



RUSSIA REFORM MONITOR

The American Foreign Policy Council's Review of
Russian Government Actions and U.S. Policy

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Related Categories: Economic Sanctions; Energy Security; Human Rights and Humanitarian Issues; Intelligence and Counterintelligence; Warfare; Russia; Ukraine

RUSSIA FLOUTS OIL PRICE CAP

The G-7's recently-imposed price cap was intended to strike a major blow to Russia's international oil exports. That, however, doesn't seem to be happening. A recently released study by scholars from Columbia University, the Institute of International Finance and the University of California concludes that, despite the West's best efforts, Russia is still selling large quantities of oil well above the \$60 price cap. Moreover, Russia's crude oil sales have reached near-record levels due to Russia's growing "shadow fleet" of tankers, which allow the Kremlin to circumvent sanctions. According to the report, exports from Russia's pacific terminal averaged approximately \$74 dollars per barrel, and some oil shipments reached \$82 per barrel. These findings have significant implications for the enforcement of Western sanctions; as the authors of the study note, the findings "urgently call for further investigation of these transactions and reinforces the need for stepped-up enforcement." (*Washington Examiner*, February 27, 2023)

RUSSIA THREATENS UKRAINIAN FOOD EXPORTS... AGAIN

Moscow is once again casting doubt on the future of the Black Sea Grain Initiative, which was put in place with the intent of allowing Kyiv to continue exporting its grain following Russia's invasion of Ukraine in February of 2022. However, Russia's commitment to the agreement has proved shaky at best. After an announcement by the Russian Foreign Ministry that Russia would only remain in the deal if its interests were taken into account, Russian Foreign Minister Sergei Lavrov further accused the West of "shamelessly burying" the agreement. The Kremlin has repeatedly attacked the agreement and claimed that the needs of its own agricultural sector need to be considered before Russia will commit to an extension. The initiative ends on March 18th, but will automatically renew unless either Russia or Ukraine raises a formal objection. Russia threatened to leave the agreement in November in order to obtain more concessions from the West, but ultimately chose to let the agreement remain in force for another 120 days. (Reuters, March 2, 2023)

MOSCOW BLAMES WASHINGTON FOR UKRAINIAN STRIKES

The United States may not be directly involved in the war in Ukraine, but Russia is claiming that Washington is enabling Kyiv to strike targets inside its borders. While in Geneva at a UN Human Rights Council meeting, Russia's Deputy Foreign Minister, Sergei Ryabkov, asserted that Washington had provided Ukraine with intelligence and targeting information for an alleged Ukrainian drone attack within Russia. Ryabkov claimed that "we know that those attacks would never be possible in the absence of a very deep and sophisticated assistance by the United States." Explosions were recorded at two airfields in Russia in early December, and the Russian Ministry of Defense has claimed that the attacks were carried out by Ukraine using Soviet-made drones. The United States has previously denied that it had enabled Ukraine to strike inside Russia, while Ukraine has never confirmed or denied the use of drones on Russian territory. (Agence France-Presse, March 2, 2023)

SHIELDING THE ENABLERS OF RUSSIA'S MILITARY

Since the start of the war in Ukraine, Moscow has sought to shield its military and war effort from domestic criticism – and the Kremlin is now stepping up those protections. The State Duma, Russia's lower house of parliament, recently voted in favor of amendments making it a criminal offense to "discredit" anyone fighting on Russia's side in Ukraine, even those who are not serving in the military. The measures, appended to unrelated legislation, expand protection against criticism to paramilitary organizations like the notorious Wagner Group of mercenaries. Notably, they also increase the allowable sentences for those convicted, threatening up to seven years in prison for "public acts aimed at discrediting volunteer formations, organizations or individuals" that assist the work of the Russian Armed Forces. The amendments, and the bills they are appended to, still need to be signed by President Vladimir Putin to become law. (*The Moscow Times*, March 2, 2023)

HOW THE INTELLIGENCE COMMUNITY SEES RUSSIA

In its latest threat assessment, provided to Congress in early March, the U.S. intelligence community outlined the changed but persistent threat posed by Russia. "Russia's unprovoked war of aggression against Ukraine is a tectonic event that is reshaping Russia's relationships with the West and China," the report by the Office of the Director of National Intelligence, explains. While "Russia probably does not want a direct confrontation with U.S. and NATO forces," it assesses, "there is potential for that to occur." Likewise, the risk of the war's escalation beyond Ukraine "remains significant." Meanwhile, growing domestic opposition to the war could precipitate further action by a Kremlin desperate to maintain its political standing. "There is real potential for Russia's military failures in the war to... trigger additional escalatory actions by Russia in an effort to win back public support," the report says.

More broadly, Moscow is expected "to insert itself" into global crises "when it sees its interests at stake, the anticipated costs are low, it sees an opportunity to capitalize on a power vacuum, or... it perceives an existential threat in its neighborhood that could destabilize Putin's rule and endanger Russian national security." This includes meddling in the Middle East and Africa, where the Wagner group of mercenaries is being used to increase Moscow's influence. And in the Western Hemisphere, Moscow will seek to maintain its influence through "diplomatic overtures and economic engagements... with the countries that it sees as key players or close partners, including Argentina, Brazil, Cuba, Nicaragua, and Venezuela."

Russia's partnership with China is changing as well. "China and Russia will maintain their strategic ties driven by their shared threat perceptions of the United States, which create potential threats in areas such as security collaboration, specifically arms sales and joint exercises, and diplomacy, where each country has used its veto power in the UN Security Council against U.S. interests," the report lays out. (ODNI, March 2023)