

## ARGUMENT

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# Ukraine Won't Stop Fighting the Nord Stream Deal

Kyiv feels let down by supposed allies in Berlin and Washington.

By [Vladislav Davidzon](#), a writer, journalist, and artist who has reported extensively from Ukraine.

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The Biden administration has stated that it has formally ended its opposition to Russia completing the construction of the Nord Stream 2 pipeline. The pipeline, which is more than 90 percent complete, is set to double the capacity of Russian natural gas flows into Germany through the Baltic Sea—bypassing the existing Ukrainian pipeline.

The United States has taken the German side against Kyiv in this dispute. The operation of the Nord Stream 2 pipeline will make Ukrainian infrastructure superfluous, thus allowing the Kremlin to forgo paying Kiev around \$2 billion in annual transit fees and heightening security threats for Ukraine, which will lose a potential source of leverage over Moscow.

Yuriy Vitrenko, the CEO of Ukrainian national gas company Naftogaz, was in Washington last week leading a delegation in a frenzied schedule of meetings over energy policy as the Ukrainians and their allies fought a losing lobbying argument against the deal. When I reached Vitrenko by phone as he boarded his flight back to Kyiv, he sounded defiant: “We can’t see why the U.S.-German statement should change our position or effect our fight against Nord Stream 2. It is a security question for Ukraine and we will continue explaining why this is so and how American sanctions can stop the pipeline.”

The current gas transit agreement between Kyiv and Moscow is set to expire in 2024, but will almost certainly not last that long if the new pipeline becomes operational. The U.S. policy shift represents a stark reversal of President Joe Biden’s campaign platform, which combined strong rhetoric toward Russia with [promises](#) that Moscow would “pay a price” for meddling in American elections.

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The deal reached between Germany and the United States calls for Berlin to create a billion-dollar fund to transition Ukraine in the direction of clean energy; the Germans will supply the fund’s first \$175 million and help raise further capital. Congressional and Ukrainian [critics of the deal](#) have pointed out that the German commitments to Ukrainian security in the deal are deeply and severely inadequate, expressing a sense of betrayal widely felt in Kyiv. The existing pipeline agreement had created a modicum of deterrence to the radical ratcheting up of Russian military aggression in eastern Ukraine.

Previous negotiations with the Americans had focused on German implementation of “snapback procedures” that would cut off gas flowing through Nord Stream 2 in case of further Russian aggression against Ukrainian territory. No assurances of a so-called “kill switch,” or concrete promises of reenactment of sanctions connected to specific Russian actions, were included in the final deal.

The total amount of investment in Ukrainian green energy offered in compensation for the deal are seen by many in Kyiv as quite minor—perhaps even insulting—in comparison to the transit fees that Ukraine risks forgoing if Moscow breaks the existing gas transit agreement.

In addition, Russian President Vladimir Putin has been open in his public [statements](#) in recent months about the continuation of Russian gas transit through the Ukrainian pipeline being contingent on Kyiv’s actions. A widely read [essay](#) published this month on the official website of the Russian Presidential Administration under Putin’s name [repeated](#) the chauvinist Russo-centric view that Russians, Belarusians and Ukrainians constitute one nation.

German Chancellor Angela Merkel had discreetly hoped that the gas pipeline problem would take care of itself. Some of her advisors believed that parts of the Nord Stream 2 project would be found to have breached technicalities of European Union competition law, and that the European Union competition regulators would intervene to kill or modify the deal, thus sparing its opponents in Berlin the political need to do it themselves.

Merkel’s government never quite developed a backup plan in case the regulators did not intervene—which they ultimately did not.

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German chancellor (Merkel is set to step down this year).

Earlier this month, Ukrainian President Volodymyr Zelensky traveled to Berlin to engage in direct personal negotiations with Merkel over a four-hour-long working dinner. But the German offer of a consolation packages and the American application of diplomatic and political pressure will likely prove to be inadequate to force Ukraine, and Poland, which shares concerns over the new project, to accept what they see as an existentially dangerous deal. On Wednesday evening, the Polish and Ukrainian foreign ministers issued opening counter salvos to the deal, with a joint statement that stipulated that “unfortunately, the hitherto proposals to cover the resulting security deficit cannot be considered sufficient to effectively limit the threats created by [Nord Stream 2].”

Vocal opposition to the deal from Kyiv and Warsaw may create political headaches for the Biden administration. “Ukraine has every reason to feel short-changed,” said academic John Lough, whose book *Germany’s Russia Problem: The Struggle for Balance in Europe* was published earlier this month.

“The Biden administration clearly sees greater value in keeping relations with Germany aligned than in protecting the security interests of Ukraine,” Lough said. “The Nord Stream 2 debacle shows us the limitations of the shift of German policy towards Russia that Angela Merkel had instigated in 2014. It was a radical policy at the time because it introduced sanctions but it did not transform Germany’s thinking about energy relations with Russia.”

The Biden administration is also reported to have discreetly lobbied the Ukrainians to stand down from open opposition to the deal and accept it quietly as a *fait accompli*. In a transparently transactional signal—at least in terms of timing—several hours before the publication of the technical details of the deal, the White House also announced a much-desired meeting between Biden and Zelensky at the end of August.

The Zelensky administration had been campaigning for a meeting with the White House since early 2019, a process that infamously led to the impeachment of then-U.S.-President Donald Trump, when Trump attempted to persuade Kyiv to start an investigation into the activities of Biden and Biden’s son in Ukraine. The timing of the announcement led to speculation among Ukrainian viewers on whether the visit was contingent on Kyiv accepting an unpalatable deal in exchange for the meeting; Kyiv had long sought the meeting as a signal of American political support for both external and internal political needs.

Immediately after the announcement of the Nord Stream 2 deal, loud and cohesive voices of opposition broke out. They came from a sizable number of senior Democrats and Republicans alike —and the agreement to drop sanctions on the companies constructing the pipeline may very well be blocked by Congress.

Several members of the Congressional Ukraine Caucus publicly called on the White House to reschedule the planned Aug. 30 meeting with Zelensky to a date when Congress would be in session. Inviting Zelensky for a consolation meeting at this time may also have been a way of preventing him from lobbying anyone important against the deal while he was in Washington, thus preventing further embarrassment to the White House.

Ukraine is used to disappointment from its allies. But unless the plans around Nord Stream 2 sharply change, the worries—and anger—in Kyiv will continue.

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