| From:                          |   |
|--------------------------------|---|
| Sent:                          | Mon, 23 Nov 2015 14:20:28 -0500                               |
| То:                            |   |
| Cc:                            | EUR Ukraine Clearances  |
| Subject:                       | *REMINDER: OOB Monday, 11/23 Clearance - VPOTUS Yats & VPOTUS |
| Poroshenko BCLs                |   |
| Attachments:<br>clearance.docx | MP01 - VPOTUS-P2_for clearance.docx, MP02 - VPOTUS-Yats_for   |

Please clear on these. The latest versions are attached.

#### Best,

SBU This email is UNCLASSIFIED.

| From:                         |   |
|-------------------------------|---|
| Sent: Monday, November 23, 20 | 5 10:37 AM  |
| To: D EUR Duty Officer2;      | ; D-MR Clearance; EUR-Press; EUR-RUS-POL-                 |
| DL                            |   |
| Cc: EUR Ukraine Clearances    |   |
| Subject: REMINDER: OOB Mond   | y, 11/23 Clearance - VPOTUS Yats & VPOTUS Poroshenko BCLs |
| (+EUR RUS Pol since           | is covering for .)  |

Colleagues,

Attached are the updated P2 and Yats VPOTUS BCLs that include the edits I have received thus far. **Please clear ASAP.** This needs to go up shortly.

Best,

SBU This email is UNCLASSIFIED.

From:

Sent: Sunday, November 22, 2015 5:19 PM

To: D EUR Duty Officer2; D-MR Clearance; EUR-Press; EUR-RPM-OSCE-DL; Cc: EUR Ukraine Clearances Subject: OOB Monday, 11/23 Clearance - VPOTUS Yats & VPOTUS Poroshenko BCLs Importance: High

Colleagues,

Please clear on the attached BCLs for the VPOTUS Kiev trip **by OOB tomorrow**. A/S Nuland needs to see these tomorrow before she leaves on travel.

Both papers are extremely similar. Thanks for your help and please let me know if you have questions.



Ukraine Desk Tel: (202) 647-4117 UNCLASS: SIPR:

SBU This email is UNCLASSIFIED. SENSITIVE BUT UNCLASSIFIED

November 22, 2015

### Vice President Biden's Meeting with Ukrainian President Petro Poroshenko December 7-8 (TBC)

## **GOALS AND OBJECTIVES**

(SBU) Your visit to Kyiv comes as infighting among the parties in Ukraine's governing coalition is growing and stalling progress on the government's agenda, popular disaffection with the government is mounting over difficult economic reforms and conditions, and public doubts are worsening over political leaders' (particularly President Poroshenko and PM Yatsenyuk) commitment to breaking with old-style politics and rooting out corruption. Your meeting with Poroshenko will be an opportunity to press for reenergizing the reform agenda, particularly critical progress on anti-corruption, offer new U.S. support, and encourage Ukraine to continue its efforts at Minsk implementation, particularly on securing an agreement on local elections in the Donbas. Your last call with Poroshenko was November 5 and your last meeting was in New York on September 28.

# BACKGROUND

1. (SBU) Unity and Reforms: With local elections in the rear-view mirror and an economy that while still in difficulty, seems to have moved back from the precipice, the time is ripe for President Poroshenko to reanimate his reform agenda. You should recommend that he give a state of the nation speech to the Rada in which he reenergizes that effort and rolls out new proposed reforms. There is wide agreement that anti-corruption must be at the top of this list, and that reforms must include an overhaul of the Prosecutor General's Office including removal of Prosecutor General Shokin, who is widely regarded as an obstacle to fighting corruption, if not a source of the problem. Reform priorities should also include the judiciary and standing up the new national investigative bureau (akin to the FBI). You will want to press Poroshenko to eschew radical plans and agree with Yatsenyuk on a 2016 budget and tax plan that are consistent with the IMFrecommended program. Poroshenko has prioritized privatization, and you should encourage the government to set up a mega-holding company for 10-20 state-owned enterprises, which will help cut off traditional sources of corruption.

# SENSITIVE BUT UNCLASSIFIED

- 2. (SBU) U.S. Assistance: Poroshenko and Yatsenyuk will be looking for tangible signs of U.S. support to assist the Ukrainian people during these difficult times, facilitate further reforms, and help with efforts to defend against Russian aggression. You will sign our third billion-dollar loan guarantee and publicly announce FY 15 U.S. assistance for the first time: \$189,035,756 -- which does not include security assistance (previously announced separately). Our support will go to top nonsecurity priorities including: assistance to fight corruption, strengthening the rule of law, supporting civil society, restoring economic stability, carrying out democratic and constitutional reforms, advancing energy security, and supporting OSCE monitoring in eastern Ukraine. The Ukrainian Government has asked for more security assistance and continues to probe occasionally about the possibility of lethal assistance, including beefing up air defenses. Following the successful U.S. National Guard train and equip program which ended on Nov 8, multinational training of Ukrainian conventional and Special Forces began on November 23. The UK, Canada, Lithuania, and Estonia are also participating in training.
- 3. (SBU) Minsk Implementation: You should relay to Poroshenko that the President Obama told President Putin at the G-20 summit that we insist on full implementation of the Minsk agreements. The President agreed with Quint leaders that the EU should renew its sanctions on Russia for six months to be followed by another six month extension if Russia and the separatists do not honor their Minsk commitments. In the past few weeks, combined Russian-separatist forces have ratcheted up attacks on Ukrainian positions, with reports of new weapons and personnel entering separatist territory from Russia. Russia and the separatists also continue to deny OSCE monitors access and to block the delivery of humanitarian supplies by UN agencies and NGOs. Recent meetings of the Normandy format and Trilateral Contact Group and its working groups have resulted in limited progress on some issues like demining, but none on the next key step of agreeing on Donbas election modalities. This is due to Russia and the separatists' refusal to engage on the election proposal put forward by Ukraine in the political working group, which the government is working to sell to political parties in the Rada simultaneously -- a big challenge. You should encourage Ukraine to put its best foot forward despite these difficulties and offer our help.

#### - 3 -

### TALKING POINTS

### 1. (SBU) Unity and Reforms:

- Now that the local elections are over, you and Prime Minister Yatsenyuk need to continue to show unity and reenergize reforms.
- You should do so in a major state-of-the-nation speech to the Rada in which you list the new reforms you plan to pass soon.
- Anti-corruption efforts have to be at the top of your agenda. That will mean standing up the National Investigative Bureau.
- It will also require changing the Prosecutor General who is damaging your credibility and obstructing the fight against corruption.
- I urge you to work with the Prime Minister to present a 2016 budget and tax plan that is in line with the IMF program.
- I commend your efforts on reform of the judiciary and hope that effort will continue to move ahead quickly.
- We agree that privatization will be critical, but it must be transparent and well-managed and we think that requires a holding entity that can prevent corruption until state-owned enterprises are fully private.

## 2. (SBU) U.S. Support:

- We will continue to stand behind you and your reform efforts.
- I will sign a billion-dollar loan guarantee with you today and announce additional, new assistance for Ukraine of nearly \$190 million.
- This assistance will go to reform priorities such as: fighting corruption, strengthening the rule of law, restoring economic stability, advancing energy security, carrying out democratic and constitutional reforms, and supporting OSCE monitoring in eastern Ukraine.
- This new announcement does not include security assistance, which we will continue to work separately with you and through the Multinational Joint Commission. I'm pleased the next phase of multinational training of Ukraine's conventional Special Forces started Nov 23.
- We need Ukraine to commit the personnel and resources to make this training effort and the Multinational Joint Commission successful.
- In addition to training, we urge you to commit to institutional reform to build long-term sustainable defense capacity. We stand ready to assist.
- We recognize Ukraine's right to self-defense. We have not ruled out providing lethal assistance, but are focused on supporting

- 4 -

international efforts to find a diplomatic solution via the Minsk agreements.

### 3. (SBU) Minsk Implementation:

- At the G-20, President Obama told Putin that we insist on full implementation of Minsk.
- The President agreed with EU leaders that they will renew sanctions for six months, to be followed by another six months if needed.
- I applaud your efforts to implement Minsk, including your proposal on elections, even when the ceasefire appears under threat. We are concerned about that and have told Russia the violence must cease.
- You must forge ahead despite these challenges, especially in your work on Donbas local elections. I am glad you are working in parallel to build support among parties in the Rada, which we know is hard.
- We will continue to help you however we can.
- We are pressing the Normandy powers and working with others to resolve the continuing access problems for OSCE observers, UN agencies, and humanitarian organizations.

# PARTICIPANTS

<u>United States</u> Vice President Joseph Biden Ambassador Geoff Pyatt <u>Ukraine</u> President Petro Poroshenko TBC

Attachment:

**Biographic Information** 

| Approved: | EUR: A/S Victoria Nuland  |  |
|-----------|---|--|
| Drafted:  | EUR/EE: 7-4117 and ce   |  |
| Cleared:  | D:<br>P:<br>S/P:<br>D-MR  | ()<br>()<br>(OK)<br>(OK)                             |
|           | EUR/EE:<br>EUR/PD<br>EUR/PRA:<br>EUR/RPM:<br>EUR/RUS:<br>EUR/ACE:<br>D/CSP:<br>F: | ()<br>(info)<br>(OK)<br>(OK)<br>(OK)<br>(OK)<br>(OK) |

SENSITIVE BUT UNCLASSIFIED

November 22, 2015

### Vice President Biden's Meeting with Ukrainian PM Arseniy Yatsenyuk December 7-8 (TBC)

## GOALS AND OBJECTIVES

(SBU) Your visit to Kyiv comes as infighting among the parties in Ukraine's governing coalition is growing and stalling progress on the government's agenda, popular disaffection with the government is mounting over difficult economic reforms and conditions, and public doubts are worsening over political leaders' (particularly PM Yatsenyuk and President Poroshenko) commitment to breaking with old-style politics and rooting out corruption. Your meeting with Yatsenyuk will be an opportunity to press for reenergizing the reform agenda, particularly critical progress on anti-corruption, offer new U.S. support, and encourage Ukraine to continue its efforts at Minsk implementation, particularly on securing an agreement on local elections in the Donbas. Your last meeting with Yatsenyuk was in Washington on July 14.

## BACKGROUND

- 1. (SBU) <u>Unity and Reforms</u>: With local elections in the rear-view mirror and an economy that while still in difficulty, seems to have moved back from the precipice, the time is ripe to encourage immediate progress on reforms. You should recommend that Yatsenyuk work closely and collaboratively with Poroshenko on pushing forward reforms and note that showing unity with Poroshenko publically is necessary to instill public confidence in the government. There is wide agreement that anticorruption must be at the top of the reform priority list, and that reforms must include an overhaul of the Prosecutor General's Office, including removal of Prosecutor General Shokin. Reform priorities should also include the judiciary and standing up the new national investigative bureau (akin to the FBI). You will want to agree with Yatsenyuk's vision for a 2016 budget and tax plan that are consistent with the IMFrecommended programs.
- 2. (SBU) <u>U.S. Assistance</u>: Yatsenyuk and Poroshenko will be looking for tangible signs of U.S. support to assist the Ukrainian people during these difficult times, facilitate further reforms, and help with efforts to defend against Russian aggression. You will sign our third billion-dollar

### SENSITIVE BUT UNCLASSIFIED

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### **TALKING POINTS**

### 1. (SBU) Unity and Reforms:

• Now that the local elections are over, you and President Poroshenko need to continue to show unity and reenergize reforms.

- 3 -

- Anti-corruption efforts have to be at the top of your agenda. That will mean standing up the National Investigative Bureau.
- It will also require changing the Prosecutor General, who is damaging your credibility and obstructing the fight against corruption.
- I urge you to work with President Poroshenko to present a 2016 budget and tax plan that is in line with the IMF program.
- I commend your efforts on reform of the judiciary and hope that effort will continue to move ahead quickly.
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<u>United States</u> Vice President Joseph Biden Ambassador Geoff Pyatt <u>Ukraine</u> President Petro Poroshenko TBC

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