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Ukraine's challenge remains immense despite Minsk deal

Donbas risks becoming a frozen conflict as – despite tentative Minsk peace deal – major issues remain



Sources: UN, IMF, media reports, Oxford Analytica

Despite a shaky ceasefire deal being reached in Minsk, Ukraine's challenges will remain immense. Mistrust and miscalculation increase the risk of heavy fighting in coming days. Separatist forces may look to increase territorial gains before the February 15 ceasefire begins. Donbas risks becoming another frozen conflict.

President Petro Poroshenko's other main challenges include pushing contentious structural reforms, battling corruption and stabilising the economy -- which may have become slightly easier following today's announcement of a new international loan agreement.

- **Kyiv will increase pace of structural reforms such as privatization and highlight high-level clampdown on corruption to assure donors.**
- **Washington will keep lethal defensive arms supply to Ukraine as an option if peace deal falls apart but this risks major escalation.**
- **Federalisation will be increasing point of contention; Kyiv will want to preserve Ukraine's unitary status.**

See also: [Ukraine coalition will make anti-corruption priority](#) -- December 2, 2014