukrainians living in moderate poverty was 15% in 2019, down from 27% in 2016.[141] The official unemployment rate for 2019 was under 9%. About 20% of Ukrainian laborers work in agriculture, a sector of the economy that accounts for about 10% of GDP.[142]

Ukraine is the largest recipient of migrant remittances in Europe, according to the World Bank. From 2015 to 2019, remittances were equivalent to about 8% of Ukraine's annual GDP. Since 2016, Poland has been the largest source of remittances to Ukraine, followed by Russia, the Czech Republic, and the United States.[143]

Trade

In 2013, Russia began to impose restrictions on trade in response to Ukraine's plans to conclude a free trade agreement with the EU. Further restrictions followed in 2014-2015, and Russia suspended its own free trade agreement with Ukraine in 2016. Ukraine also introduced trade restrictions against Russia. Excluding exports from occupied Crimea and nongovernment-controlled areas in eastern Ukraine, the total value of Ukraine's merchandise exports declined by 43% from 2013 to 2016, with the value of merchandise exports to Russia declining by 76%.[144]

Since 2017, Ukraine's merchandise trade has grown. In 2019, Ukraine's total merchandise trade reached $111 billion (around 80% of the value of its total 2013 trade). Ukraine's main exports include cereals, iron and steel, sunflower oil, iron ore, electrical equipment and parts, and oil seeds. In 2019, Ukraine surpassed Russia to become the world's largest grain exporter (including corn, wheat, and barley).[145]

In 2019, Ukraine's largest merchandise trading partner was the EU, which accounted for about 41% of Ukraine's total trade.[146] Individually, Ukraine's four largest trading partners were China ($12.8 billion, or 12% of Ukraine's trade), Russia ($10.2 billion, 9%), Germany ($8.4 billion,

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[139] Anders Aslund, "Ukraine Urgently Needs A New IMF Agreement," Atlantic Council, March 22, 2020; National Bank of Ukraine, "Ukraine Had USD 24.9 Billion in International Reserves as of 1 April 2020," April 7, 2020.

[140] IMF World Economic Outlook Database, April 2020.

[141] World Bank, *Ukraine Economic Update*, November 19, 2019, at http://pubdocs.worldbank.org/en/100071574084094307/Ukraine-economic-update-Fall-2019-en.pdf.

[142] State Statistics Service of Ukraine, at http://ukrstat.gov.ua/.

[143] World Bank, Migration and Remittances Data, at http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data; National Bank of Ukraine, at https://bank.gov.ua/; Shaun Walker, "'A Whole Generation Has Gone': Ukrainians Seek a Better Life in Poland," *Guardian*, April 18, 2019; RFE/RL, "Remittances to Ukraine: Where Do They Come From?" August 23, 2019.

[144] The total value of Ukraine's merchandise imports declined by 51% from 2013 to 2015, with the value of merchandise imports from Russia declining by 78% from 2013 to 2016. Trade data are from the State Customs Committee of Ukraine, as presented by Global Trade Atlas.

[145] Ukraine is also the world's largest exporter of sunflower oil. Ben Aris, "Ukraine On Course to Smash Its 2019 Grain Harvest Record, Remain World's Biggest Grain Exporter," bne Intellinews, November 13, 2019.

[146] State Statistics Service of Ukraine.

8%), and Poland ($7.4 billion, 7%). The top three destinations for Ukraine's merchandise exports in 2019 were China (7%), Poland (7%), and Russia (6%), and its top three sources of imports were China (15%), Russia (11%), and Germany (10%).

After a severe decline in foreign direct investment (FDI) in 2014, FDI inflows recovered somewhat. According to official statistics, total FDI declined from $56.0 billion at the end of 2013 to $33.9 billion at the end of 2016. By the end of 2019, total FDI had risen to $39.2 billion. FDI inflows in 2018-2019 were mainly in finance, industry, wholesale and retail trade, and real estate. The top sources of FDI in 2018-2019 were Cyprus, the Netherlands, and Russia.[147]

Energy

Ukraine has significant energy resources, although the sector historically has performed below its potential, given an environment of low domestic energy prices, subsidies, high consumption, and corruption.[148] Ukraine's primary energy mix consists of around 31% natural gas, 31% coal, and 23% nuclear.[149] Ukraine currently produces around two-thirds of its total energy supply, including two-thirds of its natural gas and 55% of its coal.[150]

With regard to natural gas, prior to Russia's 2014 invasion, Ukraine depended on Russian imports for more than half its total consumption.[151] Many observers contend that Russia traditionally has used gas price hikes, debt repayments, and cutoffs as leverage in disputes with various Ukrainian governments.[152] After Russia's invasion, Ukraine's gas usage and, consequently, dependence on Russian gas declined, due to lower industrial production, the halting of gas supplies to nongovernment-controlled areas of eastern Ukraine, and higher tariffs.[153] In 2016, Ukraine halted direct gas imports from Russia entirely, replacing them with supplies from Slovakia, Poland, and Hungary (all of which import gas from Russia).

After Russia's 2014 invasion, the Ukrainian government began to reform its energy sector, including raising tariffs for households (while retaining subsidies for lower-income consumers). Ongoing reform priorities include strengthening the independence of the energy regulator, increasing competition and transparency in the electricity sector, and facilitating private investment in oil and natural gas development.[154]

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[147] National Bank of Ukraine; State Statistics Service of Ukraine.

[148] See, for example, Anders Aslund, *Securing Ukraine's Energy Sector*, Atlantic Council, April 2016.

[149] It also included 11% oil and 3% hydroelectric and renewables. *BP Statistical Review of World Energy 2019*.

[150] OECD, *Snapshot of Ukraine's Energy Sector: Institutions, Governance, and Policy Framework*, 2019; *BP Statistical Review of World Energy 2019*.

[151] Cedigaz, a subscription service statistical database, at http://www.cedigaz.org.

[152] In particular, Russia briefly reduced gas exports to Ukraine in 2006 after gas contract negotiations failed and, in 2009, briefly cut them, leading to temporary dips in supplies to some EU countries. For more, see Jonathan Stern, *The Russian-Ukrainian Gas Crisis of January 2006*, Oxford Institute for Energy Studies, January 16, 2006, and Simon Pirani, Jonathan Stern, and Katja Yafimava, *The Russo-Ukrainian Gas Dispute of January 2009: A Comprehensive Assessment*, Oxford Institute for Energy Studies, February 2009.

[153] Natural gas usage in Ukraine had declined before Russia's invasion in 2012-2013 (by about 8% a year), but it declined more markedly in 2014 and 2015 (by 16% and 20%, respectively). In 2013, 92% of Ukraine's natural gas imports came directly from Russia (51% of Ukraine's total gas usage). By 2015, 37% of Ukraine's natural gas imports came from Russia (18% of usage). Data come from Naftogaz annual reports for 2014-2016.

[154] Council of the EU, "Joint Press Statement following the 6th Association Council Meeting between the EU and Ukraine," press release, January 28, 2020; Todd Prince, "After Years of Stalling, Can Ukraine Finally Become Energy Self-Sufficient?" RFE/RL, September 15, 2019; Ihor Orel, "Ukraine's Plans to Get Off Energy Dependence Needle," UNIAN Information Agency, January 22, 2020. Also see Sagatom Saha and Ilya Zaslavskiy, *Advancing Natural Gas*

At the end of 2019, the Ukrainian government fulfilled a long-standing commitment to unbundle Ukraine's state-owned energy company, Naftogaz, into state-owned production and transmission companies. The unbundling is intended to align Ukraine's energy system with the EU's "Third Energy Package," an effort to liberalize and increase energy sector competition by separating ownership and control of gas supply and production activities, on the one hand, and delivery, on the other.[155] The United States and the IMF also advocated for the unbundling.

Gas Transit to Europe

Ukraine is a transit state for Russian natural gas exports to Europe. In recent years, Russia has sought to reduce the amount of natural gas it transits through Ukraine. Before the 2011 opening of the first Nord Stream pipeline from Russia to Germany via the Baltic Sea, most of Russia's gas exports to Europe transited Ukraine. Since the opening of the first Nord Stream pipeline, about 40%-50% of these exports have transited Ukraine.[156] In 2018, Ukrainian revenues from gas transit totaled $2.65 billion.[157]

Nord Stream 2, currently under construction, is a second Baltic Sea pipeline that runs parallel to Nord Stream.[158] Prior to the December 2019 introduction of U.S. sanctions related to the construction of Nord Stream 2, the pipeline was scheduled for completion in early 2020. The pipeline currently is scheduled for completion by the end of 2020 or early 2021 (see "Sanctions Related to Russia's Invasion of Ukraine," below).

If Nord Stream 2 becomes operational, observers expect it to further reduce gas transit through Ukraine. This outcome would not necessarily increase Ukraine's vulnerability to energy supply cutoffs; Ukraine stopped importing natural gas directly from Russia in 2016. It could lead to declines in transit revenues, however, and it could increase Ukraine's strategic vulnerability, if reduced dependence for gas transit leads Moscow to be less constrained in its policies toward Ukraine.

On December 30, 2019, Gazprom, Naftogaz, and the new Gas Transmission System Operator of Ukraine (GTSOU) concluded a renewal contract for the transit of Russian natural gas to Europe from 2020 to 2024.[159] The contract provides for transit of at least 65 billion cubic meters (BCM) of natural gas in 2020, a volume equal to about 73% of the 2019 volume of 89.6 BCM, and 40 BCM a year from 2021 to 2024, a volume equal to about 45% of the 2019 volume. According to Naftogaz, the contract will lead to at least $7.2 billion in transit revenue over five years. In addition, Gazprom agreed to accept the 2018 ruling of a Swedish arbitration court concerning several trade disputes with Naftogaz and paid the latter $2.9 billion in damages and interest.

Reform in Ukraine, Council on Foreign Relations, December 2018, and OECD, *Snapshot of Ukraine's Energy Sector: Institutions, Governance, and Policy Framework*, 2019.

[155] Alexander Query, "Ukraine's Naftogaz Announces Completion of Gas System Unbundling," *Kyiv Post*, January 2, 2020. For more on EU energy policy, see CRS Report R42405, *European Energy Security: Options for EU Natural Gas Diversification*, coordinated by Michael Ratner.

[156] International Energy Agency, "Facts in Brief: Ukraine, Europe, Oil & Gas," March 4, 2014; Naftogaz Group, *Annual Report 2018*, p. 82; and Gazpromexport, "Gas Supplies to Europe."

[157] Naftogaz Group, *Annual Report 2018*, p. 82.

[158] For more, see CRS In Focus IF11138, *Russia's Nord Stream 2 Pipeline: Will Sanctions Stop It?*, by Paul Belkin, Michael Ratner, and Cory Welt.

[159] For details, see Simon Pirani and Jack Sharples, "The Russia-Ukraine Gas Transit Deal: Opening A New Chapter," Oxford Institute for Energy Studies, February 2020.

Relations with the EU and NATO

Since 2014, the Ukrainian government has prioritized closer integration with the EU and NATO. In 2019, a new constitutional amendment declared the government responsible for implementing Ukraine's "strategic course" toward EU and NATO membership.[160] Zelensky's first foreign trip as president was to Brussels, where he met with EU and NATO leaders and reaffirmed Ukraine's "strategic course to achieve full-fledged membership in the EU and NATO."[161]

The EU's main framework for political and economic engagement with Ukraine is an Association Agreement, which encourages harmonization with EU laws and regulations and includes a Deep and Comprehensive Free Trade Area (DCFTA).[162] According to the EU, the DCFTA "appears to be having a significant positive impact on trade in goods."[163] In 2017, the EU granted Ukrainian citizens visa-free entry to the EU's Schengen area of free movement, which allows individuals to travel without passport checks between most European countries.

The EU is a major provider of foreign aid to Ukraine, totaling more than €13 billion (about $14.2 billion) in loans and €2 billion ($2.2 billion) in grants from 2014 to 2019. During this period, EU member states provided an additional €1.4 billion ($1.5 billion) in bilateral assistance.[164] In April 2020, the EU announced it would provide more than €190 million ($205 million) in emergency support to Ukraine to address the coronavirus pandemic. The European Commission subsequently proposed another €1.2 billion ($1.3 billion) in macro-financial assistance to help "limit the economic fallout" of the pandemic.[165]

The EU has imposed sanctions on Russia in response to its invasion of Ukraine. The EU also has supported Ukraine against Russia's maritime aggression near the Kerch Strait. In 2019, the EU announced an increase in tailored assistance to Ukraine "to help mitigate the impact of Russia's destabilizing actions in the Sea of Azov region."[166]

Ukraine has close relations with NATO. In 1994, Ukraine was the first post-Soviet state (excluding the Baltic states) to join NATO's Partnership for Peace. A NATO-Ukraine Commission, established in 1997, provides the framework for cooperation. Under ex-President Yanukovych, Ukraine adopted a *non-bloc* (i.e., nonaligned) status, rejecting aspirations of NATO membership, but invited NATO to launch a Defense Education Enhancement Program and

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[160] Ministry of Foreign Affairs of Ukraine, "President Signed Amendments to the Constitution on the Strategic Course of Ukraine for Membership in the EU and NATO," February 19, 2019.

[161] RFE/RL, "Ukraine's President Promises NATO Referendum as Part of Path to West," June 5, 2019.

[162] Parts of the agreement were applied provisionally from September 2014, and the free-trade agreement was applied provisionally in January 2016. The full agreement entered into force in September 2017. The text of the Association Agreement and the 2019 *Association Implementation Report* are available at https://eeas.europa.eu/node/10420_en. For a summary, see *Quick Guide to the Association Agreement*, at https://eeas.europa.eu/sites/eeas/files/071215_eu-ukraine_association_agreement.pdf.

[163] European Commission and European External Action Service (EEAS), *Joint Staff Working Document: Association Implementation Report on Ukraine*, December 12, 2019, p. 16. Also see Tony Barber, "Ukraine Reaps Benefits of Trade Deal with EU," *Financial Times*, September 11, 2018.

[164] EEAS, "Ukraine and the EU," at https://eeas.europa.eu/delegations/ukraine/1937/ukraine-and-eu_en. Also see European Council, "EU Relations with Ukraine," at http://www.consilium.europa.eu/en/policies/eastern-partnership/ukraine/.

[165] European Commission, "The EU's Response to the Coronavirus Pandemic in the Eastern Partnership," April 2020; European Commission, "Coronavirus: Commission Proposes €3 Billion Macro-financial Assistance Package to Support Ten Neighbouring Countries," press release, April 22, 2020.

[166] European Commission, "EU-Ukraine Summit: EU Steps Up Its Support to the Sea of Azov Region," July 8, 2019.

participated in the NATO Response Force, a rapid reaction force. After Russia's 2014 invasion, Ukraine's parliament rejected its non-bloc status and, in 2017, voted to make cooperation with NATO a foreign policy priority.[167] In February 2020, Ukraine's minister of defense said NATO was considering Ukraine's request to become an Enhanced Opportunity Partner, a cooperative status currently granted to five of NATO's close strategic partners.[168]

Ukraine supports NATO peacekeeping and maritime operations. Ukrainian forces have long contributed to the NATO-led Kosovo Force. Ukraine contributes to the Resolute Support Mission in Afghanistan and participated in the International Security Assistance Force in Afghanistan, the counterterrorism Operation Active Endeavour maritime mission, and the antipiracy Operation Ocean Shield. In addition, Ukraine has supported NATO's maritime Sea Guardian operation.

At a 2016 summit in Warsaw, NATO pledged additional training and technical support for the Ukrainian military and endorsed a Comprehensive Assistance Package (CAP). The CAP includes "tailored capability and capacity building measures ... to enhance Ukraine's resilience against a wide array of threats, including hybrid threats."[169] In addition, NATO established six trust funds "working in critical areas of reform and capability development in Ukraine's security and defense sector."[170] NATO members and partners provide training to the Ukrainian armed forces in a multinational framework (see "Foreign and Military Aid," above).

Many observers contend that closer integration with the EU and NATO has not enabled Ukraine to improve its near-term prospects for membership in these organizations. According to recent polls, over half of Ukrainians support membership in the EU (polls do not include occupied Crimea or Russian-controlled areas of eastern Ukraine).[171] The EU is unlikely to consider Ukraine a candidate for membership soon, however, given Ukraine's domestic challenges, the conflict with Russia, the EU's own internal challenges, and the lack of support for further enlargement among many EU members.

Ukraine also faces a challenge to NATO membership. In 2008, NATO members agreed that Ukraine and Georgia "will become" members of NATO, but Ukraine has not been granted a clear path to membership.[172] Most observers believe NATO will not move forward with membership as long as Russia occupies Ukrainian territory and the conflict remains unresolved. Ukrainians themselves remain divided over NATO membership. Since 2014, about 40%-50% of opinion poll respondents support membership in NATO (compared to about 25%-40% against); these polls do

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[167] Steven Pifer, "Ukraine Overturns Its Non-Bloc Status: What Next with NATO?" *Kyiv Post*, December 26, 2014; RFE/RL, "Ukrainian Parliament Makes NATO Integration a Priority," June 8, 2017.

[168] NATO's Enhanced Opportunity Partners are Australia, Finland, Georgia, Jordan, and Sweden. Illia Ponomarenko, "Defense Minister: Ukraine Can Join NATO's Enhancement Opportunity Program by October," *Kyiv Post*, February 13, 2020; NATO, "Partnership Interoperability Initiative," last updated March 24, 2020, at https://www.nato.int/cps/en/natohq/topics_132726.htm. On NATO-Ukraine relations, see NATO, "Relations with Ukraine," updated November 4, 2019, at http://www.nato.int/cps/en/natolive/topics_37750.htm.

[169] NATO, "Warsaw Summit Communique Issued by the Heads of State and Government Participating in the Meeting of the North Atlantic Council in Warsaw 8-9 July 2016," July 9, 2016; White House, "Fact Sheet: U.S. and NATO Efforts in Support of NATO Partners, Including Georgia, Ukraine, and Moldova," July 9, 2016.

[170] The trust funds address the following areas: Command, Control, Communications and Computers; Cyber Defense; Explosive Ordnance Disposal and Counter-Improvised Explosive Devices; Logistics and Standardization; Medical Rehabilitation; and Military Career Transition.

[171] UNIAN Information Agency, "Some 64% of Ukrainians Support Accession to EU – Poll," January 21, 2020.

[172] In the Bucharest Summit Declaration of April 2008, heads of state and government of NATO member countries declared that "NATO welcomes Ukraine's and Georgia's Euro-Atlantic aspirations for membership in NATO. We agreed today that these countries will become members of NATO." NATO, "Bucharest Summit Declaration," April 3, 2008, at https://www.nato.int/cps/us/natohq/official_texts_8443.htm.

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not include occupied Crimea and Russian-controlled areas of eastern Ukraine, where support for NATO membership likely would be lower even in the absence of conflict.[173]

U.S.-Ukraine Relations

U.S. relations with Ukraine are deep and multifaceted. In 1994, former National Security Adviser Zbigniew Brzezinski justified U.S. engagement with the newly independent Ukraine by arguing that a strong Ukraine would not only benefit Ukrainians but also help prevent the rise of a new Russian empire, bolstering regional and global security. "It cannot be stressed strongly enough that without Ukraine," Brzezinski said, "Russia ceases to be an empire, but with Ukraine suborned and then subordinated, Russia automatically becomes an empire."[174]

Less frequently cited are Brzezinki's 1994 assessment of Ukraine's fragility and his ensuing policy prescriptions, which successive U.S. administrations appear to have followed:

> American policymakers must face the fact that Ukraine is on the brink of disaster: the economy is in a free-fall, while Crimea is on the verge of a Russia-abetted ethnic explosion. Either crisis might be exploited to promote the breakup or the reintegration of Ukraine in a larger Moscow-dominated framework. It is urgent and essential that the United States convince the Ukrainian government—through the promise of substantial economic assistance—to adopt long-delayed and badly needed economic reforms. At the same time, American political assurances for Ukraine's independence and territorial integrity should be forthcoming.[175]

Soon after Brzezinki's article was published, the United States provided "political assurances" to Ukraine with the signing of the 1994 Budapest Memorandum (see "Crimea," above). Twenty years later, after Russia's 2014 invasion of Ukraine, U.S. officials came to express more emphatically and frequently U.S. support for Ukraine's sovereignty and territorial integrity within its internationally recognized borders.

In 2019, U.S. relations with Ukraine became a prominent issue in U.S. domestic political affairs. On September 24, 2019, House Speaker Nancy Pelosi announced that the House would begin an impeachment inquiry related in part to alleged presidential actions regarding Ukraine.[176] On December 18, 2019, the House of Representatives agreed to H.Res. 755, which impeached President Trump on charges of abuse of power (Article I) and obstruction of Congress (Article II).[177] The first article of impeachment in part accused the President of

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[173] Steven Pifer, "NATO's Ukraine Challenge: Ukrainians Want Membership, But Obstacles Abound," Brookings, June 6, 2019; UNIAN Information Agency, "Poll: 51% of Ukrainians Stand for Ukraine Joining NATO," January 21, 2020; Gerard Toal, John O'Loughlin, and Kristin M. Bakke, "Is Ukraine Caught between Europe and Russia? We Asked Ukrainians This Important Question," *Washington Post*, February 26, 2020.

[174] Zbigniew Brzezinski, "The Premature Partnership," *Foreign Affairs* 73, no. 2 (March/April 1994), p. 80. Hereinafter Brzezinski, "Premature Partnership."

[175] Brzezinski, "Premature Partnership."

[176] Speaker of the House Nancy Pelosi, "Pelosi Remarks Announcing Impeachment Inquiry," press release, September 24, 2019. On October 31, 2019, the House agreed to H.Res. 660, which directed certain committees to continue ongoing investigations as part of an impeachment inquiry.

[177] Also see U.S. House of Representatives, *Trial Memorandum of the United States House of Representatives in the Impeachment Trial of President Donald J. Trump*, January 18, 2020. For additional documents and materials associated with the impeachment process, including related to Ukraine, see U.S. House of Representatives, Committee on the Judiciary, "The Impeachment of Donald John Trump, Evidentiary Record from the House of Representatives," at https://judiciary.house.gov/the-impeachment-of-donald-john-trump/, and "Markup of H. Res. 755, Articles of Impeachment Against President Donald J. Trump," at https://docs.house.gov/Committee/Calendar/ByEvent.aspx?

soliciting the Government of Ukraine to publicly announce investigations that would benefit his reelection, harm the election prospects of a political opponent, and influence the 2020 United States Presidential election to his advantage. President Trump also sought to pressure the Government of Ukraine to take these steps by conditioning official United States Government acts of significant value to Ukraine on its public announcement of the investigations.

President Trump and White House officials acknowledged the President's interest in Ukrainian investigations but said those interests were tied to legitimate concerns. White House officials generally denied that U.S. government acts had been contingent on an announcement of such investigations.[178] Other U.S. officials presented their views during the impeachment inquiry. On February 5, 2020, the Senate adjudged that President Trump was not guilty as charged in the two articles of impeachment (for more, see "Foreign and Military Aid," below).

Security

Trump Administration officials have called U.S. support for Ukraine's sovereignty and territorial integrity "unbending," "unwavering," and "ironclad."[179] This applies to both occupied Crimea and the Russian-controlled areas in eastern Ukraine. In February 2018, then-Deputy Secretary of State John J. Sullivan said in Kyiv that "Crimea is Ukraine.... We will never accept trading one region of Ukraine for another. We will never make a deal *about* Ukraine *without* Ukraine."[180] In July 2018, Secretary Pompeo issued the "Crimea Declaration," which

> reaffirms as policy [the United States'] refusal to recognize the Kremlin's claims of sovereignty over territory seized by force in contravention of international law. In concert with allies, partners, and the international community, the United States rejects Russia's attempted annexation of Crimea and pledges to maintain this policy until Ukraine's territorial integrity is restored.[181]

The Crimea Declaration explicitly links U.S. policy to the Welles Declaration of 1940, which marked the start of a U.S. policy not to recognize the Soviet Union's annexation of the Baltic states (Estonia, Latvia, and Lithuania).[182]

The Countering Russian Influence in Europe and Eurasia Act of 2017 (CRIEEA) states that it is the policy of the United States "to never recognize the illegal annexation of Crimea by the Government of the Russian Federation or the separation of any portion of Ukrainian territory through the use of military force" (§257).[183]

EventID=110331.

[178] See, for example, White House, *Trial Memorandum of President Donald J. Trump*, January 20, 2020.

[179] U.S. Department of State, "Acting Secretary Sullivan's Meeting with Ukrainian Foreign Minister Klimkin," April 21, 2018; U.S. Department of State, "Crimea Is Ukraine," February 27, 2019; U.S. Department of State, "U.S. Support for Ukrainian Sovereignty and Territorial Integrity," November 27, 2019.

[180] U.S. Department of State, "Remarks at the Ministry of Foreign Affairs' Diplomatic Academy," February 21, 2018.

[181] U.S. Department of State, "Crimea Declaration," July 25, 2018.

[182] U.S. Department of State, Office of the Historian, "Press Release Issued by the Department of State on July 23, 1940," at https://history.state.gov/historicaldocuments/frus1940v01/d412. Also see U.S. Department of State, "Seventy-Fifth Anniversary of the Welles Declaration," July 22, 2015, at https://2009-2017.state.gov/secretary/remarks/2015/07/245160.htm.

[183] Title II of P.L. 115-44, Countering America's Adversaries Through Sanctions Act (CAATSA). The Countering Russian Influence in Europe and Eurasia Act of 2017 (CRIEEA) also states that the United States "does not recognize territorial changes effected by force, including the illegal invasions and occupations" of Crimea and eastern Ukraine, as well as of Abkhazia and South Ossetia (in Georgia) and Transnistria (in Moldova) (§253).

Since FY2015, foreign operations appropriations have prohibited foreign assistance to governments that take "affirmative steps" to support Russia's annexation of Crimea and have restricted funds from implementing policies and actions that would recognize Russian sovereignty over Crimea (P.L. 116-94, §7047(b)).

U.S. officials frequently call attention to Russia's human rights abuses in occupied Crimea. In March 2018, the State Department stated that in Crimea, "Russia has engaged in a campaign of coercion and violence, targeting anyone opposed to its attempted annexation [including] Crimean Tatars, ethnic Ukrainians, pro-Ukrainian activists, civil society members, and independent journalists."[184] In September 2019, the State Department welcomed Russia's release of 35 Ukrainians as part of an exchange of detained persons but called on Russia "to immediately release all other Ukrainians, including members of the Crimean Tatar community, who remain unjustly imprisoned."[185]

With regard to the Russian-controlled areas in eastern Ukraine, the U.S. government supports Ukraine's efforts to pursue a diplomatic solution to the conflict and has criticized Russia for failing to fulfill its commitments under the Minsk agreements (see "Conflict Resolution Process," above).[186] During a media appearance with Zelensky in New York in September 2019, President Trump said he hoped Zelensky and Putin could "get together and ... solve [their] problem. That would be a tremendous achievement."[187]

The United States supports Ukraine against Russia's efforts to tighten control over the Kerch Strait and Sea of Azov. In May 2018, several months before Russia's attack on Ukrainian naval vessels, the State Department condemned Russia's construction of a bridge to Crimea, which, the State Department said, "represents not only an attempt by Russia to solidify its unlawful seizure and its occupation of Crimea, but also impedes navigation" and "serves as a reminder of Russia's ongoing willingness to flout international law."[188] In November 2018, Secretary Pompeo and other U.S. officials responded to Russia's use of force by calling on Russia to free Ukraine's sailors, return the vessels, and restore freedom of passage through the Kerch Strait.[189]

The United States supports Ukraine against Russian efforts to reduce Ukraine's role as a transit state for natural gas exports. CRIEEA states that it is U.S. policy to "oppose the Nord Stream 2 pipeline given its detrimental impacts on the EU's energy security, gas market development in Central and Eastern Europe, and energy reforms in Ukraine" (§257). In November 2018, Secretary Pompeo said that Nord Stream 2 "undermines Ukraine's economic and strategic security and risks further compromising the sovereignty of European nations that depend on Russian gas."[190] The FY2020 National Defense Authorization Act (NDAA; P.L. 116-92) includes

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[184] U.S. Department of State, "Crimea Is Ukraine," March 14, 2018.

[185] U.S. Department of State, "Ukraine-Russia Prisoner Swap," September 8, 2019.

[186] U.S. Department of State, "Ukraine Passes Key Hurdle in Implementation of Minsk Peace Agreements," October 11, 2018; U.S. Department of State, "Condemning Sham 'Elections' in Russia-Controlled Eastern Ukraine," November 12, 2018; U.S. Department of State, "Russia's Decision to Grant Expedited Citizenship to Residents of Russia-Controlled Eastern Ukraine," April 24, 2019.

[187] White House, "Remarks by President Trump and President Zelensky of Ukraine Before Bilateral Meeting," September 25, 2019.

[188] U.S. Department of State, "The Opening of the Kerch Bridge in Crimea," May 15, 2018. Also see U.S. Department of State, "Russia's Harassment of International Shipping Transiting the Kerch Strait and Sea of Azov," August 30, 2018.

[189] See, for example, U.S. Department of State, "Russia's Dangerous Escalation in the Kerch Strait," November 26, 2018.

[190] U.S. Department of State, "Secretary of State Michael R. Pompeo and Ukrainian Foreign Minister Pavlo Klimkin

the Protecting Europe's Energy Security Act of 2019 (PEESA; Title LXXV), which established sanctions related to the construction of the Nord Stream 2 pipeline (see "Sanctions Related to Russia's Invasion of Ukraine," below).[191]

U.S. Concerns About Technology Transfer to China: Case of Motor Sich

Since 2018, U.S. officials reportedly have sought to deter Ukraine from approving the sale to Chinese companies of Motor Sich, a privately-owned Ukrainian company that is a major producer of airplane and helicopter engines. The issue reportedly was a subject of discussion during an August 2019 visit to Ukraine by then-National Security Council Advisor John Bolton. U.S. concerns about the sale relate to the transfer of sensitive technologies that could boost Chinese domestic military production and cooperation with Russia. U.S. officials have warned Ukraine that the sale could lead China to displace Ukraine as a leading aircraft engine exporter.

U.S. concerns date back to 2017, when Ukrainian court documents revealed that a Chinese company had acquired majority ownership of Motor Sich. A Ukrainian court froze 41% of the Chinese-owned shares after the Security Service of Ukraine said the company was intending to move Motor Sich's assets abroad. Earlier in 2017, a Ukrainian official announced a planned $250 million Chinese investment in Motor Sich, as well as plans to develop a plant in Chongqing, China, to "produce and service aircraft engines based on Ukrainian technologies."

In 2019, media reports stated that the Ukrainian government had tentatively agreed with two Chinese companies on the purchase of Motor Sich. The agreement allegedly would grant the companies a majority stake, while state-owned defense production agency Ukroboronprom would receive a blocking stake of at least 25%. As of April 2020, Ukraine's Anti-Monopoly Committee reportedly was reviewing the agreement. Media reports indicate that U.S. companies recently have explored the possibility of purchasing Motor Sich.

Sources: Centre for Transport Strategies, "Motor Sich Planning Factory in China and Investment of USD 250 Million in Ukrainian Production Facilities," May 17, 2017; Askold Krushelnycky, "Washington Worries Over Kyiv Defense Ties to China," *Kyiv Post*, September 14, 2018; Brett Forrest, "U.S. Aims to Block Chinese Acquisition of Ukrainian Aerospace Company," *Wall Street Journal*, August 23, 2019; Todd Prince, "'Serious American' Companies Studying Purchase of Ukraine Motor Sich, U.S. Diplomat Says," RFE/RL, December 27, 2019; Natalia Zinets, "Ukraine Court Rejects Chinese Appeal in Aerospace Deal Opposed by Washington," Reuters, April 17, 2020.

Reforms

The United States has promoted domestic reforms in Ukraine since Ukraine's Revolution of Dignity. In the Obama Administration, officials criticized the Yanukovych government for suppressing the Euromaidan protests and said the United States "stands with the Ukrainian people in solidarity in their struggle for fundamental human rights and a more accountable government."[192] The Obama Administration supported a negotiated resolution to Ukraine's domestic crisis and the establishment of an interim government before Yanukovych fled to Russia in February 2014.

During Poroshenko's presidency, the Obama Administration supported a wide range of governance and economic reforms in Ukraine, including the establishment of new anti-corruption institutions.[193] Then-Vice President Joseph Biden led "the Administration's effort to support a

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Statements to the Press," November 16, 2018.

[191] For more, see CRS In Focus IF11138, *Russia's Nord Stream 2 Pipeline: Will Sanctions Stop It?*, by Paul Belkin, Michael Ratner, and Cory Welt.

[192] Testimony of Thomas O. Melia, in U.S. Congress, Senate Committee on Foreign Relations, *Implications of the Crisis in Ukraine*, hearings, 113th Cong., 2nd sess., January 15, 2014, at http://www.foreign.senate.gov/download/2014/01/15/testimony-1. Also see U.S. Department of State, "Statement of Events in Ukraine," December 10, 2013, and U.S. Department of State, "Situation in Ukraine," February 20, 2014.

[193] See, in particular, testimony of Victoria Nuland, in U.S. Congress, Senate Foreign Relations Committee, *U.S. Policy in Ukraine: Countering Russia and Driving Reform*, hearings, 114th Cong., 1st sess., March 10, 2015, at https://www.foreign.senate.gov/download/nuland-testimony-03-10-15; *The Economic and Political Future of Ukraine*,

sovereign, democratic Ukraine," visiting Kyiv several times after the Revolution of Dignity to express solidarity with Ukraine and to promote domestic reforms.[194] In 2015, Biden reportedly told Ukrainian officials the United States would withhold a $1 billion loan guarantee (the third since 2014) if Ukraine's then-Prosecutor General Viktor Shokin did not resign.[195] U.S. and European officials had criticized the prosecutor general's office for hindering corruption investigations, including an investigation of an ex-Ukrainian official who reportedly controlled Burisma Group, a Ukrainian natural gas company (for more on U.S. aid, see "Foreign and Military Aid," below).[196]

Trump Administration officials have continued to support domestic reforms in Ukraine. In 2017, then-Secretary of State Rex Tillerson called on the Ukrainian government "to redouble its efforts to implement challenging reforms, including uprooting corruption, increasing transparency in the judicial system, strengthening the banking sector, and pursuing corporate governance reform and the privatization of state-owned enterprises."[197] In 2018, then-Deputy Secretary Sullivan emphasized the importance of strengthening the National Anti-Corruption Bureau of Ukraine (NABU) and the Anti-Corruption Prosecutor's Office, as well as the need to stand up an "independent and successful" Anti-Corruption Court.[198] In 2019, then-U.S. Ambassador to Ukraine Marie Yovanovitch criticized the Constitutional Court decision removing the criminal status of "illicit enrichment," calling it "a serious setback in the fight against corruption." She called for a "new and better" amendment to the criminal code and the replacement of the anti-corruption prosecutor "to ensure the integrity of anticorruption institutions." [199]

In September 2019, Vice President Mike Pence met with President Zelensky in Warsaw, Poland. According to the White House, Vice President Pence "commended [Zelensky] for his government's efforts to introduce bold reform legislation to combat corruption and improve the business climate to encourage foreign investment." In a subsequent telephone conversation, Vice President Pence "offered full U.S. support for those efforts."[200]

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hearings, 114th Cong., 1st sess., October 8, 2015, at https://www.foreign.senate.gov/download/nuland-testimony-100815; and *Ukrainian Reforms Two Years After the Maidan Revolution and the Russian Invasion*, hearings, 114th Cong., 2nd sess., March 15, 2016, at https://www.foreign.senate.gov/download/nuland-testimony-031516. Also see White House, "Fact Sheet: U.S. Assistance to Ukraine Since February 2014," June 15, 2016.

[194] White House, "Vice President Joe Biden," at https://obamawhitehouse.archives.gov/vp; Brian Bonner, "From the *Kyiv Post* Archives: Biden's 6 Visits to Ukraine as Vice President," *Kyiv Post*, October 5, 2019 (originally published on January 15, 2017).

[195] Steve Clemons, "The Biden Doctrine," *Atlantic*, August 22, 2016; Council on Foreign Relations, "Foreign Affairs Issue Launch with Former Vice President Joe Biden," January 23, 2018; Matt Viser and Paul Sonne, "Inside Joe Biden's Brawling Efforts to Reform Ukraine – Which Won Him Successes and Enemies," *Washington Post*, October 19, 2019.

[196] RFE/RL, "U.S. Ambassador Upbraids Ukrainian Prosecutors over Anticorruption Efforts," September 25, 2015; Victoria Nuland, in U.S. Congress, Senate Foreign Relations Committee, *The Economic and Political Future of Ukraine*, hearings, 114th Cong., 1st sess., October 8, 2015, at https://www.foreign.senate.gov/download/nuland-testimony-100815; James Risen, "Joe Biden, His Son and the Case Against a Ukrainian Oligarch," *New York Times*, December 8, 2015; Daniel McLaughlin, "EU Hails Sacking of Ukraine's Prosecutor Viktor Shokin," *Irish Times*, March 29, 2016.

[197] U.S. Department of State, "Remarks to NATO-Ukraine Commission," U.S. Department of State, March 31, 2017.

[198] He also commended Ukraine for "bold education, healthcare, and pension reforms" and "deregulating certain business sectors and increasing tax transparency." U.S. Department of State, "Remarks at the Ministry of Foreign Affairs' Diplomatic Academy," February 21, 2018.

[199] U.S. Embassy in Ukraine, "Remarks by Ambassador Yovanovitch on the Occasion of the 5th Anniversary of the Ukraine Crisis Media Center's Founding," March 5, 2019.

[200] White House, "Readout of Vice President Mike Pence's Meeting with Ukrainian President Volodymyr Zelenskyy,"

Foreign and Military Aid

Since independence, Ukraine has been a leading recipient of U.S. foreign and military aid in Europe and Eurasia. In the 1990s (FY1992-FY2000), the U.S. government provided almost $2.6 billion in total aid to Ukraine ($287 million a year, on average).[201] In the 2000s (FY2001 to FY2009), total aid to Ukraine amounted to almost $1.8 billion ($199 million a year, on average).[202] In the five years before Russia's 2014 invasion of Ukraine (FY2010 to FY2014), State Department and U.S. Agency for International Development (USAID) assistance (including foreign military financing) totaled about $105 million a year, on average. Separate nonproliferation and threat reduction assistance administered by the Departments of Energy and Defense amounted to an average of over $130 million a year in obligated funds.[203]

Since Russia's invasion of Ukraine, the United States has provided higher levels of annual assistance to Ukraine. Nonmilitary aid averaged about $321 million a year from FY2015 to FY2019.[204] In addition, the U.S. government has provided a total of more than $239 million in humanitarian assistance since FY2014 to assist internally displaced persons (IDPs) and other victims of conflict.[205] The United States also has provided three $1 billion loan guarantees to Ukraine.[206] For FY2020, Congress appropriated $330.1 million in nonmilitary aid. The President's FY2021 nonmilitary aid request for Ukraine was $199 million.

The United States also has provided military assistance to Ukraine: more than $1.6 billion since Russia's 2014 invasion.[207] In addition to bilateral foreign military financing ($115 million appropriated annually in FY2019 and FY2020), U.S. assistance includes the Ukraine Security Assistance Initiative (USAI; P.L. 114-92, §1250), which provides security assistance to support Ukraine's sovereignty and territorial integrity and to help Ukraine defend against further

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September 1, 2019; White House, "Readout of Vice President Mike Pence's Phone Call with the President of Ukraine," September 18, 2019.

[201] Foreign aid totals from FY1992 to FY2000 include all agencies and accounts. See U.S. Department of State, *U.S. Government Assistance to and Cooperative Activities With the New Independent States of the Former Soviet Union* (submitted pursuant to Section 104 of the FREEDOM Support Act, P.L. 102-511), FY2000 Annual Report (Appendix), January 2001, at https://2009-2017.state.gov/p/eur/rls/rpt/nisasst/index.htm.

[202] CRS calculations, based on data available in the U.S. Department of State's annual *U.S. Government Assistance to and Cooperative Activities with Eurasia* reports for FY2001 to FY2009, at https://2009-2017.state.gov/p/eur/rls/rpt/c10250.htm.

[203] Since FY2010, the U.S. government has not provided a comprehensive accounting of foreign aid to post-Soviet states similar to that included in the annual Section 104 reports issued through FY2009. From FY2010, State Department and U.S. Agency for International Development (USAID) assistance cited in the text refer to actual funds, as reported in the State Department's annual Congressional Budget Justifications. Nonproliferation and threat reduction assistance refers to obligated funds from the Department of Energy Defense Nuclear Nonproliferation and Department of Defense Cooperative Threat Reduction (CTR) accounts, as reported by USAID. FY2014 CTR funds include some assistance provided in response to Russia's invasion of Ukraine. USAID Foreign Aid Explorer, at https://explorer.usaid.gov/.

[204] This total includes all State Department and USAID bilateral assistance, except for Foreign Military Financing and International Military Education and Training.

[205] See USAID's end-fiscal year *Ukraine - Complex Emergency Fact Sheet* for FY2015 to FY2019, at https://www.usaid.gov/crisis/ukraine/ukraine-disaster-response-archive.

[206] The subsidy cost of the third loan guarantee ($290 million) was included in the total amount of State Department/USAID assistance for FY2016 but is not included in the calculations in the text. On loan guarantees, see CRS In Focus IF10409, *U.S. Foreign Assistance: USAID Loan Guarantees*, and USAID, "USAID Announces U.S. Issuance of $1 Billion Loan Guarantee to the Government of Ukraine," press release, September 30, 2016.

[207] U.S. Department of Defense (DOD), "5 Things to Know About the U.S.-Ukraine Defense Relationship," November 7, 2019.

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aggression. From FY2016 to FY2020, Congress appropriated $1.1 billion for USAI. Ukraine also has received security assistance through additional Department of Defense and other accounts, including emergency and reprogrammed aid in 2014-2015, the European Deterrence (formerly Reassurance) Initiative, the Global Security Contingency Fund, Section 333 (Building Partner Capacity), and regional Foreign Military Financing (FMF).

The Obama Administration provided nonlethal security assistance to Ukraine, due to concerns about potential conflict escalation.[208] Such assistance included "body armor, helmets, vehicles, night and thermal vision devices, heavy engineering equipment, advanced radios, patrol boats, rations, tents, counter-mortar radars, uniforms, first aid equipment and supplies, and other related items."[209]

The Trump Administration has provided nonlethal aid to Ukraine and has provided major defensive lethal weaponry. Security assistance has included

> equipment to support ongoing training programs and operational needs, including capabilities to enhance: maritime situational awareness and operations as part of ongoing U.S. efforts to increase support for Ukraine's Navy and Naval Infantry; the defensive capacity and survivability of Ukraine's Land and Special Operations Forces through the provision of sniper rifles, rocket-propelled grenade launchers, and counter-artillery radars; command and control; electronic warfare detection and secure communications; military mobility; night vision; and, military medical treatment.[210]

In March 2018, the Department of Defense notified Congress of a Foreign Military Sale to Ukraine of 210 Javelin portable anti-tank missiles, as well as launchers, associated equipment, and training, at a total estimated cost of $47 million (to be paid through FMF).[211] According to media reports, these missiles were to be stored away from the frontline.[212]

In October 2019, the Defense Department notified Congress of a second Foreign Military Sale to Ukraine of 150 Javelin missiles, at a total estimated cost of $39.2 million (reportedly paid for with national funds).[213] The following month, the United States transferred two retired Coast Guard Island-class patrol boats to the Ukrainian navy. FY2020 USAI assistance reportedly includes at least one Mark VI patrol boat.[214]

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[208] Testimony of John Kerry, in U.S. Congress, House Foreign Affairs Committee, *Advancing U.S. Interests in a Troubled World: The FY2016 Foreign Affairs Budget*, hearings, 114th Cong., 1st sess., February 25, 2015, at http://www.cq.com/doc/congressionaltranscripts-4630365; testimony of Victoria Nuland, in U.S. Congress, House Foreign Affairs Committee, *Ukraine Under Siege*, hearings, 114th Cong., 1st sess., March 4, 2015, at http://www.cq.com/doc/committees-2015030400324140?3; U.S. Department of State, "Remarks on Transatlantic Cooperation and the Crisis in Ukraine," March 5, 2015. Also see Fiona Hill and Clifford Gaddy, "How Aiding the Ukrainian Military Could Push Putin into a Regional War," *Washington Post*, February 5, 2015.

[209] White House, "Fact Sheet: U.S. Assistance to Ukraine," November 21, 2014. Also see Lolita C. Baldor and Nedra Pickler, "U.S. to Send Ukraine Drones, More Aid, But No Lethal Weapons," Associated Press, March 11, 2015, and Adriane Elliot, "Security Enterprise Builds Partner Nation's Defenses," U.S. Army, July 20, 2016.

[210] DOD, "DOD Announces $250M to Ukraine," June 18, 2019.

[211] Defense Security Cooperation Agency, "Ukraine – Javelin Missiles and Command Launch Units," Transmittal No. 18-02, March 1, 2018; Senator Rob Portman, "Portman Praises State Department Approval of Anti-Tank Missiles to Ukraine," press release, March 2, 2018.

[212] Mike Eckel and Christopher Miller, "Next Up for U.S. Weapons Supplies to Ukraine? Possibly Surface-to-Air Missiles," RFE/RL, June 11, 2019.

[213] Defense Security Cooperation Agency, "Ukraine – Javelin Missiles and Command Launch Units," Transmittal No. 19-70, October 3, 2019.

[214] John Vandiver, "U.S. Transfers Patrol Boats to Ukraine as Military Aid Takes Center Stage During Impeachment Hearings," *Stars and Stripes*, November 14, 2019; David Axe, "Ukraine's Getting an American Gunboat. How Long Would It Last Against Russia?," *National Interest*, March 9, 2020.

Ukraine Aid and the U.S. Presidential Impeachment

In August and September 2019, some Members of Congress expressed concern about a reported hold of security assistance funds to Ukraine that were to expire at the end of the fiscal year (September 30, 2019).[a] The Department of Defense had notified Congress of its intent to obligate a total of $250 million in Ukraine Security Assistance Initiative (USAI) funds in February 2019 and May 2019. The Administration released the USAI funds on September 12, 2019. In addition, the State Department notified Congress of its intent to obligate $141.5 million in Foreign Military Financing for Ukraine on September 11, 2019.[b]

Questions persisted about the hold, especially after media reports alleged that a whistleblower complaint received by the Office of the Inspector General of the Intelligence Community in August 2019 was related to presidential communications regarding Ukraine.[c] After the Acting Director of National Intelligence (DNI) declined to transmit the complaint to Congress, House Speaker Nancy Pelosi announced on September 24, 2019, that the House would start an impeachment inquiry. The next day, the White House released a memorandum of a July 25, 2019, telephone conversation between President Trump and President Zelensky; in addition, the Office of the DNI provided Congress with a declassified version of the whistleblower complaint.

The December 2019 articles of impeachment in part accused the President of linking security aid and a head of state White House meeting to an agreement by the Ukrainian government to announce investigations into two matters: (1) what President Trump alleged was potential Ukrainian interference in the 2016 U.S. presidential election and (2) the role of then-Vice President Joseph Biden in securing the removal from office of Ukraine's then-Prosecutor General Viktor Shokin in 2016 (see "Reforms," above).

President Trump and White House officials said the hold on Ukraine's security aid had been in place while they assessed Zelensky's commitment to combatting corruption and the amount of aid European states were providing to Ukraine.[d] In January 2020, the U.S. Government Accountability Office (GAO) concluded that the withholding of aid by the Office of Management and Budget (OMB) was a violation of the Congressional Budget and Impoundment Control Act of 1974. The OMB, which in December 2019 stated that the hold had been a legal "pause in obligations," said that it "disagree[d] with GAO's opinion."[e]

Sources: [a] Caitlin Emma and Connor O'Brien, "Trump Holds Up Ukraine Military Aid Meant to Confront Russia," *Politico*, August 28, 2019; U.S. Senator Rob Portman, "Portman, Shaheen Lead Bipartisan Ukraine Caucus Leadership Letter Urging Trump Administration to Release Military Security Assistance Funds for Ukraine," press release, September 3, 2019; U.S. House Committee on Foreign Affairs, "Three House Committees Launch Wide-Ranging Investigation into Trump-Giuliani Ukraine Scheme," press release, September 9, 2019.

[b] Caitlin Emma et al., "Trump Administration Backs Off Hold on Ukraine Military Aid," *Politico*, September 12, 2019.

[c] Ellen Nakashima et al., "Whistleblower Complaint About President Trump Involves Ukraine, According to Two People Familiar with the Matter," *Washington Post*, September 19, 2019.

[d] See, for example, White House, "Remarks by Vice President Pence and President Duda of Poland in Joint Press Conference," September 2, 2019; White House, "Remarks by President Trump and President Niinistö of the Republic of Finland in Joint Press Conference," October 2, 2019; White House, "Remarks by Vice President Pence in a Press Gaggle," October 10, 2019; *New York Times*, "Read Mulvaney's Conflicting Statements on Quid Pro Quo," October 17, 2019.

[e] Office of Management and Budget, "OMB OGC Letter to GAO on Authority to Pause Obligation of Ukraine Funds," December 11, 2019; U.S. Government Accountability Office, *Office of Management and Budget—Withholding of Ukraine Security Assistance*, B-331564, January 16, 2020; Andrew Duehren, "Hold on Ukraine Aid Violated Law, Nonpartisan Watchdog Finds," *Wall Street Journal*, January 16, 2020.

Since 2015, U.S. forces have provided training and mentoring to members of the Ukrainian Armed Forces as part of the Joint Multinational Training Group-Ukraine, which also has included military trainers from Canada, Denmark, Lithuania, Poland, Sweden, and the UK (see "Yavoriv Combat Training Center" text box, below). In addition, a Multinational Joint Commission on Defense Reform and Security Cooperation serves as an advisory body that "assesses Ukrainian requirements and prioritizes training, equipment, and advisory initiatives."[215]

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[215] The Multinational Joint Commission on Defense Reform and Security Cooperation originated in 2014 as a U.S.-Ukraine commission and expanded to include Canada, Lithuania, and the UK and, subsequently, Poland, Denmark, and

The United States and Ukraine host regular joint military exercises in Ukraine with the participation of NATO allies and partners. Sea Breeze, a maritime exercise, has been held regularly since 1997; the exercise "seeks to build combined capability and capacity to ensure maritime regional security and foster stronger friendships among partnering nations."[216] Another exercise, Rapid Trident, has been held annually since 2011. Originally a peacekeeping exercise for NATO and Partnership for Peace members, Rapid Trident has evolved to serve as the "validation" for Ukrainian armed forces undergoing training at the Yavoriv Combat Training Center "under the advisement of allied and partner nations."[217] In 2018, Ukraine hosted a new U.S.-sponsored multinational air force exercise, Clear Sky 2018.[218]

Yavoriv Combat Training Center

Since 2015, U.S., allied, and partner forces have provided training and mentoring to members of the Ukrainian Armed Forces as part of the Joint Multinational Training Group-Ukraine (JMTG-U), based at the Yavoriv Combat Training Center in the western Ukrainian region of Lviv. The combat training center is "co-located" with Ukraine's International Center for Peacekeeping and Security, a preexisting multinational training center.

The U.S. training mission in Ukraine is overseen by U.S. Army Europe's 7th Army Training Command. Military trainers deployed to the JMTG-U and a predecessor mission (Fearless Guardian, which provided training to interior ministry troops) serve on rotational deployments. U.S. personnel have been drawn from the U.S. Army and National Guard, including

- U.S. Army Europe's 173rd Airborne Brigade Combat Team (2015-2016)
- California Army National Guard's 79th Infantry Brigade Combat Team (2016) (the California National Guard has a broad partnership with Ukraine through the National Guard's State Partnership Program)
- U.S. Army's 2nd Infantry (now Armored) Brigade Combat Team, 3rd Infantry Division (2016)
- Oklahoma Army National Guard's 45th Infantry Brigade Combat Team (2017)
- New York Army National Guard's 27th Infantry Brigade Combat Team (2017-2018)
- Tennessee Army National Guard's 278th Armored Cavalry Regiment (2018-2019)
- U.S. Army's 2nd Infantry Brigade Combat Team, 101st Airborne Division (Air Assault) (2019)
- Wisconsin Army National Guard's 32nd Infantry Brigade Combat Team (2019-2020)

Sources: Andrew Roth, "U.S. Army Trainers Arrive in Ukraine," *New York Times*, April 17, 2015; Oriana Pawlyk, "California Guard May Send More Troops to Ukraine in 2017," Military.com, December 28, 2016; 101st Airborne Division (Air Assault), "101st Airborne Division Soldiers to Case Colors for Ukraine Deployment," press release, April 5, 2019; additional media and U.S. military reports, available to congressional clients upon request.

The United States provides cybersecurity assistance to Ukraine. U.S. interagency teams visited Ukraine in 2016 regarding December 2015 cyberattacks against Ukrainian power companies.[219]

Sweden. The White House, "Fact Sheet: U.S. and NATO Efforts in Support of NATO Partners, Including Georgia, Ukraine, and Moldova," July 9, 2016; Government of Canada, "Operation UNIFIER," December 3, 2018.

[216] U.S. Naval Forces Europe-Africa, "Sixth Fleet Announces Sea Breeze 2019 Participation," press release, June 25, 2019; Ed Adamczyk, "U.S. Navy Prepares for 'Sea Breeze 2019' Naval Exercises in Ukraine," UPI, June 28, 2019.

[217] 7th Army Training Command, "Rapid Trident," n.d.; Spc. Michael Sword, "Secretary of Army Witnesses Rapid Trident 2011 in Ukraine," U.S. Army, August 5, 2011; Sgt. Kyle Larsen, "Rapid Trident 19 Demonstrates Multinational Proficiency in Ukraine," U.S. Army, September 30, 2019.

[218] Kyle Rempfer, "U.S. Air Force's Huge Exercise in Ukraine Fuels Growing Partnership and That Country's NATO Ambitions," *Air Force Times*, November 13, 2018.

[219] ICS-CERT, U.S. Department of Homeland Security, "Cyber-Attack Against Ukrainian Critical Infrastructure," February 25, 2016; Kim Zetter, "Inside the Cunning, Unprecedented Hack of Ukraine's Power Grid," *Wired*, March 3, 2016.

The United States and Ukraine have held three annual Bilateral Cybersecurity Dialogues in Kyiv. Since 2017, the United States has pledged $18 million in cybersecurity assistance to Ukraine.[220]

Bilateral Trade

The United States granted Ukraine permanent normal trade relations status in 2006.[221] From 2014 to 2016, bilateral trade declined in line with an overall decline in Ukraine's trade after Russia's invasion. U.S.-Ukraine trade began to recover in 2017. In 2019, the United States was Ukraine's 6th-largest source of merchandise imports and 14th-largest destination for exports.[222] The value of U.S. merchandise exports to Ukraine—mostly coal, motor vehicles, and industrial machinery—was $2.35 billion in 2019. The value of U.S. merchandise imports from Ukraine—mainly iron and steel—was $1.30 billion in 2018.

In 2017, President Trump and then-President Poroshenko agreed to increase the sale of U.S. coal to Ukraine, stating that it could help replace now-halted supplies of coal from the nongovernment-controlled areas of eastern Ukraine.[223] In 2019, U.S. coal accounted for almost one-third of Ukraine's total coal imports.

Role of Congress

Since 1991, Congress has supported Ukraine's independence, sovereignty, and democratic trajectory.[224] Congress supported Ukraine's democratic transition during the 2004-2005 Orange Revolution.[225] Congress also has agreed to several resolutions to commemorate the 1986 Chernobyl nuclear disaster, which took place in Soviet Ukraine, and to support related U.S. and international assistance.[226] Congress has regularly commemorated the Soviet Ukraine famine of 1932-1933, most recently in 2018 (H.Res. 931/S.Res. 435).[227]

During Ukraine's Revolution of Dignity, Congress supported a peaceful resolution to the conflict. Before ex-President Yanukovych fled to Russia in February 2014, the House and Senate agreed to

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[220] U.S. Department of State, "The United States and Ukraine Hold Third Cyber Dialogue," March 3, 2020.

[221] P.L. 109-205. Before 2006, Ukraine was subject to Title IV of the Trade Act of 1974 (P.L. 93-618; 19 U.S.C. 2101 et seq.), pursuant to which Russia and other post-Soviet states were denied permanent normal trade relations status. The Trade Act had originally imposed restrictions on trade with the Soviet Union, due to its nonmarket economy and prohibitive emigration policies (the latter through Section 402, popularly cited as the Jackson-Vanik amendment). After the collapse of the Soviet Union, these trade restrictions formally continued to apply to Russia and other post-Soviet states, even though they received conditional normal trade relations in 1992.

[222] Data in this section are from the State Customs Committee of Ukraine and U.S. Census Bureau, as presented in Global Trade Atlas.

[223] Ari Natter, "Ukraine Coal Exports Part of Trump Bid to Counter Russia," Bloomberg News, July 31, 2017; Alessandra Prentice, "How a U.S. Coal Deal Warmed Ukraine's Ties with Trump," Reuters, February 19, 2018.

[224] See, for example, H.Con.Res. 120 (1996), S.Res. 205 (2002), and S.Res. 422 (2010).

[225] See S.Res. 473 (2004), S.Res. 487 (2004), and H.Con.Res. 16/S.Con.Res. 7 (2005).

[226] See H.Res. 440 (1986), H.Con.Res. 167/S.Con.Res. 56 (1996), H.Res. 703 (2006), and S.Res. 153 (2011).

[227] Historians attribute the famine, which Ukrainians refer to as the *Holodomor*, to the coercive policies of Joseph Stalin's regime. The famine killed almost 4 million Ukrainians, according to current estimates. In 1985, Congress established a Commission on the Ukraine Famine (P.L. 99-180), which held hearings with eyewitnesses, published findings, and conducted a related oral history project. In 2006, Congress passed legislation authorizing the government of Ukraine to establish a memorial on federal land to honor the victims of the Ukraine famine (P.L. 109-340). The memorial was established in 2015. Anne Applebaum, *Red Famine: Stalin's War on Ukraine* (Doubleday, 2017); Commission on the Ukraine Famine, *Investigation of the Ukrainian Famine, 1932-1933*, April 22, 1988; Askold Krushelnycky, "How Washington Holodomor Monument Won the Race Against Time," *Kyiv Post*, February 23, 2020.

resolutions to support Ukrainians' democratic aspirations, call for a peaceful resolution to the standoff between the government and protestors, and raise the prospect of sanctions "against individuals responsible for ordering or carrying out the violence" (S.Res. 319, H.Res. 447). Prior to the start of the Euromaidan protests, the Senate agreed to a resolution calling upon the Ukrainian government to release Yulia Tymoshenko from prison and the EU to make her release a condition for signing the EU-Ukraine Association Agreement (S.Res. 165).

Since 2014, many Members of Congress have condemned Russia's invasion of Ukraine, promoted sanctions against Russia, and supported increased aid to Ukraine.[228] The Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (SSIDES; P.L. 113-95; 22 U.S.C. 8901 et seq.) was enacted in April 2014. SSIDES authorized aid to help Ukraine pursue reform, provided security assistance to Ukraine and neighboring countries, directed the U.S. government to assist Ukraine to recover assets linked to corruption, and established a variety of sanctions (see "Sanctions Related to Russia's Invasion of Ukraine," below). At this time, Congress also passed, and the President signed into law, a bill authorizing increased funds to boost programming in Ukraine, Moldova, "and neighboring regions" by U.S. government-funded broadcasters Radio Free Europe/Radio Liberty (RFE/RL) and Voice of America (VOA) (P.L. 113-96).

The Ukraine Freedom Support Act of 2014 (UFSA; P.L. 113-272; 22 U.S.C. 8921 et seq.) was enacted in December 2014. UFSA stated that it is the policy of the United States "to further assist the Government of Ukraine in restoring its sovereignty and territorial integrity [and] to deter the Government of the Russian Federation from further destabilizing and invading Ukraine and other independent countries in Central and Eastern Europe, the Caucasus, and Central Asia." The act required or authorized a variety of expanded sanctions; authorized increased nonmilitary and military assistance to Ukraine; and authorized an expansion of RFE/RL and VOA broadcasting throughout the post-Soviet states, giving priority to Ukraine, Georgia, and Moldova.

The Countering America's Adversaries Through Sanctions Act (CAATSA; P.L. 115-44; U.S.C. 9501 et seq.), with CRIEEA as its Title II, was enacted in August 2017. CRIEEA codified Ukraine-related executive orders (EOs) establishing sanctions on Russia, strengthened sanctions authorities initiated in Ukraine-related EOs and legislation, and established several new sanctions (see "Sanctions Related to Russia's Invasion of Ukraine," below). It also established congressional review of any action the President takes to ease or lift a variety of sanctions. Among other measures, the act authorized $30 million in FY2018-FY2019 to promote energy security in Ukraine and required the State Department to submit a semiannual report to Congress on U.S. efforts to promote energy security in Ukraine (§257).

Since 2014, Congress has supported the provision of defensive lethal weapons to Ukraine. UFSA authorized the President to provide "defense articles ... including anti-tank and anti-armor weapons [and] crew weapons and ammunition."[229] The FY2016 to FY2020 National Defense Authorization Acts authorized "appropriate security assistance" to Ukraine, including "lethal assistance" such as "anti-armor weapon systems, mortars, crew-served weapons and ammunition, grenade launchers and ammunition," and (since FY2020) "coastal defense and anti-ship missile systems." Since FY2016, defense appropriations have provided military assistance to Ukraine, to

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[228] For related resolutions in the House, see H.Res. 499, H.Res. 726, and H.Res. 758 in 2014, and H.Res. 50, H.Res. 162, and H.Res. 348 in 2015. For related resolutions in the Senate, see S.Res. 378 and S.Res. 520 in 2014, and S.Res. 52 and S.Res. 72 in 2015.

[229] From 2014 to 2016, the House and/or Senate repeatedly expressed support for providing lethal defensive weapons to Ukraine. See H.Res. 758 (2014), P.L. 113-291 (2015), H.Res. 162 (2015), S.Res. 72 (2015), and H.R. 5094 (2016).

include "lethal weapons of a defensive nature" and (since FY2019) "lethal assistance." In 2019, S.Res. 74 affirmed the United States' "unwavering commitment to ... providing additional lethal and non-lethal security assistance to strengthen Ukraine's defense capabilities on land, sea, and in the air in order to improve deterrence against Russian aggression."

Some Members of Congress have expressed concern about the emergence of far-right movements in Ukraine.[230] Since FY2017, defense appropriations have prohibited funds from being used "to provide arms, training, or other assistance to the Azov Battalion" (P.L. 116-93, §8124).

In November-December 2018, Members of the 115th Congress agreed to resolutions condemning Russia's attack on Ukrainian naval vessels (S.Res. 709, H.Res. 1162) and calling for the cancellation of Nord Stream 2 and the imposition of sanctions on entities for investing in or supporting the project (H.Res. 1035).

In July 2019, during the 116th Congress, the Senate agreed to S.Res. 74 to mark the fifth anniversary of Ukraine's Revolution of Dignity "by honoring the bravery, determination, and sacrifice of the people of Ukraine during and since the Revolution, and condemning continued Russian aggression against Ukraine." The resolution, among other things, applauds Ukraine's reform progress, encourages the continued implementation of reforms, affirms the Crimea Declaration, and expresses the belief that "the strengthening of Ukraine's democracy ... should serve as a positive example to other post-Soviet countries."

In December 2019, Congress passed PEESA, which established sanctions related to the construction of the Nord Stream 2 pipeline (P.L. 116-92, Title LXXV). Before the passage of PEESA, several Members of Congress had expressed opposition to Nord Stream 2.[231]

Other Legislative Initiatives

The Ukraine Cybersecurity Cooperation Act of 2017 (H.R. 1997), which passed the House during the 115th Congress, called for greater cybersecurity cooperation with and aid to Ukraine.[232]

In March 2019, the House of Representatives voted 427-1 to pass H.R. 596, the Crimea Annexation Non-recognition Act, which would assert that it is the policy of the United States not to recognize Russia's claim of sovereignty over Crimea, its airspace, or its territorial waters.

The U.S.-Ukraine Security Cooperation Enhancement Act (H.R. 3047), introduced in May 2019, would enhance U.S.-Ukraine security cooperation, including by authorizing the provision of more lethal defense articles. The bill also would authorize the President to treat Ukraine as a major non-NATO ally.[233]

The Defending American Security from Kremlin Aggression Act of 2019 (S. 482), which was reported and placed on the Senate Legislative Calendar in December 2019, contains a statement of policy not to recognize Russia's "illegal attempted annexation of Crimea" and to reaffirm the United States' "unwavering support for democracy, human rights, and the rule of law for all

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[230] Rep. Ro Khanna, "Rep. Khanna Leads Bipartisan Members in Condemning Anti-Semitism in Europe," April 25, 2018; Rep. Max Rose, "Rose Leads Dozens of House Dems in Asking State Dept: Why Aren't White Supremacist Groups Listed as Foreign Terrorist Organizations?" October 16, 2019.

[231] See S.Res. 27 (reported and placed on the Senate Legislative Calendar) and its companion bill, H.Res. 116, as well as H.R. 2023, H.R. 3206, S. 1441, and S. 1830 (the House bills were ordered to be reported; the Senate bills were reported and placed on the Senate Legislative Calendar).

[232] A related bill, S. 2455, was introduced in the Senate.

[233] Proposals to treat Ukraine as a major non-NATO ally were previously included in legislation introduced in 2014 (H.R. 5190, S. 2828, H.R. 5782).

individuals in Crimea." The act would impose additional sanctions on Russia in response to its invasion of Ukraine and for interfering with freedom of navigation through the Kerch Strait.[234]

The Ukraine Religious Freedom Support Act (H.R. 5408, S. 3064) was introduced in the House and Senate in December 2019 and ordered to be reported in the House in March 2020. The act would seek to deny U.S. visas to Russian officials if they committed particularly severe violations of religious freedom in occupied Ukrainian territory. It also would require the President to consider such violations for the purposes of making a determination of whether to designate Russia as a country of particular concern for religious freedom.

H.Res. 802, introduced in January 2020, would affirm the United States' "resolute support for Ukraine in its efforts to counter Russian aggression and continue its trajectory among the community of democracies."

Sanctions Related to Russia's Invasion of Ukraine

Most U.S. sanctions designations of Russian individuals and entities have been imposed in response to Russia's invasion of Ukraine. In 2014, the Obama Administration said it would impose increasing costs on Russia, in coordination with the EU and others, until Russia "abides by its international obligations and returns its military forces to their original bases and respects Ukraine's sovereignty and territorial integrity."[235] As of April 2020, the United States has imposed Ukraine-related sanctions on almost 700 individuals and entities.[236]

A series of executive orders issued in 2014 (EOs 13660, 13661, 13662, and 13685), based on national emergency authorities and codified by CRIEEA, establish a framework for Ukraine-related sanctions on those the President determines have undermined Ukraine's security, stability, sovereignty, or territorial integrity or have misappropriated state assets. The EOs also establish sanctions against designated Russian government officials and persons who operate in the Russian arms sector, key sectors of the Russian economy, or occupied Crimea. In addition, they prohibit U.S. business, trade, or investment in occupied Crimea. Among those designated are Ukrainian individuals and entities, including former government officials and Russian proxy authorities in occupied Crimea and the nongovernment-controlled areas in eastern Ukraine. Sectoral sanctions imposed in response to Russia's invasion of Ukraine apply to certain kinds of transactions with specific entities in Russia's financial, energy, and defense sectors.

SSIDES and UFSA, signed into law in 2014, expanded on the actions the Obama Administration took in response to Russia's invasion of Ukraine. President Obama did not cite SSIDES or UFSA as an authority for designations or other sanctions actions.[237] In November 2018, President Trump cited SSIDES, as amended by CRIEEA (§228), to designate two Ukrainian individuals and one entity for committing serious human rights abuses in territories forcibly occupied or controlled by Russia. President Trump has not cited UFSA as an authority for any sanctions designations. SSIDES and UFSA contain additional sanctions provisions the executive branch could use, including potentially wide-reaching secondary sanctions against foreign individuals and entities that facilitate significant transactions for Russia sanctions designees.

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[234] In addition, S.Res. 27 and H.Res. 116 were introduced in response to Russian maritime aggression against Ukraine.

[235] The White House, "Fact Sheet: Ukraine-Related Sanctions," March 17, 2014.

[236] For details, see CRS Report R45415, *U.S. Sanctions on Russia*, coordinated by Cory Welt.

[237] In his signing statement, President Obama said the Administration did "not intend to impose sanctions under this law, but the Act gives the Administration additional authorities that could be utilized, if circumstances warranted." The White House, "Statement by the President on the Ukraine Freedom Support Act," December 18, 2014.

PEESA, signed into law in December 2019, requires sanctions on foreign persons whom the President determines have sold, leased, or provided subsea pipe-laying vessels for the construction of Russian natural gas pipelines Nord Stream 2 and TurkStream, or any successor pipeline, since December 20, 2019 (both pipelines are considered to undercut Ukraine's role as a transit state). PEESA provides for a 30-day wind-down period; exceptions for repairs, maintenance, environmental remediation, and safety; and a national security waiver. In addition, PEESA provides for the termination of sanctions if the President certifies to Congress "that appropriate safeguards have been put in place"

- to minimize Russia's ability to use the sanctioned pipeline project "as a tool of coercion and political leverage" and

- to ensure "that the project would not result in a decrease of more than 25 percent in the volume of Russian energy exports transiting through existing pipelines in other countries, particularly Ukraine, relative to the average monthly volume of Russian energy exports transiting through such pipelines in 2018."

As of April 2020, PEESA's impact on completion of the Nord Stream 2 pipeline was uncertain. The company laying the pipeline has suspended its activities, but Russian officials have said that Russia should be able to finish construction of Nord Stream 2 on its own.[238] TurkStream was inaugurated in January 2020.

Like the United States, the EU has imposed sanctions ("restrictive measures") against Russia for its invasion of Ukraine. EU sanctions are similar, although not identical, to U.S. sanctions. Most EU sanctions are imposed for a defined period of time (usually six months or a year) to incentivize change and provide the EU with flexibility to adjust the sanctions as warranted. Unanimity among EU member states is required to renew (i.e., extend) EU sanctions. Other countries, including Australia, Canada, Japan, Norway, and Switzerland, also have imposed sanctions on Russia in response to its invasion of Ukraine.

Outlook

More than six years after Ukraine's Euromaidan protests and Russia's invasion, Ukraine continues to grapple with a number of internal and external challenges. Issues that Members of Congress may consider in seeking to influence or shape U.S. relations with Ukraine could include the following:

- How to assist Ukraine's new government in sustaining a democratic and reform-minded trajectory;

- How to help Ukraine implement and consolidate governance and anti-corruption reforms supported by the international community and Ukrainian civil society;

- How to assist Ukraine in its efforts to restore sovereignty over its territory, re-engage Russia in the conflict resolution process, achieve a sustainable political settlement, and promote security and humanitarian needs in and around conflict-affected regions;

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[238] Vladimir Soldatkin and Andreas Rinke, "Putin: Nord Stream 2 Pipeline Will Be Finished by Year-End or Q1 2021," Reuters, January 11, 2020. Also see Todd Prince, "More Nord Stream 2 Sanctions on Horizon? U.S. Senator and Ukraine's Naftogaz Discuss Ways To Halt Controversial Gas Pipeline," RFE/RL, March 7, 2020, and Benjamin L. Schmitt, "They're Gonna Need a Bigger Boat: The Curious Voyage of the Akademik Cherskiy," Jamestown Foundation, March 31, 2020.

- How to assess the effectiveness of current levels and kinds of economic and security (including lethal) assistance to Ukraine;

- How to further promote Ukraine's energy security; and

- How to increase Ukraine's benefits from its free trade agreement with the EU and its overall partnerships with the EU and NATO.

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