



# Integrated Country Strategy

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## Ukraine

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**Table of Contents**

1. Chief of Mission Priorities ..... 2

2. Mission Strategic Framework ..... 7

3. Mission Goals and Objectives ..... 9

4. Management Objectives ..... 14

## 1. Chief of Mission Priorities

In Ukraine, we are building a reliable, resilient, and self-reliant security and economic partner that shares U.S. values and norms and is resilient in the face of Russian aggression. On the eastern frontier of NATO and at the geographic center of Europe, Ukraine's geography, resources, and population make solidifying its western trajectory critical to U.S. interests. The United States is helping Ukraine overcome a legacy of Soviet authoritarian rule, address mismanagement, and respond to Russia's aggression as Ukraine integrates into western architectures that share and promote American and European values. Intensive U.S. diplomatic efforts support a negotiated solution to Russia's purported annexation of Crimea and the conflict in eastern Ukraine by shining a spotlight on Russia's aggression and increasing the cost to Moscow of its policies. U.S. assistance and diplomatic engagement will help Ukraine modernize its military and security forces to secure and defend its borders and homeland, combat corruption and advance justice reforms; enhance energy security; bolster civil society and create responsive, responsible government; support independent media; advance a more transparent pro-business, investment-friendly economic climate; stabilize its financial sector; overhaul state-owned enterprises; and advance Western health care models and fight disease. In the event our Herculean efforts to find a negotiated solution to the conflict with Russia succeed, U.S. assistance will support the reintegration and economic revival of the Donbas, reducing the risk of tensions arising over different treatment of linguistic groups or economic disparities. In the meantime, U.S. engagement builds international support for Ukraine and for sanctions that pressure Russia to rethink its policies.

Further integration into Europe and the western community will help Ukraine consolidate its democracy, reinforce the rule of law, and realize its economic potential as it becomes a reliable U.S. commercial partner that will cooperate with us to create wealth, employment, and prosperity. It will also become a net contributor to regional and global security. Presidential and parliamentary elections in 2019 could connote a consolidation of Ukrainian democracy and U.S. assistance will strengthen electoral processes, the multiparty system, and counter Russian interference in Ukrainian elections. Ukraine's success or failure will have regional and global repercussions. Consequently, ensuring a democratic, stable, peaceful, prosperous, and united Ukraine that controls its territory and internationally recognized borders and can withstand Russian aggression and influence remains a critical foreign policy priority for the United States.

Ukraine faces a dual challenge: First, it must respond to and build resilience against Russian aggression -- from the occupation of Crimea and Russian-backed military conflict in the east, to cyberattacks, propaganda, and manipulation of energy supplies. Second, it must win the war on corruption by solidifying responsive, accountable, and transparent governance. Success will shift the country's trajectory from that of a vulnerable state on Europe's periphery to that of a prosperous, democratic state governed by western values. Ukraine will become a dependable military and commercial partner for the United States and Europe, and one that is fully integrated into the global community.

Ukraine must address its internal challenges in the face of intense political, military, and economic pressure from Russia, including its relentless propaganda campaign to undermine Ukrainian – and, therefore, European – sovereignty and stability. Ukraine has also suffered three serious cyberattacks, one with global impact. These ordeals test the GOU's ability to meet high public expectations for genuine, lasting change. Ukraine must address vulnerabilities to Russian coercion by implementing critical reforms in media and information space, strategic communications, governance, by supporting civic engagement and by strengthening the rule of law.

A pervasive Kremlin-backed disinformation campaign undermines the new Ukraine by sowing discord and turning domestic and global opinion against Kyiv. While the key objective of our public diplomacy efforts will remain fostering a better understanding of the United States and western institutions by Ukraine's citizens – particularly its young people and decision-makers – we will also help the government improve its ability to communicate strategically to tell Ukraine's story, bolster public confidence in the reform process, and counter Russian propaganda. We will increase media literacy to build a resilient civil society and work with independent and established media to elevate professional journalism standards, promote media freedom, and accurately reflect American policies and positions.

Ukraine will enhance its security by ending its disproportionate vulnerability to Russian influence over its energy sector, monetizing gas subsidies, and eliminating corrupt energy distribution schemes. We will help Ukraine meet EU energy standards to allow it participate fully in Europe's integrated energy markets. State, USAID, and Department of Energy programs, supported by Embassy-led communications efforts, are designed to: diversify Ukraine's energy sources; improve its ability to optimize energy resource use; foster greater energy sector resilience; transform strategically-important state-owned energy companies into well-managed profit-making entities; establish competitive energy markets; raise public awareness of the benefits of energy efficiency; and support GOU work to overcome obstacles to private energy sector investment. Helping Ukraine protect against cyberattacks on its energy and other infrastructure will also be critical U.S. tasks.

While countering Russian aggression is a constant imperative, Ukraine cannot be successful in the long-term without containing corruption, which makes Ukrainian leaders and institutions vulnerable to Russia. Philosophically, there is a struggle underway between the "Old Ukraine" and the "New Ukraine," between entrenched, elite power structures/financial interests and staunch reformers. In the coming years, Ukraine will find it necessary to maintain momentum on difficult political, social and economic reforms but also to keep from rolling back hard-won progress and/or moving closer to Russia. Fighting corruption and advancing reforms has a direct nexus to keeping Ukraine facing west and partnering with the United States; any turn towards Russia threatens U.S. interests. A key task will be helping Ukraine end government corruption and excessive regulation while increasing transparency and improving service delivery. Releasing the monopolistic stranglehold of oligarchs on key economic sectors would also increase foreign investment and advance shared prosperity.

This momentum is particularly critical with respect to judicial and law enforcement reforms aimed at strengthening the rule of law and battling pervasive corruption. Major Embassy efforts will focus on helping Ukrainian reformers to: create a more independent, transparent, and accountable judiciary; increase the accountability and effectiveness of the justice system; transform the police forces into effective, trusted public partners; increase citizens' knowledge of their rights and their access to legal services; strengthen the capacity of civil society organizations (CSOs) to advocate for and monitor reforms; and expand the protection, promotion, and monitoring of human rights, in particular regarding the rights of persons displaced by the conflicts in Crimea and the east. Assistance conditionality and close coordination among the international financial institutions (IFIs), European Union, and United States help drive Ukraine's reform agenda. Ukrainian civil society and the international community are united in their demand that Ukraine implement an appropriate, independent, apolitical Anti-Corruption Court, the final component of a system of independent anti-corruption institutions to investigate, prosecute, and convict high-level corrupt officials.

U.S. efforts will seek to stabilize and invigorate Ukraine's economy and advance greater integration into global markets, by espousing Western standards and practices. We will continue to press for reforms that create and sustain a business environment that benefits investment. The USG will encourage increased transparency at state-owned enterprises (SOEs), advocate for privatizing state-owned entities, and invest in improving management of those remaining in government hands. Economic assistance will also accelerate inclusive economic growth and advance decentralization to improve resource management and service delivery. U.S. assistance will focus on improving the business climate, with a view to creating better opportunities for U.S. exporters, service providers, and investors. Ukraine's investment climate is beginning to turn around, as regulatory reform makes it easier to start and run a business. We will continue to press for reforms that create and sustain an enabling business environment that attracts investment, including by simplifying business development laws, regulations, and processes; remedying financial sector vulnerabilities and restoring trust in the system; expanding exports and creating opportunities for American businesses. We will also continue to encourage increased transparency, including through e-governance programs.

Ukraine's ability to secure its territorial integrity is essential to regional stability, peace, and countering Russian expansion. U.S. bilateral security assistance will promote defense reforms and NATO interoperability that will bring a western security orientation. The Embassy will advise and provide technical assistance to border security agencies to ensure they can effectively detect and respond to illegal proliferation and criminal and terrorist activity, reinforcing Ukrainian, European, and global stability and security, as it tackles threats that can harm even Americans. In coordination with NATO, U.S. efforts will decrease stockpiles of unstable and obsolete munitions, improve physical security of current munitions storage, support battle-area clearance of landmines and other unexploded ordnance, and build a national landmine-clearance capacity. Embassy Kyiv continues to promote and advocate joint exercises and Ukrainian contributions to NATO and UN operations. Ukraine benefits from U.S.

and NATO-led training that helps it better prepare its forces to protect the nation against internal and external threats. To build a NATO-standard force, we will continue to target our bilateral security assistance programs at promoting defense reform and NATO interoperability, as well as at closing critical military capability gaps through increased training and provision of other security assistance. We will help Ukraine's military ensure the country's territorial integrity and support its defense transformation.

Simultaneous with efforts to train and equip Ukraine's military and security forces will be an Embassy-wide effort to assist those displaced by conflict. Over 1.4 million Ukrainians have been internally displaced from their homes and places of work and need help in re-establishing their lives. We will work with humanitarian organizations, CSOs, volunteers, government emergency response structures, and other assistance providers to help ensure that the physical and psychological needs of IDPs, veterans, and those in the conflict area are being met.

Protecting American citizens begins abroad, beyond our borders. It entails investments in building peace, enhancing border controls, combating international crime, defeating terrorism, and halting the spread of diseases and weapons of mass destruction. Shaky democracy, poor governance that is undermined by corruption, weak institutions, and human rights abuses erode rule of law and make partners like Ukraine vulnerable to transnational criminals, uncontrolled migration, and pandemics - all threats to the United States and its people. American influence and support can bolster Ukraine as a partner to address these concerns rather than letting it become a vulnerable chink in the armor. Diplomatic engagement will reinforce the importance of Ukrainians owning and taking responsibility for consolidating its democracy and countering transnational threats. The Embassy will provide advisory and technical assistance to the State Border Guard Service, Coast Guard, and Customs Service to ensure they can effectively detect and respond to criminal and terrorist activity, thus further reinforcing Ukrainian control of its borders stability and security. Additionally, Ukraine supports U.S. objectives regarding transnational threats, helping us prevent the proliferation of weapons of mass destruction (WMD) and conventional arms, and curtail cyber-crime, drug trafficking, and trafficking in persons. Preventing the spread of diseases, particularly polio, TB, and HIV/AIDS, providing quality treatment for TB and HIV/AIDS patients, and battling corruption within the healthcare sector will remain priorities.

We will also continue to facilitate U.S.-Ukraine travel while keeping illicit migrants, criminals and terrorists out of the American homeland through vigilant vetting and interagency cooperation and information sharing. We will work with local law enforcement agencies to protect American citizens traveling or residing in Ukraine and ensure they are treated fairly.

We will enhance our management platform, to improve efficiency and our ability to advance U.S. objectives. We will focus on accommodating the various new State and other agency positions created to support Ukraine in its transition to a democratic, Western, prosperous nation whose territorial integrity is assured and respected. We expect new agencies will show

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interest in establishing offices in Kyiv and will look for funding and other support to help them do so. As a result, we anticipate further increases in local support staffing.

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## 2. Mission Strategic Framework

**Mission Goal 1:** A strong, resilient, and diplomatically engaged Ukraine, with a strong military, security agencies and border guards, partners with the United States to contribute to regional stability, resist Russian multi-dimensional aggression, and respond effectively to domestic and transnational global threats, such as illicit migration and pandemics, thereby protecting Americans in Ukraine and in the homeland and keeping the Russian threat farther from NATO's borders.

**Mission Objective 1.1:** A sovereign and independent Ukraine regains control of the territory within its internationally recognized borders through peaceful means, secures its territorial integrity, controls its borders, and promotes regional stability.

**Mission Objective 1.2:** A strong, resilient Ukraine successfully counters Russian aggression and influence. (Incorporates CDCS DO 2)

**Mission Objective 1.3:** Consular operations and cooperation with local partners ensure protection of U.S. citizens in Ukraine and in the American homeland.

**Mission Objective 1.4:** Health reforms create a more sustainable health system that provides higher quality health care to larger numbers of the population and is able to achieve health outcomes such as high immunization coverage and control of HIV/AIDS and TB epidemics (Incorporates CDCS DO 4).

**Mission Goal 2:** Ukraine advances its political and economic reforms aimed at European integration, with more transparent, responsive, and accountable governance, effecting a less corrupt, more democratic, energy-secure, and prosperous Ukraine.

**Mission Objective 2.1:** Enhanced anti-corruption and rule of law processes result in improved democratic governance, economic growth, and trust between society and the state. (Incorporates CDCS DO 1)

**Mission Objective 2.2:** Improved governance processes and outcomes cement Ukraine's democratic trajectory and movement toward European integration. (Incorporates CDCS DO 3)

**Mission Objective 2.3:** Inclusive, sustainable, resilient, and market-driven economic development increase stability and growth, investment, and bilateral trade. (Incorporates CDCS DO 4)

**Mission Goal 3:** Strong, expansive bilateral relations and greater mutual understanding further integrate Ukraine into the community of successful democracies.



**Mission Objective 3.1:** Ukraine is committed to shared values and lasting Western-oriented reform and integrates into European structures.

**Management Objective 1:** To keep pace with continuing, explosive growth in non-ICASS staffing, Embassy Kyiv expands its management platform, improves ICASS staffing, and rationalizes space utilization on the Embassy compound.

### 3. Mission Goals and Objectives

**Mission Goal 1:** A strong, resilient, and diplomatically engaged Ukraine, with a strong military, security agencies and border guards, partners with the United States to contribute to regional stability, resist Russian multi-dimensional aggression, and respond effectively to domestic and transnational global threats, such as illicit migration and pandemics, thereby protecting Americans in Ukraine and in the homeland and keeping the Russian threat farther from NATO's borders.

**Description and Linkages:** Goal 1 addresses countering Russian aggression and protecting the American homeland from transnational threats – terrorism, international crime, pandemics, and illicit migration, per the 2017 National Security Strategy.

**Mission Objective 1.1:** A sovereign and independent Ukraine regains control of the territory within its internationally recognized borders through peaceful means, secures its territorial integrity, controls its borders, and promotes regional stability.

**Justification:** The GOU has made substantial progress in developing its capabilities to defend itself against Russia's aggression but still needs substantial, sustained assistance as it contains the conflict with Russia and Russian-backed proxies in eastern Ukraine. Ukraine also needs to build and maintain its partnerships with Western political, economic, security, and defense institutions, such as the EU and NATO as Russia continues to drive the conflict. The United States will assist Ukraine in defending its territorial integrity by building up the ability of the Ukrainian Armed Forces (UAF) and National Guard of Ukraine (NGU) to deter future aggression and enhance the country's overall border and internal security. To do so, the Embassy will build on its robust mission, the Joint Multinational Training Group-Ukraine (JMTG-U), which will train both land and special operations forces up to NATO standards through 2018. The UAF will then continue to train land forces and special operations battalions to NATO standards on its own. The Embassy will continue to engage directly with the Ministry of Defense (MoD) and the Ukrainian General Staff (GS) on reform efforts and Western. Risks associated with not achieving this objective include continued occupation of Ukrainian territory, costly military conflict, instability, and uncontrolled borders.

**Mission Objective 1.2:** A strong, resilient Ukraine successfully counters Russian aggression and influence. (Incorporates CDCS DO 2)

**Justification:** A reliable, robust, and self-reliant security and economic partner that shares U.S. values and norms will be resilient in the face of Russian aggression. Ukraine is overcoming a legacy of Soviet authoritarian rule and rampant corruption, while responding to Russia's aggression as it integrates into structures whose members share and promote American and Western values. Russia's purported annexation of Crimea and the conflict in eastern Ukraine undermine Ukraine's efforts toward needed reforms. Ukraine will enhance its security by ending its disproportionate vulnerability to malign Russian influence over its energy sector, monetizing gas subsidies, and eliminating corrupt energy distribution schemes. The government must improve its ability to communicate strategically to tell Ukraine's story, bolster public confidence in the reform process, and counter Russian propaganda. Over 1.4 million Ukrainians have been internally displaced from their homes and places of work and need help in re-establishing their lives. Humanitarian organizations, CSOs, volunteers, government emergency response structures, and other assistance providers help ensure that the physical and psychological needs of IDPs, veterans, and those in the conflict area are being met. Failure to achieve this objective would likely entail continued corruption, underperforming governance, energy insecurity, and humanitarian challenges.

**Mission Objective 1.3:** Consular operations and cooperation with local partners ensure protection of U.S. citizens in Ukraine and in the American homeland.

**Justification:** Facilitating U.S.-Ukraine travel while keeping illicit migrants, criminals, and terrorists out of the American homeland through vigilant vetting and interagency cooperation and information sharing will protect U.S. citizens. Ensuring American citizens receive fair treatment from local law enforcement agencies to protect American citizens traveling or residing in Ukraine is also crucial to realizing national security goals. Risks associated with not achieving this objective include being unable to ensure U.S. citizens are treated fairly while in Ukraine.

**Mission Objective 1.4:** Health reforms create a more sustainable health system that provides higher quality health care to larger numbers of the population and is able to achieve health outcomes such as high immunization coverage and control of HIV/AIDS and TB epidemics (Incorporates CDCS DO 4). Initiatives improve health security capacities that help prevent, detect, and respond to infectious disease outbreaks.

**Justification:** Protecting American citizens begins abroad, beyond our borders. It entails investments in halting the spread of diseases, and Ukraine is vulnerable to health pandemics – a potential threat to the United States and its people. Preventing the spread of infectious diseases, particularly polio, MDR and XDR TB, and HIV/AIDS,

providing quality treatment for TB and HIV/AIDs patients, and battling corruption within the healthcare sector are priorities. Failure to meet this objective exposes U.S. citizens to the risk of infectious disease.

**Mission Goal 2:** Ukraine advances its political and economic reforms aimed at European integration, with more transparent, responsive, and accountable governance, effecting a less corrupt, more democratic, energy secure, and prosperous Ukraine.

**Description and Linkages:** Goal 2 expands western and American values – including market economy, democracy, and rule of law -- to Ukraine as it fosters a resilient and strong commercial, economic and security partner that will create opportunities for U.S. businesses and support the United States in international for a, per the State-USAID Joint Strategic Plan.

**Mission Objective 2.1:** Enhanced and reformed anti-corruption, rule of law processes, and law enforcement that respects the rights of individuals, resulting in improved democratic governance, economic growth, and trust between society and the state. (Incorporates CDCS DO 1)

**Justification:** Ukraine cannot be successful in the long-term without containing corruption. Ukraine must maintain momentum on difficult political, social and economic reforms but also must keep from rolling back hard-won progress. Fighting corruption and advancing reforms has a direct nexus to U.S. national security. Thus, helping Ukraine end government corruption and excessive regulation while increasing transparency and improving service delivery is in the American interest.

This momentum is particularly critical with respect to judicial and law enforcement reforms aimed at strengthening the rule of law and battling pervasive corruption. Creating a more independent, transparent, and accountable judiciary; increasing the accountability and effectiveness of the justice system; transforming the police forces and prosecutors into effective, trusted public partners; increasing citizens' knowledge of their rights and their access to legal services; and strengthening the capacity of civil society organizations (CSOs) to advocate for and monitor reforms are keys to success. Risks associated with not meeting this objective include continued corruption, constraints on economic growth, and lack of confidence in Ukrainian democracy and governance.

**Mission Objective 2.2:** Improved governance processes and outcomes cement Ukraine's democratic trajectory and movement toward European integration. (Incorporates CDCS DO 3)

**Justification:** Further integration into Europe and the western community will help Ukraine consolidate its democracy, reinforce the rule of law, and realize its economic potential as it becomes a reliable U.S. commercial partner that will cooperate with us to create wealth, employment, and prosperity, per the State-USAID JSP. It will also become a net contributor to regional and global security. U.S. efforts will seek to stabilize and invigorate Ukraine's economy and advance greater integration into global markets, by espousing Western standards and practices. We will continue to press for reforms that create and sustain a business environment that benefits investment. We will help Ukraine meet EU standards, especially energy standards, to allow it participate fully in Europe's integrated markets. The failure of Ukraine to adopt reforms and standards would constrain Ukraine's economic growth, perpetuate corruption, and offer Russia opportunities to destabilize Ukraine.

**Mission Objective 2.3:** Inclusive, sustainable, resilient, and market-driven economic development increase stability and growth, investment, and bilateral trade. (Incorporates CDCS DO 4)

**Justification:** To stabilize and invigorate Ukraine's economy and advance greater integration into global markets, Ukraine should espouse Western standards and practices. Reforms that create and sustain a business environment and benefit investment, including protection of intellectual property, will create better opportunities for U.S. exporters, service providers, and investors. Increased transparency at state-owned enterprises (SOEs), privatizing state-owned entities, and investing in improving management of those remaining in government hands are key objectives. Economic assistance will also accelerate inclusive economic growth and advance decentralization to improve resource management and service delivery. We will continue to press for reforms that create and sustain an enabling business environment that attracts investment, including by simplifying business development laws, regulations, and processes; protecting intellectual property; remedying financial sector vulnerabilities and restoring trust in the system; expanding exports and creating opportunities for American businesses. The failure of Ukraine to adopt reforms and standards would constrain Ukraine's economic growth, perpetuate corruption, and offer Russia opportunities to destabilize Ukraine.

**Mission Goal 3:** Strong, expansive bilateral relations and greater mutual understanding further integrate Ukraine into the community of leading democracies.

**Description and Linkages:** A key objective remains fostering a better understanding of the United States and western institutions by Ukraine’s citizens – particularly its young people and decision-makers – in accordance with the EUR Joint Regional Strategy. Public diplomacy efforts will be key to achieve this objective. Increased investment by western companies in Ukraine and stronger trade and commercial ties with the United States will help Ukraine better integrate into U.S. and European economic structures. These economic and commercial linkages, such as through supply chain integration, will further stimulate Ukraine’s westward orientation and lead to closer political ties with the United States and our European partners.

**Mission Objective 3.1:** Ukraine is committed to shared values and lasting Western-oriented reform and integrates into European structures.

**Justification:** Improving the business climate will create better opportunities for U.S. exporters, service providers, and investors. Reforms will create and sustain an enabling business environment that attracts investment, including by simplifying business development laws, regulations, and processes; remedying financial sector vulnerabilities and restoring trust in the system; expanding exports and creating opportunities for American businesses. Another key objective is fostering a better understanding of the United States and western institutions by Ukraine’s citizens – particularly its young people and decision-makers. The failure of Ukraine to adopt reforms and standards would constrain Ukraine’s economic growth, perpetuate corruption, and offer Russia opportunities to destabilize Ukraine.

## 4. Management Objectives

**Management Objective 1:** To keep pace with continuing, explosive growth in non-ICASS staffing, Embassy Kyiv expands its management platform, improves ICASS staffing, and rationalizes space utilization on the Embassy compound.

**Justification:** Embassy growth has slowed but remains continuous four years after the 2014 Revolution of Dignity. In addition, Embassy Kyiv still averages several thousand TDY visitors per year, with dozens remaining at post long enough to require full ICASS support, including accreditation. The 17-month hiring freeze interrupted the Embassy's attempts to increase staffing to maintain support levels. Risks associated with not achieving this objective include not meeting ICASS standards and deteriorating morale.