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# Executive Summary

The G7 agreed on a \$50 billion financial aid package to Ukraine. It would draw from Russian assets confiscated in spoils. This would represent a new step toward building up the Ukrainian economy and military while fighting against Russia. It's strategically enormous: this financial support might increase geopolitical polarization, aggravating the condition of the situation between the Western allies and Russia.

NATO and EU allies should prepare for the Russian counter-measures that may come in the form of energy supply restrictions or increased cyber-attacks. This report suggests that the government should undertake preemptive diplomacy measures to reduce the Russian response and enhance security measures protecting critical infrastructure.

# G7

CANADA  
FRANCE  
GERMANY  
ITALY  
JAPAN  
UNITED KINGDOM  
UNITED STATES



# Background

**Historical Context:** The West–Russia relations deteriorated further when Russia annexed Crimea in 2014 and even worse with the invasion of Ukraine by Russia in 2022. Sanctions and asset seizure turned out to be some of the instruments that the West had deployed to respond to Russia's moves.

**Current Developments:** It includes the fact that, under pressure to sustain their financial support to Ukraine, G7 has managed to securitize some of the confiscated Russian assets to provide the much-needed substantial loan for Ukraine. This is a first-in-the-record history of using seized assets for military and economic aid.

# GOLD WAR



# Analysis

The move comes at a time when NATO and EU member states are bolstering their stance in support of Ukraine, which directly counters Russia's influence in the region. The asset-backed aid package clearly reflects a united front from the West against Russia, with implications for the energy industry, international financial systems, and the political landscape of Eurasia.

The asset-backed aid would certainly alter the calculus the G7 has placed for Russia and can easily be more aggressive within its neighborhood in Central Asia if this means offsetting influences lost in Ukraine.

The precedent that it places upon international asset control, thus a question of governance also hangs over this approach—with a possible influence towards further sanction policies globally to any state facing Western opposition.



# Implications

**Security Implications:** Russia may engage in cyber operations against the financial institutions or critical infrastructure of the West as a form of economic warfare in an effort to destabilize regions that are supporting Ukraine.

**Social and Political:** The move will make Ukrainians even more resolute while bringing European and American public opinion together in demanding stronger aid to Ukraine. On the other hand, it may embolden anti-Western feeling within Russia, leading to more repression within.



# Scenario Analysis

**Best Case Scenario:** Russia limits its response to diplomatic protests which would bring the continued support of the people of Ukraine without further worsening of the situation. Europe's economies and social bindings are intact.

**Most likely Scenario:** Russia issues threat by means of economic and cyber as well as a readjustment plan of energy export to markedly reduce dependence on Europe thus bringing minor economic shocks only in the short term.

**Worst-Case Scenario:** Russia strikes back immediately through increased cyberattacks or by using regional power and influence in Central Asia and West Asia to foment new conflicts or interrupt international energy supplies.

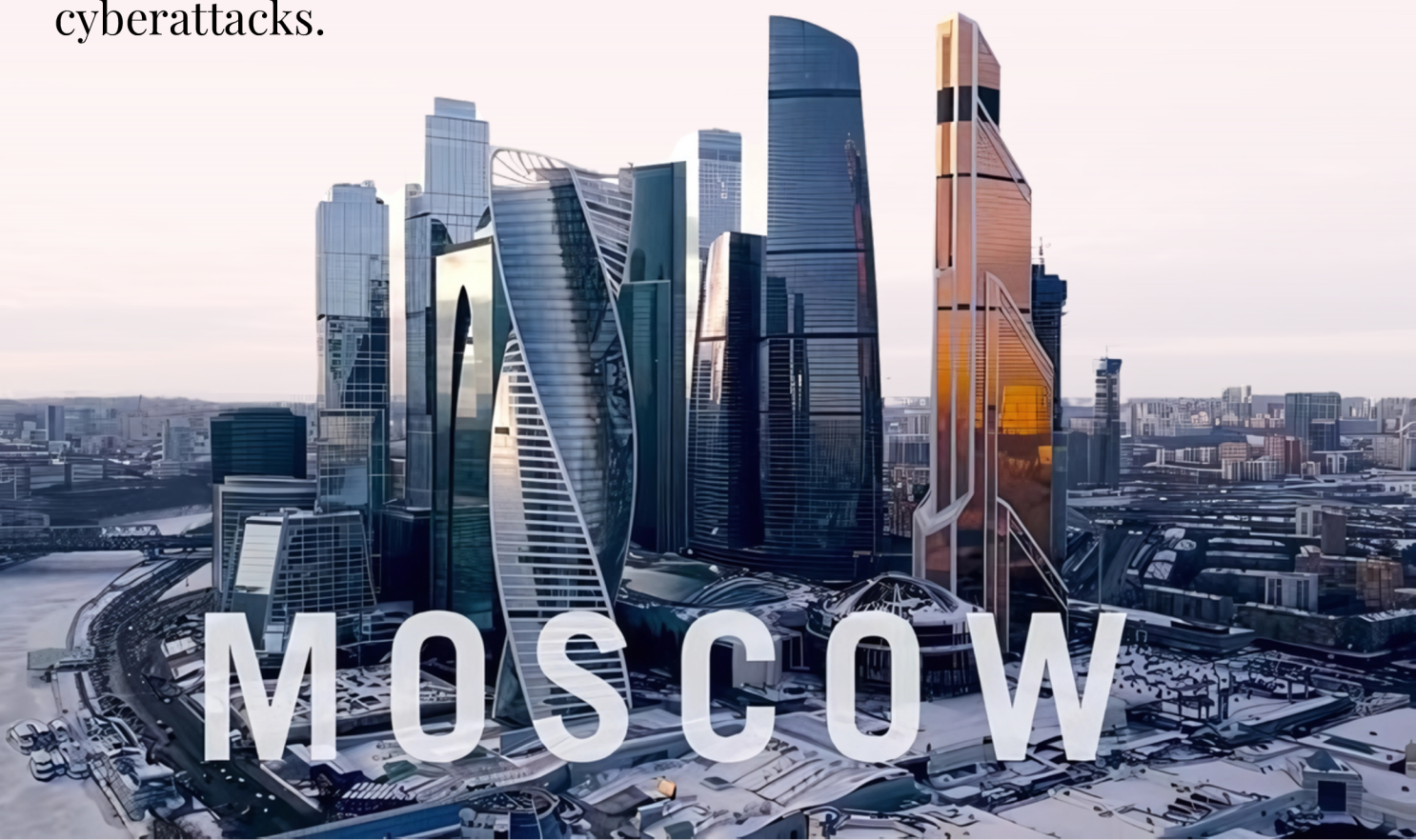


# *Recommendations*

**Diplomatic Recommendations:** Engage back-channel with Moscow so as to obviate strong revenge against such serious action as will compromise vital sectors in place and thus stability there.

**Economic Recommendations:** EU member states should diversify energy sources more so as not to be affected in the future by disruptions of supplies from Russia. Meanwhile, the G7 must also develop a system to manage asset seizure with clarity and transparency to rebuild trust of the world on such a process.

**Security Recommendations:** NATO and the EU should enhance cybersecurity, especially financial and energy sectors, so as to protect these sectors from Russian cyberattacks.



# Conclusion

The asset-backed loan of G7 to Ukraine is a salient juncture between the West and Russia at which even the dynamics in response to international conflicts would change. Active steps in terms of diplomacy, economic diversification, and cybersecurity, among others, are now required to stabilize the global order in counter possible Russian retribution.







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