

[Home](#) > [Press Briefings](#) > Department Press Briefing – April 29, 2021

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Department Press Briefing – April 29, 2021

NED PRICE, DEPARTMENT SPOKESPERSON

APRIL 29, 2021

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ARTICLE INDEX

INDIA

IRAQ/REGION

UKRAINE

PALESTINIAN ISSUES

IRAN/DEPARTMENT

AFGHANISTAN

INDIA

RUSSIA

AFGHANISTAN

HAITI

DEPARTMENT

SYRIA

IRAN/ISRAEL/YEMEN/SAUDI

ARABIA/REGION

2:45 p.m. EDT

MR PRICE: Okay. Good afternoon. A couple things at the top before we turn to your questions.

First, reflecting the United States' solidarity with India as it battles a new wave of COVID-19 cases, the United States is delivering supplies worth more than \$100 million in the coming days to provide urgent relief to our partners in India.

In addition, U.S. state governments, private companies, nongovernmental organizations, and thousands of Americans from across the country have mobilized to deliver vital oxygen, related equipment, and essential supplies for Indian hospitals to support frontline health care workers and the people of India most affected during this current outbreak.

U.S. government flights will start arriving in India tonight and they will continue into next week.

Just as India sent assistance to the United States when our hospitals were strained early in the pandemic, the United States is determined to help India in its time of need.

Next, we are deeply concerned by the Ukrainian cabinet of ministers' recent actions to manipulate existing resolutions – sorry – regulations to dismiss the supervisory board and replace the management of Ukraine's leading energy company.

This calculated move – using a procedural loophole – to oust well-regarded experts from the boards of several key state-owned enterprises reflects a disregard for fair and transparent corporate governance practices and complicates longstanding efforts to reform Ukraine's energy sector and improve its investment climate.

Unfortunately, these actions are just the latest example of ignoring best practices and putting Ukraine's hard-fought economic progress at risk.

We will continue to support Ukraine in strengthening its institutions, including advancing democratic institutions and corporate governance reforms, but Ukraine's leaders must do their part as well.

So with that, happy to turn to your questions.

QUESTION: Thanks. Before we turn to India for a second, I just want – did you get an – I asked you on I think it was Monday about the vote at the UN on the – or Iran's election to the Commission on the Status of Women. Did you get answer on how you voted?

MR PRICE: So what I can say, Matt, is that the unopposed candidacies of countries that engage in torture, in abuse, violations of human rights and due process – it was a troubling feature of this election, the election that you referred to. That's why – that's precisely why the United States called for the vote on the Commission of the Status of Women, specifically to allow countries to register their opposition. The United States supports candidates in the UN system that seek to contribute positively to its work and mission and reinforce the foundational values of the UN system, including human rights. And that's precisely why we have re-engaged with the UN, re-engaged with its human rights body, and will continue to do that throughout the UN system.

QUESTION: So you voted against them?

MR PRICE: It was a private vote, but we called the vote specifically to allow countries to register their concern.

QUESTION: Okay. It was a private vote. Well, what do you think? Is it appropriate for them to be on this commission, this council?

MR PRICE: Well, I would point you to what I just said. It is a troubling feature when countries run unopposed, countries that have —

QUESTION: Well, I'm talking about Iran specifically.

MR PRICE: Well, and I'm — and in this case —

QUESTION: Do you guys have an issue with them being on this commission?

MR PRICE: In this case, I think that Iran would qualify for much of what I just said: countries that have very troubling records, deeply disturbing records.

QUESTION: Yeah, but you said it was — but you said it was — you didn't say that it was troubling for them to be on it; you said it was a troubling feature for these kinds of countries to run unopposed.

MR PRICE: Well, and it's precisely why we called this vote.

QUESTION: So is it an issue —

MR PRICE: So countries could register their concern.

QUESTION: So is it safe to say — would someone be wrong in writing that the U.S. thinks it's a bad idea for Iran to be on this commission?

MR PRICE: With a commission like this, we think that members should reflect the values underlying the commission.

QUESTION: And Iran doesn't. All right. I'll drop it there.

On India.

MR PRICE: Yes.

QUESTION: The – in addition to this aid, you guys put out this new travel notice, travel alert today, which mentioned the authorized departure for families of U.S. government personnel at the embassy and the, what is it, four consulates. I'm just curious. Is this by popular demand? Were there people – and I know you don't want to get into numbers or anything, but were people wanting to leave and have people left already under this – the authorized departure?

MR PRICE: Well, thanks for that question. And I think it's important to speak for just a moment about what this was and importantly what this was not. Out of an abundance of caution, the Department of State authorized the voluntary departure, so-called authorized departure, of family members of embassy – at the U.S. Embassy in New Delhi and the consulates throughout the country. Authorized departure doesn't force anyone to leave; it doesn't require anyone to leave. It gives these family members the option to depart if they wish. Departure, again, is not required.

There's also been I think some misreporting, perhaps a misperception, that we provided revised guidance to private American citizens in India. That is not true. There was a pro forma reissuance of the travel advisory, the level four travel advisory that had previously been in effect, given COVID not only in India but also globally as well.

QUESTION: Yeah, but are people taking advantage of it? Were people wanting this, or was it just decided from here and from the ambassador or whoever the charge is that this would be a good idea? I mean, is there a rush to the exits?

MR PRICE: I don't have the numbers. I'm not sure we'd be able to provide them, regardless, given

QUESTION: I don't want your numbers. I just want to know if people are taking advantage of this.

MR PRICE: Well, I think it speaks to the fact that we put the safety and health of our employees and their families, in this case – we prioritize that, and so that is why the department thought it prudent to give them the option to depart the country if they so wished.

(Inaudible.)

QUESTION: Okay, thanks.

QUESTION: Also on India. So I'm wondering how that's connected to the outbreak that's been reported from inside the U.S. embassy or among U.S. embassy staff. Do you have any update on how many people have been infected among staff there and how many fatalities there are and what the embassy and the government have been able to do to protect staff at the mission?

MR PRICE: Well, we addressed this the other day, and to Matt's point, numbers are difficult for us to offer publicly, given privacy concerns. What we will say is that, of course, our hearts go out to the people of India as they navigate this surge. It is fair to say that COVID has touched every – just about every element of Indian society, and of course, we do have a large diplomatic presence in India, as you might expect, given our global comprehensive partnership with India. So while I can't offer any specifics on U.S. embassy employees or family members or locally employed staff, clearly this is a pandemic; this is an outbreak, a surge of cases in India that has left no part of the country untouched.

QUESTION: And has that outbreak happened sort of despite vaccine? You've obviously been sending vaccines out to different embassies. Was there a delay getting them to the embassies in India that perhaps has led to this?

MR PRICE: So as we mentioned I believe as of mid-April, our missions around the world, all of them have had access to the vaccine. It was an effort that was conducted as expeditiously as possible. The vaccines have been in India for – to – available to our employees, to embassy staffers in India for several weeks now. But obviously, with any global distribution effort, it's a complex undertaking, but it's something we did as quickly as we could and it's something we're proud of. As we mentioned the other day, not a single vaccine dose was lost in that massive undertaking – nearly 200,000 doses worldwide, including to our mission in India.

Shaun.

QUESTION: Well, certainly related to – related to this in India, one of the things that's happened in India is the number of critics of the Modi government's performance, let's say opposition politicians, by request of the Indian Government, their posts have been removed at least internally in India from Twitter and other social media outlets. Does this give you pause to the United States? Do you think that's within the rights of the Indian Government? Do you have anything to say about this?

MR PRICE: Well, we've made the point both when it comes to India and to countries around the world that freedom of expression, freedom of information is a hallmark of any democracy. Of course, India is a large democracy with whom we share foundational values, and freedom of information, freedom of expression is something we support around the world.

Yes.

QUESTION: Can I ask on India?

MR PRICE: Sure, we'll go to Lalit and then Kylie.

QUESTION: Yes. I would like to follow up on the comment that what you say when the tool of freedom of expression or social media is used as a tool to incite violence against the government or the – disturb law and order? How do the government handle that?

MR PRICE: How does – how does the government handle – I'm sorry?

QUESTION: Yeah. When that tool is used as – social media is used as a tool to incite violence —

MR PRICE: Mm-hmm.

QUESTION: — like what some section of the society has been doing there, right.

MR PRICE: Of course. And of course, hate speech, incitement to violence is something that we oppose everywhere. But clearly, we support freedom of expression, while still calling out and condemning when we see incitement to violence and hate speech.

QUESTION: Thank you for all the aid that you have been providing to India. But I'd like to ask you about what is the U.S. assessment of the situation of pandemic in India right now. How serious it is? This is the worst outbreak of COVID-19 pandemic anywhere in the world?

MR PRICE: Well, I would be hesitant to offer a sweeping judgment like that. I think you can look at any number of metrics, and of course, if you look at the case count, the daily case count, of course, you see a case count that is very concerning and you see an epidemic that just about by any metric is incredibly concerning. And that is why the U.S. Government has been engaged,

deeply engaged in supporting the Indian Government. As I mentioned the other day, even since the start of this outbreak, prior to the recent assistance that we just announced, the United States had delivered some \$19 million in support to India's public health system.

Of course, we have spoken to a great deal more in recent days, not only from the U.S. Government, from the State Department, from USAID, from CDC, but also, we have undertaken an effort to galvanize the private sector. Secretary Blinken, as you know, took part in a call earlier this week and actually led the call earlier this week with the Chamber of Commerce. Commerce – Gayle Smith took part in that call. She took part in a subsequent call with the Chamber of Commerce to make the point that if we are to make progress against this current surge of cases in India, it can't be something that the Indian Government tackles alone, it can't be something that the United States Government tackles alone. Everyone has a role to play, including the private sector, including the advocacy community, including civil society, and that's what we're seeking to do. We're seeking to – our assistance, we hope, will have a catalytic effect on society more broadly here and around the world to come to the aid of the Indian people.

QUESTION: Is there any differences between the U.S. Government and the Indian Government about how the aid has to be distributed? I've heard somewhere that U.S. wants to distribute this aid through NGOs and send directly to the local government. Indian Government wanted to route it through the federal government itself.

MR PRICE: Our goal is to see to it that this aid – and this is a goal, of course, that we share with the Indian Government – is to see to it that this aid is put to immediate and effective use. For the details of that, I would refer you to those that are implementing this on the ground.

QUESTION: And how do you describe the India-U.S. relations in first 100 days of this administration?

MR PRICE: Well, of course, there's been a concerted focus on India over the past 100 days. President Biden, of course, did make mention of India in his address last night. And I think you can look at that deep partnership and commitment to partnership through any number of lenses.

As you know, President Biden himself had an opportunity to speak to Prime Minister Modi in recent days. Secretary Blinken has engaged with his foreign minister counterpart, Jaishankar, several times as well. There have been several high-level delegations. Secretary Kerry was in India

several times as well. There have been several high-level delegations. Secretary Kerry was in India

not all that long ago to discuss climate. Secretary Austin, the Secretary of Defense, was in India not all that long ago to discuss elements of our security cooperation.

We have engaged with India in the multilateral context as well, through the Quad, both at the ministerial level and for the first time ever at the leader level. I've mentioned our climate cooperation, but also our health cooperation. And this was something that predates the pandemic, but it is something that intensified with the onset of the pandemic and intensified even further with the uptick in cases, the very concerning uptick in cases that we've seen in India in recent days.

So I think it is engagement that reflects our global comprehensive partnership.

QUESTION: Thank you so much.

MR PRICE: Thank you. Kylie, India.

QUESTION: So I just want to ask about the travel advisory this morning. In addition to what it said about U.S. diplomats there, it also said to U.S. citizens in India who wish to depart that they should take advantage of available commercial transportation options and warned against other Americans traveling there.

So is the administration considering stopping all flights from India to the U.S. in coming days or weeks?

MR PRICE: So the travel advisory – and you know this; I think we discussed this in a recent briefing – but as you know, the State Department recently adopted the CDC framework when it comes to our travel advisories. And so that's why many countries – I believe 80 percent of countries around the world – are now at Level 4 Travel Advisories. It is a consequence of the State Department adopting that uniform approach that the CDC uses.

So when it comes to our guidance to Americans in India, that did not change. What did change was the ability of American family members to depart India on a voluntary basis should they choose to do so. My understanding is that commercial travel continues, commercial flights continue to take off and land in India. When it comes to any travel restrictions, as you know, that is something that is determined in close coordination and under the advice of public health

professionals at CDC and HHS.

QUESTION: But if those flights were under consideration to shut down, it would obviously be up to the State Department to give Americans heads up that that was a possibility. So given that you guys haven't issued any of those warnings, should we assume that no shutdown of those flights is anytime imminent?

MR PRICE: Again, that's not for me to speak to. I wouldn't read anything beyond – read anything into the updated travel advisory that you saw today. Again, my understanding is that those commercial flights continue to take off and land. Any changes to entry requirements or restrictions would be dictated by public health and in coordination with medical professionals and CDC.

QUESTION: And the State Department would give Americans heads up well in advance of that?

MR PRICE: The State Department as a regular course communicates with Americans around the world through our embassies.

QUESTION: When you said you adopted the CDC standard, I just want to make sure, that's just for like health and diseases?

MR PRICE: That's correct. That's correct.

QUESTION: Because the CDC is good at that, but they don't – maybe not know so much about the political ramifications.

MR PRICE: Well, and some 80 percent of countries around the world are at this Level 4 precisely because of public health concerns.

QUESTION: For disease reasons.

MR PRICE: That's right.

QUESTION: But you're still doing – you're still factoring your own metrics into – for violence, or —

MR PRICE: Of course. Of course. Yes.

QUESTION: A quick follow-up on India. Do you know when the CDC is sending its team of officials to the U.S. Embassy in Delhi?

MR PRICE: As quickly as possible – as soon as possible, I should say. The CDC team was mentioned in the White House fact sheet, as you know. I know they will be engaging as quickly as possible, but I'd have to refer you to the CDC for specific details.

Yes.

QUESTION: Thank you.

QUESTION: Thank you, sir. My name is Nazira Azim Karimi. I'm an Afghan independent journalist. As you know, sir, nowadays Afghanistan has a sensitive time. Afghan women, they are very worried, although they have a lot of achievement. This is a few example that I brought with myself. And they are really under bad situation psychologically. Can you give me some details, short information that – what will be their situation in future? They are really worried about their future.

And also, Istanbul conference for peace process – as you know, Taliban postponed it, and it look that Taliban is more powerful now. Istanbul conference will take place or not?

MR PRICE: Well, when it comes to the Istanbul conference, we've heard from the organizers that they would – it's unlikely to take place during the month of Ramadan, but would need to refer you to the organizers for updates when it comes to that.

When it comes to women and girls – and thank you for those illustrations – as you know, Secretary Blinken traveled to Afghanistan shortly after President Biden – within hours of President Biden's speech from the White House. And, of course, while there we met with President Ghani, we met with Chairman Abdullah, but importantly, we also met with representatives of civil society. And there were some half dozen or a couple more participants in that meeting, all of – all but one of whom were women, women who had been at the front lines of the gains that the Afghan people – the hard-won gains, I should say – that the Afghan people have achieved over the past 20 years.

And Secretary Blinken determined that it was especially important for him to – not only to go to

Afghanistan but to meet with representatives of civil society and with Afghan women, precisely to send the signal that even as we withdraw militarily from Afghanistan, our partnership with the people of Afghanistan will endure. We have made clear that any country that seeks international legitimacy, that wishes not to be a pariah, needs to respect women and girls, and that includes any future government in Afghanistan. The United States will continue to provide support through the Department of State, through USAID for the important programs that have supported many of, again, the hard-won gains of Afghanistan's women and girls over the past 20 years.

As you know, we are continuing to have a diplomatic presence on the ground in Afghanistan. That's especially important as an element of that enduring partnership with the people of Afghanistan going forward.

QUESTION: Can I follow up on that?

MR PRICE: Yes.

QUESTION: Thank you.

QUESTION: Can I follow up?

MR PRICE: Yes. Oh, sorry, I didn't see who it was. Yes.

QUESTION: Yeah, sorry. There's news today that the U.S. troops are beginning to withdraw. I wonder if you can describe the situation at the embassy. Has the drawdown there begun?

MR PRICE: So I would need to refer you to the Department of Defense to speak to the drawdown of troops, but the broad point is that – and President Biden laid this out in his speech – that the only military presence that will remain in Afghanistan is the very limited presence required to protect our embassy, and that's important for the reason I was just discussing. Even as we disengage militarily from 20 years of military involvement in Afghanistan, our presence on the ground will remain through our embassy, through our civilian representatives, including our diplomats.

The – as you know, there was an announcement earlier this week that we will be relocating some personnel from Kabul. These are personnel who can do their jobs elsewhere. It is a repositioning

of personnel that will allow us to place them elsewhere and also to bring in additional personnel who will be able to help manage the drawdown and the implications that has for our embassy presence and for those who will be able to help be the conduits, the diplomatic conduits to the government and the people of Afghanistan going forward. As we mentioned, this was a drawdown order that affects only a relatively small number of diplomats who are based at our embassy in Kabul.

Yes.

QUESTION: Thank you. It's a hundred days into this administration, and among ambassadorial appointments, only a handful has been nominated and none from the larger missions, I guess with the exception of the UN. Why is the process going so slowly? And does that create a void or a vacuum in your stated efforts to repair the damage, the diplomatic damage of the last four years?

MR PRICE: Well, I'd make a couple points. As you know, there have been 11 ambassadors put forward – nine career ambassadors, two political ambassadors; those two political ambassadors being Ambassador Linda Thomas-Greenfield at our mission to the UN and Chris Lu, who would hold another position at our mission to the UN. But even as – even for those posts that do not yet have a nominee, we are incredibly fortunate to have career women and men at the Department of State serving in the function and the capacity of charge. We have – in the course of our travels already, Secretary Blinken has had an opportunity to meet with those individuals, all of whom are, again, career professionals who have years if not, in most cases, decades of experience in the Department of State. So it's not that there is a leadership vacuum anywhere in the world here, not here at Main State, not anywhere around the world. And those charges will continue until they, in some cases, have a confirmed ambassador in place to serve and to serve exceptionally well.

QUESTION: Any reason, though, for the slowness of the process?

MR PRICE: Well, it's – as you know, this is a process that is handled by the White House, by the Presidential Personnel Office. It's an office that not only oversees nominations for ambassadors here at the Department of State but appointees and nominees throughout the Executive Branch. So they clearly have a lot of work. As we've said before, we've – the White House has put forward nearly a dozen nominees for ambassadorial positions. That's in addition to the nominees that have been put forward for other positions here at State, including assistant secretary and under

secretary positions as well.

So there has been good progress that we've already seen, and I expect you'll be hearing more from President Biden and from the White House when it comes to personnel announcements going forward.

Yes.

QUESTION: Ned, can I just make a point that what you've just said in the terms of the career people, that there's no dearth of leadership experience or – that when the previous administration had the same – made the similar argument about lack of ambassadors or lack of people, that people – many people who are involved in this administration, including, I believe, yourself – were pretty dismissive of that argument, scoffed at it, saying people are being sidelined and that kind of thing. And so I'd just like to make the point that the same explanation you just gave or the same reasoning was not well received by people in the current administration, political, when it was made by the previous administration.

MR PRICE: Well, I'd be interested, perhaps in another venue, in hearing exactly what remarks you're referring to. But I think you may be referring to efforts to sideline individuals rather than nominate individuals in the first place, but that may be for another venue.

Yes.

QUESTION: Thank you. I have a couple of questions, but I would start by Iran. A team of U.S. officials is traveling to the Middle East this week for talks with U.S. allies there. Can you share any information on who from State Department would participate in those talks? What are the main stops of the U.S. delegation? And is that part of paving the ground from now for a potential deal with Iran that would come within weeks, as predicted by the Israeli ambassador here in Washington?

MR PRICE: Well, we don't have details to share at this point. What I can confirm, however, is that a senior interagency delegation will be traveling over the coming week to discuss a number of important matters related to U.S. national security and ongoing efforts to de-escalate tensions in the Middle East. I suppose I would hasten to add that this delegation is not focused on any one issue, certainly not focused just on Iran and anything that may emanate from the ongoing discussions in Vienna.

When it comes to those discussions in Vienna, I would use this as an opportunity to make the point that we are now in the third round of what promises to be a multi-round exercise. It continues to be a venue that – where we've been able to engage indirectly with the Iranian delegation in largely thoughtful, businesslike, constructive dialogue. But there is still a great distance to travel, and what we have said before about having more road ahead of us than road behind us remains accurate.

QUESTION: But there are positive signs from everyone. All the parties that participate in those talks agree that there is sort of breakthrough. So is it fair to say that a deal is within reach?

MR PRICE: It is fair to say that some progress has been made. We have a better understanding of what we might need to do were Iran to go back into compliance, and it is our assessment that the Iranians have a better sense of what they would need to do to resume their compliance with the JCPOA. But that remains a hypothetical; it remains an if. And big challenges remain. I think it is fair to say that we are not on the cusp of any breakthrough, and again, there is a potentially long road ahead of us.

I think since you raised it, I would just make the point that there has been a heavy focus on what the United States might need to do were Iran to resume its compliance with the JCPOA. I think what is often omitted from that discussion is the other side of that equation, and that is what Iran would need to do to resume its compliance with its commitments under the 2015 nuclear deal. The fact is that Iran's nuclear program has been galloping ahead since the previous administration left the nuclear deal in 2018. Iran, as of recently, had 10 times the amount of enriched uranium permitted under the deal, and it has made more ever since that assessment came down. It is spinning cascades of advanced centrifuges that are prohibited by the deal. Its breakout time, which, as you may recall, was at a full year when the deal was in effect, is by most accounts now a matter of months. So it is fair to say that this is a crisis that we inherited. This was a crisis that was precipitated by both sides distancing themselves from the Iran deal.

If Iran were to resume its compliance with the nuclear deal, it would, of course, require Iran to significantly roll back its nuclear program and once again block every conceivable pathway to a nuclear weapon. That is precisely what the JCPOA did. It set forth in verifiable and permanent terms restrictions that would permanently prevent Iran from acquiring a nuclear weapon. That's what is at stake here for us. That remains our ultimate objective, to see Iran's pathways to a

nuclear weapon once again permanently and verifiably blocked.

QUESTION: I believe Iran was the main topic of discussion today, in today's meeting between Secretary Blinken and U.S. officials including the chief of Mossad and the Israeli ambassador in Washington. Can you share any readout of this meeting, please?

MR PRICE: I don't have any such meeting to confirm or to read out. What I will say, however, is that we have been in close contact with our Israeli counterparts. As you know, Jake Sullivan met in Washington with Israeli National Security Advisor Meir Ben-Shabbat earlier this week, where, of course, Iran was on the agenda. Rob Malley was – briefed the group for part of that. We have, as you heard from State Department officials, updated our Israeli counterparts before every round of negotiations, after every round of negotiations, and we've been consulting with them during these negotiations as well.

So we have conducted ourselves with a great deal of transparency, knowing that the United States and Israel share a common interest here, of course, and that is seeing to it – again, as I said before – that Iran is verifiably and permanently prevented from acquiring a nuclear weapon.

QUESTION: But Iran also welcomed what it called the change of tone from Saudi Arabia. How would this conciliatory tone between the two sides affect the so many crises in the region, including Yemen, with the fourth visit of the Special Envoy Tim Lenderking to the region?

MR PRICE: Well, I wouldn't want to characterize the tone that may be heard from Iran, or heard from Riyadh for that matter. But since you raised it, as you heard from us last night, Special Envoy Lenderking is, as of today, in Saudi Arabia. He'll also travel to Oman on this trip. He's meeting with senior government officials and is always working closely with the UN Special Envoy Martin Griffiths as part of this. His discussions are focused on ensuring the regular and unimpeded delivery of commodities and humanitarian assistance throughout Yemen, and of course, promoting that lasting ceasefire and advancing that political process that we've invested in since the earliest days, earliest hours even, of this administration.

QUESTION: And lastly, the Iraqi News Agency quoted the Iraqi oil minister, Ihsan Abdul Jabbar, as saying that his country intends to import gas from Syria, without giving details. But he was speaking after a meeting with his Syrian counterpart. I'm wondering if you are aware of those reports and if such move would violate the U.S. sanctions on al-Assad regime.

MR PRICE: We'll see if we can get you a response there

MR PRICE: Well see if we can get you a response there.

Shaun.

QUESTION: Can we stay in the region? Just in the past few hours, Palestinian Authority President Abbas saying that Palestinian elections can go ahead if there's voting in Jerusalem, in East Jerusalem. Does the U.S. have any position on – first of all, on voting in Jerusalem, whether that should go ahead again this time and whether the Palestinian elections should be held on schedule?

MR PRICE: We do have an opinion, and it's our opinion, as we have always said, that the exercise of democratic elections is a matter for the Palestinian people and for the Palestinian leadership to determine.

QUESTION: But the vote in Jerusalem —

QUESTION: Well, it sounds like you don't have an opinion at all.

MR PRICE: Well, no. It is actually an affirmative position. We believe in an inclusive political process —

QUESTION: And that's what the Bush administration said when there was an election in Gaza, too.

MR PRICE: Well, so it —

QUESTION: Look – and look how that – so —

MR PRICE: It continues to be our position that democratic elections are a matter for the people and the Palestinian leadership to determine. By the way, that happens to be our position on elections around the world. We never dictate when it comes to elections, when it comes to the outcome of elections.

QUESTION: So it's okay if it's not democratic?

MR PRICE: I'm sorry?

QUESTION: So it's okay if the election isn't democratic, too?

QUESTION: So it's okay if the election isn't democratic, too?

MR PRICE: Free and fair is —

QUESTION: When it comes to democratic elections, we think it's up to the people. I mean, don't you want — shouldn't they always be democratic?

MR PRICE: I —

QUESTION: So if the Palestinian —

QUESTION: About voting in Jerusalem? Sorry.

QUESTION: If the Palestinian leadership decides it wants to hold elections in Jerusalem, they should be allowed? It should happen, is what you're saying? Or no?

MR PRICE: It is a matter for the Palestinian leadership and the Palestinian people to decide.

QUESTION: They decide, and if they want it, they should have it.

QUESTION: Not Israel.

QUESTION: Not — it's not up to the Israelis.

QUESTION: Yeah.

MR PRICE: It is a matter for the Palestinian people and leadership to decide on the exercise of democratic elections.

QUESTION: And Israel should not interfere? And Israel should not interfere?

MR PRICE: It is a matter for the Palestinian people and leadership.

Yes.

QUESTION: Just one more question about Afghanistan. There is expert talk that Taliban still have relationship with al-Qaida. If they don't disconnect their relationship, what will be the U.S. reaction to the Taliban? And also, based off your opinion, United States win the war in

Afghanistan or lost the war?

MR PRICE: I'm sorry, I didn't catch the last part of your question.

QUESTION: United States winners or they lost war in Afghanistan, or still war continuing —

MR PRICE: Oh, did we win or did we lose the war in Afghanistan?

QUESTION: Yes.

MR PRICE: So the point that I think is critically important to understanding this administration's position, what President Biden laid out, is the very simple fact that we went into Afghanistan together with our partners in 2001, in October 2001, with one goal in mind, and that was to degrade al-Qaida, the al-Qaida presence that was there, the al-Qaida leadership that had directed the attack on the United States on 9/11. Usama bin Ladin was killed more – just about 10 years ago. That is a mission that due to the heroics of our military and other interagency partners we were able to accomplish. It is a mission that was not only accomplished successfully and that was in our interests but also in the interests of all of our partners around the world who had come under threat from al-Qaida that was at the time based in Afghanistan.

So the President made very clear that having accomplished that military mission, it was time for our service members to depart. But again, he was equally clear that even as we withdraw militarily we will remain engaged diplomatically, remain engaged diplomatically with the Afghan leadership and remain engaged diplomatically with the Afghan people.

When it comes to the Taliban, as you know, we spent quite some time studying the agreement that the previous administration agreed to, the stipulation that was in the agreement from the previous administration that American troops needed to be on the way out as of May 1st. We've spoken of the mixed record when it comes to the Taliban in adhering to the agreement. We've spoken to the levels of violence in Afghanistan that remain unacceptably high. And I think the point remains that if the Taliban wants any semblance of international legitimacy, if the Taliban does not wish to be a international, a global pariah, that it must cease any ties with al-Qaida or other terrorist groups.

QUESTION: Thank you.

QUESTION: What makes you guys so convinced that the Taliban fear being a pariah? I mean, they

were pretty much a pariah back in the '90s, and they didn't seem to mind. Do you think things have changed that much that they now are so eager to be a part of the international community that they will change their ways?

MR PRICE: The consequence of being a pariah, of lacking any international legitimacy, is, I think in our minds, the inability to have any durability to that sort of movement. If the Taliban wants to be part of Afghanistan's future, they're not going to be able to do so if they do not respect the rights of women and girls, if they do not sever ties with al-Qaida or other terrorist groups. So it is not only consistent with our values and with our interests that the Taliban do this, but if the Taliban think they have a future in Afghanistan, it's also in their interest.

QUESTION: But the Taliban don't care about what your values are. They care about their values. And I - why are you guys convinced that their values include not being an international pariah when the evidence - strong evidence from the previous time they were in power - showed that they didn't care?

MR PRICE: Because engaging in these sorts of practices or failing to follow through with these sorts of commitments won't afford the Taliban any degree of legitimacy or durability. And I think durability is certainly something that the Taliban seeks to achieve. They would not be able to achieve that absent these steps.

QUESTION: Ned, Russia?

MR PRICE: Russia, sure.

QUESTION: The - Russian Foreign Minister Lavrov said that he's going to attend the meeting of Arctic nations in Iceland. And he said he's ready to meet Secretary Blinken at that location. Does Secretary Blinken feel the same way? Is he open to meeting Minister Lavrov?

MR PRICE: Well, I wouldn't want to get ahead of things. I would make the broader point that in the midst of these very challenging times in the bilateral relationship with Russia, in the context of a relationship that we would like to be both stable and predictable. We know that an ingredient to seeing that through is engagement, should be engagement. That is why we hope and we expect that not all avenues for engagement will be shut off. And that is why you have heard us object to the steps that we've heard from Moscow to limit our diplomatic presence in Russia. We know that if we are to inject some degree of stability, some degree of predictability

into this relationship, there has to be or there needs to be some semblance of engagement. And so that's why President Biden, in his conversation with President Putin the other day, held out the prospect of a meeting between the two presidents in the coming weeks. But when it comes to the upcoming Arctic conference, I just don't have anything to preview at this time.

QUESTION: And the status of the Russian local staff at the missions, is that still in limbo or has that been clarified by Moscow, the status?

MR PRICE: Well, what I will say – and to go back to what I was referencing a moment ago – is that Moscow formally notified the State Department of portions of the additional actions it is choosing to impose on our mission to Russia, but we don't have the full details of that yet. We're in the process of reviewing the measures that have been formally relayed to us. We know that they would have a negative impact on our mission's ability to operate and, again, consequently on our ability to engage diplomatically with our Russian counterparts. And we, of course, do reserve the right to respond.

What we have always said is that the measures that the White House, that President Biden announced the other week – those were not escalatory. Those were a response to the attack on our democracy that we had seen from the Russians; it was a response to SolarWinds. And so that's how we look at it. It is not that we have escalated. And we continue to review the – what the Russians have communicated to us, knowing that we do reserve the right to respond, depending on what we hear and what we assess going forward, but also knowing that, again, we need to keep those lines of communication open if we are to inject some degree of stability and predictability into the relationship.

Yeah.

QUESTION: One other follow-up on Russia. The Secretary yesterday mentioned that he's raised the issue of RFE/RL. Can you be any more specific about what the U.S. wants to see there and how you hope to resolve that?

MR PRICE: Well, media freedom, as we know, is – has come increasingly under threat from Moscow. The Russian Government's long-running campaign against independent media and voices has only intensified in recent months. We've seen, of course, a broad crackdown on human rights and those seeking to achieve a greater degree of inclusiveness and participation in Russian society, only to see the Russians attempt to quash that

Russian society, only to see the Russians attempt to quash that.

For more than 70 years now, RFE/RL has been a vital source of objective news and information for the people of Russia and an important link between our two countries. As Secretary Blinken said, he has raised this issue with Foreign Minister Lavrov. He and other officials have called on the Russian Government to reconsider its actions against RFE/RL and we have heard – we’ve been gratified to hear statements from some of our international partners joining that call.

Unfortunately, the Russian Government is increasingly intolerant of outside perspectives. We’ve made clear that Russia’s actions against RFE/RL and other media organizations labeled as so-called foreign agents reflect significant intolerance and oppressive restrictions. We’ll continue to raise this case, the case of RFE/RL, freedom of expression within Russia more broadly, and human rights more broadly as well with our Russian counterparts. Should the Russian Government continue to move to forcibly shut down RFE/RL, we will respond.

Yeah, Shaun.

QUESTION: Different topic. Haiti. This week, Chairman Meeks wrote a letter saying – basically quite critical of policy currently on Haiti. One of the more specific things he was saying is that the U.S. shouldn’t support the constitutional referendum that’s coming up. I know that generally you don’t want to respond to everything from the Hill, but in this case does the United States still support the – or does the United States support the constitutional referendum in Haiti?

MR PRICE: Well, you’re right, we don’t comment on correspondence from the Hill. But let me just give you a sense of our view of this, and that is that holding overdue elections are the democratic means to end Haiti’s irregular and prolonged rule by decree, and to restore the legislature’s role in Haitian democracy. Presidential elections scheduled for the fall of this year are necessary to transfer power peacefully and on a timely basis from one democratically elected leader to another. We have repeatedly stated that constitutional reform is for the Haitian people to decide. We’ve emphasized – and this goes back to part of your question – that the U.S. Government – we’ve emphasized to the Government of Haiti that the U.S. Government will not provide financial support for a constitutional referendum.

QUESTION: Will not support the constitutional referendum?

MR PRICE: Will not, for a constitutional referendum.

QUESTION: Do you oppose it being held or is it just a matter of U.S. support? It is – again, when it comes to those moves, these are for the Haitian people to decide. But when it comes to that referendum, it is not something that we will provide financial support for.

QUESTION: Ned, why is it necessary in Haiti for presidential elections to transfer power peacefully and not for the Palestinians?

MR PRICE: As we said, this is for the —

QUESTION: You just said – you said you didn't – you said that that's up to the Palestinian people. Well, in Haiti, you say that these are necessary. Why aren't elections for the Palestinians necessary?

MR PRICE: We are talking about the timing of the Palestinian elections. That is for —

QUESTION: We're also talking about the timing – have been talking about the timing of the Haitian elections.

MR PRICE: This is written into – this would be consistent with what is called for in Haiti. I —

QUESTION: Yeah. The Palestinians haven't had an election in 15 years.

MR PRICE: I don't think you can compare two countries. In some cases, we're going to have —

QUESTION: You made a blanket statement.

MR PRICE: — apples and oranges.

QUESTION: But you made a blanket statement that elections are up to the people.

MR PRICE: But there are also key differences between the contexts in Haiti and with the Palestinian Authority.

I saw one final question. Yes

QUESTION: Yes. On Svria, what would the U.S. Government do in order to revive the political

process, in order to counter the fact that President Assad may be in the power for another seven years? And would the U.S. consider nominating special envoy to lead those efforts?

MR PRICE: Well, I don't have any personnel announcements to preview at this time. What I would say is that per UN Security Council Resolution 2254, steps should be taken towards convening free and fair elections, very importantly, pursuant to a new constitution administered under the supervision of the UN, in which all Syrians, including internally displaced Syrians, displaced Syrians, refugees, and the diaspora might be able to participate. We believe that stability in Syria and the greater region is best served through a political process that produces peaceful outcomes in Syria. We are committed to working with allies, partners, and the UN to ensure that a durable political solution remains within reach.

Even as we do that, we are also doing everything we can, and you heard from Secretary Blinken himself, to provide humanitarian relief to the people of Syria who have suffered so immensely under the brutal repression, the brutality of Bashar al-Assad. We've spoken to our commitments to the tune of hundreds of millions of dollars, not only providing that aid but also seeking to provide humanitarian access to ensure that that aid can reach those most vulnerable and those in need. We have done that in the face of resistance, including within the UN Security Council. We continue to work on this issue just knowing how vitally important it is to the wellbeing of the Syrian people.

Thank you very much, everyone.

QUESTION: Thank you.

(The briefing was concluded at 3:36 p.m.)

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★ ★ ★

Briefing With Acting Assistant Secretary for European and Eurasian Affairs Philip T. Reeker and International Organization Affairs Senior Bureau Official Erica Barks-Ruggles on the Secretary's Upcoming Travel to the United Kingdom for G7 Meetings and Ukraine

SPECIAL BRIEFING

PHILIP T. REEKER, ACTING ASSISTANT SECRETARY FOR EUROPEAN AND EURASIAN AFFAIRS

VIA TELECONFERENCE

APRIL 30, 2021

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MS PORTER: Good afternoon, everyone, and thank you for joining us. Welcome to today's briefing to preview Secretary Blinken's upcoming trip to London and Kyiv, Ukraine, which we announced officially this morning. One reminder before we get started: This briefing is on the record, however the contents are embargoed until the call is complete. A transcript of this call

will also be posted on our website, www.state.gov.

Our briefers today include Senior Bureau Official, Ambassador Erica Barks-Ruggles for the Bureau of International Organization Affairs, who will brief on the G7 portion of the trip that will take place in London, as well as Acting Assistant Secretary Philip Reeker for the Bureau of European and Eurasian Affairs, who will brief on the UK bilateral aspects and the Ukraine portion of the trip.

So first we will start with our briefers, and then I will take your questions. I'll now hand it over to Senior Bureau Official Barks-Ruggles to begin on the G7 portion. Madam Ambassador.

AMBASSADOR BARKS-RUGGLES: Thank you, Jalina. I'm very happy to be on this call with you and with my colleague, Acting Assistant Secretary Reeker. I'm Erica Barks-Ruggles, the Senior Bureau Official for the Bureau of International Organization Affairs. The administration has plainly stated that domestic and foreign policy goals are inextricably linked, that multilateral organizations are crucial platforms where we can carry out our policies, and that we will represent American interests in these institutions where international rules and relationships are forged.

This coming Sunday, Secretary Blinken is traveling to London to participate in the G7 Foreign and Development Ministers' Meeting at the invitation of the UK, which holds the rotating presidency of the G7 this year. We are very excited for the Secretary to attend in-person meetings after the interruptions caused by the pandemic last year and also to be hosted by our close ally, the UK.

On this call I'd like to preview some of the themes that will be discussed at the G7 and run down the schedule, then I'll turn things over to my colleagues to discuss other aspects of the trip as stated. At the end, we'll all take some questions.

On the agenda for this year's G7, it will be filled with weighty issues, including COVID-19, economic recovery and growth, the climate crisis, human rights, food security, gender equality, and more. The list of challenges is long, but our partnerships are deep and strong to tackle these challenges.

Our approach to responding is just as important, in fact, as the challenges themselves. We'll discuss geopolitical challenges from the perspective of collaborative and multilateral strength. We will affirm the values our nations share, such as media freedoms and how to protect them.

We will discuss a sustainable recovery from the pandemic and how to develop greater resilience going forward.

The pandemic and the climate crisis are the latest reminders that we are bound together in a global community. Our history of shared values with our G7 partners will be a firm base as we work to meet these global challenges.

I'll now move to the Secretary's schedule.

The Secretary will arrive in London on Sunday evening, May 2nd.

On Monday, May 3rd, the day's events will be filled with meetings with counterparts from the UK, Japan, the Republic of Korea, South Africa, and Brunei, which is attending the G7 in its capacity as Chair of ASEAN, the Association of Southeast Asian Nations.

The day will conclude with a G7 welcome dinner in which the group will discuss some of our key geopolitical challenges.

On Tuesday, May 4th, the G7 meetings will begin with a session on China to discuss how we can work closely with our allies and partners to address our collective challenges from a position of strength.

This will be followed by sessions covering geopolitical issues of mutual concern.

And Tuesday's schedule will conclude with a G7 dinner, including guest countries, in order to discuss the Indo-Pacific. The guest countries will include Australia, India, the Republic of Korea, South Africa, and Brunei.

The meetings on Wednesday, May 5th will be largely G7 and guests, beginning with a discussion of Open Societies, a theme proposed by the UK which includes media freedom, cyber governance, disinformation, and the shared values that help our nations thrive.

This will be followed by two afternoon meetings under the frame of Sustainable Recovery as we build back better from the pandemic. The meetings will cover Vaccines and Health and then Girls' Education, Climate, and Food Security.

USAID Administrator Samantha Power will join the two Sustainable Recovery sessions. During the Sustainable Recovery sessions, the G7 Ministers will endorse the Girls' Education Declaration and the Famine Prevention and Humanitarian Crisis Compact.

That concludes the schedule of events for the G7.

I will now turn to my colleague, Acting Assistant Secretary Ambassador Phil Reeker of the Bureau of European and Eurasian Affairs. He'll discuss the UK bilateral and Ukraine portions of the trip. Over to you, Ambassador Reeker.

AMBASSADOR REEKER: Thanks very much, Erica, Ambassador Barks-Ruggles. Obviously, as the ambassador indicated, while in London for the G7 Foreign and Development Ministers' Meeting, the Secretary is going to take advantage of this opportunity to engage directly with a number of allies and partners on some of the key challenges – broadly speaking, of course, international security issues, COVID-19, and then rebuilding the global economy, particularly as we emerge from the pandemic. In these engagements, Secretary Blinken will affirm the strong bonds between our countries and among allied countries, and the imperative to work together to advance our shared priorities on global issues.

As Ambassador Barks-Ruggles indicated, Secretary Blinken will hold bilateral meetings with the UK, including with Foreign Secretary Raab and with Prime Minister Boris Johnson, and then a variety of other leaders and European partners to discuss key priorities and shared challenges, including Russia, China, climate change; as already mentioned, the COVID-19 pandemic; promoting human rights and using this international stage of the G7 to talk that whole range of issues. The meetings, of course, are an opportunity to discuss shared efforts, from my vantage point, of course, to strengthen the transatlantic alliance and cooperation in the face of so many of the challenges that we have, but also the opportunities of the present and the future.

Then following time in the UK, the Secretary will travel on to Kyiv, Ukraine, May 5 through 6. While there, he'll meet with President Zelenskyy. This will be their first time to meet, as well as with Prime Minister Shmyhal and the Minister of Foreign Affairs Kuleba, who he met previously in Brussels just a few weeks ago. He'll also meet with representatives of Ukrainian civil society and parliamentary representatives. And Secretary Blinken will reaffirm unwavering U.S. support for Ukraine's sovereignty and territorial integrity, especially in the face of ongoing Russian aggression. He will also encourage more progress on Ukraine's institutional reforms and the

aggression. He will also encourage more progress on Ukraine's institutional reform and the

anticorruption agenda. There is a lot of hard work to be done to ensure a brighter future for all Ukrainians.

I think this goes perfectly in hand with the broad goal of this administration in terms of what we've done already and continuing to do and underscoring how our partnerships and alliances are key to advancing our mutual goals and promoting shared values.

The Secretary will highlight the steps we've taken to build those friendships and partnerships in the first 100 days of the administration. The institutions and the relationships, I think, are even more vital as we take on some of the evolving challenges in what is a very changing world. The G7 meeting, of course, provides a crucial forum to discuss our progress and aspirations with likeminded partners and with allies and as we work together toward even greater global security and economic prosperity.

Why don't I stop there in terms of the overview remarks, and I'll pass it back to Jalina to take some questions. Thanks.

MS PORTER: Thank you. Let's go to the line of Matt Lee.

QUESTION: Hi there. Thank you. I hope you can hear me before this massive storm hits us in, like, 10 minutes. Phil, I guess these are for you, because they have to do with the bilateral stuff, although I would like to know in terms of the G7 when Ambassador Barks-Ruggles was talking about geopolitical issues of mutual concern, I presume that means – after the China session, I presume that those geopolitical issues are, like, Afghanistan, Russia, but correct me if I'm wrong.

For Phil, I'm sorry I'm going to be missing this trip, because the cast of characters involved and surrounding it are interesting to say the least. My first question is: One, in London, in – I presume that the Secretary or other officials will meet with the Germans, and I'm wondering how strong or how high on the agenda Nord Stream 2 will be – potential sanctions.

And two, on Ukraine – well, actually, is Toria going to be in London or is she just going to be in Kyiv? And then in Kyiv, since she is expected to be there and given the fact that she's not exactly the most beloved person by Russia, how do you see the anticorruption message, particularly given Ned's comments at the top of yesterday's briefing on the energy company, playing into this, particularly because of the FBI raid on Rudy Giuliani and the fact that the whole idea of Ukraine

corruption has kind of popped up again after impeachment one. Thanks.

AMBASSADOR REEKER: That was a mouthful, Matt.

QUESTION: Yes, sorry.

AMBASSADOR REEKER: Let me first say that in terms of Under Secretary Nuland, whom we welcomed back to the department today, I'll have to check on her travel plans exactly. I must admit I'm not fully up to date on that but we can certainly get back to you on that. I don't know if Erica would like to go on the short question related to G7 particularly, and then I can address some of the others.

AMBASSADOR BARKS-RUGGLES: Sure. Just very quickly, when we say geopolitical issues, that means the whole suite of issues that are out there, including obviously COVID is high on the agenda, but also the two topics you stated, and there's a whole host of other issues, including Syria and other things that are – that we assume will be discussed that are things that we discuss regularly with our G7 partners. Back to you, Phil.

AMBASSADOR REEKER: Thanks, Erica. Certainly, you mentioned Germany, Matt, and I do expect that Foreign Secretary Raab – excuse me, Foreign Minister Maas will be there as Germany is a member of the G7. So clearly, they'll be part of the G7 meetings themselves and I think we will meet separately with the Germans in a bilat format. Nord Stream 2 remains an issue. You've heard that from the President, from the Secretary, from the spokesman. And we will continue to make very clear to the Germans our views of that project, that it should stop, the laws that we have in place, and, of course, we have a lot of other issues to discuss with Germany as well. And so we will have the standard range of bilateral discussions on that.

In terms of Ukraine, you rightly noted the spokesman's remarks and concerns about recent steps there in terms of the Cabinet of Ministers' actions to manipulate some of the existing regulations and dismissing the supervisory board and replacing the management of Ukraine's leading energy company – that's NAFTAGAS. For us, we've stressed for many years in our efforts to help Ukraine that the key reforms in terms of transparency, in terms of fighting corruption are what will be most important to Ukraine's stability and future progress. And any attempt to change governance and the selection procedures at government agencies is troubling. Corporate governance is a critical part of a stable democratic society, and we will continue to call on Ukraine's leaders and representatives to respect transparent corporate governance practices,

particularly in the management of state-owned enterprises and particularly in the energy sector, which is so important in its economy.

I think you're aware, Matt, that energy security assistance to Ukraine has been a U.S. Government priority. If I recall correctly, it's over \$110 million that the United States has committed in terms of assistance to strengthen Ukraine's energy security. That ties into the Nord Stream 2 issue that you raised earlier. I think others in the international community, other friends of Ukraine's across Europe, and including the International Monetary Fund, have also expressed concern about some of those steps. So clearly this will be on our agenda when we meet with President Zelenskyy and other officials. We look forward to hearing from others in Ukraine involved in anticorruption efforts. That will be, I think, important. Some of the same messaging we've had in the phone calls, we've had at a variety of level levels, and I don't think that needs to tie into U.S. domestic issues per se. We're focused on helping and supporting Ukraine and the people of Ukraine and achieving the kind of Euro-Atlantic-Western integration that they have specified as their path forward. And again, I think focusing on anticorruption and transparency and good governance is critical to that effort.

MS PORTER: Let's go to the line of Andrea Mitchell.

QUESTION: Thank you so much, and thank you, Phil. Regarding Ukraine, let me follow up on that. Will the Secretary be meeting, when he meets with members of civil society, with some of the anti-reformers there who were active against Giuliani as well? And is he coming with answers to any kind of a military wish list for new defensive or offensive weapons that Ukraine may feel it needs in response to the recent moves by the Russians vis-a-vis regional troop presence and – so the weaponry that was left behind.

AMBASSADOR REEKER: Thanks, Andrea. On – in terms of security assistance, as you know, we have provided significant security assistance, both lethal and nonlethal, to Ukraine. And I believe Congress has earmarked some 408 million in Fiscal Year 2021 for security assistance for Ukraine. I'm sure that will come up in our conversation. It's part of our regular engagement between our embassy and between those of us who are in regular contact with Ukrainian officials.

Your first question, in terms of who the Secretary is meeting, I don't have with me lists of the participants specifically in what we expect to be a roundtable involving and focused on reform and anticorruption. "We sure will" be able to return the names of the civil society activists

and anticorruption. I'm sure we'll be able to get you the names of the civil society activists,

probably include representatives from AMCHAM, the American Chamber of Commerce. And, of course, there have been many who have been targeted with intimidation and harassment for their activism on this important issue. In terms of specific names, I'll just wait until we're more sure and I'm sure we can get those for you.

MS PORTER: Let's go to Barbara Usher.

QUESTION: Thank you. This is a bilateral question. This is a trip to the G7, of course, but it's also Secretary Blinken's first trip to the United Kingdom, and President Biden is also going to be making his first overseas trip to the UK as well as Europe. What are the priorities from the U.S. side with regards to the relationship with the UK?

AMBASSADOR REEKER: Thanks, Barbara. Yes, you're absolutely right; this is the Secretary's first trip or, I should say, his first trip as Secretary to the UK and, I think as Erica noted at the beginning, I know he's very pleased that we're able to start traveling more given the various COVID protocols.

Obviously, the United States has no closer ally than the United Kingdom. You're very aware of the exceptional partnership, the Special Relationship that we have that's born of common values and renewed, frankly, on a daily basis through cooperation on a range of joint security and economic issues, global issues, as we've talked about and will be the focus of the G7 conversations. But all of that is the foundation of our mutual prosperity and security. Obviously, we are NATO Allies, original founding members of the North Atlantic Treaty Organization, and we and the United Kingdom work together through a host of multilateral institutions. We're also permanent members together of the UN Security Council and, like the G7, we use all of these platforms and institutions to advance democratic values and the rule of law throughout the world, promoting the set of institutions and rules and norms that were developed in the post-war period that have led us to the period of great stability, certainly in the transatlantic space and the – and increased prosperity.

I'd just add that our close economic ties have been important and brought great prosperity to both nations. I think two-way investment, direct investment between the United States and the United Kingdom is more than \$1.3 trillion, and so the chance to visit in person is always a nice way to reaffirm that, take a look at some of these issues together. Obviously, we have a long

history with this, and as you noted, the President will have a chance to go to the UK as well for the G7 summit coming up in June.

So plenty to talk about there, whether it's climate or COVID and the continuing recovery from that. The Secretary's had a chance to meet with Foreign Secretary Raab on a number of occasions in multilateral fora at the NATO ministerial and again at NATO just a couple weeks ago. They've had video conferences and numerous phone calls. It would be great to be able to see each other in person.

MS PORTER: Let's go to Nick Wadhams.

QUESTION: Thanks very much. My question is – two parts. One, on the G7 summit, do you anticipate that some of the themes the President outlined in his speech on this notion of democracies versus autocracies will come up? And what's your response to concerns from some European countries and some in Asia that the U.S. is essentially asking them to pick a side between the U.S. and China or the West and China?

And then second, on Ukraine, just to follow up on the corruption issue, given all that's happened and this NAFTAGAS imbroglio, is that leading to a broader assessment or reassessment about the Zelenskyy government's commitment to fighting corruption? Are you concerned that he's turning away from some of the promises that were the whole reason he got elected? Thank you.

AMBASSADOR REEKER: Erica, do you want to take the G7 one and then I can come back on Ukraine?

AMBASSADOR BARKS-RUGGLES: Sure, yeah. So on the issue of China, obviously, that is on the agenda, as I discussed at the beginning. And the President has been – and the Secretary have both been quite clear that our relationship with China is going to be competitive where – when it should be and it will be collaborative when it can be, and it will be adversarial when it must be. But the common denominator throughout here is engaging China from a position of strength, and that includes the strength that comes from alliances and partnerships, and our goal is not to have an us versus them or to make allies pick and choose.

Our goal is to uphold the rules-based international order, which has helped keep the peace for the last 70 years. The efforts by the PRC to really challenge the rules-based order – on economic

values, on human rights, on the governance structures of the UN and other places – is something that we and our allies need to talk about and we need to work on, and we need to strengthen those institutions and reinforce the democratic values-based system upon which we have built peace, security, and prosperity for the entire world for the last 70 years.

And so yeah, we're going to have those conversations, but it's not a pick-and-choose conversation. It's a how do we work together to strengthen the institutions upon which we all rely and where we all work to make sure that our core values remain the core values of the international system upon which we all depend. So I think that's the frame on which we'll be talking.

Over to you, Phil.

AMBASSADOR REEKER: Thanks, Erica. I mean, some of that kind of pertains also to the broad message in engaging Ukraine, as we do other partners. More specifically to your question, as we alluded to earlier, our concerns about good governance and the transparent corporate governance reflects that same set of values. I mean, we support Ukraine's chosen European path. It's very much what the Ukrainian people have focused on in terms of their almost 30 years of independence now, and we worked with them to push for progress on fighting corruption and implementing reforms.

I think President Biden underscored that in his conversation with President Zelenskyy. Certainly, in our meetings with Foreign Minister Kuleba, Secretary Blinken has underscored that. And we've looked together – that's how – what we use these meetings for – at areas where we can highlight concerns but also the things that we believe are going well and hear from the Ukrainian side on their plans and where we can help through our assistance programs, through our advice. And that's what we'll continue to do. We will certainly, as I said earlier, underscore the call on Ukrainian leaders to respect the transparent corporate governance practices in terms of management particularly of state-owned enterprises. And that applies, of course, to the energy sector as well.

MS PORTER: So I want to be conscious of the time. We have about a minute left. We can go to the line of Shaun Tandon. Shaun, if you have a really quick question, that would be great.

QUESTION: Yes, thanks. I'll try to be quick. Could I follow up on Ukraine? Could I ask for your assessment at this point about what has happened in recent weeks with Russia with the pullback

assessment at this point about what has happened in recent weeks with Russia with the pullback

of troops? Do you see this at all as reassuring, or do you think it could be a facade of sorts? What's the understanding of the U.S.?

And related to that, you talk about support for Ukraine. The issue of NATO membership, obviously that's something that President Zelenskyy has often mentioned. But do you think that's all in the cards for discussion, particularly considering Western Europe – Western European misgivings historically on that? Thanks.

AMBASSADOR REEKER: Thanks, Shaun. I'll try to fit this in in one minute or close to it. Look, in terms of Russia, Secretary Blinken has spoken to the fact that we saw in recent weeks and months – and we certainly addressed this during our meetings in Brussels a couple of weeks ago when Foreign Minister Kuleba had been in Brussels for a NATO-Ukraine Council meeting and the Secretary had an opportunity to meet with him afterwards.

We saw the largest buildup of Russian troops in Ukraine, in Crimea, and along Ukraine's borders, and expressed our concern about that, called upon Russia to de-escalate that. We've seen announcements, of course, and reporting that Russia has begun to withdraw some troops from the borders of Ukraine. We continue to monitor that situation very closely, obviously in touch with Ukraine and with other allies who are concerned about threats to instability there.

We have made very clear in our engagement with the Russian Government that they should refrain from escalatory actions and cease aggressive activity in and around Ukraine as well as in the Black Sea, where Moscow had announced blocking of certain vessels in parts of the Black Sea. Again, this all boils down to reaffirming our support, the United States support, for Ukraine's sovereignty and territorial integrity.

In terms of NATO, I think you're very aware that the Biden administration remains to – committed to ensuring that NATO's door remains open to aspirants when they're ready and able to meet the commitments and obligations. We're committed, certainly, to ensuring that a country like Ukraine can work to meet those standards. Ukraine does an annual national plan every day – every year – an annual national plan that allows it to work with NATO. And they have enhanced operational partnership status, which also gives opportunities. And a lot of that, of course, involves Ukraine continuing to implement deep, comprehensive reforms. Those are laid out in that annual national program, and that's part of the necessary effort in building a more stable,

democratic, and prosperous and free Ukraine. And so we'll continue to work with them in all of those areas.

MS PORTER: With that, we will conclude today's briefing. The embargo is now lifted and thank you again for joining this afternoon.

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Markets

Ukraine Fires Head of Naftogaz, Risks Unnerving Investors

By [Daryna Krasnolutska](#) and [Volodymyr Verbyany](#)

April 28, 2021, 9:59 AM EDT

Updated on April 29, 2021, 4:59 AM EDT

-
- ▶ Naftogaz says dismissal violates corporate-governance reform
 - ▶ G7 'noted' Kobolyev's ouster, urges effective management
-



Andriy Kobolyev *Photographer: Simon Dawson/Bloomberg*

Ukraine's government dismissed the long-serving head of state-run oil and gas company [Naftogaz Ukrainy](#), threatening to complicate talks to access a \$5 billion international bailout.

The cabinet on Wednesday dismissed Andriy Kobolyev, Naftogaz's chief executive officer since 2014, citing a 19 billion-hryvnia (\$684 million) loss last year, according to a statement published on its website. Acting Energy Minister Yuriy Vitrenko was appointed as CEO, while parliament approved Herman Halushchenko as new energy minister on Thursday.

The unexpected move risks unnerving Western donors, including the International Monetary Fund, who've supported Kobolyev and have already been rattled by a raft of reformists departing President Volodymyr Zelenskiy's two-year-old administration.

The Group of Seven countries "noted" Kobolyev's dismissal. "Effective management and governance of state-owned enterprises, free from political interference, is crucial to Ukraine's competitiveness, prosperity, and Ukraine fulfilling its international commitments," G7 ambassadors said Thursday in a tweet.

Kobolyev was the chief architect of an energy overhaul that helped the former Soviet nation to narrow its budget deficit. He also led Ukraine to a multibillion-dollar win in a legal dispute with Russia's Gazprom in 2018. He did face some criticism, however, as heating costs were gradually increased.

"I certainly have complaints about yesterday's cabinet's decisions," Kobolyev said. "Not in terms of my dismissal, but that they're now putting an end to corporate-governance reform."

The company's position is that the move violates the law on Naftogaz, as well as wider corporate-governance rules, Naftogaz spokeswoman Aliona Osmolovska said by phone.

"This breach of corporate-governance standards is likely to create a new point of tensions with international financial institutions and Ukraine's other Western partners," Dragon Capital investment bank said in an emailed report. "Naftogaz is set to experience a turbulent period, as the new CEO is likely to move to rid the management team of Kobolev allies. The prospect of gas prices for households and heating utilities being set below market can't be ruled out either."

(Updates with new energy minister in second paragraph, G7 comments in fourth, analyst in last.)



UKRAINE

EU, U.S. Criticize Sacking Of Ukraine's Naftogaz CEO

April 30, 2021 13:49 GMT

By RFE/RL

Kyiv's Western backers have raised deep concerns over the Ukrainian government's unexpected decision to replace the head of state-owned oil and gas company Naftogaz.

The government said on April 28 that Andriy Kobolyev, Naftogaz's chief since 2014, was dismissed from the post due to "unsatisfactory" results of the company's operations last year, when it posted a loss of nearly \$700 million.

The move threatens to complicate talks to access a \$5 billion bailout from the International Monetary Fund.

Peter Stano, the lead spokesman for EU foreign policy chief Josep Borrell, said Brussels had "serious concerns" over the decision, and called on "the leadership of Ukraine to ensure that the management decisions at state-owned enterprises are taken in full accordance with basic tenets of recognized corporate governance standards."

The U.S. State Department earlier said the "calculated move" showed "disregard for fair and transparent corporate governance practices."

"Unfortunately, these actions are just the latest example of ignoring best practices and putting Ukraine's hard-fought economic progress at risk," spokesman Ned Price told reporters on April 29.

He added that the United States "will continue to support Ukraine in strengthening its institutions, including advancing democratic institutions and corporate governance reforms, but Ukraine's leaders must do their part."

Ambassadors from the Group of Seven (G7) major industrialized nations said in a tweet that “effective management and governance of state-owned enterprises, free from political interference, is crucial to Ukraine’s competitiveness, prosperity, and Ukraine fulfilling its international commitments.”

Kobolyev’s moves toward transparency won him support among Western investors and donors.

He was credited for overseeing an energy overhaul that helped Ukraine to narrow its budget deficit, and leading the former Soviet republic to a multibillion-dollar win in a legal dispute with Russian energy giant Gazprom in 2018.

He also faced criticism for increases of heating costs.

His successor, Yuriy Vitrenko, said on April 30 that Naftogaz will continue to cooperate with international partners and that the company needed to return to profit.

Vitrenko was serving as acting energy minister before his appointment as CEO.

Ukraine’s Western backers tied financial aid to the country to concrete steps to clean up state companies such as Naftogaz, one of the country's largest companies by revenue.

Naftogaz has long been the object of corruption schemes by officials and oligarchs, but the situation began to change after the 2014 upheaval that swept pro-Kremlin President Viktor Yanukovich from power.

With reporting by AFP, Reuters, and Bloomberg



EU, EBRD, EIB, World Bank and IFC concerned at dismissal of Ukraine's Naftogaz leadership

By Olga Rosca (mailto:roscao@ebrd.com)
@olgarosca (<https://www.twitter.com/olgarosca>)

30 Apr 2021

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ЧИТАТИ УКРАЇНСЬКОЮ ([HTTP://WWW.EBRD.COM/EU-EBRD-EIB-WORLD-BANK-AND-IFC-STATEMENT-NAFTOGAZ](http://www.ebrd.com/eu-ebrd-eib-world-bank-and-ifc-statement-naftogaz))

European Union and international financial institutions call for renewed commitment to reforms

The European Union (EU), European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the World Bank and the International Finance Corporation (IFC) have made the following statement:

“We are seriously concerned about recent events at Ukraine’s state oil and gas company, Naftogaz, where the supervisory board has been temporarily suspended in order to dismiss the incumbent management team.

We call upon the leadership of Ukraine to ensure that crucial management decisions at state-owned enterprises are taken in full accordance with the basic tenets of recognised corporate governance standards.

Ukraine has made significant progress in recent years on advancing the corporate governance reform of state-owned companies towards transparency, accountability and independence.

It is imperative to build on this progress to bolster the investment climate and attract much needed private-sector investment in Ukraine.

We are hoping for renewed commitment from the Ukrainian authorities to continuing reforms that will unlock investments, allowing the country to recover and realise its potential.”

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U.S. State Department comments on reshuffle in Naftogaz

13:35, 29.04.21 ECONOMY 1 min. 338



The U.S. authorities say trust in Ukraine depends on appointments in its energy sector.

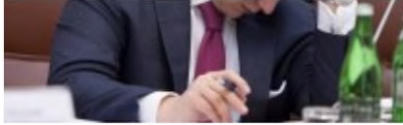


REUTERS

U.S. State Department Spokesperson Ned Price has commented on recent reshuffles at National Joint-Stock Company Naftogaz of Ukraine.

Read also

According to Price, trust in Ukraine depends largely on precisely the observance of the principles of corporate governance,



Cabinet sacks Naftogaz chief Kobolyev

energy sector.

"Respect for corporate governance, transparency, and integrity in energy sector personnel appointments – whether government or state-owned enterprises – is key to maintaining confidence in Ukraine's commitment to reform," he wrote on Twitter on April 29.



Screenshot Twitter

Background



- On April 28, 2021, Ukraine's Cabinet of Ministers dismissed Andriy Kobolyev from the post of Chief Executive Officer of NJSK Naftogaz of Ukraine.
- Also, the government appointed acting energy minister Yuriy Vitrenko as new chairman of Naftogaz's board from April 29, 2021.
- On the same day, Naftogaz issued an official statement regarding Kobolyev's dismissal. It said the decision was a legal manipulation. Along with the dismissal of the Supervisory Board for two days to sack



Translation: [Olena Kotova](#)

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Tags: [USA](#) [Naftogaz](#) [StateDepartment](#) [Vitrenko](#) [Kobolyev](#)

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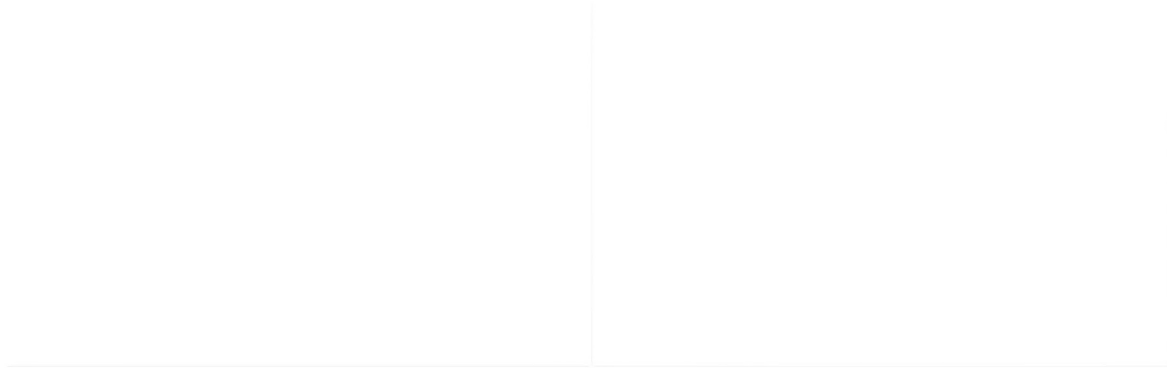
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Back

04.29.2021

Political Interference in Naftogaz Supervisory Board Operations Is a Major Set Back in Corporate Governance Reform

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The recent [Governmental decision](#) to dismiss the Supervisory Board of NJSC Naftogaz of Ukraine for two days in order to make a decision on the dismissal of the Chief Executive Officer and its re-election in the same composition violates the principles of state-owned enterprises' corporate governance, disrupts the role of independent supervisory boards in Ukraine, and undermines Ukraine's agreements with the International Monetary Fund and other strategic partners.

Investors rely on independent corporate governance to protect their investment, and this threatens to jeopardize privatization, public-private partnerships, and any investment in state-owned enterprises (SOEs).

The business community, united by the American Chamber of Commerce in Ukraine (the Chamber), and the Ukrainian Corporate Governance Academy (UCGA), is deeply concerned about the [decision of the Government with regard to the Supervisory Board of NJSC Naftogaz of Ukraine](#).

Drive Ukraine's energy independence with a fully liberalized energy market and reform state-owned enterprises' sector are among the highest priorities for the business. This can't be achieved without accelerating corporate governance reform and strengthening the role of independent supervisory boards.

We stand in solidarity with the U.S. Department of State that "respect for corporate governance, transparency, and integrity in energy sector personnel appointments - whether government or state-owned enterprises - is key to maintaining confidence in Ukraine's commitment to reform".

Good governance of SOEs is critical to ensure their positive contribution to Ukraine's economic efficiency and competitiveness. We are concerned by the setback in the SOEs corporate governance reform and the re-politicization of the process. A transparent and well-structured process for selecting candidates for supervisory board members, including government nominees and CEOs of state-owned enterprises, is essential for Ukraine's economic growth and investment attractiveness.

The business community calls upon President Volodymyr Zelensky, Prime Minister Denys Shmyhal, and the Cabinet of Ministers to completely reboot the corporate governance and SOEs reform effort in the nearest future and ensure independence of the supervisory boards.

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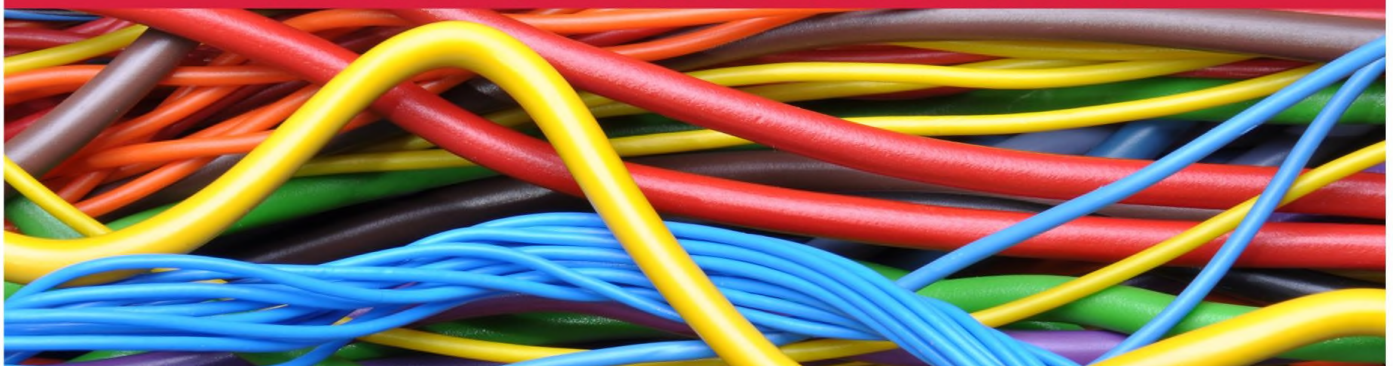
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CMU's decision is a legal manipulation - Naftogaz statement

28.04.2021, 18:36:08

The decision adopted by the Cabinet of Ministers of Ukraine is a legal manipulation. The dismissal of the Supervisory Board for two days in order to make a decision on the dismissal of the Chief Executive Officer is a violation of the basic principles of corporate governance of state-owned enterprises. According to the Charter of Naftogaz and the Law on Joint Stock Companies, submission of proposals to the general meeting for appointment or dismissal of the chief executive officer along with the relevant decision of the supervisory board is reserved to the supervisory board and cannot be delegated to the general meeting.

The way in which a range of decisions were made today regarding the governing bodies of Naftogaz demonstrates a reversion to the practice of manual control of state-owned enterprises.

Yesterday, the company's Executive and Supervisory Boards presented the results of Naftogaz's performance in 2020. Despite the crisis and the increase in counterparties' debts due to loopholes created by state regulation, the company provided UAH 141 billion of revenues to the state budget in 2020, which accounts for 13% of the state revenues last year.

In addition, the management has ensured liquidity in the company's accounts in the amount of UAH 57 billion at the moment. Thus, Naftogaz is the only state-owned company that still has a strong liquidity reserve. Uncontrolled access to these funds and their misuse threaten Ukraine's preparations for next winter.

Such actions of the Cabinet of Ministers are a signal to all state-owned enterprises: working in the interests of the budget and the people of Ukraine, and not in the interests of individual political forces, will be punished. In addition, it is a clear signal to investors in Ukrainian issuer securities: the working conditions of state-owned enterprises in Ukraine are unpredictable and may change depending on political expediency.

Integrated Communications Department
NJSC Naftogaz of Ukraine

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A loss making year due to provisions for bad debts, with robust underlying profits and resilient cash flow performance →

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5	6	7	8	9	10	11		
12	13	14	15	16	17	18		
19	20	21	22	23	24	25		
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UKRAINE

Ukraine's Naftogaz Supervisory Board Resigns After CEO's Controversial Dismissal

May 01, 2021 11:51 GMT

By RFE/RL

The supervisory board of Ukraine's state-owned oil and gas company Naftogaz is resigning following the government's decision to replace the firm's CEO – a move that has raised concerns among Kyiv's Western backers.

On April 28, the government **announced the dismissal** of Andriy Kobolyev, Naftogaz's chief since 2014, citing the "unsatisfactory" results of the company's operations last year, when it posted a loss of nearly \$700 million.

The supervisory board, which was temporarily suspended in order to dismiss Kobolyev, issued a **statement** on April 30 saying that all its members were submitting notice of their resignations, effective from May 14.

"The Supervisory Board will use the coming two weeks of its notice period to help the Company as much as it can to deliver an orderly transition and will inform the Shareholder in detail early next week," the statement said.

The unexpected move to fire Kobolyev threatens to complicate talks to access a \$5-billion bailout from the International Monetary Fund, with Ukraine's international partners warning that integrity and transparency in such decisions were key to maintaining confidence in the country's commitment to reform.

SEE ALSO:

Head Of Ukrainian Energy Giant Naftogaz Replaced

The European Union, the European Bank for Reconstruction and Development, the European Investment Bank, the World Bank, and the International Finance Corporation said in a joint statement on April 30 that they were "seriously concerned" about recent events at Naftogaz.

"We call upon the leadership of Ukraine to ensure that crucial management decisions at state-owned enterprises are taken in full accordance with the basic tenets of recognised corporate governance standards," they said.

The U.S. State Department earlier said that the "calculated move" showed "disregard for fair and transparent corporate governance practices."

The matter is set to be on the agenda when Secretary of State Antony Blinken visits Ukraine on May 5-6.

SEE ALSO:

[Blinken To Visit Ukraine Amid Russia's 'Ongoing Aggression'](#)

Ukraine's western backers tied financial aid for the country to concrete steps to clean up state enterprises such as Naftogaz, one of the country's largest companies by revenue.

Naftogaz has long been the object of corruption schemes by officials and oligarchs, but the situation began to change after the 2014 upheaval that swept pro-Kremlin President Viktor Yanukovich from power.

Naftogaz's new CEO, Yuriy Vitrenko, told reporters on April 30 that the concerns of international partners were "understandable" and "a number of problems needed to be resolved."

The company needed to return to profit, said Vitrenko, who was serving as acting energy minister before his appointment.

Naftogaz has said the 2020 loss reflected lower demand, lower gas prices, and provisions for bad debts.

Kobolyev's moves toward transparency won him support among Western investors and donors.

He was credited with overseeing an energy overhaul that helped Ukraine to narrow its budget deficit, and leading the former Soviet republic to a multibillion-dollar win in a legal dispute with Russian energy giant Gazprom in 2018.

He also faced criticism for increases in heating costs.

With reporting by Reuters

COVID-19 in numbers:

Ukraine

Cases: 2,083,180

Deaths: 44,596

Recovered:
1,676,265

Worldwide

Cases: 153,383,632

Deaths: 3,213,292

Recovered:
131,354,755

Worried over reforms after Naftogaz reshuffle, IMF recalls senior economist from Ukraine

By Alexander Query. Published April 30 at 7:18 pm




 Wim Fonteyne, the IMF's senior economist responsible for corporate governance reform in Ukraine, at a meeting with representatives of Ukraine's Supreme Court in May 2019. The IMF recalled Fonteyne after the government forced management changes at state-owned gas giant Naftogaz.

Photo by supreme.court.gov.ua

The International Monetary Fund has recalled Wim Fonteyne, its senior economist responsible for corporate governance reform in Ukraine, after

the government forced management changes at state-owned gas giant Naftogaz.

The IMF recalled Fonteyne after the Cabinet of Ministers suspended the work of Naftogaz supervisory board to be able to fire the company's CEO, Andriy Kobolyev, and replace him with Yuriy Vitrenko, [news website Novoe Vremya](#) reported on April 30.

Many believe this decision violated Ukraine's corporate governance rules. "The reason (to recall Fonteyne) may be the complete failure of corporate governance reform," the undisclosed source told Novoe Vremya.

The government installed acting energy minister Vitrenko as the new CEO of the state-owned oil and gas company on April 28, according to Ukraine's Cabinet of Ministers, but Kobolyev said in a farewell message to his team he would appeal his dismissal.

Novoe Vremya's source added that this move also shows the failure of the agreement between the IMF and Ukraine, putting further financing of the country at risk.

The IMF and Ukraine agreed in June 2020 to a conditional \$5 billion loan agreement, but Ukraine hasn't received any money since an initial \$2.1 billion installment because the government has not met its commitments to the fund, including an effective fight against corruption, the independence of the National Bank of Ukraine and other issues.

“All this may lead to the need for issuance, inflation, rising borrowing costs and possible default of Ukraine. Not the best news for the country’s leadership,” the source added.

International donors concerned

The Cabinet of Ministers dismissed the supervisory board for two days to be able to fire Kobolyev directly without the consent of the board members.

International donors, including the European Union, the European Bank for Reconstruction and Development, the European Investment Bank, the World Bank and International Finance Corporation issued a joint statement on April 30 expressing their concerns over Kobolyev’s sudden ousting.

They called on the Ukrainian government to “make critical management decisions in state-owned enterprises in full compliance with the principles of recognized corporate governance standards.”

“We are seriously concerned about the recent events in Naftogaz of Ukraine — the state oil and gas company of Ukraine, where the powers of the supervisory board have been temporarily suspended and in order to dismiss the current management,” the statement read.

The government’s decision to fire Kobolyev also provoked an outcry from Kobolyev loyalists.

Before Vitrenko took charge on April 29, the management of Naftogaz called the move “legal manipulation,” according to a statement published by the company on April 28.

“It is a clear signal to investors... that the state-owned enterprises in Ukraine are unpredictable and that their operations may change depending on the political situation,” Naftogaz said.

On April 29, U. S. State Department spokesman Ned Price wrote on Twitter that the Ukrainian government’s “respect for corporate governance, transparency and integrity in the appointment of personnel in the energy sector — whether government or state-owned enterprises — is key to maintaining confidence in Ukraine’s commitment to reform.”

His view was shared by the ambassadors of the G7 countries, including Canada, France, Germany, Italy, Japan, the U.K. and the U.S.

The diplomats issued a joint statement on Twitter, saying that “effective management of state-owned enterprises, free from political interference, is crucial for Ukraine’s competitiveness, prosperity and fulfillment of its international obligations.”

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Anders Åslund @anders_aslund · Apr 28

This is an outrage. Naftogaz CEO Andriy Kobolyev was fired by the Ukrainian government w/o the supervisory board even being informed. After this, the Ukrainian government can't claim having any corporate governance.



Naftogaz CEO Andriy Kobolyev fired, Vitrenko becomes acting head ...
Editor's Note: This is a developing story. It is being updated with more information. Found a spelling error? Let us know – highlight it and ...

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WORLD

Ukraine faces sharp criticism from U.S., EU after sacking management at state energy company

A past effort to oust the heads of Naftogaz was led by Trump allies who were also tied to Rudy Giuliani's push to find dirt on the Bidens in Ukraine.



— Andriy Kobolyev, chief executive officer of NAK Naftogaz Ukrainy, during a Bloomberg Television interview in London on March 21, 2018. Simon Dawson / Bloomberg via Getty Images file

April 30, 2021, 5:01 PM EDT

By Dan De Luce

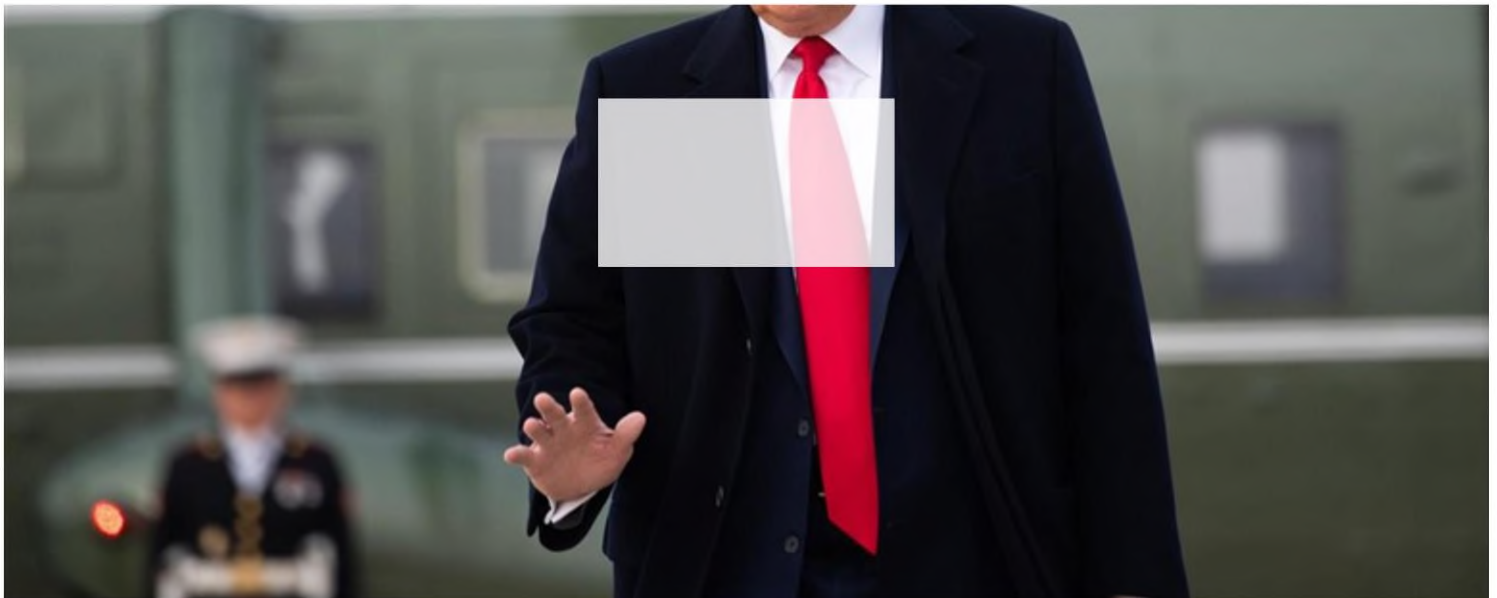
WASHINGTON – Ukraine is coming under fire from Western governments and international financial institutions after it sacked the management of the state-owned energy company, in a

move that critics say undermines years of anti-corruption reforms.

A previous attempt to oust the management of state oil and gas giant Naftogaz Ukrainy [was led by allies of President Donald Trump](#), who were also linked to efforts by Trump's personal lawyer Rudolph Giuliani to find damaging information on then-presidential candidate Joe Biden and his son, Hunter. That attempt failed, but now [Ukraine's government](#) has achieved the same goal, setting off alarms in Washington and Europe.

The decision threatened to damage U.S. and European ties with Ukraine just as Kyiv had earned an outpouring of Western support in recent weeks during a massive Russian troop buildup on its borders.

President Trump denies ties to Rudy Giuliani associate Lev Parnas



Naftogaz had been portrayed by U.S. officials and European officials as a success story in the country's long-running struggle to combat corruption. But the Ukrainian cabinet on Wednesday suspended the supervisory board of the company and removed the CEO, Andriy Kobolyev, who had been in the post since 2014.

The government [cited](#) the company's losses last year of about \$684 million and what it called low levels of gas extraction as "unsatisfactory."

The Biden administration expressed grave concerns about the abrupt shake-up, which took place just days before U.S. Secretary of State Antony Blinken travels to [Ukraine](#) next week.

“This calculated move – using a procedural loophole – to oust well-regarded experts from the boards of several key state-owned enterprises reflects a disregard for fair and transparent corporate governance practices and complicates longstanding efforts to reform Ukraine’s energy sector and improve its investment climate,” State Department spokesperson Ned Price said in a statement on Thursday.

— Ukraine's oil and gas company Naftogaz Chief Executive Officer Andriy Kobolyev talks during a press conference after a meeting with the European Commission vice-president in charge of Energy Union and Russian representatives at the EU headquarters in Brussels on Jan. 21, 2019.

John Thys / AFP via Getty Images file

Ukraine’s embassy in Washington, D.C., did not immediately respond to a request for comment.

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John Herbst, a former U.S. ambassador to Ukraine, said the move would jeopardize a key element of efforts to root out corruption and open up opportunities for potential [Russian-backed](#) interference.

“It’s a disturbing development,” said Herbst, now at the Atlantic Council think tank.

Before reforms were introduced after 2014, corrupt actors had managed to siphon off large sums of money from the gas company, and the dismantling of the management would re-open the

door to similar practices, according to Herbst.

If carried forward, “it would remove one of the few sources of strength in the Ukrainian economy and budget,” Herbst said, adding, “There may be some Russian affiliated hands that could benefit from the carve out of assets.”

The previous effort to oust the Naftogaz leadership of Naftogaz came to light during the first Trump impeachment inquiry, with allies of the former president – and some senior officials – pressing for a change at the top of the company, NBC News has previously reported.

Two Florida businessmen, Lev Parnas and Igor Fruman, who were helping Giuliani try to dig up damaging information on Biden and his family, were also engaged in efforts to install new board members and management at Naftogaz, NBC News reported in 2019. That attempt ultimately failed.

In a joint statement from the European Union, the European Bank for Reconstruction and Development, the European Investment Bank, the World Bank and the International Finance Corporation, officials said they were “seriously concerned about recent events at Ukraine’s state oil and gas company, Naftogaz, where the supervisory board has been temporarily suspended in order to dismiss the incumbent management team.”

The statement added: “We call upon the leadership of Ukraine to ensure that crucial management decisions at state-owned enterprises are taken in full accordance with the basic tenets of recognised corporate governance standards.”

NYT: Firing of U.S. Ambassador is at the center of the Giuliani investigation



"Unless Naftogaz and other state-owned companies are insulated from political meddling, the overall reform process in Ukraine doesn't stand a chance."

Federal investigators search Rudy Giuliani's NYC apartment, seize electronic devices



Kobolyev clashed with a succession of governments, with officials in the current administration accusing him of being overpaid and of allowing gas prices to rise too high.

In her testimony to House impeachment investigators in October 2019, Marie Yovanovitch, the former U.S. ambassador to Ukraine fired by Trump after demands from Giuliani, called Kobolyev “as clean as they come.”

The former diplomat said Kobolyev had been “fearless and determined to sort of shake everything up.”

Oleksiy Honcharuk, who served as the country’s prime minister from August 2019 to March 2020, called the decision a step backward from anti-corruption reforms designed to prevent political interference in state-owned firms.

“It’s a decision against corporate governance reform in Ukraine,” Honcharuk said. “For the last five to seven years,,” he said, changes at Naftogaz had represented “one of the main pillars in the whole anti-corruption effort in Ukraine.”

Vitaly Shabunin, the head of the Anti-Corruption Action Center, a non-governmental organization, blasted the government, saying it had jeopardized Western support at a moment of danger with Russia, calling it “treason.”

The government named Yuriy Vitrenko as the new CEO, and at his first press conference he said that he talked to President Volodymyr Zelensky about his appointment and that an increase in gas extraction in Ukraine was “a matter of national security.”

Veronika Melkozerova reported from Kyiv.

Dan De Luce



Dan De Luce is a reporter for the NBC News Investigative Unit.

Veronika Melkozerova contributed.

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