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

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After Ukraine’s transition to a new government under President Volodymyr Zelensky and his Servant of the People party, the country continues to grapple with serious challenges. President Zelensky has expressed a commitment to implementing difficult economic and governance reforms, promoting Ukraine’s Western integration, rebuilding ties with residents of Russian-controlled areas of eastern Ukraine, and revitalizing talks with Russia on conflict resolution. The U.S. government has congratulated President Zelensky and all Ukrainians on their “vibrant democracy” and expressed “steadfast support” to Ukraine “as it undertakes essential reforms.”

The United States supports Ukraine’s sovereignty and territorial integrity within its internationally recognized borders, while actively promoting the continuation and consolidation of domestic reforms. Since Ukraine’s independence, and especially after Russia’s 2014 invasion, Ukraine has been a leading recipient of U.S. foreign, humanitarian, and military aid in Europe and Eurasia. Nonmilitary, non-humanitarian assistance totaled an average of $320 million a year from FY2015 to FY2018. The United States provides substantial military assistance to Ukraine, including via the Ukraine Security Assistance Initiative, which provides “appropriate security assistance and intelligence support” to help Ukraine defend its sovereignty and territorial integrity.


In November-December 2018, Members of the 115th Congress passed resolutions condemning a Russian attack on Ukrainian naval vessels (S.Res. 709, H.Res. 1162). The 115th Congress also passed a resolution calling for the cancellation of Nord Stream 2, a new Baltic Sea pipeline Russia is constructing, and the imposition of sanctions with respect to the project (H.Res. 1035). In July 2019, during the 116th Congress, the Senate passed S.Res. 74 to mark the fifth anniversary of Ukraine’s Revolution of Dignity.

Several pieces of Ukraine-related legislation are under consideration in the 116th Congress. In March 2019, the House of Representatives voted 427-1 to pass H.R. 596, the Crimea Annexation Non-recognition Act, which asserts 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. Several Members of Congress have sought to further respond to Russia’s November 2018 attack on Ukrainian naval vessels (S.Res. 27, H.Res. 116, S. 482), express continuing opposition to Nord Stream 2 (S.Res. 27, H.R. 2023, H.R. 3206, S. 1441, H.Res. 116, S. 1830), and enhance U.S.-Ukraine security cooperation (H.R. 3047).

For related information, see CRS Report R45415, U.S. Sanctions on Russia, and CRS In Focus IF11138, Nord Stream 2: A Fait Accompli?
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Introduction

Ukraine has accomplished much in the five years since the country’s 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, halted 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. Earlier this year, the country transitioned to a new government. President Volodymyr Zelensky and his Cabinet have pledged to implement difficult economic and governance reforms, promote Ukraine’s Western integration, rebuild ties with residents of Russian-controlled areas of eastern Ukraine, and revitalize talks with Russia on conflict resolution.

The United States has long supported Ukraine’s independence, sovereignty, and democratic trajectory. Since 2014, many Members of Congress have condemned Russia’s invasion of Ukraine, promoted sanctions against Russia for its actions, and supported increased economic and security aid to Ukraine (see “Role of Congress,” below).

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

Politics and Governance

Ukraine 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.

In over a quarter century of 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.”

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 (for details, see “From Orange Revolution to Revolution of Dignity” text box, below). The interim government that followed pledged to embrace reforms that would facilitate Ukraine’s Euro-Atlantic integration, and an energized civil society supported its efforts. Within weeks, however, the new government had to confront Russian armed interventions in southern and eastern Ukraine. Russia occupied and annexed Ukraine’s Crimea region in March 2014 and instigated a separatist conflict in eastern Ukraine that continues to this day.

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**From Orange Revolution to Revolution of Dignity**

Ukraine’s first two presidents, Leonid Kravchuk (1991-1994) and Leonid Kuchma (1994-2005), were former Communists 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 involvement in 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 a handpicked successor, then-Prime Minister Viktor Yanukovych, as president. 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 popular 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 economic and political assistance rather than to pursue Western-oriented reforms. Yanukovych also appeared 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 the Yanukovych government’s decision to postpone a move toward closer relations with the European Union. The government suppressed the protests, leading to larger protests and violent clashes with police that eventually killed over 100 protestors (many Ukrainians refer to these victims as the *Heavenly Hundred*) and almost 20 police officers. 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 legislature voted to remove Yanukovych from office, and Yanukovych left Ukraine for Russia. In January 2019, Yanukovych was found guilty of treason and sentenced in absentia to 13 years in prison.


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1 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* 2019, at https://freedomhouse.org/report/freedom-world/2019/ukraine, and *Nations in Transit 2018*, at https://freedomhouse.org/report/nations-transit/2018/ukraine.
Ukraine’s New Government

Ukraine has a mixed presidential-parliamentary system, in which the president shares power with a prime minister chosen by Ukraine’s legislature, the Verkhovna Rada. Presidential election rounds were held in March and April 2019, and snap parliamentary elections were held in July 2019. The victories of political novice Volodymyr 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, television producer, and political novice Volodymyr Zelensky (aged 41) overwhelmingly won the second round of Ukraine’s presidential election, defeating incumbent Petro Poroshenko 73% to 24%. International and domestic observers considered the election to be generally free and fair. The U.S. Department of State said the elections were “peaceful, competitive, and the outcome represented the will of the people.”

Before the election, opinion polls indicated relatively low levels of support for Ukraine’s political leaders. In a September-October 2018 poll, 16%-18% of respondents expressed approval of the government. For months before the election, then-President Poroshenko was in third place in most opinion polls. In the last two months of the campaign, he managed to reach second place, which is where he placed in the election’s March 2019 first round, with 16% of the vote.

A strong supporter of Ukraine’s integration with the EU and NATO, Poroshenko had unofficially campaigned under the slogan of “Army! Language! Faith!” that appeared on billboards early in the campaign. The slogan reflected Poroshenko’s efforts to gain popular support as a defender of Ukraine’s sovereignty and national identity. Poroshenko portrayed himself as Ukraine’s wartime commander in chief, who had built up Ukraine’s military forces and was standing firm against Russian aggression. He also backed legislation that prioritized use of the Ukrainian language in education, media, and government. Finally, he sought credit for the January 2019 recognition by the Ecumenical Patriarchate of Constantinople of an independent (autocephalous) Ukrainian Orthodox Church, officially separate from the Russian Orthodox Church (see “Ukraine’s Church Becomes Independent of Moscow,” below).

At the same time, many Ukrainians believed Poroshenko did not do enough to restore the country’s economic health after almost five years of conflict and generally did not live up to the high expectations for reform that arose from the 2013-2014 Revolution of Dignity, which set the

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2 Poroshenko, a wealthy businessman, then-member of parliament, ex-government official, and supporter of the Euromaidan protests, won 55% of the popular vote in a May 2014 election to succeed Viktor Yanukovych. His closest competitor, former Prime Minister Yulia Tymoshenko, won 13%. Poroshenko held political office 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 See the U.S.-based International Republican Institute’s Center for Insights in Survey Research, “Public Opinion Survey of Residents of Ukraine, September 29-October 14, 2018.”

5 Former Prime Minister Tymoshenko came in third place in the first round, with 13% of the vote. She ran on a populist platform that was critical of government-led economic reforms, including pension reform, increased gas prices, and land sales. Ian Bate, “The Fall and Troubled Rise of a Ukrainian Populist,” Atlantic, March 28, 2019.


stage for his election as president in May 2014.\(^8\) A widespread perception that Poroshenko failed to adequately combat corruption also appears to have been a factor in his defeat.\(^9\)

Observers note, however, that the public did not express much confidence in the opposition to Poroshenko. This began to change after the popular Zelensky announced his candidacy on New Year’s Eve in 2018. Zelensky quickly took the lead in opinion polls and won the first round of the election with 30% of the vote.

**2019 Parliamentary Elections.** Zelensky consolidated his political victory with snap parliamentary elections held on July 21, 2019 (see Table 1). Zelensky’s victory 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. The party’s leading members are mostly under the age of 40 and include, among others, Zelensky associates, anti-corruption activists, and former members of other political parties.\(^10\)

Ukraine’s new legislature held its first plenary session on August 29, 2019. Parliamentarians selected as prime minister Oleksiy Honcharuk (aged 35), an economic adviser to President Zelensky and former head of an EU-funded business policy institute. The new parliamentary chairperson is Dmytro Razumkov (aged 35), a political consultant who was the head of Zelensky’s election campaign. The Cabinet is relatively young; almost all ministers are under the age of 50.\(^11\)

<table>
<thead>
<tr>
<th>Party</th>
<th>Party List Seats (%)</th>
<th>Majoritarian Seats</th>
<th>Total Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servant of the People</td>
<td>124 (43%)</td>
<td>130</td>
<td>254</td>
</tr>
<tr>
<td>Opposition Platform – For Life</td>
<td>37 (13%)</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>Fatherland</td>
<td>24 (8%)</td>
<td>2</td>
<td>26</td>
</tr>
<tr>
<td>European Solidarity</td>
<td>23 (8%)</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Voice</td>
<td>17 (6%)</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>Opposition Bloc</td>
<td>— (3%)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Freedom</td>
<td>— (2%)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Self Reliance</td>
<td>— (&lt;1%)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other/Independents</td>
<td>—</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>199</td>
<td>424</td>
</tr>
</tbody>
</table>

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

**Notes:** Only parties that won seats are listed. Five other parties received between 1%-5% of the party-list vote (and another nine received less than 1% of the vote). Single-mandate seats from 26 districts in occupied Crimea and the nongovernment-controlled areas of eastern Ukraine are unfilled.

Another four parties received enough votes to enter the legislature on party lists. These are the eastern Ukrainian-based (and Russian-leaning) Opposition Platform–For Life (13%); former

\(^8\) Volodymyr Yermolenko, “Does Poroshenko Have a Chance at a Second Term?” UkraineAlert, Atlantic Council, October 1, 2018.


\(^11\) Two ministers are holdovers from the previous government: Minister of Internal Affairs Arsen Avakov and Minister of Finance Oksana Markarova. “Here’s Every Member of Ukraine’s New Cabinet of Ministers,” Kyiv Post, August 29, 2019.
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 are all considered to be pro-Western parties. A few other parties won some seats in the majoritarian races, but independent candidates received most of the seats that were not won by Servant of the People candidates.

The presidential and parliamentary election outcomes suggested that Ukraine’s population was highly dissatisfied with Ukraine’s political establishment. 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. Zelensky is from the city of Kryvih Rih (Kryvoi Rog) in Ukraine’s Dnipropetrovsk region, north of Crimea, which observers feared might become another flashpoint of conflict in 2014.

The election outcomes also 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. Earlier in the campaign, observers anticipated that he would attract votes mainly from southern and eastern Ukrainians who reject the alleged corruption and pro-Russian sentiments of traditional regional elites but have felt marginalized in Ukrainian politics since 2014.

Reform Challenges

Under ex-President Poroshenko, the Ukrainian government pursued an ambitious reform agenda. In 2017, the International Monetary Fund (IMF) praised Ukraine’s implementation of key reforms, including a reduction of the fiscal deficit, increase in gas prices (while retaining subsidies for lower-income households), reform of the banking system, and reduction in inflation.12 Observers also noted progress in decentralization, health care reform, and judicial reform.13

At the same time, domestic and international stakeholders criticized the Poroshenko government for slowly implementing, failing to complete, or backsliding on key reforms, particularly with regard to anti-corruption efforts (see discussion below). International partners and donors also have underlined the importance of further reforms in the energy sector, sustainable pension reform, the privatization of state-owned enterprises, and land sales (a moratorium has existed on land sales since 2001).14

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14 See, for example, Sagatom Saha and Ilya Zaslavskiy, Advancing Natural Gas Reform in Ukraine, Council on Foreign Relations, December 2018; IMF, “Reforming Ukraine’s Pension System,” in Ukraine: Selected Issues, March 7, 2017,
In May 2019, President Zelensky was inaugurated amid some uncertainty about his administration’s future course. Zelensky’s electoral platform lacked a detailed policy agenda, although he attracted some reform-oriented economists to his campaign team. Many observers have expressed concern about Zelensky’s lack of foreign policy and leadership experience at a time of ongoing conflict with Russia. Some also have questioned his relationship with wealthy businessperson (or “oligarch”) Ihor Kolomoysky, who reportedly controls Ukraine’s most popular television station (which airs Zelensky’s shows); a former lawyer of Kolomoysky was appointed the president’s chief of staff.

Since taking power, Ukraine’s new president and government have unveiled an ambitious reform program. They have proposed to implement rapidly a series of measures to tighten anti-corruption legislation; promote long-awaited judicial, security, land, and privatization reforms; and invest in infrastructure and defense. Some of the first votes of Ukraine’s newly elected legislature were to reduce the size of parliament, enact a fully proportional electoral system, and lift parliamentary deputies’ impunity from prosecution.

**Anti-corruption Efforts Under the Poroshenko Government.** Under ex-President Poroshenko, the implementation of anti-corruption reforms was a major concern of domestic and international stakeholders. Combating corruption was to be a central focus of the Ukrainian government after the 2014 Revolution of Dignity. Observers considered that high levels of corruption persisted, however, and that many officials resisted anti-corruption measures. In public opinion polls, respondents ranked corruption as one of the country’s most important issues. The NGO Transparency International ranked Ukraine 120 out of 180 countries in its 2018 Corruption Perceptions Index.

The Poroshenko government’s initial reforms included the establishment of three related institutions: the National Anti-Corruption Bureau of Ukraine (NABU), the Special Anti-Corruption Prosecutor’s Office (SAP), and the National Agency for the Prevention of Corruption (NAPC).

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15 Christopher Miller, “‘So Far, Zelenskiy Is High on Charisma and Light on Policy. Do Ukrainians Care?’” RFE/RL, April 8, 2019.

16 Others suggest, however, that Moscow may be less enthusiastic about Zelensky’s victory if he brings new energy to Ukraine’s anti-corruption and democracy reforms. Alexander Baunov, “Putin Should Fear Ukraine’s Russia-Friendly Front-Runner,” *Foreign Policy*, April 18, 2019.


21 For details, see John Lough and Vladimir Dubrovskiy, *Are Ukraine’s Anti-Corruption Reforms Working?*, Chatham House, November 2018.
NABU and the SAP were to constitute the investigative and prosecutorial arms of Ukraine’s anti-corruption efforts. Many observers believed, however, that these institutions did not have the government’s full support. After repeatedly encountering resistance from within the government, NABU came under legal pressure in February 2019 to close dozens of investigations into alleged corruption, after Ukraine’s Constitutional Court ruled that the underlying basis for these investigations, related to the crime of “illicit enrichment,” did not have a constitutional foundation. In addition, many observers believed the SAP did not exhibit the independence necessary to fulfill its functions.

NAPC, a third institution, was supposed to develop and implement Ukraine’s anti-corruption strategy, with a focus on prevention, as well as establish a public electronic system for the mandatory disclosure and verification of government officials’ assets and incomes. Over 100,000 officials submitted the first required declarations in 2016, with members of parliament (many of whom come from the business world) appearing to openly report their assets. However, NAPC’s work moved forward slowly, and the verification process stalled.

The Poroshenko government repeatedly postponed the establishment of a fourth anti-corruption institution, the High Anti-Corruption Court (HACC). In summer 2018, the government finally established the HACC, after the United States, the EU, the IMF, and the World Bank called on the government to move forward with the court’s establishment in line with international recommendations. Observers note that the HACC, which officially began to function in 2019, requires the full empowerment and independence of NABU and the SAP, as well as legislative changes that will allow for the prosecution of illicit enrichment.

Far Right and Attacks on Civil Society and Minorities. Some observers have expressed concern about the rise of far-right Ukrainian nationalist groups in Ukraine. Such groups gained attention during the 2013-2014 Euromaidan protests, when activists from groups like the Freedom (Svoboda) political party and the Right Sector (Praviy Sekt) movement participated in a violent wing of the resistance against the Yanukovych government. Some of these groups transformed into wartime volunteer battalions, like the Azov Battalion, fought against Russian-controlled forces in eastern Ukraine, and eventually were incorporated into Ukraine’s National Guard. Some groups also established political parties.

Although some far-right organizations have gained a certain legitimacy in Ukrainian society, they have not been successful politically. In the 2019 parliamentary elections, the most prominent far-right political parties and movements competed as a single bloc and won 2% of the vote (not enough to receive party list seats) and one majoritarian seat. In comparison, the Freedom party won less than 5% of the vote and received six majoritarian seats in the 2014 parliamentary elections. In the 2014 presidential election, the Freedom party’s leader won 1% of the vote and the Right Sector’s former leader won less than 1% of the vote.

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Far-right groups and others have been implicated in violent attacks against civil society activists, journalists, and minorities, including members of the Roma and LGBT communities.\(^{27}\) Human rights NGOs reported more than 50 attacks on activists and human rights defenders in 2018 and a few dozen more in the first half of 2019. Many of the attacks appeared to be at the local level, 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 case is that of local investigative journalist Vadym Komarov, who was attacked in May 2019 and died of his wounds in June 2019.\(^{28}\)

During the previous government, 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 who ordered the attacks.\(^{29}\) In some cases, observers believe that local government officials, rather than far-right groups, instigated attacks (although far-right members also reportedly have been hired to carry out attacks).

**Conflict with Russia**

Many observers consider 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.”\(^{30}\) Most Ukrainians can speak Russian, whether as a primary or secondary language. An estimated 15%-20% of the population identifies as ethnic Russian, 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 sector (including defense-related manufacturing) that retained close economic ties to Russia after independence.

Even before 2014, however, 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. Under ex-President Yanukovych, such disputes largely were resolved. By the end of 2013, Yanukovych appeared to make a decisive move toward Russia, postponing the conclusion of 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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Crimea

The Russia-Ukraine conflict arose soon after Yanukovych fled to Russia in February 2014. Moscow 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 directly into the Russian Federation. In explaining these actions, Russian government officials characterized the change in power in Kyiv 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 30,000 troops to the region, as well as S-400 surface-to-air missile systems and other advanced weaponry. The Office of the


United Nations High Commissioner for Human Rights (OHCHR) has documented “multiple and grave” human rights violations in Crimea and said that minority Crimean Tatars, who are generally opposed to Russia’s occupation, have been “particularly targeted.”

Much of the international community does not recognize Russia’s purported annexation of Crimea. Many states and international organizations have condemned Russia’s occupation of Ukraine 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, they also 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. In March 2014, the United Nations General Assembly (UNGA) voted 100 to 11, with 58 countries abstaining, to affirm Ukraine’s territorial integrity. The UNGA has passed further resolutions, most recently in December 2018, that condemn the “temporary occupation” of Crimea and reaffirm nonrecognition of its annexation.

The Ukrainian government and state-owned companies seek to uphold their rights in and around Crimea through international arbitration. In August 2019, the Paris-based International Court of Arbitration awarded state-owned Oschadbank $1.3 billion in damages from Russia. Ukrainian state-owned energy company Naftogaz seeks $5.2 billion in compensation for its seized assets in the Hague-based Permanent Court of Arbitration; the court ruled in March 2019 that Russia had violated its bilateral investment treaty with Ukraine. 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). The Russian government refuses to recognize the international rulings against it.

**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). 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

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so-called Luhansk People’s Republic, or LPR), and gradually expanded their control over Ukrainian territory. Ukrainian government and volunteer forces restored state control over some areas, but they also suffered some major defeats. These defeats included 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).39

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.

Moscow continues to officially deny Russia’s involvement in the conflict in eastern Ukraine. Many observers agree, however, that the Russian government has deployed troops to fight unofficially, encouraged other Russian “volunteers” to join these troops, and supplied weapons and equipment to local fighters. U.S. Special Representative for Ukraine Negotiations Kurt Volker has stated that “Russia has 100 percent command and control of what is happening in the occupied areas there—military forces, political entities, and direct economic activity.”40 In May 2018, 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.”41

The estimated number of Russian troops in eastern Ukraine has declined since peaking in 2015 at about 12,000.42 In February 2019, Ukraine’s ambassador to the United Nations said that “over 2,100 Russian regular military, mostly in key command and control positions,” were fighting in eastern Ukraine, with the total number of Russian-backed fighters about 35,000.43

The conflict’s intensity has declined since 2015, but fighting continues. In 2018, Special Representative Volker characterized the conflict as a “hot war.”44 U.S. officials and others regularly call attention to the “humanitarian catastrophe” in eastern Ukraine.45 According to OHCHR, the conflict has led to around 10,000 combat deaths and more than 3,000 civilian fatalities.46

This count includes the 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 indicate that separatist forces brought down the plane using a missile supplied by the Russian military. The MH17 tragedy helped galvanize EU support for more substantial sanctions on Russia in response to its invasion of Ukraine (see “Ukraine-Related Sanctions,” below). In June 2019, the Dutch government

announced a decision to prosecute three Russian citizens and a Ukrainian citizen for the downing of MH17.\(^{47}\)

In April 2019, days after Zelensky was elected president, the Russian government introduced new procedures to expedite the process of acquiring Russian citizenship for residents of “certain areas” of Donetsk and Luhansk (a diplomatic euphemism for the nongovernment-controlled areas). In July 2019, these procedures were expanded to apply to all residents of Donetsk and Luhansk.\(^{48}\) 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). Although the Russian government claims the policy has a humanitarian justification, many observers contend it is intended to entrench Russia’s position in these regions and could provide a potential pretext for future military action.\(^{49}\)

**Internally Displaced Persons and Transit Across the Contact Line**

The conflict has led to a large number of internally displaced persons (IDPs). As of July 2019, the Ukrainian government officially counted almost 1.4 million IDPs.\(^{50}\) International organizations estimate the number of actually displaced persons to be closer to 800,000, 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).\(^{51}\) International organizations and NGOs have called on Ukraine 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.\(^{52}\)

Ukrainians are permitted to cross the approximately 300-mile long “contact line” that divides the government- and nongovernment-controlled areas of Donetsk and Luhansk. In the first half of 2019, an average of about 1.1 million total crossings occurred per month via five official crossing points.\(^{53}\) 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.\(^{54}\)


\(^{48}\) The measures also apply to, among others, former residents of Ukraine’s Crimea region who left the region before Russia’s occupation. 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.

\(^{49}\) Observers note that Russia justified its invasion of Georgia in 2008 in part by asserting the need to defend Russian citizens in Georgia’s South Ossetia region. See, for example, Yuri Zoria, “Is Russia’s Passport Scheme in Donbas a Harbinger of Full-Scale Invasion Like in 2008 Georgia?” Euromaidan Press, May 14, 2019.


\(^{52}\) Previously, the government could deny internally displaced persons (IDPs) pensions if they failed to be present at their place of registration during spot checks (i.e., because they had returned to their homes in the nongovernment-controlled areas). In September 2018, Ukraine’s Supreme Court upheld an earlier ruling that the government could not deny pensions based on residency verification mechanisms. 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,” July 10, 2019.


\(^{54}\) UNHCR/Right to Protection, “Eastern Ukraine Checkpoint Monitoring – Online Dashboard – 2019,” at
Vehicular traffic is permitted, although the bridge that serves as the sole crossing point in Luhansk (near the town of Stanytsia Luhanska) is too damaged for vehicles to cross and is generally unsafe for pedestrian traffic.\(^\text{55}\)

The Ukrainian government is taking measures to facilitate transit to and from the nongovernment-controlled areas. In July 2019, the government issued an order to liberalize the crossing regime by allowing individuals to carry all goods through crossing points except those specifically prohibited (the crossing regime currently prohibits all goods except those specifically permitted).\(^\text{56}\) That month, the government also announced its intent to repair the Stanytsia Luhanska bridge, the sole crossing point in the Luhansk region.\(^\text{57}\)

The Ukrainian government currently prohibits cargo traffic to and from the nongovernment-controlled areas. Until 2017, the Ukrainian government permitted some trade with the separatist regions of eastern Ukraine, especially in coal used in domestic power plants and sold abroad. In particular, energy companies in the separatist regions owned by prominent Ukrainian businessman Rinat Akhmetov recognized Ukrainian authority and paid taxes.\(^\text{58}\) After some Ukrainians launched an unofficial blockade against this trade in early 2017, the separatist entities reportedly took control of companies including those owned by Akhmetov. In response, the Ukrainian government officially suspended all cargo traffic, until the proper owners of the companies regain control.\(^\text{59}\)

**Minsk Agreements**

Efforts at conflict resolution are structured around a set of measures known as the Minsk agreements. 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 de facto representatives of the nongovernment-controlled areas of eastern Ukraine. The agreements are supported by a broader international grouping known as the Normandy Four (or Normandy Format): France, Germany, Russia, and Ukraine.

The first Minsk agreements were signed in September 2014. They included a 12-point agreement known as the Minsk Protocol, signed just days after the defeat of Ukrainian government and volunteer forces at Ilovaisk, and a follow-up memorandum outlining measures for a cease-fire

\[https://www.unhcr.org/ua/en/resources.\]


\(^{56}\) This change in policy was initially proposed by the previous government in June 2018 but was not implemented prior to the change in government. 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.


and international monitoring mission. The Minsk Protocol failed to end fighting or 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. This package included, among other provisions, a cease-fire, the withdrawal of heavy weapons and foreign troops and fighters, full Ukrainian control over its border with Russia, local elections, and a “special status” for certain districts in eastern Ukraine (see “Summary of Minsk-2 Measures” text box).

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 the subsequent 5 days; and the introduction of special status for nongovernment-controlled areas, corresponding 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.

<table>
<thead>
<tr>
<th>Summary of Minsk-2 Measures</th>
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<tr>
<td>1. Immediate and comprehensive cease-fire.</td>
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<tr>
<td>2. Withdrawal of heavy weapons from defined security zones.</td>
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<td>3. OSCE monitoring and verification of the cease-fire regime and withdrawal of heavy weapons.</td>
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<tr>
<td>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.</td>
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<tr>
<td>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.</td>
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<tr>
<td>6. Release and exchange of all hostages and other illegally detained people based on a principle of “all for all.”</td>
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<td>7. Safe access and delivery of humanitarian aid to those in need, on the basis of an international mechanism.</td>
</tr>
<tr>
<td>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).</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>10. Withdrawal of all foreign armed groups, weapons, and mercenaries from Ukrainian territory and disarming of all illegal groups.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>13. Intensification of the work of the Trilateral Contact Group, including through working groups on implementation of the Minsk agreements.</td>
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The Minsk agreements have been endorsed by the U.N. Security Council, which includes Russia as a permanent member; U.N. Security Council Resolution 2202 (2015) endorses and calls on all parties to fully implement the package of measures. In June 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.” The statement underlined the Security Council’s “full support for the sovereignty, independence, and territorial integrity of Ukraine.”

The United States supports the efforts of the Trilateral Contact Group and the Normandy Four. In the last two years, U.S. policy toward the Ukraine conflict has been 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.”

**Implementation Status of the Minsk-2 Agreement**

Of Minsk-2’s 13 measures, only one (measure 13) arguably has been fully implemented: the establishment of working groups within the Trilateral Contact Group to address the implementation of various aspects of the Minsk agreements.

Many of Minsk-2’s most significant measures largely remain unfulfilled to date:

- No lasting cease-fire exists, and heavy weapons have not been fully withdrawn from the defined security zones (measures 1 and 2). Although cease-fires are declared periodically (including, most recently, a “harvest cease-fire” from July 21, 2019), such cease-fires are temporary, often violated, and eventually break down. At the end of June 2019, the parties implemented a related step: the withdrawal of armed forces and hardware within a small “disengagement area” near the town of Stanytsia Luhanska. If this withdrawal holds, observers believe it will improve security for civilian transit in the Luhansk region, including by allowing for repairs to the Stanytsia Luhanska bridge.

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67 On August 7, 2019, Ukrainian Armed Forces Commander and Chief of Staff Ruslan Khomchak said that six Ukrainian servicemen had been killed since the start of the cease-fire less than three weeks before. Ukrinform, “Six Ukrainian Soldiers Killed, Nine Wounded During ‘Harvest Ceasefire,’” August 7, 2019.

68 Disengagement areas are provided for not in the Minsk-2 measures but 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 Framework Decision on Disengagement of Forces and Hardware,” September 21, 2016.

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

• Although Ukraine has adopted and twice extended a law providing for a special form of local government in certain areas of Donetsk and Luhansk and amnesty for participants in the conflict, these provisions are to enter into force only after local elections are held and illegal armed formations withdraw from the country. The law is neither permanent nor accompanied by constitutional amendments on decentralization (that are to reference “specificities” of certain areas of Donetsk and Lugansk). The law is scheduled to expire on December 31, 2019 (measures 5, 11).  

• Although local 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).

• In the absence of permanent legislation on the special status of the nongovernment-controlled areas, constitutional reform, and legitimate local elections, Russia has not returned full control of Ukraine’s state border to the government of Ukraine (measure 9).

• Although donors and nongovernmental organizations direct some humanitarian assistance to nongovernment-controlled areas, 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. 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).

Some of Minsk-2’s other measures have been at least partially fulfilled:

• An international monitoring mission in the nongovernment-controlled areas monitors cease-fire violations and the presence of heavy weaponry within defined security zones (measure 3) (see “OSCE Special Monitoring Mission for Ukraine” text box, below).

• Ukraine’s law on interim local self-government appears to address what Minsk-2 refers to as the “modalities” of local elections and the future “special regime” that is to govern certain areas of Donetsk and Luhansk. In addition, Ukraine’s legislature passed a resolution on March 17, 2015, listing the cities, towns, and other settlements to which the law on local self-government applies. The extent to which these issues have been the subject of a “dialogue” with representatives of the nongovernment-controlled areas might be open to interpretation (measure 4).

• Prisoner exchanges occasionally have occurred, although as of September 2019 Ukrainian officials state that more than 110 Ukrainians remain illegally detained.

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71 See, for example, Ukrinform, “U.N. Sends over 180 Tonnes of Humanitarian Aid to ORDLO,” July 26, 2019.
in Russia and occupied Crimea and more than 225 remain illegally detained in nongovernment-controlled regions in eastern Ukraine (measure 6).\(^\text{74}\)

A major prisoner exchange took place in December 2017, when the Ukrainian government and de facto authorities in the nongovernment-controlled areas arranged a prisoner swap in which over 230 prisoners held by the government were exchanged for over 70 prisoners in the nongovernment-controlled areas.\(^\text{75}\)

Another major prisoner exchange took place in September 2019, when Russia and Ukraine each freed 35 individuals. Among those Russia freed were some of Moscow’s most prominent Ukrainian political prisoners and prisoners of war, including 24 sailors Russia illegally detained in November 2018; Crimea-based filmmaker Oleh Sentsov; and 21-year-old Pavlo Hryby, who was forcibly removed from Belarus in 2017. Prisoners Ukraine freed included Kirill Vyshinsky, a Ukrainian-Russian journalist charged with treason; Volodymyr Tsemakh, a person of interest in the downing of MH17 whom Dutch prosecutors interviewed before his release; separatist and volunteer fighters; and suspected spies.\(^\text{76}\)

- Although some “modalities” for resuming socioeconomic ties with the nongovernment-controlled areas appear to have been defined, “full” social and economic linkages with nongovernment-controlled areas have not been restored (measure 8). Residents may receive pensions and other social benefits, and they may conduct individual trade and transit across the contact line. As of August 2019, however, transit remains restricted to official crossing points that continue to be in need of improvements, cargo traffic remains prohibited, and Ukraine’s banking system does not operate in the nongovernment-controlled areas.\(^\text{77}\)

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### OSCE Special Monitoring Mission for Ukraine

The OSCE’s Special Monitoring Mission (SMM) for Ukraine is an unarmed civilian monitoring mission that was established in 2014 after Russia’s occupation of Crimea but prior to the outbreak of hostilities in eastern Ukraine (and, hence, prior to the September 2014 signing of the Minsk Protocol). The SMM is deployed throughout Ukraine but focuses especially on the nongovernment-controlled areas in Donetsk and Luhansk. As of July 2019, the SMM includes 760 international monitors, including 57 from the United States, the SMM’s largest contributor. The SMM issues daily and spot monitoring reports on the security situation and facilitates the delivery of humanitarian aid. 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.


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\(^\text{75}\) Other prisoners also were released in December 2017 but reportedly chose not to be transferred across the conflict lines. Inna Varenytsia, “Ukrainian Authorities and Separatist Rebels Swap Prisoners,” *Associated Press*, December 27, 2017.


\(^\text{77}\) See, for example, Olga Malchevska, “The Killer Queues of Ukraine,” *BBC World Service*, May 28, 2019; UNHCR, “UNHCR Voices Needs for Improvements at Stanytsia Luhanska Entry-Exit Crossing Point to the President of Ukraine and the President of the EU Council,” press release, July 8, 2019.
With regard to the Minsk agreements’ implementation, the Ukrainian and Russian governments emphasize what they consider to be the other party’s failures in fulfilling key responsibilities. Ukrainian officials prioritize an end to the armed conflict and Russian occupation, both on principle and as a necessary condition for establishing a secure environment to hold democratic local elections. They call on Russia to enforce a cease-fire among Russian-controlled forces, withdraw heavy weapons, withdraw its official and unofficial military forces, and create an environment that allows local elections to be held in accordance with Ukrainian law and international standards, leading to restoration of Ukraine’s control over its state border. Under ex-President Poroshenko, the Ukrainian government also called for the establishment of an international peacekeeping mission throughout the nongovernment-controlled areas that would help enforce a cease-fire.

The Russian government, for its part, claims the Ukrainian government is as responsible as the de facto authorities in the nongovernment-controlled areas for cease-fire violations and the failure to withdraw heavy weapons (for which Moscow disavows responsibility). Russia also calls on Ukraine, irrespective of the security environment, to fulfill its political and economic obligations, including the enactment of a permanent and immediate grant of special status to the nongovernment-controlled areas and related constitutional reforms, restoration of economic links, and an amnesty for all conflict participants.

Russian officials also have criticized the Ukrainian government’s earlier call to establish an international peacekeeping mission throughout the nongovernment-controlled areas as something not envisioned by the Minsk agreements. However, Russian President Putin also has proposed the establishment of an international peacekeeping mission in the region, albeit only along the line of contact to protect OSCE monitors and help separate the conflicting sides.

Many observers have questioned Russia’s commitment to implementing the Minsk agreements, despite the U.N. Security Council’s endorsement and Russia’s official expressions of support. Unlike Russia’s policy toward Crimea, Moscow formally recognizes the nongovernment-controlled areas in eastern Ukraine as Ukrainian territory. Moscow denies its own leading political and military role in the conflict, however, and disavows responsibility for implementing the Minsk agreements or for the actions of local authorities and armed forces. Ukraine, the EU, and the United States consider the holding of so-called DPR and LPR elections in November 2018 to be in violation of the Minsk agreements (Russia says these elections fall outside the agreements’ scope). Ukraine, the EU, and the United States also consider Russia’s new policy

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79 Moscow claims that Ukraine’s law on interim self-government postpones the grant of special status in a way that is contrary to Minsk-2, as the law first requires the withdrawal of illegal armed formations and the holding of local elections. Minsk-2 appears to call for Ukraine to implement constitutional decentralization reforms before local elections are to be held (it makes no reference to the timing of the withdrawal of illegal armed formations). See, for example, United Nations, “Brief Overview of Actions by the Kiev Authorities That Undermine the Prospects of a Peaceful Settlement in Ukraine,” February 19, 2019, at https://undocs.org/pdf?symbol=en/S/2019/163.


of facilitating citizenship for residents of Donetsk and Luhansk to be contrary to “the spirit and the objectives” of the Minsk agreements.\textsuperscript{82}

Some observers have questioned whether Ukraine is committed to the Minsk agreements. In general, Ukrainian officials view the agreements through a wide lens: the need to roll back Russian aggression throughout Ukraine, including Crimea, and avoid any legitimization of its effects. In February 2018, then-President Poroshenko signed a law on “ensuring state sovereignty” in “temporarily occupied territories” that designates Russia as an aggressor state and does not refer to the Minsk agreements.\textsuperscript{83} For his part, President Zelensky has said that Ukraine is “prepared to do everything required by the Minsk agreements [and] to follow all the steps needed to implement the agreements in order to finally achieve peace.”\textsuperscript{84} In July 2019, Zelensky appeared to propose a new format for peace talks that would expand the Normandy Format to include the United States and the UK, both signatories (together with Russia and Ukraine) of the 1994 Budapest Memorandum that offered security assurances to Ukraine.\textsuperscript{85}

### Sea of Azov and Kerch Strait

On November 25, 2018, Russian coast guard vessels in the Black Sea forcibly prevented two small Ukrainian artillery boats and a tugboat from passing through the Kerch Strait, the waterway connecting the Black Sea to the Sea of Azov (see Figure 2).\textsuperscript{86} Russian authorities detained the boats 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 refers to as its state border (i.e., territorial waters around occupied Crimea). Previously, in September 2018, a Ukrainian command ship and tugboat transited the Kerch Strait without incident, escorted by Russian coast guard vessels (other ships have arrived over land).\textsuperscript{87}

Ukraine and its international partners (including the EU and the United States) considered the November 2018 incident to be a major violation of international law and an escalation in Russia’s

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\textsuperscript{84} Nicholas Connolly, “Ukraine Ready for Peace, President Volodymyr Zelenskiy Tells DW,” DW (Germany), July 5, 2019.

\textsuperscript{85} Zelensky did not state that his proposal was linked to the status of the United States and the United Kingdom (UK) as signatories of the Budapest Memorandum. Former Prime Minister and presidential candidate Yulia Tymoshenko has called for international discussions to be held within the framework of the Budapest Memorandum, which provides for consultations among signatories “in the event a situation arises that raises a question concerning these commitments.” RFE/RL, “Exclusive: Tymoshenko Defends Decision Not to Fight over Crimea, Attacks Minsk Process,” March 18, 2019; UNIAN Information Agency, “Zelensky Offers Putin Talks Involving Trump,” July 8, 2019.

\textsuperscript{86} After ramming the tugboat and blockading all three boats for hours, the Russian vessels reportedly fired on them 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; and Andrzej Wilk, “The Russian Attack on Ukrainian Ships in the Black Sea: The Military Aspects,” Centre for Eastern Studies (Warsaw), November 28, 2018.

efforts to control maritime access to eastern Ukraine. In May 2018, President Putin opened a new 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. Observers note that since the bridge’s opening, Russia has stepped up its interference with commercial traffic traveling to and from Ukrainian ports in Mariupol and Berdyansk, which export steel, grain, and coal. Russia also has bolstered its maritime forces in the Sea of Azov.

The U.N. High Commissioner for Human Rights considered the 24 Ukrainian sailors to be prisoners of war. 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. 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.

Figure 2. Southern Ukraine and the Sea of Azov

Sources: Graphic produced by CRS. Map information generated using data from the Department of State, Esri, and DeLorme.


89 Russian authorities reportedly have imposed delays at the bridge and conducted inspections of vessels. They also have established notification and transit procedures for ships seeking to pass through the strait; during the November 25, 2018, incident, Russian authorities invoked what they considered noncompliance with these procedures as partial justification for denying passage to the Ukrainian vessels. Oksana Grytsenko and Kostyantyn Chernichkin, “Dangerous Waters: As Russia Monopolizes Azov Sea, Mariupol Feels Heightened Danger,” Kyiv Post, August 3, 2018.


Ukraine’s Church Becomes Independent of Moscow

The Kerch Strait incident emerged against the backdrop of an increase in tensions between Russia and Ukraine over the issue of the Ukrainian Orthodox Church’s formal independence (i.e., autocephaly) from the Russian Orthodox Church (ROC). In Ukraine, Orthodox churchgoers traditionally have been divided mainly between parishes belonging to a self-declared Ukrainian Orthodox Church-Kyiv Patriarchate (UOC-KP) and those belonging to the ROC-subordinated Ukrainian Orthodox Church-Moscow Patriarchate (UOC-MP). In January 2019, the Ecumenical Patriarch recognized an autocephalous Orthodox Church of Ukraine (OCU), which incorporated both the Kyiv Patriarchate and a smaller self-declared Ukrainian Autocephalous Orthodox Church.93

Observers consider the OCU’s development to be a long-term process. As of July 2019, less than 5% of the Moscow-subordinated parishes in Ukraine had formally transferred their allegiance to the OCU.94 In recent months, the pace of transferring parishes has slowed. Observers attribute this shift to a combination of ROC opposition and parish reluctance, as well as the OCU’s internal strife: three months after the establishment of the OCU, the UOC-KP’s former spiritual leader, Patriarch Emeritus Filaret, attempted to reestablish the UOC-KP under his authority (Filaret had agreed not to serve as the OCU’s Metropolitan).95 Other Orthodox Churches have yet to recognize the OCU.

Russia strongly opposes Ukrainian autocephaly and claims that it threatens the religious freedom and safety of ROC parishioners.96 Ukrainian officials and some observers have cautioned that Russia could use such allegations to justify new interventions.97 U.S. Secretary of State Michael Pompeo has 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.”98

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

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96 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.
to 1999.⁹⁹ Ukraine’s economy recovered for much of the 2000s but was hit hard by the 2008-2009 global recession, with GDP declining by almost 15% in 2009. After returning to growth in 2010-2011, the economy stagnated in 2012-2013 and then again declined after Russia’s 2014 invasion, with GDP falling by 7% in 2014 and 10% in 2015.¹⁰⁰

In recent years, Ukraine’s economy has shown signs of stabilization, due in part to international assistance, including about $10 billion in loans from the IMF.¹⁰¹ GDP growth was about 2.4% a year in 2016-2017 and 3.3% in 2018. The IMF forecasts annual growth of about 2.7%-3.1% from 2019 to 2021.

Poverty has declined in recent years, although it remains higher than before Russia’s 2014 invasion. The World Bank estimates that the percentage of Ukrainians living in moderate poverty was 16% in 2018, down from a height of 27% in 2016 (but up from 14% in 2013).¹⁰² The official unemployment rate for 2018 was about 9%. About 20% of Ukrainian laborers work in agriculture, a sector of the economy that accounts for about 10% of GDP.¹⁰³

Ukraine’s economy depends in part on remittances from labor migration. From 2015 to 2018, remittances made up about 10% of Ukraine’s GDP. In 2017, Russia was estimated to be the source of more than 50% of Ukrainian remittances, followed by the United States (8%) and Germany (5%).¹⁰⁴

Trade

In 2013, Russia, Ukraine’s largest trading partner, 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%.¹⁰⁵

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¹⁰¹ In March 2015, the IMF approved a four-year, $17.5 billion loan package to Ukraine under its Extended Fund Facility (EFF). The IMF tied disbursement of funds to implementation of specific reforms and disbursed around half of the funds in the loan package. In December 2018, the IMF replaced the expiring EFF program with a 14-month Stand-By Arrangement, worth around $3.9 billion, and initially disbursed around $1.4 billion. Natalia Zinets, “Ukraine Goes Back to the Future as IMF Programme Stutters,” Reuters, August 1, 2018; 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.
¹⁰⁵ 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.
In 2017, Ukraine’s overall merchandise trade started to recover. Trade with the EU, as a whole Ukraine’s largest trading partner, made up about 42% of total trade in 2018. Industrially, Ukraine’s four largest merchandise trading partners were Russia ($11.8 billion, or 11% of Ukraine’s trade), China ($9.8 billion, 9%), Germany ($8.2 billion, 8%), and Poland ($6.8 billion, 7%). The top three destinations for Ukraine’s merchandise exports in 2018 were Russia (8%), Poland (7%), and Italy (6%), and its top three sources of imports were Russia (14%), China (13%), and Germany (10%). Ukraine’s main exports were iron and steel, cereals, fats and oils, ores, and electrical machinery.

After severe declines in foreign direct investment (FDI) in 2013-2014, FDI inflows have partially recovered since 2015. According to official statistics, total FDI declined from $53.7 billion at the start of 2014 to $31.2 billion at the start of 2017 (and was $32.3 billion at the start of 2019). FDI inflows during 2018 amounted to $2.9 billion, mainly in finance (42%), wholesale and retail trade (21%), real estate (14%), and industry (11%). About two-thirds of FDI in 2018 came from the Netherlands (33%), Russia (17%), and Cyprus (17%).

Energy

Ukraine has significant energy resources, but the sector traditionally has performed below its potential in an environment of low domestic energy prices, subsidies, and high consumption. After Russia’s invasion, Ukraine’s government began to reform the energy sector, including raising tariffs for households (while retaining subsidies for lower-income households). Observers commended Ukraine for initial energy reforms, although concerns arose among stakeholders that energy reforms slowed down in 2017. In 2018, observers noted some renewed progress, including another rise in gas prices and a commitment to the unbundling of Ukraine’s state-owned energy company, Naftogaz, into separate production and transmission companies by the end of 2019. Preparations for the unbundling of Naftogaz continued through 2019, and Ukraine’s new government has confirmed that the process will proceed.

Ukraine has traditionally depended on Russia for its natural gas supplies. Many observers argue that Russia has used price hikes, debt repayments, and energy cutoffs as leverage in various disputes with Ukrainian governments. Since 2015, however, Ukraine has reduced its dependence on Russian gas imports. In 2013, 92% of Ukraine’s natural gas imports came directly from Russia (51% of Ukraine’s total gas consumption). By 2015, 37% of Ukraine’s natural gas imports came from Russia (18% of consumption), and in 2016, Ukraine halted Russian gas

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107 State Statistics Service of Ukraine.
108 See, for example, Anders Aslund, Securing Ukraine’s Energy Sector, Atlantic Council, April 2016.
imports entirely. In addition to reducing its gas consumption, Ukraine managed this reduction in Russian imports by importing gas from Slovakia, as well as from Poland and Hungary (all of which import gas from Russia).

In recent years, Russia has sought to reduce the amount of its gas that flows through Ukraine to Europe by working with various countries to build pipelines that bypass Ukraine. Before the 2011 opening of the first Nord Stream gas pipeline connecting Russia directly to Germany via the Baltic Sea, most of Russia’s natural gas exports to Europe transited Ukraine. Currently, about 40%-50% of these exports transit Ukraine. According to Naftogaz, the company’s operating profit for gas transit was over $900 million in 2016 and $535 million in 2017. The current gas transit contract between Ukraine and Russia expires at the end of 2019.

In February 2018, a Swedish arbitration court issued a final ruling on several disputes between Naftogaz and Russia’s state-owned gas company Gazprom about their earlier gas trade. Combined, the court’s rulings required Gazprom to pay Naftogaz over $2.5 billion and required Naftogaz to buy 5 billion cubic meters (bcm) per year of Russian gas in 2018-2019 (about 10% of its previous contractual commitment). Gazprom said it would not supply gas to Ukraine and appealed the rulings.

Russia is constructing a new Baltic pipeline, Nord Stream 2, with the financial support of several European energy companies. If the pipeline enters into operation, it is expected to further reduce Russian gas transit through Ukraine. This development would not necessarily increase Ukraine’s vulnerability to energy supply cutoffs since, as noted above, Ukraine stopped importing natural gas directly from Russia in 2016; it could, however, increase Ukraine’s strategic vulnerability, as Russia’s dependence on Ukraine for gas transit would no longer be a potential constraining factor in its policies toward Ukraine.

In an April 2018 meeting with Russian President Putin, German Chancellor Angela Merkel addressed a chief concern of some critics by stating that Nord Stream 2 could not proceed without guarantees that Gazprom will continue to export gas through Ukraine. Merkel did not specify in what form such guarantees could be made. A 2019 modification to EU gas regulations, extending key principles such as third-party access and ownership unbundling to pipelines located in the offshore territorial waters of EU members, is likely to affect the ownership structure of Nord Stream 2.

For more, see CRS In Focus IF11138, Nord Stream 2: A Fait Accompli?, by Paul Belkin et al.

112 Data come from Naftogaz annual reports for 2014-2016.
113 Natural gas consumption in Ukraine was already in decline since 2012-2013 (by around 8% a year), and it declined even more markedly in 2014 and 2015 (by 16% and 20%, respectively) due to a decline in industrial production, the halting of gas supplies to the nongovernment-controlled areas of eastern Ukraine, and higher tariffs. In 2016, the annual decline in consumption slowed to 2%. Naftogaz of Ukraine, Annual Report 2016, p. 75, at http://www.naftogaz.com/files/Zvity/Annual_report_eng_170608.pdf.
115 In October 2017, then-U.S. Ambassador to Ukraine Marie Yovanovitch said that Nord Stream 2 would “cost Ukraine up to $2.7 billion in lost revenues, or almost 3% of GDP every year.” According to the Nord Stream 2 project website, these revenues include operating costs. Naftogaz, 2017 Annual Report, p. 101; U.S. Embassy in Ukraine, “Remarks by Ambassador Yovanovitch at Opening of Naftogaz Oil and Gas Forum,” October 24, 2017; Nord Stream 2 website, at www.nord-stream2.com.
Stream 2 but might not prevent its completion. Germany and France stated that the change was to be “indispensable for a fruitful discussion on the future gas transit through Ukraine.”

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 not only would benefit Ukrainians but also would 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.”

Less frequently cited are Brzezinski’s 1994 assessment of Ukraine’s fragility and the 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.

Sovereignty and Territorial Integrity

Soon after Brzezinski’s article was published, the United States provided “political assurances” to Ukraine with the signing of the 1994 Budapest Memorandum. 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 recent years, Trump Administration officials have called this policy “unbending,” “unwavering,” and “ironclad.”

U.S. support for Ukraine’s sovereignty and territorial integrity applies as much to Crimea as it does to the nongovernment-controlled areas in eastern Ukraine. In February 2018, 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.” 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

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118 DW, “EU Adopts French, German Compromise on Nord Stream 2 Pipeline to Russia,” February 8, 2019.
120 See footnote 119.
attempted annexation of Crimea and pledges to maintain this policy until Ukraine’s territorial integrity is restored.\textsuperscript{123}

The Crimea Declaration explicitly links U.S. policy toward Crimea 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).\textsuperscript{124}

U.S. officials frequently call attention to Russia’s human rights violations 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.”\textsuperscript{125} In February 2019, Secretary Pompeo said “the United States remains gravely concerned by the worsening repression by Russia’s occupation regime in Crimea” and “calls on Russia to release all of the Ukrainians, including members of the Crimean Tatar community, it has imprisoned in retaliation for their peaceful dissent.”\textsuperscript{126}

The United States is equally supportive of Ukraine’s sovereignty and territorial integrity with respect to the nongovernment-controlled areas in eastern Ukraine. The United States supports the efforts of the Normandy Four and the Trilateral Contact Group to implement the Minsk agreements, particularly through the office of the U.S. Special Representative for Ukraine Negotiations. Appointed in July 2017, Special Representative Kurt Volker holds discussions with Ukrainian and other government officials; promotes implementation of the Minsk agreements; and regularly publicizes the status of the conflict, settlement efforts, and humanitarian consequences.\textsuperscript{127}

For a time, the U.S. Special Representative established a bilateral channel with a Russian counterpart. From August 2017 to January 2018, Special Representative Volker and Russian Presidential Aide Vladislav Surkov held four meetings, at which they discussed, among other issues, the possible deployment of international peacekeepers to the nongovernment-controlled areas of eastern Ukraine.\textsuperscript{128} Russia proposed the deployment of peacekeepers along the line of contact, while the U.S. government supported Ukraine’s call for a peacekeeping mission throughout the areas as a means to establish the security conditions necessary to implement Minsk-2’s package of measures.\textsuperscript{129} After these discussions, Russia declined to hold a follow-on meeting for much of 2018. Plans for a new meeting were postponed (on the U.S. side) after Russia’s use of force against Ukrainian naval vessels in November 2018 and (on the Russian side) during Ukraine’s 2019 election campaign season.\textsuperscript{130}


\textsuperscript{125} U.S. Department of State, “Crimea Is Ukraine,” March 14, 2018.

\textsuperscript{126} U.S. Department of State, “Crimea Is Ukraine,” February 27, 2019.

\textsuperscript{127} Since November 2017, Special Representative Volker has conducted at least nine on-the-record press briefings, available at https://www.state.gov/countries-areas-archive/ukraine/.


\textsuperscript{130} U.S. Department of State, “Press Briefing with Kurt Volker, Special Representative for Ukraine Negotiations,” January 31, 2019; U.S. Department of State, “LiveAtState With Special Representative for Ukraine Negotiations Kurt
The United States has criticized Russia repeatedly for failing to fulfill its commitments under the Minsk agreements. In October 2018, the State Department stated that Ukraine’s law on special status for the nongovernment-controlled areas of eastern Ukraine “demonstrates Ukraine’s continued commitment to a peaceful resolution of the conflict” and “stands in sharp comparison to Russia’s continued failure to fulfill its Minsk commitments.” The State Department condemned the November 2018 “sham elections” in the nongovernment-controlled areas and called for the dismantling of the so-called DPR and LPR as “having no place within the Minsk agreements or within Ukraine’s constitutional government.” The State Department similarly condemned the Russian government’s April 2019 decision to facilitate the granting of Russian citizenship to residents of Donetsk and Luhansk.

Maritime and Energy Security

The United States supports Ukraine against Russian efforts to tighten control over the Kerch Strait and Sea of Azov. In May 2018, several months before Russia’s attack on the Ukrainian vessels, the State Department condemned Russia’s construction of a bridge to Crimea, which, it 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.” Since November 2018, Secretary Pompeo and other U.S. officials have 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.

The United States supports Ukraine’s energy security. The Countering Russian Influence in Europe and Eurasia Act of 2017 (CRIEEA; Title II of P.L. 115-44, Countering America’s Adversaries Through Sanctions Act [CAATSA]; 22 U.S.C. 9501 et seq.) states that it is U.S. policy to “continue 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.” 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.”


133 U.S. Department of State, “Russia’s Decision to Grant Expedited Citizenship to Residents of Russia-Controlled Eastern Ukraine,” April 24, 2019.

134 Subsequently, in August 2018, the State Department called on Russia “to cease its harassment of international shipping in the Sea of Azov and the Kerch Strait.” U.S. Department of State, “The Opening of the Kerch Bridge in Crimea,” May 15, 2018; U.S. Department of State, “Russia’s Harassment of International Shipping Transiting the Kerch Strait and Sea of Azov,” August 30, 2018.

135 See, for example, U.S. Department of State, “Russia’s Dangerous Escalation in the Kerch Strait,” November 26, 2018. In response to Russia’s actions, according to the White House, President Trump canceled a scheduled meeting with President Putin at a G-20 summit in Buenos Aires.

Domestic Reforms

The United States also actively promotes the continuation and consolidation of domestic reforms in Ukraine. In February 2018, Deputy Secretary Sullivan said that “Ukraine has great, untapped potential” and that the U.S. interest is served by “a stable democratic, prosperous and free Ukraine [that] will be less vulnerable to external threats and serve as a beacon to other nations facing Russian aggression.” Since 2018, expressions of U.S. support for Ukrainian reforms include the following:

- In March 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.” He said that “[i]t serves no purpose for Ukraine to fight for its body in Donbas if it loses its soul to corruption.”

- In February 2018, the State Department stated that “there is still more work needed to fulfill the promise of the [Maidan] and unlock Ukraine’s potential.” The statement called on “Ukraine’s leaders to redouble their efforts to implement the deep, comprehensive and timely reforms that are necessary to build the stable, democratic, prosperous, and free country Ukrainians deserve.”

- In March 2019, then-U.S. Ambassador to Ukraine Marie Yovanovitch stated that “Ukraine’s once-in-a-generation opportunity for change ... has not yet resulted in the anti-corruption or rule of law reforms that Ukrainians expect or deserve.”

In supporting Ukraine’s reform efforts, the U.S. government has urged the implementation of specific measures and criticized perceived backsliding. Since 2018, examples include the following:

- In February 2018, Deputy Secretary Sullivan delivered a speech in Kyiv focused, in part, on Ukraine’s anti-corruption reforms. He emphasized the importance of strengthening Ukraine’s National Anti-Corruption Bureau and the Specialized Anti-Corruption Prosecutor’s Office, as well as the need to stand up an “independent and successful” Anti-Corruption Court. He also commended Ukraine for “bold education, healthcare, and pension reforms” and “deregulating certain business sectors and increasing tax transparency.”

- In June 2018, the State Department commended Ukraine for establishing an independent Anti-Corruption Court and expressed support for the IMF’s recommendation to “quickly amend the law so the proposed court will be able to hear all cases under its jurisdiction, including existing corruption cases.”

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• In July 2018, the State Department “welcome[d]” Ukraine’s Law on National Security as “consistent with Western principles” and noted that it provided “a framework for increasing the Ukrainian Armed Forces’ NATO interoperability” and would “further deepen Ukraine’s Western integration.”143

• In July 2018, the State Department was “pleased to note” the Ukrainian government’s commitment to unbundle Naftogaz and create a gas transmission system operator that would “function under anti-corruption and corporate governance standards.” The State Department stated that the unbundling of Naftogaz would represent “a positive step for Ukraine as an important transit country for gas delivered to Europe, and also for European energy security more broadly.”144

• In March 2019, then-U.S. Ambassador to Ukraine 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 Special Anti-Corruption Prosecutor “to ensure the integrity of anticorruption institutions.”145

Foreign 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).146 In the 2000s (FY2001 to FY2009), total aid to Ukraine amounted to almost $1.8 billion ($199 million a year, on average).147 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.148

148 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/.
Since Russia’s invasion of Ukraine, the United States has provided higher levels of annual assistance to Ukraine. Nonmilitary, non-humanitarian development aid totaled an average of $320 million a year from FY2015 to FY2018.  

In addition, the United States provided three $1 billion loan guarantees to Ukraine from 2014 to 2016. For FY2019, Congress appropriated $327.8 million in nonmilitary aid. The President’s FY2020 nonmilitary aid request for Ukraine was $198.6 million, and the House Appropriations Committee recommended $327.8 million.  

The United States provides separate humanitarian assistance to Ukraine in cooperation with UNHCR and other countries to assist internally displaced persons (IDPs) and other victims of conflict. As of June 2019, USAID reported a total of more than $200 million in humanitarian assistance provided to Ukraine since 2014.

**Military Aid**

The United States provides substantial military assistance to Ukraine. In June 2019, the Department of Defense stated that the United States had provided $1.5 billion in total security (mostly military) assistance since the Ukraine conflict began in 2014 (on average, about $300 million a year). U.S. military assistance to Ukraine has included, in part, foreign military financing (which reached $115 million in FY2019), as well as emergency and reprogrammed aid during FY2014 and FY2015.

U.S. military assistance also includes the Department of Defense-managed Ukraine Security Assistance Initiative (P.L. 114-113, §9014), which Congress established in FY2016. The Ukraine Security Assistance Initiative provides “appropriate security assistance and intelligence support” to support Ukraine’s sovereignty and territorial integrity and to help it defend against further aggression. From FY2016 to FY2019, Congress appropriated $850 million for this initiative. FY2020 appropriations, as passed by the House (H.R. 2740), would provide another $250 million. FY2019 funds for military assistance, which had not been obligated by the start of September 2019, were released in mid-September 2019 after some Members of Congress expressed concern about authority for this funding potentially expiring at the end of the fiscal year.

In June 2019, the Department of Defense said the Ukraine Security Assistance Initiative’s FY2019 allocation of $250 million would provide 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;

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149 This total includes all State Department and USAID bilateral assistance, except for the Foreign Military Financing and International Military Education and Training accounts.

150 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.

151 H.Rept. 116-78 to accompany H.R. 2839.


154 Rachel Oswald, “Trump Released Hold on Ukraine Aid; Democrats Unsatisfied,” *CQ*, September 13, 2019.
command and control; electronic warfare detection and secure communications; military mobility; night vision; and, military medical treatment.\textsuperscript{155}

The Trump Administration has provided major defensive lethal weaponry to Ukraine. During the Obama Administration, arguments against the provision of lethal assistance centered on Russia’s ability and willingness to steadily escalate conflict in response.\textsuperscript{156} In August 2017, then-U.S. Secretary of Defense James Mattis said in Kyiv that the Trump Administration was “actively reviewing” the question of lethal assistance.\textsuperscript{157} In 2018, the State Department approved a foreign military sale of 210 Javelin portable anti-tank missiles, as well as launchers, associated equipment, and training, at a total estimated cost of $47 million. According to media reports, the missiles are stored away from the frontline.\textsuperscript{158}

The United States also provides military training assistance. Since 2015, U.S. forces have advised and assisted Ukrainian forces as part of the Joint Multinational Training Group-Ukraine (JMTG-U), 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 to the JMTG-U, 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.”\textsuperscript{159} In September 2016, then-U.S. Secretary of Defense Ash Carter and Ukrainian Minister of Defense Stepan Poltorak signed a framework document “to enhance the defense capacity of Ukraine’s forces, advance critical Ukrainian defense reforms, improve resource management processes, and boost defense technology cooperation.”\textsuperscript{160}

The United States and Ukraine host annual 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.”\textsuperscript{161} 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.

\textsuperscript{155} See footnote 154.

\textsuperscript{156} See, for example, Fiona Hill and Clifford Gaddy, “How Aiding the Ukrainian Military Could Push Putin into a Regional War,” \textit{Washington Post}, February 5, 2015.


Center “under the advisement of allied and partner nations.”


Yavoriv Combat Training Center
Since 2015, U.S. and other allied 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)

The Ukrainian Armed Forces are expected to assume full training responsibility at the Yavoriv Combat Training Center in 2020.


The United States also provides cybersecurity assistance to Ukraine. U.S. interagency teams visited Ukraine in 2016 regarding December 2015 cyberattacks against Ukrainian power companies. The United States and Ukraine have held two annual Bilateral Cybersecurity Dialogues in Kyiv, and the United States has pledged $10 million in cybersecurity assistance since 2017.

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Trade

The United States granted Ukraine permanent normal trade relations status in 2006.  

From 2014 to 2016, bilateral trade declined in line with an overall decline in Ukraine’s trade after being invaded by Russia. U.S.-Ukraine trade began to recover in 2017. In 2018, the United States was Ukraine’s 6th-largest source of merchandise imports and 13th-largest destination for exports. 

The value of Ukraine’s merchandise imports from the United States—mainly oil and mineral fuels, motor vehicles and parts, and industrial and electrical machinery—was $2.96 billion in 2018. The value of merchandise exports to the United States—mainly iron and steel—was $1.11 billion in 2018.

In July 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. In 2018, 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. In addition to appropriating funds for foreign and security assistance, the House and Senate have passed several resolutions in support of Ukraine’s independence and democratization. Congress especially supported Ukraine’s democratic transition during the 2004-2005 Orange Revolution. Congress also has passed several resolutions to commemorate the 1986 Chernobyl nuclear disaster, which took place in Soviet Ukraine, and to support related U.S. and international assistance. In addition, Congress has regularly commemorated the Soviet Ukraine famine of 1932-1933, most recently in 2018 (H.Res. 931/S.Res. 435).

During Ukraine’s 2013-2014 Revolution of Dignity, Congress supported a peaceful resolution to the conflict. Before ex-President Yanukovych fled Ukraine in February 2014, the House and Senate passed resolutions to support Ukrainians’ democratic aspirations, call for a peaceful

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165 P.L. 109-205. Before then, 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.

166 Data in this section are from the State Customs Committee of Ukraine, as presented in Global Trade Atlas.


171 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. Report to Congress, submitted to Congress on April 22, 1988; Roma Hadzewycz, “Over 5,000 Witness Dedication of Holodomor Memorial in Washington,” Ukrainian Weekly, November 13, 2015.
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 also passed 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).

**Congressional Response to Russia’s Invasion**

Since March 2014, many Members of Congress have condemned Russia’s invasion of Ukraine, promoted sanctions against Russia for its actions, and supported increased economic and security aid to Ukraine. In 2014 and 2015, the House and Senate passed a number of resolutions condemning Russia’s aggression in Ukraine and expressing support for increased aid.\(^{172}\)

In April 2014, Congress passed, and President Obama signed into law, 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.). SSIDES authorized aid to help Ukraine pursue reform, provided security assistance to Ukraine and other countries in Central and Eastern Europe, required the U.S. government to assist Ukraine to recover assets linked to corruption by the former government, and established a variety of sanctions (see “Ukraine-Related Sanctions,” 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).

In December 2014, Congress passed, and President Obama signed into law, the Ukraine Freedom Support Act of 2014 (UFSA; P.L. 113-272; 22 U.S.C. 8921 et seq.). 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 (see “Ukraine-Related Sanctions,” below); 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.

In July-August 2017, Congress passed, and President Trump signed into law, CAATSA (P.L. 115-44), with CRIEEA as its Title II. CRIEEA codified sanctions on Russia provided for in existing Ukraine-related (and cyber-related) executive orders, strengthened additional sanctions, and required or recommended several new sanctions (see “Ukraine-Related Sanctions,” below). In addition, the act established a congressional review of any potential presidential move to ease or lift sanctions. Among additional measures, the act authorized $30 million in FY2018-FY2019 to promote energy security in Ukraine ($257).

Since FY2015, foreign operations appropriations have restricted funds for implementing policies and actions that would recognize Russian sovereignty over Crimea and have imposed restrictions on foreign assistance to the governments of countries that support Russia’s annexation of Crimea (P.L. 116-6, Division F, §7047). In addition, 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

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Federation or the separation of any portion of Ukrainian territory through the use of military force” (§257).

Since 2014, Congress has supported the provision of defensive lethal weapons to Ukraine. UFSA authorized the President to provide to Ukraine “defense articles ... including anti-tank and antiarmor weapons [and] crew weapons and ammunition.” The FY2016 to FY2019 National Defense Authorization Acts authorized “appropriate security assistance” to Ukraine, including “lethal assistance” such as “antiarmor weapon systems, mortars, crew-served weapons and ammunition, grenade launchers and ammunition, and small arms and ammunition.” Since FY2016, defense appropriations have provided for military assistance to Ukraine, to include “lethal weapons of a defensive nature” and (for FY2019) “lethal assistance.” In December 2016, a bipartisan group of 27 Senators asked the incoming Trump Administration to provide defensive lethal assistance “to help Ukrainians better defend themselves” and “deter future aggression.”

In February 2018, during the 115th Congress, the House passed the Ukraine Cybersecurity Cooperation Act of 2017 (H.R. 1997), which called for greater cybersecurity cooperation with and aid to Ukraine. In November-December 2018, Members of the 115th Congress passed 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 passed 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.”

Several pieces of Ukraine-related legislation are under consideration in the 116th Congress. In March 2019, the House of Representatives voted 427-1 to pass H.R. 596, the Crimea Annexation Non-recognition Act, which asserts 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. Several Members of Congress have sought to further respond to Russia’s November 2018 attack on Ukrainian naval vessels, express continuing opposition to Nord Stream 2, and enhance U.S.-Ukraine security cooperation.

173 The Countering Russian Influence in Europe and Eurasia Act of 2017 (Title II of P.L. 115-44, Countering America’s Adversaries Through Sanctions Act; 22 U.S.C. 9501 et seq.) also states that the United States generally “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).

174 From 2014 to 2016, the House and/or Senate expressed support for providing lethal defensive weapons to Ukraine at least five more times. See H.Res. 758 (2014), P.L. 113-291 (FY2015 National Defense Authorization Act), H.Res. 162 (2015), S.Res. 72 (2015), and H.R. 5094 (2016). Subsequently, in July 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.”

175 Rebecca Kheel, “Senators to Trump: Get Tough on Russia over Ukraine,” The Hill, December 8, 2016.

176 A related bill was introduced in the Senate (S. 2455).

177 Proposed legislation that responds to Russia’s maritime aggression includes S.Res. 27 (reported and placed on the Senate Legislative Calendar) and its companion bill, H.Res. 116, as well as Section 602 of S. 482. Legislation that opposes Nord Stream 2 and other export pipelines includes S.Res. 27 and H.Res. 116, as well as H.R. 2023, H.R. 3206, S. 1441, and S. 1830 (the House bills are ordered to be reported; S. 1441 has been reported and placed on the Senate
Ukraine-Related Sanctions

Most U.S. designations of Russian persons subject to sanctions have been 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.”178 To date, the United States has imposed Ukraine-related sanctions on more than 665 individuals and entities.179

The basis for most Ukraine-related sanctions is a series of executive orders (EOs 13660, 13661, 13662, and 13685) issued in 2014 and codified by CRIEEA (CAATSA, Title II). The EOs provide for sanctions against those the President determines have undermined Ukraine’s security and stability; misappropriated Ukrainian state assets; or conducted business, trade, or investment in occupied Crimea. They also provide for sanctions against Russian government officials and those who offer them support, those who operate in the Russian arms sector, and those who operate in key sectors of the Russian economy. Among those designated are Ukrainian individuals and entities, including former government officials and de facto authorities in Crimea and the nongovernment-controlled areas in eastern Ukraine.

In addition, sectoral sanctions apply to specific entities in Russia’s financial, energy, and defense sectors. U.S. persons are restricted from engaging in certain transactions with these entities related to new equity investment and/or financing. Sectoral sanctions also prohibit U.S. trade related to the development of Russian deepwater, Arctic offshore, or shale projects that have the potential to produce oil and, as amended by CRIEEA, such projects worldwide in which those entities have an ownership interest of at least 33% or a majority of voting interests.

SSIDES and UFSA, signed into law in 2014, expanded upon the sanctions actions the Obama Administration took in response to Russia’s invasion of Ukraine. President Obama, however, did not cite SSIDES or UFSA as an authority for designations or other sanctions actions.180 In November 2018, President Trump cited SSIDES, as amended by CRIEEA (§228), to designate two individuals and one entity for serious human rights abuses in territories forcibly occupied or controlled by Russia. SSIDES and UFSA contain additional sanctions provisions that the executive branch could use, including potentially wide-reaching secondary sanctions against foreign individuals and entities that facilitate significant transactions for Russia-related designees.

Like the United States, the EU has imposed sanctions—or restrictive measures, in EU parlance—against Russia since 2014 for its invasion of Ukraine. The EU imposed these sanctions largely in cooperation with the United States, and EU sanctions are similar, although not identical, to U.S. sanctions. Imposing these sanctions requires the unanimous agreement of all 28 EU member states.

Legislative Calendar). H.R. 3047 would enhance U.S.-Ukraine security cooperation, including by authorizing the provision of more lethal defense articles, such as “anti-tank weapons systems, anti-ship weapons systems, and anti-aircraft weapons systems.” The bill also would authorize the President to treat Ukraine as a major non-NATO ally. 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).


179 For details, see CRS Report R45415, U.S. Sanctions on Russia, coordinated by Cory Welt.

180 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, at https://obamawhitehouse.archives.gov/the-press-office/2014/12/18/statement-president-ukraine-freedom-support-act.
states. 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 also is required to renew (i.e., extend) EU sanctions. A number of other states, including Australia, Canada, Japan, Norway, and Switzerland, also have imposed Ukraine-related sanctions on Russia.

**Relations with the EU and NATO**

Since 2014, the Ukrainian government has prioritized closer integration with the EU and NATO. In February 2019, Ukraine adopted a constitutional amendment declaring the government responsible for implementing Ukraine’s “strategic course” toward EU and NATO membership.\(^{181}\) Zelensky’s first foreign trip as president was to Brussels, where he met with EU and NATO leaders and reaffirmed that Ukraine’s “strategic course [was] to achieve full-fledged membership in the EU and NATO.”\(^{182}\)

The EU’s main framework for political and economic engagement with Ukraine is the Association Agreement, which encourages harmonization with EU laws and regulations and includes a Deep and Comprehensive Free Trade Area (DCFTA).\(^{183}\) According to the EU, the DCFTA has shown “positive results.”\(^{184}\) Since the DCFTA’s entry into force, Ukraine’s trade with the EU, its largest trading partner (42% of Ukraine’s total trade in 2018), has grown faster than Ukraine’s total trade, and Ukraine has begun to export new products to EU markets, including butter and washing machines.\(^{185}\) The EU also is a major provider of foreign aid, totaling more than €15 billion (about $16.4 billion) in grants and loans since 2014.\(^{186}\) The EU granted Ukrainian citizens visa-free travel in 2017.

As mentioned, the EU has imposed wide-ranging sanctions in response to Russia’s invasion of Ukraine. The EU also has supported Ukraine against Russia’s maritime aggression near the Kerch Strait. In July 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.”\(^{187}\)

Ukraine also has close relations with NATO. In 1994, Ukraine was the first post-Soviet state (not including the Baltic states) to join NATO’s Partnership for Peace. A NATO-Ukraine Commission,

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\(^{181}\) 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.

\(^{182}\) RFE/RL, “Ukraine’s President Promises NATO Referendum as Part of Path to West,” June 5, 2019.


\(^{186}\) This assistance includes €3.3 billion (around $3.6 billion) in macro-financial assistance loans and almost €1.2 billion ($1.3 billion) in assistance grants. Assistance also includes €6.5 billion ($7.1 billion) in financing from the European Investment Bank and the European Bank for Reconstruction and Development. For more details, see European Union External Action, “EU-Ukraine Relations, Factsheet,” updated July 5, 2019, at https://eeas.europa.eu/headquarters/headquarters-homepage/4081/eu-ukraine-relations-factsheet_en.

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 Programme and participated in the NATO Response Force, a rapid reaction force. After Russia’s invasion in 2014, Ukraine’s parliament rejected its non-bloc status and, in 2017, voted to make cooperation with NATO a foreign policy priority.\(^{188}\)

Ukraine has supported several NATO peacekeeping and maritime operations. Ukrainian forces have long contributed to the NATO-led Kosovo Force. Ukraine also contributes to the Resolute Support Mission in Afghanistan and participated in the previous 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.

NATO has expressed strong support for Ukraine since Russia’s 2014 invasion. 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.”\(^{189}\) In addition, NATO established six trust funds “working in critical areas of reform and capability development in Ukraine’s security and defense sector.”\(^{190}\)

Many observers consider 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 the Crimea region and nongovernment-controlled areas of Ukraine).\(^{191}\) 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 lack of support for enlargement among many EU members.

Ukraine also faces a challenge to NATO membership. In 2008, NATO members agreed that Ukraine and Georgia would become members of NATO, but Ukraine has not been granted a NATO Membership Action Plan or other clear path to membership.\(^{192}\) Most observers believe NATO will not move forward with membership as long as Russia occupies Ukrainian territory and the conflict remains unresolved. Moreover, 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 not include the

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\(^{190}\) 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.


\(^{192}\) 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.
Crimea region and nongovernment-controlled areas of Ukraine, where support for NATO membership likely would be low even in the absence of conflict.\(^{193}\)

**Outlook**

Five years after Ukraine’s Euromaidan protests and Russia’s invasion, Ukraine continues to face 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 the United States can best assist Ukraine’s new government to implement governance reforms that are supported by the international community and Ukrainian civil society;
- Whether Ukraine’s new government will sustain a reform-minded and democratic trajectory;
- The extent to which the change of government in Ukraine provides new opportunities for implementing the Minsk agreements to resolve the conflict in eastern Ukraine and to address humanitarian needs in and around the nongovernment-controlled areas;
- The appropriate level of military assistance to Ukraine and whether the United States should provide new forms of defensive lethal weapons;
- The other kinds of U.S. assistance that may be especially important to Ukraine at this time; and
- Additional ways to increase Ukraine’s benefits from its free trade agreement with the EU and its closer integration with the EU and NATO.

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