



## International help for the Ukrainian government

Standard Note: SNIA/7098

Last updated: 9 February 2015

Author: Ben Smith and Daniel Harari

Section International Affairs and Defence Section; Economic Policy and Statistics Section

---

As violence in the east of the country increases, the Ukrainian economy, for which the industrial and more affluent east is important, continues to deteriorate. Western countries have offered political support to the Ukrainian government, have sent non-lethal weapons to the Ukrainian armed forces and have given hundreds of millions of pounds of aid, with billions more in loan facilities.

There have been predictions that the Ukrainian financial crisis will get worse and that Ukraine will need to borrow far more money to avoid financial collapse.

Western nations are divided as to whether to send lethal weapons to the Ukrainian armed forces. Meetings in Moscow and Minsk with the French and German leaders in February 2015 were described as a last chance to avert war.

This information is provided subject to [our general terms and conditions](#) which are available online or may be provided on request in hard copy. Authors are available to discuss the content of this briefing with Members and their staff, but not with the general public.

**Contents**

- 1 Worsening security and economy 3**
- 2 International institutions 3**
  - 2.1 IMF 3
  - 2.2 EU Macro-Financial Assistance and aid 4
  - 2.3 World Bank 5
- 3 Bilateral assistance 5**
  - 3.1 UK support for the armed forces 5
  - 3.2 UK Reform Assistance Programme 6
  - 3.3 Germany 6
  - 3.4 US 6
  - 3.5 Japan 7
  - 3.6 Canada 7
  - 3.7 Russia 7
- 4 Plans for more help? 8**
  - 4.1 UK and the EU 8
  - 4.2 US 8
  - 4.3 Russia 9
  - 4.4 A new ceasefire? 9
- 5 Opinions 9**
- 6 Further reading 10**



## 1 Worsening security and economy

In February 2015 the United Nations released new figures showing that the total death toll in the Ukraine conflict had reached 5,358.<sup>1</sup> The UN said that at least 224 civilians had been killed and 545 wounded in the three weeks up to 1 February 2015, underlining the sharp deterioration in conditions for civilians in the conflict zone and the spread of fighting to the port of Mariupol on the Black Sea. The situation in Ukraine has increased the pressure on Western governments to provide more direct support for the Ukrainian armed forces.

The economy is also undergoing severe difficulties; the World Bank estimates that Gross Domestic Product shrank by 8.2% in 2014 and forecasts a further contraction of 2.3% in 2015.<sup>2</sup>

The richer eastern areas, traditionally the home of Ukrainian industry, are the scene of fighting that has disrupted important industries and the conflict is costing the Ukrainian government \$10 million per day, according to President Poroshenko.<sup>3</sup> Deputy Foreign Minister Volodymyr Prystaiko has said that 20% of industrial output has been lost given that most of Ukraine's mines are in Donetsk.<sup>4</sup>

The local currency, the *hryvnia*, has plummeted in value on the foreign exchange markets. This has caused import costs to rise, in turn, stoking high inflation. Attempts to support the *hryvnia* have led to foreign exchange reserves falling from \$16 billion to under \$7 billion – a dangerously low figure.<sup>5</sup> The lack of access to foreign currency, the inability to borrow on the markets and large debt repayments of around \$11 billion in 2015 mean that Ukraine requires financial assistance from abroad.<sup>6</sup>

The various international financing packages available to Ukraine for 2015 amount to several billion dollars, although the most important element - the IMF package – has been plagued by disagreements over reform pledges by the government. Despite the tens of billions of dollars already pledged by the international community not all of this money is immediately available to shore up the government's finances. It is likely that further international support will be needed and/or existing debts will be restructured.

## 2 International institutions

### 2.1 IMF

The International Monetary Fund has a long record of assistance to Ukraine going back to the 1990s, involving several multi-billion dollar loans. Two separate loan agreements following the global financial crisis were broken off in late 2009 and spring 2011, respectively, due to the failure on the part of the Ukrainian government to implement reforms committed to under the terms of the loans.<sup>7</sup>

After the fall of Viktor Yanukovich in early 2014, the IMF agreed a **\$17 billion** loan (technically know as a Stand-By Arrangement) in April 2014. As of the end of January 2015, a total of \$4.6 billion has been paid in two tranches. (Ukraine, though, repaid around \$3.5

---

<sup>1</sup> 'Ukraine: Dangerous escalation in conflict proving catastrophic for civilians – Zeid', UN Human Rights Commission Press release, 3 February 2015

<sup>2</sup> World Bank, *Global Economic Prospects*, Jan 2015

<sup>3</sup> 'On the edge; Ukraine's economy', *Economist*, 17 January 2015

<sup>4</sup> "Collapsing economy is second front in Ukraine's war", USA today, 4 Feb 2015

<sup>5</sup> *The Economist* Free Exchange blog, "Ukraine's new bail-out: Nothing yet", 4 Feb 2015

<sup>6</sup> BNP Paribas economic research, "Ukraine: the spectre of default", Jan 2015

<sup>7</sup> House of Commons Library Research Paper 14/16, "Ukraine, Crimea and Russia", 17 Mar 2014

billion to the Fund in 2014 from previous loans.<sup>8</sup>) Many of the other loans pledged to Ukraine, for instance from the EU and US, are conditional on Ukraine maintaining its participation in the IMF programme, including its undertakings to implement structural economic reforms.

The IMF said in September 2014 that the situation in Ukraine was worsening and that the country would probably need another \$19 billion if the conflict did not die down in 2015.<sup>9</sup>

In January 2015, the Ukrainian government requested a new expanded IMF programme of financial assistance. IMF managing director Christine Lagarde said she supports the request to replace the existing [Stand-By Arrangement](#) with an [Extended Fund Facility](#) that would provide a longer-term arrangement and allow Ukraine more time to repay its loans.<sup>10</sup>

An IMF fund mission is at the time of writing in early February 2015 in Kiev as part of the current Stand-By Arrangement. During this visit, discussions with regard to any changes to loan programmes may be discussed, although the IMF's Executive Board would also need to agree.

The Ukrainian finance minister also stated in January 2015 that the government, after discussions with the IMF, would also seek to consult those holding government bonds, with a view to "improve Ukraine's medium term sustainability [of sovereign debt]". Analysts have noted that this may involve negotiations on 'debt restructuring' – creditors not being paid back in full. Whether this happens or not will depend in part on the size of any new IMF deal.<sup>11</sup>

## 2.2 EU Macro-Financial Assistance and aid

The EU has been arranging large loans for Ukraine ever since 2002, when the first amount of **€110 million** was approved. **€500 million** was added to that package in 2010. €360 of that money has been disbursed and the last disbursement of €250 is planned for 2015, subject (as is all disbursement) to successful implementation of the policy conditions agreed with Ukraine and a continuous satisfactory track record of the ongoing IMF programme.

In the light of further economic fragility in Ukraine, a new package of **€1 billion** was proposed by the EU in March 2014 and adopted by the Council on 14 April 2014.<sup>12</sup> This second package was disbursed in June and December 2014, again subject to conditions.

As Ukrainian economic and security conditions continued to deteriorate, the Commission proposed a further package of **€1.8 billion** in Macro-Financial Assistance in January 2015.<sup>13</sup> The package would need to be approved by the Council and the European Council.

The European financial institutions, the European Investment Bank and the European Bank for Reconstruction and Development are also lending 'up to' €8 billion over the period 2014

---

<sup>8</sup> IMF website, [Ukraine: Transactions with the Fund from May 01, 1984 to January 31, 2015](#)

<sup>9</sup> 'Ukraine crisis hits economy and could require bigger loan, says IMF', *Financial Times*, 2 September 2014

<sup>10</sup> IMF press release 15/11, "[Statement by IMF Managing Director Christine Lagarde on Ukraine](#)", 21 Jan 2015

<sup>11</sup> "[Ukraine seeks larger IMF deal and hints at debt restructuring](#)", *Financial Times*, 21 Jan 2015 and "[Ukraine requests fresh IMF bailout](#)", AFP, 21 Jan 2015

<sup>12</sup> [COUNCIL DECISION of 14 April 2014 providing macro-financial assistance to Ukraine \(2014/215/EU\)](#)

<sup>13</sup> '[EU-Ukraine: Commission proposes further €1.8 billion in macro-financial assistance](#)', European Commission press release, 8 January 2015

to 2020.<sup>14</sup> The EU plan for development assistance for Ukraine involves €1.56 billion for the period 2014-2020.<sup>15</sup>

## 2.3 World Bank

In March 2014, the World Bank made a pledge to provide financial assistance to Ukraine of **\$3.5 billion**. Over the course of 2014 it agreed specific loans totalling around \$3 billion (although not all of the loans were disbursed immediately). Of these loans a total of \$1.25 billion in two development policy loans provide specific assistance for budgetary and financial sector support. The rest of the money involves loans for infrastructure, social support and business. Below is a list of the loans approved in 2014:

- 22 May 2014: **\$750 million** to support economic reforms (development policy loan)
- 22 May 2014: **\$382 million** to improve heating energy efficiency;
- 22 May 2014: **\$350 million** to improve water infrastructure;
- 24 June 2014: **\$250 million** to expand leading poultry producer MHP (loan from the International Finance Corporation);
- 3 July 2014: **\$300 million** to support the social safety net of vulnerable people;
- 7 Aug 2014: **\$500 million** to support the banking system (development policy loan);
- 22 December 2014: **\$378 million** for power transmission system upgrades and electricity market reforms.

## 3 Bilateral assistance

### 3.1 UK support for the armed forces

David Lidington summarised the UK's equipment support for the Ukrainian armed forces in a statement in October 2014:

[...] Our non-lethal equipment package is defensive and designed to prevent further UAF fatalities and casualties.

It will be funded by the Government's Conflict Pool fund (FCO, MoD and DFID). It is in response to a direct request from the General Staff of the Armed Forces of Ukraine (UAF). The Defence Attaché's Office at the British Embassy in Kyiv has designed the package in close cooperation with the UAF. It has also been carried out in close coordination with other donors (US, Canada and France), who are providing similar equipment.

The Departmental Minute laid today therefore sets out our intention to gift a package of £840,300 of equipment to the Ukraine Armed Forces. The proposed gift will consist of the following UK-sourced equipment:

1. 1000 sets of body armour (NIJ level IV) and helmets (NIJ Level IIIA): £408,000
2. 80 Medical kits (for vehicles): £52,800
3. 500 sets of winterisation equipment (winter clothing/ sleeping bags): £314,500

---

<sup>14</sup> [Support package for Ukraine](#), European Commission (undated)

<sup>15</sup> [Support package for Ukraine](#), European Commission (undated)

4. 500 Ponchos: £10,000

5. Transport and clearance: £55,000

The proposed gift has been assessed against the consolidated EU and National Arms Export Licensing Criteria. The proposed gift has been scrutinised and approved by a senior, cross-Whitehall Conflict Pool Approval Board, which has confirmed that it fits with the Government's strategic and delivery objectives. Foreign and Commonwealth Office officials also assessed the project for human rights risks, using the Overseas Security and Justice Assistance guidelines established by the Foreign Secretary in 2011. They concluded that the risk of human rights violations arising from the project's delivery could be successfully mitigated.

The Treasury has approved the proposal in principle. If, during the period of fourteen parliamentary sitting days beginning on the date on which this Minute was laid before the House of Commons, a Member signifies an objection by giving notice of a Parliamentary Question or of a Motion relating to the Minute, or by otherwise raising the matter in the House, final approval of the gift will be withheld pending an examination of the objection.<sup>16</sup>

The Council of the European Union had lifted the arms embargo on Ukraine on 16 July 2014.<sup>17</sup>

### 3.2 UK Reform Assistance Programme

The British Embassy provides advice to the Ukrainian government on the reforms that Ukraine has agreed to make set out in the [EU-Ukraine Association Agenda](#).

This includes action to combat corruption, improve human rights, democratic practices and institutions, reform the judiciary and improve the legal framework, increase deregulation and adapt local legislation to EU norms. The Reform Assistance Programme, funded from the UK government's Conflict Pool,<sup>18</sup> is spending £1.2 million in the period September 2014 to the end of March 2015 supporting projects chosen from competitive applications. The programme invited bids from proposed projects for a budget of up to **£1 million** for the year 2015-16.<sup>19</sup> The bidding process is now closed.

### 3.3 Germany

In January 2015, Germany agreed a loan guarantee of €500 million (\$575 million) to Ukraine. The use of these funds is contingent on prior approval by the German government. Chancellor Merkel had originally promised this financial support in a meeting with President Poroshenko in August 2014.<sup>20</sup>

### 3.4 US

#### *Aid*

The US government decided in September 2014 to add **\$46 million** in non-lethal aid to the Ukrainian military and border guards to the **\$70 million** in security assistance previously

---

<sup>16</sup> [HL Deb 20 Oct 2014, c69WS](#)

<sup>17</sup> [Special meeting of the European Council \(16 July 2014\), Conclusions](#), Council of the European Union, 16 July 2014

<sup>18</sup> The conflict Pool was a joint fund of the Foreign and Commonwealth Office, the Department for International Development and the Ministry of Defence. [Its total spend on Ukraine was £9 million for 2014-15](#). This included funding the donation of military equipment. The Conflict Pool is being replaced by the Conflict, Stability and Security Fund (CSSF) for 2014-15.

<sup>19</sup> [UK-UA: Reform Assistance Programme in Ukraine](#)

<sup>20</sup> ["Pro-Russia Group Hacks Merkel Site"](#), *Wall Street Journal*, 8 Jan 2015

announced. In November 2014, the US announced an extra \$3 million grant to the UN World Food Programme emergency operation in Ukraine and \$20 million to help with judicial reform. The total grants announced in 2014 come to **nearly \$340 million**.<sup>21</sup>

#### *Financial assistance*

The US issued a **\$1 billion** sovereign loan guarantee to Ukraine in May 2014.<sup>22</sup> On 13 January 2015 the US Treasury announced that it intended to provide two further sovereign loan guarantees totalling **\$2 billion**,<sup>23</sup> with \$1 billion in both the first and second halves of 2015, subject to Ukraine remaining on track with the reform programme agreed with the IMF.<sup>24</sup>

### **3.5 Japan**

Japan pledged around **\$1.5 billion** in loans and grants to Ukraine in March 2014.<sup>25</sup> In January 2015, Japan pledged another **\$300 million** loan to be used by Ukraine to bolster its foreign exchange reserves and debt repayments,<sup>26</sup> and a further **\$16.6 million** grant to help rebuild infrastructure in eastern Ukraine was also promised.<sup>27</sup>

### **3.6 Canada**

Canada has promised loans totalling around **\$360 million** in two equal installments. The first loan was agreed in September 2014, with the second announced by Prime Minister Harper in January 2015. The loans are contingent on the continued participation of Ukraine in the IMF reform programme and will be distributed by Export Development Canada.<sup>28</sup>

### **3.7 Russia**

In the last few months of the Yanukovych Presidency, Russia agreed to loan Ukraine **\$3 billion**. The terms of the loan deal included a condition that Ukraine's total state debt should not exceed 60% of its annual GDP.<sup>29</sup> Ukraine's debt-to-GDP ratio has since exceeded this limit and Russia is entitled to demand early repayment of the loan.<sup>30</sup> That decision has not yet been taken although there were some comments from President Putin in early February suggesting that Russia was keen to see early repayment.<sup>31</sup>

---

<sup>21</sup> ['Statement of U.S. Treasury Department on Additional Economic Assistance to Ukraine'](#), US Treasury press release, 13 January 2015

<sup>22</sup> [FACT SHEET: U.S. Assistance to Ukraine](#), White House press release, 21 November 2014

<sup>23</sup> US Dept of the Treasury press release, ["Remarks of Secretary Jacob J. Lew at Meeting with Ukrainian Finance Minister Jaresko"](#), 28 Jan 2015

<sup>24</sup> US Dept of the Treasury press release, ["Statement of U.S. Treasury Department on Additional Economic Assistance to Ukraine"](#), 13 Jan 2015; National Bank of Ukraine, ["On the outcome of the meeting between the Governor of the National Bank of Ukraine and the U.S. Secretary of Treasury"](#), 13 Jan 2015

<sup>25</sup> Ministry of Foreign Affairs Ukraine press release, ["Japan pledges up to 150 bil. yen in aid to Ukraine"](#), 26 Mar 2014

<sup>26</sup> This is tied to a World Bank [development policy loan](#) of \$500 million.

<sup>27</sup> ["Ambassador to Ukraine: Japan to issue \\$300 million loan, \\$16.6 million grant to Ukraine in 2015"](#), *Kyiv Post*, 20 Jan 2015

<sup>28</sup> Prime Minister of Canada's website, ["Agreement on Canadian loan to promote economic and social development in Ukraine"](#), 17 Sep 2014 and ["PM announces additional support for economic stabilization and development in Ukraine"](#), 28 Jan 2015

<sup>29</sup> ["Russia says Ukraine has violated loan terms: agencies"](#), *Reuters*, 10 January 2015

<sup>30</sup> For more on the terms of the loan see Fortune, ["Russian debt deal could haunt Ukraine's economy"](#), 12 Mar 2014

<sup>31</sup> ["Putin Says Russia Needs \\$3 Billion Used to Bail Out Ukraine"](#), *Bloomberg*, 3 February 2015



## 4 Plans for more help?

According to one analysis, Ukraine has lost 65% of its military equipment.<sup>32</sup> The Ukrainian government has recently said that it needs more help. An IMF team was in Kiev in February 2015 trying to sort out a new financial package, in talks that the Ukrainian foreign minister described as “difficult but constructive.” He also said that Ukraine was discussing military aid: “We’ve been getting closer to receiving more military-technical assistance. It’s not about buying a couple of tanks ... It’s about modern warfare, training, logistics, organisation.” He also said that Ukraine needs more sophisticated communications equipment.<sup>33</sup>

### 4.1 UK and the EU

In October 2014 Foreign Secretary Philip Hammond was urged by Geoffrey Clifton-Brown to provide more assistance. He said that EU partners are considering it:

The Government have already made non-lethal equipment available to support the Ukrainian armed forces, and we are working with European Union partners to look at the needs of the Ukrainian economy over the coming winter. Ukraine faces a massive energy crunch over the next few months, and the Ukrainian economy is likely to have shrunk by more than 6.5% since before the conflict began. We are acutely aware—we discussed this at the Foreign Affairs Council last Monday in Luxembourg—of the fact that Ukraine is likely to be looking for further support from the EU this winter.<sup>34</sup>

A motion for a resolution by the European Parliament was tabled in January 2015 noting the absence of any legal impediments to sending arms to Ukraine and calling on the EU to ‘explore ways to support the Ukrainian Government in enhancing its defence capabilities’.<sup>35</sup>

However, German Chancellor Angela Merkel said on Monday 2 February: “Germany will not support Ukraine with guns and weapons ... we are putting all our bets on sanctions and doing our best to find a diplomatic solution.”<sup>36</sup>

### 4.2 US

The US administration was also reported to be looking at further support, namely lethal ‘defensive’ weapons and equipment.<sup>37</sup> One report suggested that the most important element being considered was anti-tank weapons.<sup>38</sup> General Philip Breedlove, NATO’s top military officer, is reported to be in favour of sending lethal weaponry, and the Chairman of the US Joint Chiefs of Staff, General Martin Dempsey, is reportedly open to discussions as is Susan Rice, National Security Adviser. The nominee for Defense Secretary, told the Senate Armed Forces Committee that he was inclined towards arming Kiev.

John Kerry, US Secretary of State, visited Ukraine on Thursday 5 February, against a background of increasing pressure to arm Ukraine’s government from intervention-minded Congressmen of both parties.

---

<sup>32</sup> Lawrence Freedman ‘Ukraine and the Art of Limited War’, *Survival* December 2014–January 2015 pp 7–38, Vol 56, No. 6, 1 December 2014

<sup>33</sup> ‘Ukraine calls for further military and financial support’, *Guardian*, 4 February 2015

<sup>34</sup> HC Deb 28 October 2014, c159

<sup>35</sup> [European Parliament motion for a resolution 2014/2965\(RSP\)](#)

<sup>36</sup> ‘Germany rules out arms to Ukraine’, *EUobserver*, 2 February 2015

<sup>37</sup> ‘U.S. Considers Supplying Arms to Ukraine Forces, Officials Say’, *New York Times*, 1 February 2015

<sup>38</sup> ‘Separatist advances and enhanced US support to Ukraine government reduce prospects for resolution in three-month outlook’, *Jane’s Country Risk Daily Report*, 3 February 2015



### 4.3 Russia

Russia's reaction to discussion of Western arms for Ukraine was hostile. The Russian ambassador to NATO said that any such move would lead to "the most dangerous and unpredictable consequences."<sup>39</sup>

### 4.4 A new ceasefire?

On 6 February, François Hollande and Angela Merkel travelled to Moscow for talks with President Putin. There were hopes that an amended version of the Minsk ceasefire agreement might be signed, in return for increased autonomy for the eastern regions of Ukraine. Hollande and Merkel also proposed a 50-70 km buffer zone, with Ukrainian rebels required to withdraw to the line of contact agreed in the Minsk protocol.

Some close to Western governments hoped that the threat of re-arming the Ukrainian army would persuade Russia to seek a compromise. Others were sceptical, including the US Vice President, Joe Biden, who said that Putin "absolutely ignores every agreement that his country has signed", including the Minsk agreement.<sup>40</sup> Although US and EU opinions appeared to be diverging, the US administration pledged to remain united with the European on the issue.

The Ukraine situation was discussed at the Munich Security Conference over the weekend. A new meeting was between French, German, Russian and Ukrainian leaders in Minsk, capital of Belarus, on Wednesday 11 February.

## 5 Opinions

Experts are divided on the advisability of arming Ukraine. In February, a group of well-known foreign policy commentators published a report urging the US, and NATO, to step up their help for Ukraine.

They said that Ukraine needed both lethal and non-lethal defensive equipment, including high-technology equipment such as unmanned aerial vehicles (UAVs), UAV counter-measures, armoured personnel carriers, medical equipment and light anti-armour artillery. They specifically pointed out that NATO members who used former Soviet equipment could be helpful in providing materiel compatible with existing Ukrainian equipment.

The group, which included Steven Pfifer and Ivo Daalder, both formerly of the State Department, made these recommendations:

- The White House and Congress should commit serious funds to upgrade Ukraine's defense capabilities, specifically providing \$1 billion in military assistance this year, followed by an additional \$1 billion each in the next two fiscal years;
- The U.S. government should alter its policy and begin providing lethal assistance to Ukraine's military and;
- The U.S. government should approach other NATO countries about also providing military assistance to Ukraine.<sup>41</sup>

---

<sup>39</sup> 'Nato to open facilities on Russia's doorstep', *EUobserver*, 6 February 2015

<sup>40</sup> 'US has little faith in Hollande-Merkel trip to Russia', *EUobserver*, 6 February 2015

<sup>41</sup> Ivo Daalder, Michele Flournoy, John Herbst, Jan Lodal, Steven Pfifer, James Stavridis, Strobe Talbott and Charles Wald, *Preserving Ukraine's Independence, Resisting Russian Aggression: What the United States and NATO Must Do*, Atlantic Council, February 2015

Wolfgang Ischinger of the Munich Security Conference argued on 4 February that it might be possible to strike a deal whereby the threat of arming the Ukrainian government could be used to get Moscow to stop arming the rebels.<sup>42</sup>

Other commentators are opposed. Although the Ukrainian army is debilitated by a lack of modern equipment, increasing its effectiveness against Russian-backed separatists would not be straightforward. Complex modern equipment needs troops to be trained in its use, which is one of the reasons why discussion has focussed in light defensive items that do not require too much training to use.

Would Western governments send significant training teams to the front in eastern Ukraine? What would they do if a member of a Western military was captured? Russia's military capacity is so much stronger than Ukraine's and the two countries share a long border that the danger exists that any enhancement of Ukrainian forces could be trumped by even more Russian help for the separatists or direct intervention, leading to a dangerous escalation and even direct confrontation with Russia.

Eugene Rumer argued 3 February that arming Kiev risked a serious escalation with Russia:

What do we do if Russia continues to escalate the conflict? Or if the Kremlin launches a cyber attack against an American financial institution, destroying data about asset ownership? Does America then inch closer towards war?<sup>43</sup>

John Mearsheimer agreed that Russia would escalate the conflict further if Ukraine got Western arms and argued that the fact that Russia is nuclear-armed should not be forgotten:

The possibility that Mr. Putin might end up making nuclear threats may seem remote, but if the goal of arming Ukraine is to drive up the costs of Russian interference and eventually put Moscow in an acute situation, it cannot be ruled out. If Western pressure succeeded and Mr. Putin felt desperate, he would have a powerful incentive to try to rescue the situation by rattling the nuclear saber.<sup>44</sup>

Jeremy Shapiro responded to the Atlantic Council report by questioning how arming Ukraine would make the situation better. He warned that following that route would mean that the US would either be forced either into a climb-down or to escalate its commitment further than it originally intended:

Neither is a very attractive or credibility-enhancing option. U.S. policy should work very hard to avoid confronting that unpalatable choice. Otherwise, this dynamic might well draw the United States deeper into what could become a direct confrontation with a seriously pissed-off and still heavily nuclear-armed Russia.

## 6 Further reading

[Sanctions against Russia over Ukraine](#), House of Commons Library, 28 January 2015

[Ukraine, Crimea and Russia](#), House of Commons Library, 17 March 2014

---

<sup>42</sup> 'Pledge weapons for Ukraine or the violence will go on', *Financial Times*, 4 February 2015

<sup>43</sup> 'Arm Ukraine and you risk another Black Hawk Down', *Financial Times*, 3 February 2015

<sup>44</sup> 'Don't Arm Ukraine', *New York Times*, 8 February 2015