

Wins in Paris, and gas transit – but weirdness marks IMF talks

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President Volodymyr Zelenskiy surprised everyone with his stronger-than-expected performance at the Normandy summit in Paris December 9th. On the eve of the meeting, social tension in Ukraine had been mounting, with hardly anyone daring to predict how negotiations might go. Street protesters demanded that the president not cross five red lines, while Zelenskiy supporters were nervous about how the ex-comedian might handle the ex-KGB officer. Both supporters and critics exhaled with relief when Zelenskiy spoke well at the joint press conference at the summit's conclusion. Moreover, he had not crossed any red line. Territorial integrity remains indisputable. No elections will be held in occupied Donbas until control over the border returns to Ukraine. While Zelenskiy at times looked amateurish, his inexperience played in his favor, as evidence that he was absolutely sincere in his peaceful aspirations. Although steps towards de-escalation have been very minor so far, Zelenskiy made it clear that he was ready to reach an agreement. From Kyiv, the Normandy summit looked like a win—even if mainly just because it wasn't a failure.

IMF talks have, meanwhile, turned into a real detective story. The IMF technical mission left Kyiv on November 22nd, with a rather terse public statement. That suggested there might be reasons for concern. But on December 7th, IMF Managing Director Kristalina Georgieva suddenly announced that a staff-level agreement had been reached, after a call with Zelenskiy. So, a \$5.5 billion Extended Fund Facility program was underway. Yet the Ukraine deal was not included on the agenda of the IMF Executive Board meeting. Eventually, IMF spokesperson Gerry Rice explained that “prior steps” needed to be taken before the Executive Board would consider the new program for approval. Local media wrote that Georgieva had spoken at the request of French President Emmanuel Macron, who wanted to generate extra support for Zelenskiy on the eve of the Normandy summit. Members of the IMF technical mission apparently learned about the staff-level agreement from the news >>>