

UKRAINE: Renewed US support averts potential defeat but outlook remains cloudy

- Following the passage of the USD 61bn support package for Ukraine by the House of Representatives on 20 April, Kyiv is anticipating the legislation will be adopted by the US Senate and signed by President Joe Biden this week.
- Renewed US military support will shore up Ukraine's defensive capabilities and avert a potential military defeat in 2024.
- However, looking ahead, Ukraine and its allies lack a shared vision what "victory" over Russia entails, not least a realistic strategy to achieve it.

According to Ukraine's Prime Minister Denys Shmyhal, most funds (nearly USD 50bn) will be allocated to various defense-related items both in the US and Ukraine, including much-needed artillery shells, air defenses, armored vehicles, as well as medium-to-long-range missiles. The size of the military aid package is substantial, considering that total US bilateral military support to Ukraine stood at USD 42.2bn between February 2022 and January 2024, according to the Kiel Institute's data. The US supplemental also entails more than USD 9bn direct macro-financial/economic assistance, which has already been factored into Ukraine's 2024 budget figures.

While the first shipments of military supplies are expected to reach Ukraine within days after the signing of the bill, it will likely take weeks to sufficiently replenish the heavily depleted Ukrainian forces across the more than 1,000km frontline. The Russian forces will likely attempt to exploit this period of vulnerability on the Ukrainian side and intensify offensive actions around the strategically important town of Chasiv Yar (west of Bakhmut). The occupation of Chasiv Yar would facilitate future Russian advances deeper into the Donetsk region and give Russian President Vladimir Putin an important victory during his inauguration on 7 May and Victory Day celebrations on 9 May. In addition, Moscow is threatening to retaliate in kind and by legal means against the provision, included in the supplemental bill, allowing the transfer of confiscated Russian sovereign assets to Ukraine.

Ukraine's military capabilities are set to improve more substantially around mid-2024. In addition to renewed US support, Kyiv expects the arrival of F-16 jets and the additional supply of munitions under the so-called Czech initiative. The tightened mobilization rules should somewhat facilitate military recruitment, although the adopted version of the mobilization bill is less ambitious than the initial proposal. Given large manpower shortages, a further tightening of the mobilization regime could be expected later in 2024.

In general, the renewal of US military aid gives Ukraine a realistic opportunity to slow down or even halt Russia's broad-based territorial advances and protect itself against increasingly sophisticated and damaging aerial attacks. It provides Ukraine more time to build fortifications across the frontline and repair the essential elements of the energy system ahead of the winter. More stable and predictable supplies from the US will improve Kyiv's military planning and boost morale. Although Ukraine is unlikely to go on any larger-scale offensive in 2024, it could step up attacks on Russia's military, logistics, and critical infrastructure.

Longer-term outlook uncertain

While renewed US military support will likely avert a potential military defeat in 2024, the past several months have clearly demonstrated the perils of Kyiv's (over)dependence on US military aid. Ukrainian and European military capabilities, although increasing, are currently insufficient to halt Russian advances. There is also a lack of common vision between Kyiv and its allies about what a Ukrainian "victory" means and what steps and resources would be needed to achieve it. Officially, Kyiv still aims to liberate all of the territories occupied since 2014, but few find this is realistic in the near-to-medium term. Discussions about alternative settlement options acceptable to Kyiv might pick up later in 2024 as the share of the Ukrainian population that is willing to consider territorial concessions in exchange for the cessation of hostilities/peace is consistently rising. In the meantime, the war is set to continue for the foreseeable future.

[Client Portal >>](#)

Andrius Tursa
Central & Eastern Europe
Advisor
+370 6792 4910
andrius.tursa@teneo.com

© 2024 Teneo. All rights reserved. This material was produced by Teneo for use solely by the recipient. This communication is intended as general background research and is not intended to constitute advice on any particular commercial investment or trade matter or issue and should not be relied upon for such purposes. The views expressed here represent opinions as of this date and are subject to change without notice. The information has been obtained from sources believed to be reliable but no guarantees can be given as to its accuracy, completeness or reliability. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or otherwise, without the prior consent of Teneo. To unsubscribe click [here](#).