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DEVELOPMENTS IN UKRAINE

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HEARING CONTENTS:

WITNESSES:

The Honorable Jane Harman [statement unavailable]
Director, President, and CEO, Woodrow Wilson International Center for Scholars
Former Member, U.S. House of Representatives

The Honorable Steven Pifer [\[view PDF\]](#)
Senior Fellow, The Brookings Institution, Former Ambassador to Ukraine

The Honorable James F. Jeffrey [\[view PDF\]](#)
Philip Solondz Distinguished Visiting Fellow, The Washington Institute
Former Assistant to the President and Deputy National Security Advisor

The Honorable Mark Green [\[view PDF\]](#)
President, International Republican Institute
Former U.S. Ambassador and Member, U.S. House of Representatives

Mr. Kenneth Wollack [\[view PDF\]](#)
President, National Democratic Institute

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- <http://www.foreign.senate.gov/hearings/watch?hearingid=e0bf6c42-5056-a032-5258-360eebf4cff8>

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**The Senate Foreign Relations Committee
Statement for the Record**

***Ukraine, Russia and
the U.S. Policy Response***

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June 5, 2014

Ukraine, Russia and the U.S. Policy Response

Introduction

Mr. Chairman, Senator Corker, distinguished members of the Committee, thank you for the opportunity to appear today to testify on the Ukraine-Russia crisis and how the United States should respond.

As Ukraine struggles through the ongoing crisis, Ukrainians went to the polls in large numbers on May 25 in an election that observers agreed met international democratic standards. Petro Poroshenko will take office on June 7 with renewed democratic legitimacy, having won a clear mandate from the Ukrainian electorate.

The president-elect faces significant challenges. He must find a way to manage eastern Ukraine, where clashes continue between armed separatists and government forces. He must oversee implementation of the economic reforms to which Ukraine agreed in its program with the International Monetary Fund. He must address the important questions of decentralization of power and political reform.

Mr. Poroshenko also faces the major challenge of dealing with Russia. Although Vladimir Putin said that Russia would respect the will of the Ukrainian electorate, Russian actions suggest a different approach. There is no evidence that Moscow has used its considerable influence with the armed separatists in Donetsk and Luhansk oblasts (provinces) to urge them to deescalate the crisis. Numerous reports indicate that arms, supplies and fighters cross from Russia into Ukraine, something that Russian border guards could interdict.

What apparently triggered Russian efforts to destabilize the interim Ukrainian government after former President Victor Yanukovich fled in February was the interim government's affirmation of its desire to draw closer to the European Union and sign the Ukraine-EU association agreement. Mr. Putin opposes that. Given that Mr. Poroshenko also supports the association agreement, Russia will likely continue its destabilization efforts.

The U.S. government's response has been organized along three vectors: (1) bolster the Ukrainian government; (2) reassure NATO allies unnerved by Moscow's aggressive behavior; and (3) penalize Russia with the objective of promoting a change in Russian policy. The administration generally deserves high marks on the first two vectors. More should be done, however, to raise the consequences for Moscow should it not alter its policy course regarding Ukraine.

Why Should the United States Care about Ukraine?

At a time when the U.S. foreign policy in-box is overflowing, why should Americans care about Ukraine? Let me offer three reasons.

First, Ukraine has been a good international partner of the United States for more than two decades. When the Soviet Union collapsed in 1991, Ukraine had on its territory the world's third largest nuclear arsenal—including some 1900 strategic nuclear warheads arming 176 intercontinental ballistic missiles (ICBMs) and 45 strategic bombers—all designed to strike the United States. Ukraine agreed to give up that arsenal, transferring the nuclear warheads to Russia for elimination and destroying the ICBMs and bombers.

In 1998, Ukraine was participating in the construction of the nuclear power plant at Bushehr in Iran. At U.S. behest, the Ukrainian government aligned its non-proliferation policy with U.S. policy and withdrew from the project, forcing Russia to find another and more expensive provider of turbine generators for the Iranian reactor.

In 2003, following the downfall of Saddam Hussein, Kyiv responded positively to the U.S. request for contributions to the coalition force in Iraq. At one point, the Ukrainian army had nearly 2000 troops, the fourth largest military contingent, in country.

And in 2012, Ukraine transferred out the last of its highly-enriched uranium as part of the U.S.-led international effort to consolidate stocks of nuclear weapons-usable highly-enriched uranium and plutonium.

This kind of partnership merits U.S. support when Ukraine faces a crisis.

Second, as part of the agreement by which Ukraine gave up its nuclear weapons, the United States, Britain and Russia committed in the 1994 Budapest Memorandum on Security Assurances to respect the sovereignty and territorial integrity of Ukraine and not to use or threaten to use force against Ukraine. Russia's illegal seizure and annexation of Crimea constitute a gross violation of its commitments under that document, as does Russia's ongoing support for separatists in eastern Ukraine. The United States and Britain should meet their commitments by supporting Ukraine and pressuring Russia to halt actions that violate the memorandum.

Third, Russia's actions constitute a fundamental challenge to the post-war order in Europe. The illegal seizure of Crimea is the most blatant land-grab that Europe has seen since 1945. The United States and Europe need to respond adequately and ensure that Russia faces consequences for this kind of behavior. Otherwise, the danger is that Mr. Putin may pursue other actions that would further threaten European security and stability.

The Situation in Ukraine: the May 25 Presidential Election

Ukrainians went to the polls on May 25 to elect a new president. The success of that election has important implications. Since Mr. Yanukovich fled Kyiv (and Ukraine) at the end of February, many Ukrainians, particularly in the east, had seen the acting government as illegitimate. The May 25 election will put in office a president with renewed democratic legitimacy.

By all accounts, the election proceeded normally in most of the country. Sixty percent of the electorate voted, an impressive number given that armed separatists in Donetsk and Luhansk—where about 14 percent of Ukraine’s voters reside—prevented voting in most precincts in those oblasts.

On May 26, the Organization for Security and Cooperation in Europe election-monitoring mission released its preliminary assessment of the vote. While noting some problems, it concluded that the election was “largely in line with international commitments ... in the vast majority of the country.” Virtually all election observers—including the European Network of Election Monitoring Organizations and Committee of Voters of Ukraine—concurred in the positive assessment of the election’s conduct.

According to Ukraine’s Central Electoral Commission, Mr. Poroshenko won with 54.7 percent of the vote, a figure that tracked closely with the number reported in the two major exit polls released on the evening of May 25. The strength of that victory was remarkable and, by crossing the 50 percent threshold, Mr. Poroshenko avoided the need for a run-off ballot. Every previous presidential election since Ukraine regained independence had to go to a second round.

Two other things were notable in the election results. First, of the top five candidates, four—who together won a combined total of 77 percent of the vote—supported Ukraine drawing closer to the European Union. Second, in contrast to all the talk in Russia of neo-fascists running things in Ukraine, the two candidates from far right parties won a combined total of less than two percent of the vote.

Domestic Challenges

Mr. Poroshenko will be sworn in as Ukraine’s fifth president on Saturday.

Eastern Ukraine poses the first of several difficult challenges awaiting him. Dozens, if not hundreds, have died in clashes between Ukrainian military and security forces and armed separatists in Donetsk and Luhansk over the past month. Mr. Poroshenko has said his first trip as president will be to Donetsk.

Many in eastern Ukraine are troubled by how government power in Kyiv changed in February and regard the acting government as illegitimate. Polls show, however, that more than 70 percent wish to remain a part of Ukraine. Mr. Poroshenko’s election should lift some of that cloud of illegitimacy. If he can successfully assure the population in the east that he will listen to and address their political and economic concerns, he can undercut support for the armed separatists, whose welcome may be wearing out. That could also give a boost to the roundtable process launched by the Organization for Security and Cooperation in Europe aimed at resolving Ukraine’s internal divisions.

Mr. Poroshenko’s second challenge will be implementing the economic reforms to which Ukraine agreed in order to receive \$17 billion in low-interest loans from the International Monetary Fund over the next two years. Ukraine has the potential to receive as much as

\$25-35 billion from the International Monetary Fund, other international financial institutions and Western governments to help it meet its external debt obligations—provided that it implements its reform program.

The reforms are necessary to put the country's economic house in order and end rampant corruption. But the reforms will hurt many households across the country. Mr. Poroshenko will need to find a way to sustain the public's support for pursuing those reforms, a potentially difficult political test.

The third challenge is decentralizing Ukraine's government, in which too much power rests in the capital. Transferring some political authority to the oblasts—such as making regional governors elected as opposed to appointed by the president—would promote more effective, efficient and accountable governance. It would also address demands in the eastern part of the country for more local authority.

Mr. Poroshenko has said that he would like to see early Rada (parliament) elections this year. That would be a wise move, as it would revalidate the Rada's democratic legitimacy in the aftermath of February's turmoil and would put in place Rada deputies reflecting the country's current mood.

With regard to foreign policy, Mr. Poroshenko supports bringing Ukraine closer to the European Union, which includes signing a Ukraine-EU association agreement that contains a deep and comprehensive free trade arrangement. That will expand access to EU markets for Ukrainian exporters. Opinion polls show that a majority of Ukrainians supports a pro-European Union course.

Mr. Poroshenko has also expressed a desire to develop a working relationship with Russia—a sensible position given the many links and interactions between Ukraine and Russia. The principal challenge, however, is that Mr. Putin and the Kremlin oppose Ukraine's pro-Europe course, which would remove the country from Russia's sphere of influence. There are no significant indications to suggest that Moscow's goal of holding Ukraine back from Europe has changed.

Russia's Approach and Motives

On May 23, Mr. Putin said he would respect the results of the Ukrainian presidential election. If Moscow is prepared to deal directly with Kyiv in a normal manner and cease its support for the separatists who have created chaos in Donetsk and Luhansk, that would be a positive and welcome step. But skepticism is in order: this would amount to a total reversal in Russia's course over the past three months—and it is not clear why the Kremlin now would decide to do that.

Kyiv, the United States and European Union will watch closely to see how Russia deals with Mr. Poroshenko in the coming weeks. After two months of intimidating military maneuvers on Ukraine's eastern border, it appears that Russia now has finally returned most of the troops to their bases. That is a welcome step.

Russia has legitimate interests in Ukraine. But those interests do not mean that it should resort to force, seize Ukrainian territory, and support separatism. There is much that the Russians could do if they truly wished to defuse the crisis. There are many indicators that the Russian government has been supporting the armed separatists in eastern Ukraine, including by providing leadership, such as Colonel Chirkin (Strelkov). The Russian government could end that support and order its personnel to cease fighting. Moscow has taken no visible steps to urge the separatists in eastern Ukraine to lay down arms and evacuate occupied buildings, as was agreed in Geneva in mid-April. It could do so now. The flow of arms, including sophisticated anti-aircraft weapons, other supplies and fighters, including from Chechnya, continues from Russia into eastern Ukraine. That is something Russian border guards could interdict if ordered to do so.

Mr. Putin's approach toward Ukraine thus far appears driven by several factors.

Russia's main focus has not been Crimea, which it illegally occupied in March. The Kremlin appears to seek a weak and compliant Ukrainian neighbor, a state that will defer to Moscow and not develop a significant relationship with the European Union. For Mr. Putin, possessing Crimea while mainland Ukraine draws closer to Europe is no victory.

Although he lamented the collapse of the Soviet Union as the greatest geopolitical catastrophe of the 20th century, Mr. Putin does not seek to rebuild it. Doing so would require that Russia subsidize the economies of others, an economic burden that Moscow does not wish to bear.

What Mr. Putin does want is a sphere of influence, which he views as a key component of Moscow's great power status. Countries within that sphere are expected to eschew policies, such as drawing too close to NATO or the European Union, that the Kremlin regards as inconsistent with Russian interests. A Ukraine that has signed and is implementing an EU association agreement would be a country moving irretrievably out of Moscow's geopolitical orbit.

Domestic political factors also motivate Mr. Putin's policy. The seizure of Crimea was popular with most Russians, particularly his conservative political base. His domestic approval rating now exceeds 80 percent. Trying to pull Ukraine back toward Russia, given the historical and cultural links, is also popular with many Russians.

Another factor apparently motivating Mr. Putin is to see the Maidan experiment—which began with the demonstrations that started in late November and continues as Ukraine shapes a new government—fail. As was evident in 2012 following the brief period of large demonstrations in Moscow, the Kremlin greatly fears civil protest and moved quickly to clamp down. It does not want to see protest succeed in neighboring Ukraine.

Finally, while it is difficult to understand how the Kremlin functions, some suggest that Mr. Putin operates in a bubble in which he receives information from relatively narrow channels dominated by the security services. When the Russian president talks about

what has happened in Ukraine over the past six months—or about what happened ten years ago during the Orange Revolution—he does not describe protests motivated by popular discontent with an increasingly authoritarian leadership or a stolen election. He sees an effort orchestrated and led by the CIA and its sister European services, aimed in large part at hemming in Russia. Such a flawed understanding of Ukraine is worrisome, as bad analysis offers a poor foundation on which to base policy.

How will Russia proceed regarding Ukraine? The April 17 meeting of the U.S., Russian, Ukrainian and European Union foreign ministers offered a chance for a diplomatic solution. Little appears to have come of it. Moscow did nothing to get illegal armed groups in cities such as Donetsk or Slavyansk to disarm or evacuate the buildings that they occupied. Instead, it appears to have encouraged and supported those groups. Today, unfortunately, the Russians continue to do little to exercise the very considerable authority that they have with the armed separatists to defuse the crisis.

It is not clear that Mr. Putin has a grand strategy on Ukraine. He may be making decisions on an ad hoc basis. He likely did not decide to move to seize Crimea, for example, until he saw how events played out in Kyiv at the end of February. He then saw an opportunity, and he took it.

We must bear in mind that Mr. Putin surprised the West. Once it became clear that the acting government in Kyiv would pursue the EU association agreement, most analysts expected a negative reaction from Moscow. But we anticipated that Russia would resort to its considerable economic leverage: block Ukrainian exports to Russia, press for payment of outstanding loans, or raise the price of natural gas for Ukraine. Russia instead used its military to take Crimea.

The West should also bear in mind Mr. Putin's claim to a right to protect Russian "compatriots"—ethnic Russians and Russian-speakers who do not have Russian citizenship. This was the justification for Russian action in Crimea. What does it mean for other states neighboring Russia with significant ethnic Russian minority populations?

The U.S. Policy Response

The U.S. policy response over the past three months appears to have three vectors: support Ukraine, reassure NATO allies, and penalize Russia with the goal of effecting a change in Moscow's policy.

The first vector has aimed to bolster Ukraine. Since the acting government took office in late February, there has been a steady stream of senior U.S. officials to Kyiv, including Deputy Secretary of State Bill Burns, Secretary of State John Kerry and Vice President Joe Biden. The vice president will return to Kyiv for Mr. Poroshenko's inauguration. President Obama has hosted Acting Prime Minister Arseniy Yatseniuk and met Mr. Poroshenko yesterday during his visit to Warsaw. These demonstrate U.S. political support and bolster the government in Kyiv.

The United States worked closely with the International Monetary Fund to develop the current program for Ukraine. Provided that Ukraine implements the program's reforms, it is front-loaded to give Ukraine early access to significant funds, much more so than in most two-year IMF programs. U.S. assistance programs should now focus on helping Ukraine implement the agreed reforms.

U.S. officials have launched particular programs to assist Ukraine. Of particular importance is the effort to help Ukraine diversify its energy sources and increase energy efficiency so that it can reduce its dependence on Russia. A second program seeks to help Ukraine track where funds stolen by officials in the previous government went, with the goal of freezing and securing the return of those monies to Ukraine.

One area where the United States should do more is military assistance. The Ukrainian military needs help in strengthening its defensive capabilities. Given that most Ukrainian army bases are in the western part of the country—a legacy of Soviet times when Soviet forces in Ukraine were deployed primarily against NATO—many units that deployed to Donetsk and Luhansk lack infrastructure. MREs and other non-lethal equipment such as sleeping bags, tents and logistics are needed to help sustain soldiers in the field.

The decision to provide body armor, night-vision goggles and communications equipment is welcome, if overdue. The United States should also offer counterinsurgency advice and intelligence support. It is appropriate to consider providing light anti-armor weapons and man-portable air defense systems, particularly since the Ukrainian military, at U.S. and NATO request, eliminated many of its man-portable air defense systems so that they would not be subject to possible theft and terrorist use. Finally, the U.S. military should continue its program of exercises with the Ukrainian military, which has been a standard element of the U.S.-Ukraine military-to-military cooperation program for more than 15 years.

The second vector of U.S. policy has been to reassure NATO allies in the Baltic and Central European regions, who are more nervous about Moscow's intentions and possible actions following the seizure of Crimea. U.S. and NATO military forces have deployed to the regions with the objectives of reassuring those allies of the Alliance's commitment to their defense and of underscoring that commitment to Moscow.

The most significant deployment has been that of four U.S. airborne companies, one each to Estonia, Latvia, Lithuania and Poland, for what the Pentagon has described as a "persistent" deployment. These units lack heavy weapons and pose no offensive threat to Russia, but they are a tangible indicator of U.S. commitment to the four allies. It would send an even stronger message were the U.S. companies joined by companies from other Alliance members. For example, a German company might be paired with the U.S. company in Lithuania, a British company with the U.S. company in Estonia, and so on.

Speaking on Tuesday in Warsaw, President Obama proposed a \$1 billion program to increase the U.S. military presence in Central Europe. This is an appropriate step, given new concerns about Russia and Russian policy since the Kremlin's seizure of Crimea. Congress should approve expedited funding for this.

The third vector of U.S. policy has to be to penalize Russia with the goal of effecting a change in Moscow's course on Ukraine. Washington has ratcheted down bilateral relations, and G7 leaders—the G8 less Mr. Putin—met today in Brussels instead of in Sochi, as had originally been planned.

The U.S. government has worked with the European Union to impose visa and financial sanctions on selected individuals and entities over the past two months. While the Russian economy was already weakening in 2013, the sanctions imposed to date, although modest, appear to be having an impact.

The Russian finance minister has projected that Russian GDP growth in 2014 would be one-half percent at most and perhaps zero. That is down from projections of 2.0-2.5 percent in 2013. The Russian economy minister said that the Russian economy could be in recession by June, a development that he attributed to geopolitical circumstances, i.e., the effects of Russian policy toward Ukraine and the resulting sanctions.

The Russian finance minister also noted that capital flight in the first quarter of 2014 amounted to \$50 billion. Other sources suggest it was higher, perhaps on the order of \$60-70 billion. Standard & Poor's has reduced the investment grade of sovereign Russian debt to one level above junk bond status. According to Bloomberg, no Russian company has been able to sell foreign currency bonds since March, in contrast to 2013, when Russian companies sold \$42.5 billion worth of such bonds.

The sanctions are having an economic impact, but they thus far have failed in their primary purpose. Russia has not significantly altered its course on Ukraine.

The U.S. government has been more restrained than it should have on sanctions. Part of the reason is the administration's desire to move in concert with the European Union, so as to minimize the opportunity for Russian wedge-driving or selectively targeting American companies for retaliation. Unfortunately, the European Union has been overly cautious on sanctions, in large part due to concern for its trade with Russia, which is more than ten times U.S.-Russia trade, and the need to find consensus among 28 member states, which generally produces a lowest common denominator approach.

The West needs to recognize that Moscow remains part of the problem in Ukraine and is not yet part of the solution. Absent a change in the Russian course, the United States and European Union should apply further and more robust sanctions, which are already more than justified by Russia's actions. Additional sanctions could include:

- Expanding the list of individual Russians—inside and outside of government—targeted for visa and financial sanctions. Sanctions should apply to family members as well.

- Applying targeted sanctions on the Russian financial sector, beginning with the sanctioning of at least one major Russian financial institution (as opposed to smaller pocket banks).
- Blocking Western energy companies from new investments to develop oil and gas fields in Russia, just as the United States and European Union have moved to block their companies from investing in the development of oil and gas resources on the Black Sea shelf around Crimea.

The goal of sanctions should be to change Mr. Putin's calculus. Russian analysts have long described an implicit social contract that he has with the Russian people: diminished individual political space in return for economic stability, growth and rising living standards. He delivered spectacularly on his part of the bargain from 2000-2008, when the Russian economy grew by seven-eight percent per year. Some Russian economists in 2013 questioned, however, whether the projected 2.0-2.5 percent growth would suffice; the objective of sanctions should be to inflict economic pain on Russia and undermine Mr. Putin's ability to deliver on his side of the bargain. That may—may, not necessarily will—lead him to adopt a new policy course.

There is an alternative view. It holds that Mr. Putin will use the sanctions as a scapegoat and attempt to put all the blame on the West for Russia's poor economic performance. How sanctions will affect the Russian public's view toward Mr. Putin and his calculations regarding policy regarding Ukraine remain to be seen. The egregious nature of Russian actions over the past several months nevertheless argues that the West should impose significant consequences.

In considering and applying sanctions, the U.S. government should be smart. Where possible, it makes sense to use a scalpel and carefully target sanctions rather than a sledgehammer. It also makes sense to avoid policies that would not help Ukraine and would damage other U.S. interests—such as halting implementation of the New START treaty or accelerating the deployment of SM-3 missile interceptors that may not be technically ready for deployment in Poland.

Possible Elements of a Settlement

Washington should encourage Kyiv to pull together the strands of a package to stabilize its internal situation, including elements of interest to many in eastern Ukraine. Elements of a settlement could include the following:

De-escalation of the fighting in eastern Ukraine. The Ukrainian military could cease security operations if the armed separatist groups stand down and negotiate an evacuation of the buildings that they have occupied over the past two months. Moscow has called on Kyiv to halt its operations; it could greatly increase the chances of this if it persuaded the separatists to abide by the Geneva agreement to evacuate occupied buildings and disarm. For its part, the government in Kyiv should disarm the far-right Praviy Sektor movement.

Decentralization of political authority. Members of the acting government and Mr. Poroshenko have suggested the possibility that some political authority could be shifted from Kyiv to regional and local leaders. Mr. Poroshenko should put forward concrete proposals for decentralization, which may require constitutional reform. One obvious step would be to make the oblast governors elected as opposed to appointed by the president. It would also be sensible to transfer some budget authority to regional governments.

Early Rada elections. The May 25 presidential election gives Mr. Poroshenko a strong democratic mandate. It would make sense to hold early Rada elections in order to renew the democratic legitimacy of the parliamentary body as well.

Russian language status. The acting government has indicated its readiness to give the Russian language official status (which it already enjoys in certain regions as the result of a language law passed during the Yanukovich presidency). Mr. Poroshenko could affirm his readiness to support official status for Russian.

International relations. Kyiv's foreign policy is of interest to many Ukrainians. Some, as well as Russia, are concerned about the prospect of deepening relations between Ukraine and NATO, despite the fact that the acting government and Mr. Poroshenko have indicated that they have no desire to draw closer to NATO. That is and should be Kyiv's decision. But not pursuing a deeper relationship with NATO now seems an appropriate policy for Ukraine: deepening relations with NATO would antagonize Moscow, and there is no appetite in the Alliance to accept Ukraine as a member or offer a membership action plan. Most importantly, a push toward NATO would be hugely divisive within Ukraine, where polls show at most only 20-30 percent of the population would support such a policy; it would be particularly controversial in eastern Ukraine. Without forever foreclosing the option, Kyiv should be able to articulate a position that assures Russia that NATO is not in the cards in the near- or medium-term, a policy that the Alliance could acknowledge.

Mr. Poroshenko, the Rada and a majority of Ukrainians favor drawing closer to the European Union and signing the Ukraine-EU the association agreement. Moscow has complained that the European Union refused last year to discuss with it the association agreement. Kyiv might indicate that it would be prepared for a trilateral EU-Ukraine-Russia discussion on steps that the European Union and Ukraine could take to ameliorate negative effects of the association agreement on Ukraine-Russia trade—but not on the question of Ukraine's right to decide for itself whether or not to sign the agreement.

Crimea. It is very difficult to envisage a scenario by which Ukraine regains sovereignty over Crimea. That does not mean that Ukraine or the West should accept Russia's illegal occupation and annexation. However, in a broader dialogue to find a settlement, it might make sense for Kyiv and Moscow to set Crimea aside for the time being and return to the issue later after a settlement of other issues has been reached.

These elements, which build on many points that the acting Ukrainian government and Mr. Poroshenko have already articulated, could provide a basis for stabilizing Ukraine. They address a number of issues that the Russians have raised over the past three months—

though they do not go as far as Moscow would want. The big question is whether the Kremlin would be prepared to support any settlement that shaped up along the above lines. At the moment, it is not clear that the Russians would.

Conclusion

Mr. Chairman, Senator Corker, members of the Committee,

The Ukraine crisis will likely continue for some time to come. With the election of a new president, the government in Kyiv is better prepared to meet the challenges confronting it than was the case three weeks ago. Still, the challenges are steep.

Addressing those challenges would be substantially easier were Russia to cease its efforts to destabilize Ukraine and adopt a more helpful policy. But it does not appear that the Kremlin is ready to cease those destabilization efforts. If it does not, the United States and European Union should move to apply more robust sanctions on Russia, with the goal of persuading Moscow to change its policy.

International financial institutions and Western governments have pulled together a substantial financial package for Ukraine. The United States and European Union should target their assistance programs to help the Ukrainian government implement the economic reforms in its IMF program. That will help Kyiv stay on program—necessary for continued access to international financing—and will help bring about the reforms needed to build a more transparent, competitive and productive economy.

Washington should also encourage the Ukrainian government to develop a settlement package that would help heal the internal differences that have developed over the past four months. Once Kyiv adopts that package, the United States and European Union should give it full political backing and urge the Russians to support it as well.

Stabilizing Ukraine will take time. But it has rich economic potential and a talented people. Many Ukrainians seem to recognize that they have a precious second chance to turn their country around—after the missed opportunity of the Orange Revolution.

U.S. and Western policy should aim to maximize the prospects that, this time, Ukraine will succeed. That will be important for the people of Ukraine and for a more stable and secure Europe. Also, the best rebuke to the Kremlin's policy would be to see Ukraine in several years' time looking more and more like Poland—a normal, democratic, rule of law and increasingly prosperous European state.

Thank you for your attention.

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Developments in Ukraine

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Testimony submitted to the Senate Committee on Foreign Relations
June 5, 2014

Chairman Menendez, Ranking Member Corker, and members of the committee, thank you for inviting me here today. What has happened in Ukraine is the most significant challenge to the international order since the attacks of September 11. While not aimed directly at the United States, the strategic fallout of Russia's aggression against Ukraine is, in some respects, more threatening to the global order we have helped build and defend over the past century. After all, we are not dealing with a terrorist group, but a nuclear-armed UN Security Council permanent member, one of the world's greatest hydrocarbons exporters, intending to regain the international status enjoyed by the Soviet Union. To this end, Russia has used all tools at its disposal, from gas export blackmail to direct and indirect invasion—from Georgia and Syria to Crimea and Eastern Ukraine—to achieve that status, not only trampling the values that ground our global order in the process, but to a significant degree, attempting to replace it.

As such, the Ukraine crisis requires action at three levels by the United States and its partners. First, we must take immediate steps to deal with the situation at hand in a Ukraine being deliberately destabilized. Second, we must take long-term steps to counter the Russian goal of denying Ukraine any level of independence and stability that would permit it to develop relations with the West and avoid being absorbed by Russia. Third, Russian actions in Ukraine and elsewhere, combined with China's actions in its near abroad, and the ever-deepening partnership of Russia and China, require us and our friends to rethink the very foundations of the international order since 1989.

The Obama administration has been generally successful at the first level and is working hard at the second, but appears at best uncertain about the third. Let me describe each of these challenges and responses.

Based on my experience with President Bush during Russia's attack on Georgia in 2008, the Obama administration has reacted in a generally reasonable way, similar to that of the Bush administration, to this latest Russian aggression. It has of course had to adapt to an EU often reluctant to act against Russia. It has, correctly, not challenged Russia militarily on an issue of vital importance to it but not directly to us, in an area not easily accessible for U.S. forces. But, as President Obama noted at West Point, his administration has mobilized international condemnation, economic sanctions, albeit limited, and significant coordination with EU states in response, and effectively assisted the new Ukrainian government. The president has taken appropriate military steps to reinforce NATO's eastern marches, including ship transits into the Black Sea, aircraft reinforcements, and rotating ground troop deployments throughout at least the rest of this year.

These steps have had impact. While sanctions so far have been very limited, their very specter has at least temporarily damaged the Russian economy, from the value of the ruble and investment outflows to GDP growth, and the threat of more sanctions appears to be an effective deterrent against new direct Russian aggression. Furthermore, Mr. Putin did not count on the power of free men and women to act against vassalage. The high turnout and resounding victory of Mr. Poroshenko in the elections ten days ago, and the reluctance of even many Ukrainians in alleged "pro-Russian" areas of Eastern Ukraine to abandon their country, have stymied, at least temporarily, Putin's gambit for an easy, "popular" win.

Nevertheless, he has not abandoned his goal "by other means." While Russia has pulled back many of its conventional troops arrayed on the Ukrainian border, its public line concerning the Ukrainian government remains harsh and dismissive, and it shows no willingness to reverse its illegal annexation of Crimea. Most disturbingly, its continued direct pressure on Kiev—with deployment of irregular combat units to Ukraine to augment Russian nationalists and intelligence teams, and additional financial and gas price pressure—demonstrates that only the tactics, not the goals, of its campaign against Ukraine have changed.

It is thus critical that the United States, NATO, and the EU augment longer-term measures to counter this blatant Russian aggression. Many of these measures parallel the proposals in the draft Russian Aggression Prevention Act under consideration. Given the absolute requirement for the United States to act in accordance with NATO and the EU in responding to the Ukraine crisis, I would urge that the administration be given latitude in deciding which measures to implement, how, and when, to ensure we remain synchronized with our European partners. But I believe that the most important steps for the United States and its friends to take should include the following:

- First, lift the ban on lethal weapons and advisory support, including against irregular forces, to the Ukrainian security forces. This is a difficult decision given its impact on Ukrainian government perceptions, Russian calculations, and European concerns. But refusing direct assistance to a democratic government facing what is unquestionably aggression is a mistake. In the end, such a move almost certainly will not "provoke" Putin. He is opting for aggression with or without U.S. "provocations," and while all such steps have risk, we are more likely to gain his attention if we stop "self-detering" ourselves. The Ukrainians have earned the right for more support than MREs. To quote the Fall 2004 edition of *Middle East Quarterly*, providing an account of the 2004 battle of Kut, Iraq, "The Ukrainian Army...soldiers who were stationed at the CPA compound fought valiantly and tirelessly during the assault."
- Second, in line with the president's new initiative announced in Warsaw, strengthen NATO's eastern border countries, not simply with deployments of U.S. light infantry, but by pre-positioning battalion-size "heavy packages" of tanks, infantry fighting vehicles, and self-propelled artillery in each of the frontline NATO states. The United States would keep a company forward deployed with the remainder of a battalion ready to fall in on the pre-positioned equipment. This should be a NATO-blessed deployment, and NATO states should provide a second battalion package in each country. That, plus urgent specialized equipping and training of several local battalions in each country to cooperate closely with this force, would give an almost immediately available reinforced heavy brigade on each NATO country's borders. Aside from the significant defensive enhancement against any new "Crimea," this step would signal Moscow that the United States and NATO are going to defend alliance territory, and that military moves are still in the Obama administration's quiver.

- Third, help meet the needs of the Ukrainian economy and its energy sector, along with EU international financial institutions. The IMF has pledged \$17 billion, which will be supported by \$15 billion from the EU, \$1 billion from the United States, and various other sources. This money must be used more wisely by Ukrainians than in the past, but the need is palpable. Providing Ukraine with gas from the European gas net and other energy relief being worked on by the EU and the U.S. government is critical, especially by the Fall.
- Fourth, Ukrainian democracy and unity must be encouraged in the UN and other institutions, and on the ground. This means support and counsel in the struggle to regain territory taken by separatists. The United States has much experience in stabilization under fire and should help. The Organization for Security and Co-operation in Europe (OSCE) with its Geneva process is assisting on reconciliation with those among the separatists willing to lay down arms and talk. We should encourage Ukraine to reach out to them. But regaining security control is paramount in contested areas, and we need to help.
- Fifth, keep the sanctions already in place until Russia ceases its attempts to subvert Ukraine and is willing to discuss the future of Crimea.
- Sixth, help Western Europe become less dependent on Russian gas and cash flows. Overall trade and financial exchanges with Russia are limited for the EU, but significant for Russia. That theoretically gives the EU the upper hand. But Russia is a command economy with one man deciding. Europe is a decentralized capitalist economy, with many vested interests and no single leader. Thus, this will not be easy. Nevertheless, initiatives to give Europe more energy options—including steps to realize what the Economist estimates as a possible U.S. export of 75 billion cubic meters of gas a year and other measures to promote liquefied natural gas—must have priority.

But, while Ukraine's fate is not yet secured and will be a risk even with these measures, my biggest concern is at the aforementioned third level, the underlying message that Putin's many moves against the global order portend.

While on the margins the United States and NATO could have tailored relations with Russia differently since 1991, I reject the notion that it was Western actions that produced the Russia we face today. Could NATO have decided not to expand eastward? Of course, but it is difficult to see how that would have assuaged Putin and at least a good part of the Russian population who long for the return of a Soviet-sized empire. After all, while NATO expanded, it simultaneously drew down dramatically. U.S. combat brigade equivalents in Europe are down from eighteen in 1989 to two today. Major continental NATO armies, notably the British, German, and French, have been drastically cut, with conscription ended. The Russian military to the contrary has not been reduced proportionally. NATO expansion thus did not increase an alliance offensive threat against Russia. Rather, it strove to block the re-creation of Imperial and Soviet Russia through force, an inherently legitimate goal existential to the free peoples of eastern Europe.

Furthermore, throughout the last twenty-plus years the United States, NATO, the EU, OSCE, and other international organizations did everything possible to fashion for Russia a strategic position in the global order, from tens of billions of dollars in direct and indirect aid, to massive investments and joint ventures, to subcontracting much of Western European energy requirements to Gazprom, to sponsoring Russian entry into Western global institutions, most notably the World Trade Organization, and reinforcing the Security Council. Clearly neither that nor the drawdown of NATO force structure had any effect on Putin and many of

his countrymen and women. Rather, it is at least as likely that by providing him with potential pressure points from gas deliveries to local conventional-force superiority, it encouraged his policies.

At this point, we have to consider the stark likelihood of not just a Russia, but possibly a China as well, motivated to challenge both the international order based on peaceful settlement of disputes, international law, and global security, and America as guarantor of that system. If, as is likely based on events from Crimea to the South China Sea, this threat materializes, the United States will have to rethink its entire foreign policy.

Neither Europe, as we have seen repeatedly in the current Ukraine crisis, nor Japan and South Korea, are able on their own to "pivot" to a new posture. This will require analysis and then action by the United States. This potential threat was not covered in detail in the president's West Point speech. Furthermore, his recipe for most foreign policy challenges—acting only with the support and concurrence of international organizations, and within multilateral constraints—is unlikely to work against major conventional state competitors. For example, such an approach certainly will be impossible at least in the UN with Russia and China at the table, and very difficult with the EU or with our East Asian allies without strong, "from the front" U.S. leadership, including readiness to use force to defend the current system. The administration appears ambivalent about such uses of force. But if we wish to avoid a geostrategic shift as dramatic as 1989, only in the other direction, then maintaining the integrity of this global system must be among our "vital" interests.

Congressional Testimony

Developments in Ukraine

Testimony of Mark Green, President
International Republican Institute
Ambassador and Congressman (Ret.)

U.S. Senate Committee on Foreign Relations

June 5, 2014

Introduction

Chairman Menendez, Senator Corker, Members of the Senate Foreign Relations Committee, thank you for this opportunity to testify on recent developments in Ukraine. Given the present challenges facing the Ukrainian people and their newly elected leadership – from rebuilding an economy devastated by corruption and mismanagement to defeating the efforts of a small, but deadly group of foreign-inspired (if not foreign-sponsored) separatists – this hearing is urgently needed. The implications of what is happening in Ukraine, especially in areas near its border with Russia, could affect developments throughout the region.

IRI's Deep Ties to Ukraine

The International Republican Institute (IRI) is a nonprofit, nonpartisan organization, and one of the four core institutes of the National Endowment for Democracy. Our mission is to encourage democracy in places where it is absent, help democracy become more effective where it is in danger, and share best practices where democracy is flourishing. While Ukraine's future is obviously up to Ukrainians, at IRI, we believe the community of western democracies can play an indispensable role in providing tools and assistance to help Ukraine realize its great potential.

Ukraine has long been an essential part of IRI's programs. In fact, thanks to the support of numerous funders from the United States, Europe and Canada, IRI has been operating democracy and governance initiatives there for more than 20 years. In addition to our primary office in Kyiv, we have operated offices in Odessa and, until recently, Simferopol in the Crimean peninsula.

In carrying out our mission to support more democratic, more accountable governance, we have tried to enhance civic engagement and advocacy at the sub-national level by increasing civil society organizations' capacity and strengthening their linkages with political parties. We have worked to foster a national dialogue involving civic and political activists from all around the country. For example, we have brought together local elected officials from cities which border Russia and cities in western Ukraine to learn from each other and create a network of reform-oriented leaders. We have sought to increase the participation of youth, women and minority groups in political processes.¹ In particular, over the course of many years, IRI has developed extensive relationships with the Crimean Tatar community. IRI has worked with Tatar civic organizations to enhance their capacity to conduct young political leadership schools and public hearings on the peninsula. IRI was

¹ IRI's Women's Democracy Network (WDN), one of our flagship programs, launched a chapter in Ukraine in February 2011. The Ukrainian women of WDN started an innovative gender monitoring project during the 2012 parliamentary election campaign to support women candidates, boost the participation of women in political life, and raise people's awareness about the importance of women's participation in decision-making processes at the national level. Later this year, WDN Ukraine will establish a special Political Leadership Academy to develop potential women candidates.

also the only international organization to observe the Tatar community's local elections in 2013.

May 25 Presidential Election

IRI has monitored all national elections in independent Ukraine's history, including the most recent presidential election on May 25. IRI fielded a high-level election observation mission led by Senator Kelly Ayotte and included Congressman Peter Roskam, which visited more than 100 polling stations in Cherkasy, Chernihiv, Dnipropetrovsk, Kharkiv, Kyiv, Mykolaiv, Odesa, Ternopil and Vinnitsya. In preparation for elections, we trained more than 5,000 observers representing candidates, parties and the Maidan to help ensure the transparency and legitimacy of the electoral process.

IRI observers reported only minor irregularities and none that would affect the outcome of the election. Our observers reported that the election was well-administered and that polling officials were knowledgeable and approached their job seriously, working long hours, without breaks to ensure that the election was free, fair and democratic. In areas of the country where nearly 87 percent of the population resides, polls were open and voting went smoothly. In the limited areas where voting was denied or suppressed – Crimea, Donetsk and Luhansk – it was due either to Russian occupation or interference.

In short, in the view of the IRI observation team, these elections were free and fair, and met international standards. What makes this accomplishment especially remarkable is the range of challenges Ukrainian officials faced as they administered this election. Some of the challenges, as described below, will need urgent attention from the Poroshenko government in the months ahead. They also represent opportunities for friends of Ukraine (such as the U.S., Canada and Europe) to help.

Violence from Russia

Among the most obvious challenges that Ukrainian officials have faced in recent months was the Russian-sponsored violence in the south and east. The Russian-sponsored separatists used high-grade, cutting-edge tactics and equipment. There were widespread cases of these groups taking over radio stations, shootings, establishing checkpoints, and in one case, shutting down an airport. Well-equipped bands of military style forces sought to shut down the election in parts of the country, and in a few places they succeeded.

The appearance of Russian-sponsored special forces without insignia or other identification seemed designed to create uncertainty and confusion among military and civilians alike. The use of paid mercenaries, Russian counter intelligence service (GRU) veterans and now, apparently Chechen fighters, presented Ukrainian security leaders with new tactical challenges and, no doubt, will be studied by American and other western analysts in months to come.

Tatars under Russian Occupation

Another specific challenge that we at IRI want to bring to the Committee's attention is the plight and the tragedy of the Crimean Tatars. Nowhere have the fears of Russian influence been more acutely felt in recent months than in their community in Crimea. The history of the suffering of the Tatar people is well-known. Stalin's deportation resulted in the death of tens of thousands of Tatars. It was not until the final years of the Soviet Union that they were able to finally return to their ancestral homeland. These days, Tatars make up nearly 15 percent of Crimea's population and growing.

The Crimean Tatar community, represented by the *Mejlis* of the Crimean Tatar people, boycotted the illegal Crimean March 16 referendum and rejected its results. Instead, the community has repeatedly pledged their continued support for a united and sovereign Ukraine. Now their very existence in their homeland is under threat.

Since the beginning of our work in Ukraine, IRI has sought to assist the democratic aspirations of the Crimean Tatar people as they built their own internal democracy within representative bodies such as the *Mejlis* and the congress of Crimean Tatar representatives known as the *Kurultai*. In addition, from 2010 to 2013, IRI conducted a program from our office in Simferopol that sought to equip Crimean Tatars, particularly youth, with the knowledge and skills necessary to enact reforms on the peninsula. IRI also has supported the development of a website for the Crimean Tatar *Mejlis* to improve communications between that body and its community, and conducted a wide range of programming from building the capacity of local Tatar civil society organizations to enabling them to be able to conduct young political leadership schools.

IRI also conducted several exchanges for Tatar youth to travel to other parts of Ukraine and western Europe to learn from their colleagues and build networks of motivated and politically active youth.

Currently, IRI is unable to conduct programming in occupied Crimea. We would like to find ways to partner with the Crimean Tatar community in the future through a series of study trips for young political and civic activists to both learn from and enhance linkages with their counterparts in other regions of Ukraine. We also see a great need to foster and build independent media on the peninsula. In any case, in light of the Russian annexation and the history of brutal treatment of the Tatars, we should all be watchful of how the Tatars are able to live peacefully and democratically in the face of Russian rule.

Russian Propaganda, Lack of Ukrainian Media and Social Media Platforms

In some ways the most serious challenge facing Ukraine is the overwhelming force of Russian propaganda that has been projected into Ukraine, combined with the lack of Ukrainian media and social media in certain parts of the country. Using English language television in both United States and Europe, the Kremlin has actually convinced many that

the invasion and occupation of Crimea was merely an administrative "correction" of a Soviet decision made in 1954. It has apparently convinced some in the West that the militants it pays and supplies to create fear and chaos in eastern Ukraine are citizens who feel persecuted due to their ethnicity or language, when polling data completely refutes such assertions. The force and effect of such propaganda is even more pronounced in Ukraine where there is no access to accurate news accounts and analysis at all.

Of course, more and more people, especially young people, get their news and communications through social media platforms. Once again, these channels are currently dominated by Moscow, and countervailing platforms and views are blocked by Moscow wherever they can be. The democracies of the West should help foster free and independent news media in Ukraine that can reach all parts of the country. We should, in particular, support the creation and protection of truly Ukrainian social media that allows users to communicate freely and openly without blockage or intimidation. The recently introduced Russian Aggression Prevention Act has a number of provisions that support these ideas and IRI would welcome the chance to work on this front.

Mr. Chairman, the Cold War has been described by many as a conflict of ideals and principles: human rights and free markets versus communism and statism. I would suggest that the West is once again in a conflict, this time with Russia, over ideas and principles. Russia, with an innovative international media program that touts its "managed democracy" as the best form of government is making great gains in this battle of ideas. The United States must lead the way in formulating new approaches to counter Russian propaganda. As eloquently stated by former Under Secretary of State Paula Dobriansky, the West must counter Russian President Vladimir Putin's policies and that failure to do so "will embolden Moscow's aggression against other countries with significant Russian populations."

IT Infrastructure and Cyber Warfare

One of the most subtle, and yet serious, challenges that Ukraine faced during the election and continues to face today is a weak and, in some cases, infected information technology (IT) infrastructure. In this day and age, people depend on technology for governance, national security, the conduct of elections and many other matters. Recent reports suggest that much of the government's computer structure has been infected or compromised by foreign-sponsored viruses.

On the day of the election, the IRI delegation learned that Russia had launched a major cyber-attack aimed at bringing down the Central Election Commission's main database. Had it succeeded, the elections would have failed and perhaps given Ukraine's opponents further pretense for mischief, aggression and de-stabilizing activities. While the Ukrainian government was able to fight off the attack, what became clear was the vulnerability of Ukraine's IT systems. Ukraine needs help in replacing its IT infrastructure and in protecting it going forward.

Moving Ukraine Forward

There are also some hopeful signs for Ukraine as it moves forward from these elections. The losers in the presidential election conceded honorably and in ways that can foster unity. President-elect Poroshenko has already taken significant steps to move the country forward. He has indicated that he will retain the current Prime Minister (Arseniy Yatsenyuk) and others in the current government. He has stated his top priorities are to maintain the unity of the country by reaching out to eastern regions, tackling corruption, and creating jobs.

President-elect Poroshenko has also indicated that his government will undertake important constitutional reforms. A strong democracy relies on a constitutional order that protects citizens' rights, as well as limits government authority and provides for the rule of law.

In particular, the new government has expressed its willingness to consider amending the Constitution with the goal of decentralizing and subsequently granting greater power to regional and local councils. The direct election of governors, which would certainly result in greater decentralization, is one of the changes under consideration.

The West can and should play a supportive role in facilitating changes in local governance. North American and European expertise can be brought to bear in providing experience and technical assistance in a way that can assist in producing local governments that are more accountable to the needs of the Ukrainian people. Similarly, the West can play a critical role in advising Poroshenko and his government on innovative and effective means to show real results in the battle against corruption, which continues to be one of the key concerns of voters, and is also detrimental to Ukraine's hopes for greater foreign investment.

Ukrainians stand united in their desire to remain a unified country. In IRI's April 2014 public opinion survey, the vast majority of Ukrainians (90 percent), even those in the east, want their country to remain united. In addition, a majority of Ukrainians (54 percent) want Ukraine to join the European Union. Ukrainians deserve a leader who will undertake these issues immediately.

Developing a Long-Term Strategy to Assist Ukraine

At this critical juncture in Ukraine's further democratic development, it is essential that Ukraine's friends support the Ukrainian government and civil society efforts to build a prosperous and democratic country. In supporting these efforts, the United States, through mechanisms such as the United States Agency for International Development, should increase democratic assistance to the country to provide support to the newly-elected government to enact reforms. There is a great need to accelerate government capacity-building to fight corruption and build citizen-oriented structures. This will build citizen faith in leaders and harness the energy of the Maidan. To further promote the development of a diverse and representative party system in Ukraine, additional assistance should be provided for the development of political parties (particularly new and emerging ones

resulting from the Maidan movement). In addition, Ukraine's friends must seek to enhance the capacity of a burgeoning civil society in Ukraine, which rediscovered its voice during the Maidan movement. Marginalized groups, such as youth and minority groups like the Crimean Tatars, need to be supported in their efforts to develop a democratic and unified Ukraine.

Finally, the U.S. and others should support the building of linkages between Ukrainians from eastern, southern, central and western parts of the country. Ukrainians want to learn from each other and strengthen relationships with their fellow Ukrainians from different parts of the country. They also want to acquire the knowledge and skills to be able to build a democratic and prosperous country. IRI stands ready to work on these and other great initiatives that can help the Ukrainian people.

Conclusion

Mr. Chairman, recent events in Ukraine make clear both the challenges and possibilities that lie in the months and years ahead for the Ukrainian people. The fact that Ukrainians, in the span of a few short months, were able to remove from office a corrupt but powerful leader and then just weeks later, conduct national elections that met international standards, is remarkable. The fact that all of this was accomplished in the face of threats and violence sponsored by one of the world's most powerful governments is historic. It will take every bit of this same resolve, and more, to meet the daunting economic, security and governance challenges. At IRI, we believe there are many things the U.S. can and should offer to help.

The Ukrainians, not their friends in the West, are responsible for shaping the country's future. They have a unique history and rich culture all their own, and they want to chart a path that meets their own needs and aspirations, not anyone else's. As one of IRI's Ukrainian staff proudly stated recently, "We went to the Maidan to find Europe, and instead we found Ukraine."

**Statement of Kenneth Wollack
President, National Democratic Institute
before the
Senate Committee on Foreign Relations
June 5, 2014
Hearing on
“Ukraine: Recent Developments”**

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to comment on recent political developments in Ukraine in the wake of the May 25 presidential election.

NDI in Ukraine

With support from USAID, as well as the National Endowment for Democracy, the Department of State, and the governments of Sweden and Canada, NDI has conducted democracy assistance programs in Ukraine for the past 25 years. These efforts have focused on strengthening citizen engagement in issue advocacy, governance, political parties and elections, and on women’s participation in politics.

Most recently, NDI fielded an international election observation mission that was led by NDI Chairman Madeleine Albright and former Spanish Foreign Minister Ana Palacio. Delegation leaders also included Wilson Center President Jane Harman, former Hungarian Member of Parliament Matyas Eorsi, and former U.S. Senator Ted Kaufman. The mission’s leadership reflected the importance of a trans-Atlantic commitment to a democratic and sovereign Ukraine. NDI also helped Opora, Ukraine’s largest nonpartisan citizen monitoring group, deploy 2,000 observers across the country, including to Donetsk and Luhansk, and conduct a parallel vote tabulation that confirmed the official election results. Along with several European groups, NDI also supported 350 observers from the European Network of Election Monitoring Organizations (ENEMO), a coalition of the leading citizen monitoring groups in Eastern Europe and Eurasia.

External and Internal Challenges

Ukraine has turned a corner onto a decidedly democratic path. At the same time, the country is facing an extraordinary set of challenges, some new and some longstanding. Most pressing is the external threat from Russia, which has illegally occupied Crimea and massed troops on Ukraine’s eastern borders. Russian-backed and armed separatist operations in the eastern oblasts of Donetsk and Luhansk amount to an undeclared war against Ukrainian sovereignty. This

represents an urgent threat to Ukraine's territorial integrity as well as a challenge to the European security order.

On the domestic front, the challenges are no less daunting. The economy is in crisis; corruption, by all measures, has been rampant; public confidence in political institutions is low; and citizen patience is limited. While there has been overwhelming support in both the East and the West of the country for Ukrainian unity, there are divisions over governmental structures. While these would not in themselves threaten the integrity of Ukraine, external forces are working to exploit and politicize these divisions through a campaign of disinformation.

Euromaidan and Elections

The Euromaidan movement and the presidential election have set a solid foundation for Ukraine to address many of its longstanding internal challenges. Euromaidan set the stage for the election. The election has in turn set the stage for further and deeper reforms.

Euromaidan was sparked by anger over the government's abrupt refusal to sign a European Union treaty, but it was sustained for three months by a more basic demand for dignity and respect from government. The Euromaidan demonstrations that began last November fundamentally altered the political dynamics in the country. They highlighted Ukrainians' demands for change, including more transparent, accountable and uncorrupted political practices as well as respect for basic civil and political rights. They led to the collapse of a government, its replacement by a more reform-oriented and EU-focused interim government, and the scheduling of a snap presidential election. Less visibly, they introduced accountability to citizens as a requirement of governance for perhaps the first time in Ukraine's history.

Euromaidan drew participants from across the country and spawned similar demonstrations in cities in all regions, reflecting widespread consensus on these issues. Public opinion research also demonstrates that Ukrainians across regions share a desire for national unity, more responsive governance and greater public integrity.

Tragically, the Euromaidan demonstrations resulted in the deaths of more than 100 Ukrainians and injuries to many more. Other deaths in the East and South, including those in a fire in Odessa, present the need for a concerted reconciliation process.

However, the redistribution of power from elites to citizens prompted by Euromaidan will be sustainable only if civic and political leaders find post-Maidan ways to keep people engaged in politics. Street protests are blunt instruments for governing and cannot be prolonged indefinitely. The country now has the opportunity to translate the energy of this watershed moment into a sustainable democratic trajectory -- one that makes future Maidans unnecessary. It remains to be seen how effective this transition to more conventional forms of participation will be.

The first test of Ukraine's ability to navigate this transition was the May 25 presidential election. By every measure, Ukraine passed that test.

This was the most important election in Ukraine's independent history. The NDI observer delegation listened to the people of Ukraine in meeting halls, government offices and polling places. Their voices came through loud and clear. They voted for sovereignty and they did so with determination. They wanted the world to know that Ukraine could not be intimidated by external threats. They achieved their purpose.

By turning out to vote across the vast majority of the country, Ukrainians did more than elect a new president. They showed the world their commitment to unity and democracy. Their votes conveyed that these principles should be valued over geopolitical strategy or leaders' personal enrichment. Ukraine's electoral administrators, campaigns, government authorities, election monitors and voters showed courage and resolve in fulfilling their responsibilities in compliance with Ukraine's laws and international democratic election standards. The losing candidates deserve commendation for their constructive responses to the results. In observing elections in more than 60 countries since 1986, including previous polls in Ukraine, rarely has NDI heard such positive commentary about the process from political contestants and nonpartisan monitors alike.

In most of the country, the elections were generally run well and proceeded without major incidents. Voter turnout was 60 percent. The pre-election period and presidential election were virtually free of formal candidate complaints. Polling station commissioners cooperated to facilitate voting and address issues, while large numbers of nonpartisan citizen observers and party poll watchers, including many women, witnessed the proceedings. Across the country, voters often stood in long lines, waiting patiently to cast their votes.

Isolated problems did crop up. Molotov cocktails were thrown overnight at some polling stations, but those precincts opened in the morning for voting. On election day, bomb threats temporarily closed some stations, but the security forces responded effectively and voting resumed. Observers also noted incidents of overcrowding at polling sites, police presence inside polling stations, late arrival of mobile ballot boxes, and poor accessibility for voters with disabilities. None of these concerns, however, diminished confidence in the process or the results.

By contrast, in Crimea, Donetsk and Luhansk, representing just under 20 percent of the electorate, most voters were denied the opportunity to vote.

No polling took place in Crimea due to the Russian occupation. Crimea is home to 1.5 million registered voters, representing 5 percent of the Ukrainian electorate. The Central Election

Commission (CEC) reported that approximately 6,000 Crimean residents registered to vote in other parts of the country, which was the only procedure available to them.

In Donetsk and Luhansk, two of five Eastern provinces, armed groups carried out illegal actions -- including seizures of government buildings and electoral facilities, abductions and killings of journalists and widespread intimidation -- aimed at preventing the elections. Even in the face of such violations of fundamental rights, electoral officials opened 23 percent of polling stations in those two oblasts. International and Ukrainian election observers witnessed these officials' brave and determined efforts. Ultimately, only small percentages of eligible voters in Donetsk and Luhansk were able to cast votes.

Any disenfranchisement of voters is regrettable. Universal and equal suffrage for eligible citizens is fundamental to democratic elections. However, the three cases of Crimea, Donetsk and Luhansk should not negate the fact that the vast majority of the electorate -- more than 80 percent -- had the opportunity to cast ballots for the candidate of their choice.

Also, it is important to note the source of voter disenfranchisement. In most countries where NDI has observed elections, disenfranchisement has been caused by authorities or political contestants interfering with the process for electoral advantage. In Crimea, Donetsk and Luhansk, the responsibility lies with foreign forces occupying Ukrainian territory and armed groups seeking to prevent voting, despite good faith efforts by election officials. Such disenfranchisement cannot be allowed to negate the legitimacy of elections or the mandate they provide. Unfortunately, disenfranchisement occurred in parts of Afghanistan, Pakistan and Georgia in recent elections due to terrorism by non-state actors or foreign occupation. Nevertheless, those actions did not negate the credibility of the overall process.

All NDI observers commented that the mood surrounding the election was marked less by celebratory fanfare than by sober determination, reflecting both a recognition of the challenges that lie ahead and a resolve to meet them.

Next Steps

The Euromaidan movement made change possible and the election added momentum. The task ahead is to make such change sustainable. After he is inaugurated this weekend, President Poroshenko will need to pursue open and consultative governing practices that incorporate the interests of Ukrainians from *all* regions of the country. He and other leaders will need to communicate effectively the prospect of short-term sacrifices and deliver on the longer-term expectations of the Euromaidan movement. Moreover, they will need to focus as much on *process* as on policy outcomes. Delivering on citizens' high and varied expectations will be impossible without opening channels of communication and encouraging meaningful public participation.

These expectations include:

- improved security;
- constitutional reform, including decentralization and outreach to the East and South;
- economic growth and stability;
- anti-corruption measures;
- diversification of trade and energy supplies;
- political institutions that channel dissent, facilitate debate and respond effectively to citizens' concerns;
- transparency, integrity and accountability in all aspects of public life;
- an open and fair judicial process; and
- a legislative process that is based on consultation and open debate.

While some of these expectations were articulated on the Maidan, public opinion research has shown that they are shared by all Ukrainians, including those who did not participate in the demonstrations and even those who opposed them. In public opinion polls, Ukrainians consistently cite corruption as their top concern. Some meaningful reforms have already been undertaken; many more are needed for Ukraine to reach its democratic potential.

For many years, political parties, civil society organizations and government agencies were isolated from one another and from citizens. However, the building blocks for a more unified and inclusive system are now in place. The Rada and the current cabinet of ministers represent all regions. President Poroshenko was elected with pluralities in all oblasts that voted, gaining an inclusive and strong public mandate.

Since February, the government and the parliament have enacted an impressive set of reforms. Civil society organizations are holding politicians accountable and helping to shape an ambitious agenda. I draw your attention to the “Reanimation Package of Reforms,” an impressive civil society initiative to improve election laws, procurement practices, education policy, and access to public information, among other issues, through civic advocacy and strategic cooperation with parliamentary and government allies. It is an important example of a successful transition from “the square” to sustainable political participation.

The task ahead is for parties, civil society organizations and government to become citizen-centric, rather than leader- or oligarch-centric. Giving citizens meaningful influence over these political institutions would contribute to their coherence and effectiveness.

Government: The government and the parliament are under intense pressure to deliver results to an impatient public. Ukrainians have historically had limited trust in politicians and parties. One way to address this challenge would be to focus on public consultation along with meaningful reforms. By listening to and consulting with citizens -- and communicating in clear terms how

short-term sacrifices will lead to longer-term improvements -- government leaders would help smooth the path to results.

Political Parties: Ukraine's political parties need to rebuild. Former President Yanukovich's Party of Regions is on the wane. Other established parties performed below expectations in the elections. Even the President-elect's party is small. A coherent and loyal opposition to the government has not yet formed. In the past, the leading political parties have been top-heavy and personality-driven. Those structures are now struggling to survive in the changed political environment. However, it is promising to see that some new parties are emerging. These groups seem well positioned to infuse established parties with new energy or gain traction in their own right. For all parties, the challenge will be to build support from the "grassroots" up and base policies and strategies on citizens' concerns -- including demands for transparency and public integrity. This will require parties to embrace new ways of organizing that are more labor-intensive but ultimately more sustainable. Local and parliamentary elections, which could be called as early as this fall, will present opportunities for building a genuine multi-party system.

Civil Society: Ukrainian civil society is robust and Euromaidan has only added to its vitality. The Euromaidan movement showed that determined, organized citizens can wield considerable political power. By their very nature, however, street protests are inchoate. Sustained popular participation requires leadership and structure. Channeling the energy of Euromaidan into the day-to-day and admittedly less-exciting business of reform and governance is the next hurdle. Initiatives like the "Reanimation Package of Reforms" and, before that, nonpartisan citizen election monitoring projects and campaigns to defend freedom of assembly and other rights set great examples of effective organizing. These tactics need to be disseminated more widely throughout Ukraine so protesting is no longer the advocacy strategy of first resort.

It will be important for the national dialogue on ensuring rights and representation for all Ukrainians to accelerate and deepen. Indeed, this process, which is now underway, would benefit from broader and more active participation from civil society.

The added benefit to resolving these internal crises is that doing so puts Ukraine in a stronger position to address the external threats to its sovereignty and territorial integrity. The tangible benefits of democratic governance and closer ties with Europe and the West will ultimately eclipse hollow propaganda to the contrary.

International Assistance

The impact of past U.S. development assistance to Ukraine is more visible now than ever before. Years of corrupt and inept governance masked much of Ukraine's promise. But that sustained support from the U.S. nonetheless helped democratic groups to get established, expand, accumulate skills and survive through political hardships. Nonpartisan citizen election monitors

introduced transparency to Ukraine's electoral procedures. Initiatives like the Chesno Movement promoted accountability among candidates for public office. Civic coalitions like "For Peaceful Protest," a long-time advocate for the right to freedom of assembly, helped to organize Euromaidan around the principles of peacefulness and voluntarism. Also, in the new political environment, partners of U.S. assistance projects can be found among the most active reformers in the government, parliament, political parties and civil society.

Ukraine now needs help in all of its priority reform areas. In NDI's meetings throughout the country over the past three months, Ukrainian leaders have been unanimous in requesting such support. There are major financial needs, to be sure. In addition, Ukrainians are eager for technical assistance, peer-to-peer contacts and linkages to international counterparts -- in the areas of constitutional reform and decentralization, civil service reform, procurement, public integrity, judicial reform, communications, citizen outreach and engagement, transparency and accountability, and political party and civil society strengthening. Just as Ukraine's problems will not be solved overnight, international engagement needs to aim for the long term.