

Key Takeaway: Russia has continued its destabilization campaign in Ukraine using its proxy forces and other means of subversion. The Trump Administration has indicated it is willing to support Ukraine as the Eastern European country faces Russian aggression. President Trump must act to strengthen the U.S.-Ukraine partnership and increase pressure on Russian President Vladimir Putin as part of a broader campaign to deter Russian aggression globally.

U.S. officials emphasized their support for Ukraine in a series of diplomatic meetings in May. U.S. President Donald Trump held separate meetings with Russian Foreign Minister Sergey Lavrov and Ukrainian Foreign Minister Pavlo Klimkin in Washington on May 10 during which he reportedly stressed "Russia's responsibility to fully implement the Minsk agreements." This rhetoric echoes previous statements by Trump administration officials. U.S. Secretary of State Rex Tillerson said the U.S. will maintain sanctions against Russia "until Moscow reverses the actions that triggered them."

Russia nevertheless continued to fuel the war in Ukraine and destabilize the country politically while waging a disinformation campaign to portray Ukraine as the aggressor. Russian-backed separatist forces violated their obligations under the Minsk Ceasefire Agreement. They resumed attacks against Ukrainian forces near the strategic cities of Mariupol, Donetsk, and Popasna following a brief lull for the celebration of Orthodox Easter on April 16. Russia resisted efforts to deploy international peacekeepers in order to preserve its proxies' freedom of action. Russia also continued to exploit social tensions in Ukraine. Pro-Russia hooligans clashed with pro-Ukrainian activists, nationalists, and law enforcement personnel across Ukraine during Victory Day Celebrations on May 9. These provocations failed to create widespread public discontent, but demonstrate the persistent Russian-backed campaign to destabilize Ukraine from within. Russia also likely continues to try and undermine Ukraine's relationships with European nations. Unidentified assailants attacked Polish and Lithuanian diplomatic facilities in Lutsk on March 29 and Kyiv on April 24, respectively. Ukrainian and Polish officials previously accused Russia of using similar incidents to drive a wedge between Ukraine and its Eastern European partners.

Ukraine's government made progress in combating corruption and creating a favorable business environment as it confronts a stagnant economy. President Petro Poroshenko expanded the critical e-declaration system on March 27, through which Ukrainian government officials must publicly reveal their assets. Ukraine also launched a number of corruption investigations into officials in the banking and government sectors. Ukraine's Ministry of Economic Development and Trade announced that the GDP decreased from projected estimates due to the ongoing conflict. The financial burden from the war has contributed to slow economic growth, which increasingly undermining public confidence in the government.

The U.S. must not only support Ukraine in its economic and political reform efforts, but also take a strong stance against Russia's aggression. Previous levels of Western pressure have failed to effect a significant change in the Kremlin's policy toward Ukraine, including in the period since President Trump took office. Russian President Vladimir Putin will likely fuel the war and foment instability until he returns Ukraine under his sphere of influence or until the cost of continued aggression becomes unacceptable. The U.S. and its allies must support Kyiv's efforts to maintain a stable economy, advance political reforms, and strengthen the Armed Forces of Ukraine, or risk growing Russian aggression and subversion in a country and region vital to America's national interests.



Security Update

27 MAR, 14 APR: Ukrainian and separatist leaders indicated that their positions on the conflict have not shifted. The Donetsk People's Republic indicated that it would be willing to have a political relationship with Ukraine if Kyiv would de-facto legitimize the illegal separatist forces and allow them to exist as a confederacy in Ukraine. Ukraine reiterated its stance that it would not support elections or political activity in separatist territory until separatist forces meet their obligations under the Minsk agreements.

29 MAR, 23 APR, 08 MAY: Russia's proxy forces continued to harass, intimidate, and endanger members of the Organization for Security and Cooperation in Europe (OSCE). OSCE observers were shot at while attempting to enter a separatist held village in Donetsk Oblast on 29 MAR. An OSCE Special Monitoring Mission vehicle drove over a landmine in Pryshyb village northwest of Luhansk in separatist territory, killing three western observers on 23 APR. A female member of the OSCE mission was sexually harassed by an armed militant while performing her duties in Donetsk Oblast on 08 MAY, amongst many other incidents.

01 APR - 20 APR: Ukrainian President Petro Poroshenko enacted an "Easter ceasefire" on 01 APR. It was partially effective in significantly reducing fighting. Shelling across the line of contact increased incrementally throughout the month until 20 APR, when intensified attacks marked the abandonment of the ceasefire. Fighting has since continued at pre-ceasefire levels.

25 APR: Russian Foreign Minister Sergei Lavrov rejected Ukrainian President Petro Poroshenko's request for international peacekeepers along the front line of the conflict.

DONETSK OBLAST

28 MAR - 05 APR: Fighting in Donetsk and Mariupol increased at the end of March. Separatists targeted the Avdiivka Coke power plant and damaged it on 28 MAR, cutting off power to the surrounding areas for six days before it was repaired. Separatists consistently target the power plant, causing intermittent losses of power in Ukrainian-controlled territory.

20 APR: Fighting across the line of contact increased markedly. Avdiivka experienced a major surge in separatist-shelling from the previous weeks. Although the frequency of attacks had been slowly increasing since the Easter ceasefire of 01 APR, 20 APR marked the complete abandonment of the ceasefire by the separatists.

LUHANSK OBLAST

27 MAR - 11 MAY: Separatist forces increased attacks on the Ukrainian-held village of Popasna. Shelling decreased in early April, in line with the Easter ceasefire, but picked up again on 25 APR.

Political Update

28 MAR, 03-05 APR: Canada strengthened its military support for Ukraine, building on the already substantial aid it has provided since the onset of the conflict in Eastern Ukraine. The National Defense Minister of Canada confirmed Canada would deliver non-lethal military aid in the form of tactical communication systems, night vision goggles and a mobile field hospital on March 28. Canada hosted the Ukrainian Defense Minister from 03-05 APR where the two leaders signed a defense cooperation agreement designed to improve military and military-technical ties.

28 MAR, 13 APR: Ukraine's Ministry of Economic Development and Trade announced that export losses due to Russia and its proxies' invasion of eastern Ukraine reached \$12.9 billion.

28 MAR- 03 MAY: Ukraine expanded efforts to combat corruption in its government. Ukraine revised anti-corruption legislation requiring government officials and NGOs to declare their assets through an online database. Ukraine's General Prosecutor's Office launched investigations into embezzlement in Ukraine's banking sector on 03 MAY. President Poroshenko also announced that assets held by the corrupt ex-President of Ukraine Viktor Yanukovich would be transferred to the Ukrainian State Treasury.

29 MAR, 24 APR: Unidentified assailants attacked the Polish and Lithuanian consulates in Lutsk and Kyiv.

31 MAR, 12 APR, 24 APR, 09 MAY-10 MAY: The U.S. clarified its stance on Russia's illegal occupation of Crimea and invasion of Eastern Ukraine. U.S. Secretary of State Tillerson repeatedly emphasized that sanctions on Russia for its aggression towards Ukraine would remain in place until Russia returned Crimea to Ukraine and met its obligations under the Minsk Ceasefire Agreements. U.S. President Donald Trump recognized Russia as illegally occupying Ukrainian and Georgian territory and signed legislative acts designed to restrict economic and political activity that legitimizes these occupations on 09 MAY. U.S. President Donald Trump separately met Lavrov and Ukrainian Foreign Minister Pavlo Klimkin on May 10 and expressed support for Ukrainian sovereignty and called on Russia to meet its obligations under the Minsk agreements.

03 APR: The International Monetary Fund (IMF) approved a \$1 billion aid package to Ukraine. It will be the fourth IMF aid package delivered to Ukraine. The promised IMF aid package to Ukraine is \$17.5 billion, but the allocation of tranches are delayed because of the slow pace of reform in Ukraine.

10 APR: Governor of the National Bank of Ukraine, Valeria Gontareva, resigned, citing death threats and political pressure. President Poroshenko praised her service, and she urged him to continue Ukraine's progress by replacing her with a technocrat.

13- 24 APR: Ukraine cut energy supply and threatened to terminate water flow to the separatist held territory in Ukraine due to unpaid debts to Ukrainian service providers.

17-19 APR: The International Court of Justice ruled against Russia for failing to protect the Crimean Tatar minority. The court could not produce a ruling on Ukraine's allegations of Russian violations of the International Convention for the Suppression of the Financing of Terrorism.

18 APR, 25 APR, 10 MAY: Turkey and Ukraine further strengthened bilateral relations, particularly in the defense sector. Ukrainian President Poroshenko and Turkish President Recep Tayyip Erdogan had a phone conversation to discuss military ties on 18 APR. The Commander of the Armed Forces of Ukraine Lieutenant General Sergei Popko hosted the Commander of Land Forces of the Republic Army of Turkey General Salih Zeki Çolak on 25 APR to discuss greater cooperation between their militaries. Secretary of National Security Council Ukraine Alexander Turchinov met with the senior Turkish military officials in Istanbul on 10 MAY to discuss cooperation in aerospace and potential joint military exercises.

18 APR, 02 MAY: Ukraine increased the pay of its servicemen on 18 APR, a key step in improving the professionalism of the Armed Forces of Ukraine. The U.S. Congress passed a budget bill for the remainder of the 2017 fiscal year that included up to \$560 million in aid to Ukraine, \$238 million of which is allocated for military assistance.

08 MAY: Russian Foreign Minister Sergey Lavrov accused Ukraine of attempting to "sabotage" the Minsk Ceasefire Agreements in an effort to shift blame for the ongoing conflict to Kyiv.

09 MAY: Pro-Russian hooligans, known as "titushky", clashed with Ukrainian activists, law enforcement and nationalists across Ukraine during Victory Day celebrations on 09 May. The city of Dnipro experienced the most violent clashes.

11 MAY: The Council of the European Union adopted a regulation on visa liberalization for Ukrainian citizens travelling to the EU, concluding the legislative approval process. The signing ceremony is expected to occur on 17 MAY, after which the regulation will be added to the EU Official Journal and will be enacted 20 days later.