

## Ukraine and Nord Stream 2

The EU protests against Russia's seizure of Crimea. The EU says it does not want Russia taking any more of Ukraine. At the same time Germany encourages Russia to put in Nord Stream 2, a second direct pipeline from Russia to Germany to increase German and EU dependence on Russian gas. It also provides a way of diverting gas that might otherwise have flowed through a pipe across Ukraine, with revenues accruing to Ukraine, to a different route and no Ukrainian revenues. For Russia Nord Stream 2 is a double win, weakening the EU and Ukraine at the same time.

Both Germany and the EU are delaying signature on the regulatory arrangements and the contracts to supply gas via the pipeline. They are trying to place more of it under EU law. That will not of course make much difference should Russia at some date in the future decide to use the leverage it could exert from being a major gas supplier to the EU to demand concessions or changes of policy to its liking. For the legal route to work the other side both has to accept the jurisdiction of the EU court and to willingly submit to the views of the other party in the dispute. Russia would not necessarily do that in practice whatever the initial documents might say.

The SPD led new German coalition government includes the Greens and is meant to be taking the faster pursuit of net zero seriously. Greens do not usually welcome new sources of fossil fuel delivery. I guess in this case they will be so hard pressed to find ways of implementing their new pledge to try to phase coal out of their electricity generation by 2030 that they will not think they can do without this extra gas as well.

Today President Biden will have a video conference with President Putin. Ukraine will doubtless be high up the agenda. The USA has told the world of a build up of Russian troops near Ukraine's eastern border. One of the many things Presidents Biden and Trump agree about is the undesirability of Nord Stream 2. As it gets close to going ahead President Biden will need to find ways to warn Russia off using Ukraine's greater weakness to his advantage.