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Kerry Flies into Ukraine to Offer U.S. Economic Assistance

By The Moscow Times

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KIEV — U.S. Secretary of State John Kerry arrived in Kiev on Tuesday and announced an economic package and technical assistance for Ukraine in a show of support for its new government amid escalating tensions with Russia.

Kerry's visit comes as Washington and its Western allies step up pressure on Moscow to withdraw its troops from Ukraine's Crimea region or face economic sanctions and diplomatic isolation.

A senior U.S. administration official, who briefed reporters en route to Kiev, said the Obama administration would work with Congress to approve $1 billion in loan guarantees to help lessen the impact on Ukrainians of proposed energy subsidy cuts.

The U.S. will also send technical experts to Ukraine to advise its Central Bank and finance ministry on how to deal with the country's economic challenges and help combat corruption,

the official said.

In addition, the U.S. will train observers for the country's May 25 election to bring its electoral process in line with international standards, the official added.

"We want to very visibly embrace Ukraine," said the official who briefed reporters en route to Kiev. "Part of that is through an IMF package, part of it will be through bilateral assistance but in conjunction with our partners to try to support Ukraine," the official told reporters.

A team from the Washington-based International Monetary Fund arrived in Ukraine last weekend to assess the state of Ukraine's economy, threatened by bankruptcy following three months of unrest.

The U.S., which is the IMF's largest member country, has said it will support an IMF-backed lending program to Ukraine. Part of the IMF's lending conditions are likely to include cuts in energy subsidies that are a drain on government resources.

In Washington, Treasury Secretary Jack Lew said his department is ready to dispatch technical advisers to help support Ukraine as it negotiates with the IMF.

The U.S. official in Kiev said there were no signs yet that President Vladimir Putin plans to change course and withdraw Russian troops from Crimea.

"If Russia does not choose to de-escalate, does not choose that off-ramp, then the message from the administration is we are ready then to put in place more robust measures," the U.S. official warned.

The official said the U.S. was concerned that Russia may extend its incursion beyond Crimea.

During his visit, Kerry will visit the Shrine to the Fallen, one of the memorials that have popped up since sniper attacks on protesters in Kiev. He will also meet with senior Ukrainian officials, including the prime minister and acting president, as well as members of the parliament and religious leaders.

Kerry, who is also traveling to Paris and Rome, could also meet with Russian Foreign Minister Sergei Lavrov during his travels, the U.S. official said.

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