

IMF props up Ukraine with \$15.6 billion loan package

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Ukraine and the International Monetary Fund (IMF) have agreed upon a \$15.6 billion loan package dedicated to propping up the Ukrainian government, which saw its economy shrink by over 30 percent in 2022, even as it sharply raised military spending to fund its ongoing war with Russia.

The lending agreement marks the IMF's first ever loan to a country at war and is expected to be approved by the group's executive board in the coming weeks.

The announcement signals that the entirety of Western imperialism—with the United States leading the way as the IMF's biggest shareholder—is prepared to back the Ukrainian government for years to come as long as the disastrous proxy war against Russia continues.

In addition to the IMF package, in 2022 the US Congress appropriated more than \$122 billion for Ukraine. Military aid accounted for more than half of US spending on Ukraine.

Details are sparse regarding the terms of the deal. However, according to the IMF, “the agreement was expected to help unleash large-scale financing for Ukraine from international donors and partners.”

“The overarching goals of the authorities’ program are to sustain economic and financial stability in circumstances of exceptionally high uncertainty, restore debt sustainability, and support Ukraine’s recovery on the path toward EU accession in the post-war period. The program has been designed in line with the new Fund’s policy on lending under exceptionally high uncertainty, and strong financing assurances are expected from donors, including the G7 and EU,” Gavin Gray, the IMF’s mission chief to Ukraine, said regarding the agreement.

In October of last year, President Volodymyr Zelensky appealed to his Western backers for \$55

billion to cover an expected \$38 billion budget gap in 2023 and an additional \$17 to rebuild infrastructure damaged by the war.

Ukraine—which along with neighboring Moldova ranks among the poorest countries in Europe—is already the third-largest debtor nation to the IMF in the world. Due to previous loans from the lending agency, Ukraine owes \$360 million in surcharge fees alone to the IMF by 2023.

As is typical of IMF agreements, generalized “corruption” is blamed for the country’s poverty. The deal states that Ukraine is “committed to strengthening its governance and anti-corruption framework.”

In early March, Zelensky appointed Semen Kryvonos as the new director of Ukraine’s National Anti-Corruption Bureau (NABU), in response to a flurry of corruption scandals within the Zelensky regime. This included a procurement scam that nearly took down Ukraine’s Defense Minister Oleksii Reznikov.

While the head of NABU is theoretically a politically neutral and independent actor, in reality the Ukrainian oligarchy regularly use accusations of corruption and graft to target political opponents and curry favor with their Western backers in the EU and US.

Initial reports suggest Kryvonos is no different, as he reportedly possesses close ties to Zelensky’s Chief of Staff Andriy Yermak. Earlier in 2014, Kryvonos was investigated by Ukraine’s own Security Service (SBU), after he allegedly demanded \$120,000 in exchange for the reallocation of a plot of land. The case was later dropped due to a lack of evidence.

Kryvonos, a lawyer who previously served as the head of Ukraine’s State Inspection of Architecture and Urban Planning, is “no stranger to political circles and among the political elites of our country,” according to Olena Shcherban, an expert at the Anti-Corruption

Center (ANTAC).

The organization which Kryvonos now heads is itself an outcome of the 2014 coup, organized by the US and EU with the assistance of far-right nationalist organizations such as Svoboda and the Azov Battalion, that drove then-elected President Viktor Yanukovich from power.

Founded in 2015 by the right-wing nationalist government of Petro Poroshenko, NABU is almost entirely a US-created and directed organization and its staff were trained directly by the FBI and EU.

In 2020, the former Prosecutor General of Ukraine, Viktor Shokin, complained that NABU was created by order of then US Vice-President Joe Biden in order to undermine Ukraine's own State Bureau of Investigation and "put there emissaries who listen to the United States."

By placing Kryvonos in an important political position within Ukraine and abroad, Zelensky, who already banned all oppositional parties last year, has solidified his political control over the country with the help of the US, as he prepares for the long-awaited "offensive" this spring demanded by his Western supporters.

This week Zelensky advisor Mykhailo Podolyak admonished *Politico* over a report that Ukraine would begin an offensive in May stating that such an operation "should be a surprise for the enemy."

Beginning in the fall of last year, a number of reports have raised the possibility that Ukraine, with the help of more and more military aid from NATO, could launch a devastating offensive in the spring. March, April and now May have been mentioned as start dates.

As the *Politico* report underlined, the US is heavily involved in planning the offensive, if not outright directing it.

"There is a significant ongoing effort to build up the Ukrainian military in terms of equipment, munitions and training in a variety of countries in order to enable Ukraine to defend itself," said Joint Chiefs Chair General Mark Milley, who is in constant contact with Ukrainian Commander Valery Zaluzhny.

Milley's remarks and the IMF loan make clear that the entire political structure of the Ukrainian state is now directed towards continuing its role as a proxy for imperialist war with Russia. In exchange, the Ukrainian oligarchy will receive more funds, weapons, and finally

a long-desired seat at the tables of the EU and NATO.

Meanwhile, the Ukrainian working class continues to bear the brunt of the imperialist war. A report released by the World Bank just prior to the IMF announcement found that as a result of the war 8 million Ukrainians now live in "abject poverty."



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