

EaP Think Bridge

№5

October, 2018

Eastern Partnership monthly analytical digest



GEORGIA: The last “people’s” president

This election is the first time in Georgia’s history that a presidential vote has gone to a second round

Issue 5
October, 2018

EaP Think Bridge is a platform uniting expert communities in the countries of Eastern Partnership region to fill the gap in distributing analytical products for stakeholders

The Digest is issued with the support of the European Union and the International Renaissance Foundation within the framework of the Civic Synergy Project and under the auspices of the Ukrainian National Platform of the Eastern Partnership Civil Society Forum. Its content is the exclusive responsibility of the authors and does not necessarily reflect the views of the European Union and the International Renaissance Foundation

Contacts:

info@prismua.org
www.prismua.org/eap-think-bridge

Eastern Partnership revolves around elections

The Eastern Partnership region is captured by electoral issues. Election campaigns completely eclipsed everything else on domestic and foreign policy agenda of the partner-states.

In the very spotlight is the last direct election of the President of Georgia. Although this post effectively performs a merely ceremonial function in the parliamentary republic, serious battles flared up, not a single political force is ready to give up. For the first time in Georgia's history a presidential vote has gone to a second round. Why it is important not only for Georgia, but also for the whole region, Lasha Tugushi elaborated.

Neighboring Armenia activated complicated constitutional steps to dissolve the parliament and move toward a snap parliamentary election. In Belarus the entire country is being used to polish up Aliaksandr Lukashenka's image and prepare him for the upcoming election. Brutal policies and primitive means used to enforce them are the evidence of close parliamentary election in Moldova. While in Ukraine, topics and slogans popular among voters prevail in the domestic narratives, language, faith and the fight against corruption being most noticeable.

Meanwhile in Luxembourg, at a meeting of Foreign Ministers of the EU and the Eastern Partnership member-states the progress in achieving the 20 EaP Deliverables for 2020 was discussed. Hennadiy Maksak representing the EaP Civil Society Forum at the ministerial shares his conclusions and recommendations for the near future of the region.

Olga Chizhova

Editor-in-Chief of the EaP Think Bridge Digest



Contents

October in review

Armenia moves to special pre-term elections	4
Richard Goragosian, Regional Studies Center	
Azerbaijan invests big in Turkey	7
Sevinc Aliyeva, Center for Legal Initiatives	
Belarus: All about Lukashenka's image	9
Arseny Sivitski, Center for Strategic and Foreign Policy Studies	
Georgia: Lugar Labs in Putin's sights	12
Lasha Tughushi, Liberal Academy Tbilisi	
Moldova: Between democracy and authoritarianism	14
Sorin Sclearuc, Foreign Policy Association of Moldova	
Ukraine: The closer to elections, the farther from Moscow	16
Sergiy Gerasymchuk, Domestic Policy Council, Ukrainian Prism	

Analytica

Georgia: The last "people's" president	18
Lasha Tughushi, Liberal Academy Tbilisi	
Ukraine: 20 EaP Deliverables progress report	22
Hennadiy Maksak, National Coordinator, Ukrainian National Platform of the Eastern Partnership Civil Society Forum	

Armenia moves to special pre-term elections

Richard Goragosian, Regional Studies Center (Yerevan, Armenia)

Using a very complicated scheme, Armenia's new government is trying to push for a snap parliamentary election. Unpopular but necessary economic measures have led to major protests. Meanwhile, foreign partners have been pleased to work with the new leadership.



Armenian parliament dissolved after a series of constitutional steps.

DOMESTIC POLICY:

Parliament moves closer to dissolution

On October 30, acting Prime Minister Nikol Pashinian was nominated for the second time as a candidate for premier. This was the latest in a series of complicated constitutional steps designed to move toward a snap parliamentary election by early December. As a tactical bid to block anyone else from standing forward, the move was meant to fail and to prevent the parliament from electing a replacement, because that would trigger the dissolution of parliament on November 1, in accordance with the

Constitution. Under Armenia's Constitution, early parliamentary elections are triggered only when the legislature fails twice within two weeks to vote in a replacement after the prime minister's resignation—Pashinian resigned on October 16.

Such complicated tactics are part of a broader strategy by the government to move ahead with new parliamentary elections much sooner than originally planned and are also aimed at sidestepping obstruction by the former ruling Republican Party and its allies.

The move also follows a rare setback for the govern-

ment on October 29, which saw its bid to amend the electoral code for the coming election fail by only one vote, after votes from two key tactical allies were not forthcoming.

ECONOMY:

Armenia's mining sector faces two big closures

Several hundred workers from a copper smelter in the northern Armenian town of Alaverdi blocked a major highway on October 19 to protest the closure of the facility after the Armenian government enforced strict environmental regulations and fined the plant US \$800,000 for exceeding air pollution caps. The closure came after the firm's parent company, the Vallex Group, claimed that it could not afford to pay the fine and moved to dismiss the nearly 640 workers at the smelter. The move also followed a similar problem for the Vallex Group, which had enjoyed preferential treatment under the previous government, but was recently stripped of its ownership of Teghut, the country's second largest copper and molybdenum mine. This happened when VTB, a Russian bank, seized the mine after the Vallex failed to repay a US \$380 million loan. The closure of that mine led to some 1,200 workers losing their jobs.

Under Armenia's Constitution, early parliamentary elections are triggered only when the legislature fails twice within two weeks to vote in a replacement after the prime minister's resignation

ing. That latter development raised fresh questions over the reliability of a marginal party like the Armenian Revolutionary Federation-Dashnak (ARF-D) Party.

Finance Minister warns of rising public debt

On October 4, Finance Minister Atom Janjughazian warned that the country's public debt was likely to increase by roughly 3% in 2019 and was expected to reach some \$7.3 billion next year. Although the minister sought to minimize the impact by explaining that the overall level of public debt would still go down relative to the country's GDP, he noted that the debt-to-GDP ratio was still projected to be roughly 55% for 2018. Janjughazian said Armenia's government and Central Bank would owe a total of US \$7.1bn, mainly to foreign creditors in December 2018, up from almost US \$6.9bn in January 2018. The combined debt went up US \$863.5mn in 2016 and another \$832.5mn in 2017. The minister nevertheless defended government plans for more state borrowing, adding that it was crucial in order to finance the state budget deficit, which is projected to be about 2.2% of GDP in 2019. The draft state budget for 2019 recently approved by the Pashinian Cabinet allocates 85 billion drams, around US \$176mn, to service debt. This is roughly equivalent to 5% of total planned spending.

FOREIGN POLICY:

NSA John Bolton leans on Armenia

Arriving in Armenia on October 24 in the second part of a three-country regional visit, US National Security Advisor John Bolton met with Armenian officials to discuss a number of issues. As the highest level US official to visit Armenia, Bolton pressed the Armenian government on its relationship with Iran, which has been coming under greater scrutiny by the Trump Administration. Bolton also sought to enlist Armenian support to apply "maximum pressure" in order to "squeeze Iran," warning that Washington also intended to enforce tightened sanctions "very vigorously," and noting that the Armenian border with Iran would be "a significant issue." Bolton further criticized an Armenian decision to support Russian-led "reconstruction" and "humanitarian" efforts in Syria, while holding out the promise of "considering" buying arms from the US.

The Armenian government also faced additional pressure over the Nagorno-Karabakh conflict when the NSA suggested that the coming to power of a more democratic new Armenian leadership meant that such a mandate only demanded "leadership" to move the peace process forward. Russia criticized the US's pressure October 29, accusing Bolton of trying to damage Armenian-Russian relations. Strangely, the Bolton visit followed the arrival in Armenia of President Trump's "private lawyer" Rudolph Giuliani just days before, on a "private visit" to attend a conference devoted to the Russian-led Eurasian Economic Union (EEU). During his stay Giuliani hailed Armenia's potential role as a "bridge" between the Eurasian Union and the EU.

US promises new “strategic” talks with Armenia

In a statement issued on October 16 at the close of his visit to Armenia, US Deputy Assistant Secretary of State for European and Eurasian Affairs George Kent announced that the US would initiate a new round of high-level “strategic discussions” with Armenia in early 2019, aimed at strengthening bilateral relations and deepening support for reforms in Armenia. The senior State Department official added that, although Washington had already provided Armenia with US \$14mn in additional aid after the change of government in May 2018, it intended to further support the Armenian government’s anti-corruption efforts and programs to diversify the domestic economy, including a focus on improving the investment climate. Kent expressed concern, however, over the ongoing disruption of operations at the Amulsar gold deposit in southeastern Armenia, which was developed by Lydian International, an Anglo-American company. The roads have been blocked since late June by environmental protesters opposed to the gold mining operations at the site.

EU offers further assistance for snap election

In the latest sign of EU support for the Armenian government, Ambassador Piotr Switalski, head of

the EU Delegation in Yerevan, announced a new aid package of US \$3mn in EU funding to help finance pre-term elections for a new Armenian parliament. The funding for the country’s snap parliamentary election planned for December, follows an earlier round of EU assistance of some US \$7mn that was provided for the last election, in April 2017. That funding was largely used to pay for electronic voter authentication devices and cameras in polling stations throughout the country. According to Switalski, this latest round of aid will also be used for voter identification and web-based cameras, and is to be provided by the European Commission and three EU member states: Germany, Britain and Sweden.

Francophonie Summit ends in Armenia

Armenia successfully hosted a symbolically significant two-day Francophonie summit, with leaders from over 40 mostly French-speaking countries concluding their meeting on October 19. Hailed by Armenia’s PM as an event that raised Armenia’s international profile, the summit was attended by French President Emmanuel Macron and Canadian Prime Minister Justin Trudeau, who joined other leaders in Yerevan. The Francophonie group consists of some 54 member states where French is spoken or with “a special affinity” toward French culture, including many former French colonies.

Azerbaijan invests big in Turkey

Sevinc Aliyeva, Center for Legal Initiatives (Baku)

Azerbaijan's domestic agenda was dominated by the Sixth International Humanitarian Forum, which drew 581 representatives from 86 countries and 24 international organizations to Baku in late October. The Asian Development Bank named its three main working areas in Azerbaijan for the next five years. Improving human capital and diversifying the economy remain the two key challenges for Azerbaijan. Commissioned in late October, the STAR refinery, which is expected to [save Turkey US \\$1.5 billion annually](#), is boosting ties between Azerbaijan and Turkey.



The inauguration of the STAR refinery took place on October 19 in the Aliaga peninsula in Izmir.

DOMESTIC POLICY:

International Humanitarian Forum in Baku

Azerbaijan's capital Baku hosted the Sixth International Humanitarian Forum, entitled "Shaping a New World and

a New Humanity: Creativity and human development," on October 25. The first family, including President Ilham Aliyev, First Lady Mehriban Aliyeva, and their daughter Leyla Aliyeva, who is vice-president of the Heydar Aliyev Foundation, attended the official opening ceremony.

A joint initiative of the Azeri and Russian presidents, the Baku International Humanitarian Forum has been held annually since 2010 and brings together different well-known individuals from political, scientific and cultural circles and international organizations, including Nobel Prize winners, to discuss a wide range of issues and exchange views through panels and sessions.

This year's key theme was human capital development and the main debate evolved around translating

the benefits of economic growth into the development of human capital. Russian historian and political scientist Oleg Kuznetsov talked about the spirit of mutual understanding, adding that the forum *"will be able to offer not only political and intellectual recommendations but also practical ones to international organizations and countries interested in establishing intercultural dialog, [developing the human dimension](#), and [developing humanitarian values](#)."*

ECONOMY:

ADB focuses on three main areas

In late October, Wencai Zhang, Vice President of the Asian Development Bank (ADB), held a press conference in Azerbaijan. He spoke about the ADB's new Country Partnership Strategy (CPS) and referred to Azerbaijan's economy as "fast-growing" and "diversified." He named the three main areas that ADB would be focusing on in the next five years: supporting the ongoing growth and diversification in the economy by ensuring its long-term sustainability; developing infrastructure and human capital that can meet the needs of the country's economy; and improving the

SOCAR companies and facilities in Turkey, together with the STAR refinery, constitute the biggest investment that Azerbaijan has ever made to a single country.

efficiency of Azerbaijan's public sector. In the 2014-2018 Country Partnership Strategy, the priority areas included supporting sustainable development, reducing poverty and unemployment, and achieving inclusive growth.

In his interview, Zhang praised some steps taken by Azerbaijan, including fiscal regulations to decrease the state budget's dependence on oil products and a public debt management strategy to ensure financial stability. He added that the ADB was planning to issue *manat* bonds to support developments in the private sector and minimize currency fluctuation risks for investors. The ADB forecast is for Azerbaijan's economy to grow 2% in 2019.

FOREIGN POLICY:

Growing ties with Turkey

The inauguration of the STAR refinery took place on October 19 in the Aliaga peninsula in Izmir. This is the first refinery to be brought on line in Turkey in the last 30 years and it is worth nearly US \$6.3 billion. SOCAR, Azerbaijan's state oil and gas company, and the country's Ministry of Economy hold 60% and 40% stakes in the project. The STAR refinery was also the first project to be granted a ["Strategic Investment Promotion Certificate" by Turkey](#).

As one of the leading oil and gas companies in the world, SOCAR invested in Turkey in 2008 by acquiring Petkim, a well-established chemical company. Its Turkish subsidiary is officially called SOCAR Turkey Enerji A.Ş. The refinery was founded in 2011, when a multinational consortium composed of Técnicas Reunidas (Spain), Saipem (Italy), GS Engineering (South Korea), and ITOCHU (Japan) undertook its construction. STAR's total capacity is 10 million tonnes and it is expected to reach full capacity in January 2019.

The timing of the refinery's commissioning coincided with a serious economic crisis in Turkey, with the lira experienced 40% depreciation against the US dollar over the

first eight months of 2018. Since then, Turkey has been trying to reduce its dependence on imports and cut back its deficit. The STAR refinery is expected to meet 25% of Turkey's domestic demand for oil products, which means it will eventually boost strategic economic cooperation between the two countries. President Erdogan called the STAR project Turkey's biggest localization project and [the largest real-sector investment in the last 30 years](#). He also mentioned his hopes that the facility would contribute to employment in Turkey by creating some 1,100 new jobs. The STAR project is one of the largest private sector investments, not only in Turkey but also in Europe, the Middle East and North Africa, in recent years.

From Baku's perspective, SOCAR companies and facilities in Turkey, together with the STAR refinery, constitute the biggest investment that [Azerbaijan has ever made to a single country](#). A SOCAR official noted that net profit from the project should be US \$250 million per year after subtracting taxes and other transaction costs. Oil Research Center Director İlham Şaban called Turkey the "most favorable" market for this kind [of commercial project](#). "The stronger Turkey is, the stronger we are," said President Aliyev during his speech and noted Turkey's growing influence in the [international arena](#).

Belarus: All about Lukashenka's image

Arseny Sivitski, Center for Strategic and Foreign Policy Studies (Minsk, Belarus)

Update

The entire country is gradually focusing on the upcoming presidential election. The entire government and bureaucracy, the 2019 budget, and even international relations are all being used to polish up Aliaksandr Lukashenka's image.



A key event this quarter was the 5th Forum of the Regions of Belarus and Russia, which took place in Mogilev on October 10-12.

DOMESTIC POLICY:

Preparing for a presidential vote

This latest period was notable for Belarus President Lukashenka's active steps to "customize" the operations of his main "headquarters:" [the Government for economic affairs and the Presidential Administration for political ones](#). The third HQ appears to be the Security Council, which at this time enjoys the most trust on the part of the president and is gaining the most positive marks for its efforts.

A [meeting between the president and his premier, Syar-](#)

[hey Rumas](#) was dedicated to determining and approving a Government Action Plan through 2019. The current program is basically built around the objective of running the next presidential election in the manner to which Belarus powers that be are accustomed. This means, first of all, no changes to electoral law and no amendments to related provisions in the Constitution. Second is the broad use of administrative leverage and financial and economic leverage to ensure the loyalty of voters. This approach relies mainly on the support of Lukashenka's traditional

electoral base, so it's no surprise that the Belarus leader has made a point of emphasizing his goal of raising the incomes of pensioners and the poorest strata of the population, meaning those with less than 300 *zaichiki*—Belarus rubles—a month in wages.

Notable in this context is that the interactions between the president and his cabinet in the last few weeks have been presented in such a way as to emphasize Lukashenka's leading role in all major policy decisions, but especially those of a socio-economic nature.

Yet another signal of the election campaign was an announcement by the Administration that it was ready to reconsider its position on the death penalty. Initially, the EU High Representative for Foreign Affairs and Security

Policy and the Council of Europe's Secretary General once again called on Belarus to institute a moratorium on the death penalty on October 9, the European and World Day Against the Death Penalty. In response, Belarus's Permanent Representative to the UN in Geneva Yury Ambrazevich stated that Belarus was not prepared to rescind the capital punishment or to introduce a moratorium on it. Still, by the next day, Belarus's chair of the Permanent Commission for Foreign Relations in the House of Representatives, Valery Voronetski, appeared before the PACE Committee for legal issues and human rights in Strasbourg and presented a very different position. He stated that an abrogation of the death penalty "could take place quite quickly."

ECONOMY:

Economic growth and the pre-election budget

The last week of October saw the publication of the latest economic statistics, showing that inflation has picked up pace in Belarus. In September, it stood at 0.8%, down substantially from the 3.7% that was recorded at the beginning of the year. All told, the Belarus Government expects inflation to remain below 6%, even though more and more Belarusian consumers expect prices for goods and services to climb. This rise in inflation has so far not affected economic growth in the country, which remains relatively high, driven primarily by dynamic domestic trade.

The big economic news this quarter was debate over Belarus's draft 2019 budget. At first glance, the main conclusion based on this document was the government's decision not to have a snap election in 2018. This is particularly evident from the paltry level of funding in the budget bill for the Central Election and Referendum Commission—just over BYR 500,000, or US \$250,000. However, this draft is an interim version presented by the Finance Ministry. Since calling an election and setting a date is exclusively the prerogative of President Lukashenka, and so far he has not made any decision, the absence of funding for an election campaign is quite understandable. The budget bill now has to go for vet-

Yet another signal of the election campaign was an announcement by the Administration that it was ready to reconsider its position on the death penalty

ting to the Presidential Administration, which can drag the process out until the end of 2018. This means that the mystery of Belarus's election will likely be finally clear no sooner than the beginning of next year. The running of an election campaign in 2019 will indirectly lead to a significant rise in public spending to finance social benefits—funding for which comes 90% from local budgets.

Experts noted that the Strategy for the Development of Small and Medium Enterprises (SMEs), which was adopted recently for the period to 2030, proposes increasing the number of individuals engaged in SMEs to 2 million by the end date. As of this year, the number is 1.3 million. Given the fact that the overall size of Belarus's labor force has been slowly shrinking, this means that there has to be a massive redistribution of workers between large enterprises, which are mainly state-owned, and SMEs, in favor of the latter. This means that the Government is working from the scenario in which it proposes shutting down a significant portion of large government enterprises.

Based on this, the Council of Ministers has been consistently presenting and carrying out propositions to simplify commercial activity and in general to liberalize the economic lives of Belarusians. For instance, at its last session on developing entrepreneurship, the discussion centered on adjusting the Tax Code and rules about property ownership.

FOREIGN POLICY:

Maneuvering between Russia and Ukraine

A key event this quarter was the 5th Forum of the Regions of Belarus and Russia, which took place in Mogi-

lev on October 10-12. As observers had anticipated, this event was intended to define and clarify relations between the two countries in the energy, finance and commercial spheres at least through 2019. In addition, Moscow finally sent Minsk duties that it had arrested since July on

October 11. These funds were supposed to have gone to Belarus under a “double-duty scheme ” (when Belarus sells Russian oil, and credits custom duties to its own budget) involving 6 million tonnes of petroleum. A total of US \$263mn in withheld fees was transferred and a guarantee made that such fees would in future be submitted in the regular course of work.

That same day the Russian Federation’s Government made a [final decision to prohibit the export to Belarus of any petroleum products and LPG](#) over and above what the country needed for domestic consumption, until the end of 2019. In this way, Moscow, as predicted, eliminated any options for Belarus to earn revenue on re-exports. The financial value of such schemes just for the first three quarters of 2018 brought Belarus US \$1 billion. According to press reports, the Belarus side big businesses with close ties to Minsk were involved in the schemes. In short, Moscow not only sharply curtailed Belarus’s opportunities in the energy sector as a whole, but also gave a serious blow to the financial standing of those entrepreneurs who are the financial backers of the Minsk regime.

Another important event in bilateral relations was a joint [session between the two countries’ defense ministries, which took place in Minsk on October 23-24](#). Russian

DM Sergei Shoigu concentrated on NATO’s growing activity on Alliance’s eastern flank in his speech. The result was that Russia managed to put the maximum of effort into presenting a united front between the two partners in terms of understanding and reacting to security challenges in the region, effectively discrediting Belarus’s position as a contributor to regional security and stability.

Against the background of negative relations between Belarus and Russia, [the First Forum of the Regions of Belarus and Ukraine](#) took place in Gomel on October 25-27 with the participation of both presidents. As official sources indicated, agreements worth US \$100mn were signed at the forum. This forum also was politically and symbolically significant. The event allowed President Lukashenka to demonstrate his commitment to a “multi-vector” foreign policy approach, as well as his willingness and readiness to engage in independent policy, without looking to Moscow. For President Poroshenko, the forum demonstrated the closeness of relations between Ukraine and Belarus, and confirmed the rightness of the Ukrainian leader’s foreign policy in relation to his neighbor. It was also intended to boost his image among Russian-speaking Ukrainian voters through good relations with Lukashenka.

Georgia: Lugar Labs in Putin's sights

Lasha Tughushi, Liberal Academy Tbilisi (Tbilisi, Georgia)

The latest direct election of a president in Georgia eclipsed all other news, in both domestic and foreign policy. Even the economy went into suspended animation waiting for the results, as business decided to play safe.



DOMESTIC POLICY:

Elections, elections, elections

The president is being directly elected for a six-year term for the last time in Georgia. The president is not the head of the executive branch and effectively performs a merely ceremonial function in the country. Still, this post is an important part of the political process that allows Georgians to have their voices heard. That's why Georgia's parties are fighting so fiercely and making use of every resource available to them.

Officially, Zurabishvili is an independent, but she has

been enjoying the full support of the ruling Georgian Dream party, which means that she has enormous resources at her disposal. The party's leader is Bidzina Ivanishvili, a billionaire who made his money in Russia and former premier. Vashadze belongs to the United National Movement party. He has ex-President Mikhail Saakashvili batting in his corner from Holland and a political bloc of 10 parties that has grown even broader since the first round of voting.

More details about the presidential election in Georgia and their impact on the situation in the country and the region can be found in the monthly analytical report.

ECONOMY:

Inflationary blip

Over the past month, Georgia's lari declined by 11 tetri, Georgian cents, in relation to the US dollar. According to Georgia's National Bank, the official exchange rate was LAR 2.7251/USD and LAR 3.1170/EUR. Experts tie the lari's nearly 4% decline over October to election rhetoric, saying that business is being very cautious and converting lari to dollars. As a result, prices for consumer goods

have risen about 6.3%, which has affected inflation. In October, inflation was 0.3% compared to the previous month, and annual inflation was already at 2.3%.

Price changes in some specific product groups had a stronger influence on annual inflation, however: transport, up 6.5%; private transport, up 10.3%; and health-care, up 6.1%. Prices also rose for a slew of other goods and services, including tobacco products, alcohol medical services and equipment, medication, and so on.

FOREIGN POLICY:

Accusations from Sochi

Russia continues to accuse Georgia of manufacturing biological weapons, spreading viruses, using dangerous insects for sabotage, and poisoning people. The Russian government's claims about the high-tech Richard Lugar Research Center, built by Americans in Tbilisi, have been around for years now. In October, Russian Federation President Vladimir Putin himself made such claims at the annual Valdai Club meeting in Sochi.

"I saw that statement by the former National Security Minister of Georgia," said Putin. "There's no question that it caused considerable concern... If it's true, then this represents a huge threat."

Over the past month, Georgia's lari declined by 11 tetri, Georgian cents, in relation to the US dollar

Putin went further and, in answer to a question that was voiced during a Valdai Club session, suggested that the lab was manufacturing drugs that could selectively affect a person's genes depending on what ethnic group they belonged to.

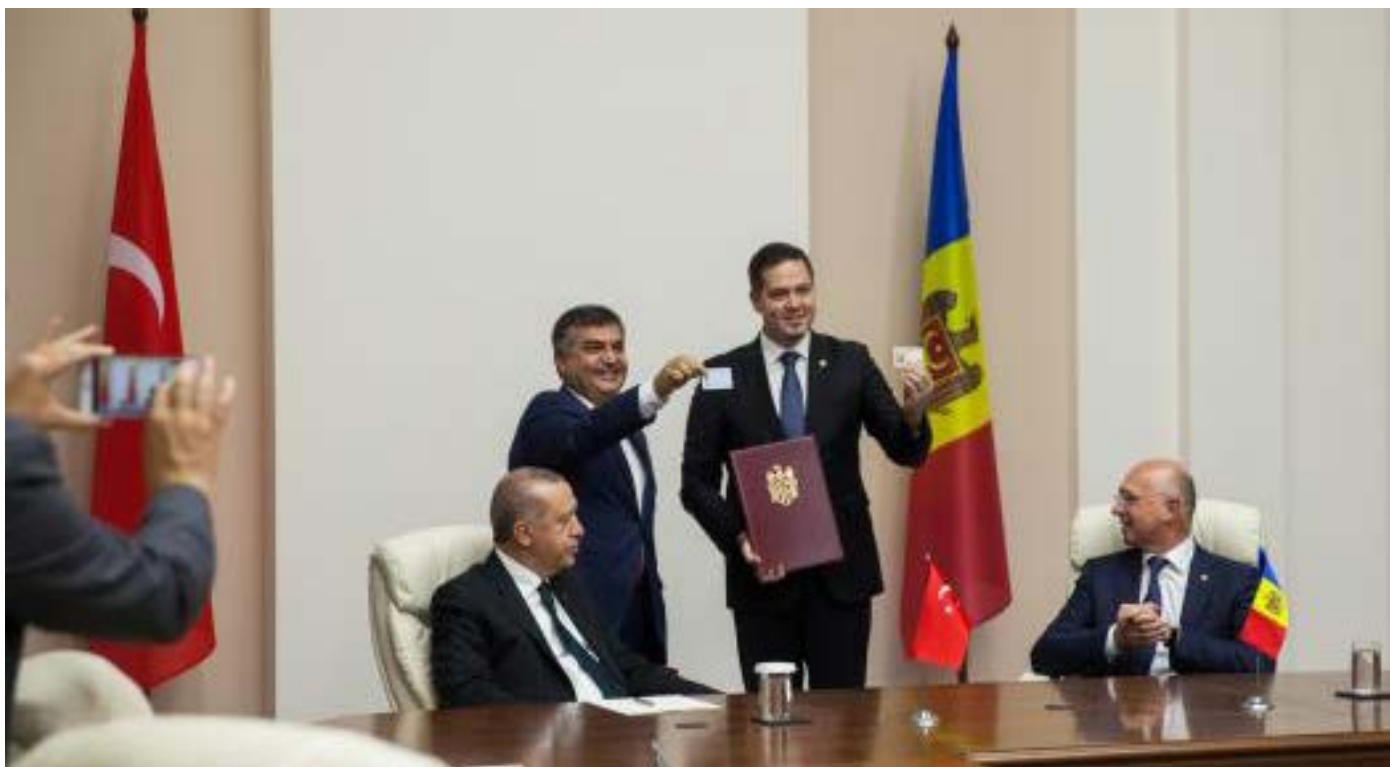
This situation coincided strangely with the poisoning of the Skripals, behind which British investigative agencies have found links to Russia. The Kremlin has been playing a game that could lead to dangerous consequences.

Tbilisi has more than once dismissed Moscow's accusations and requested that the scientific lab's activities be monitored. But the Kremlin has ignored these suggestions, as its real purpose is to use the subject of this lab for its own purposes from time to time.

Moldova: Between democracy and authoritarianism

Sorin Sclearuc, Foreign Policy Association of Moldova (Chisinau, Moldova)

The closer it gets to Moldova's parliamentary elections February 24, 2019, the more brutal Moldova's policies become, and more primitive the means used to enforce them. In October, Moldovans were surprised by the excessive security measures taken during a visit by Turkish President Recep Tayyip Erdoğan, the gifts brought by the Turkish delegation and, last but not least, the manipulative rallies organized by the Democratic Party on the last Sunday of the month. All this underscored the failed impact of the European vector that had been introduced to Moldova's Constitution.



During President Erdoğan's visit to Moldova the treaty on travel using identity cards instead of passports was signed.

DOMESTIC POLICY:

Whither democracy?

On October 18, [the parliament was repeatedly unable to garner enough votes for a bill calling for the European](#)

[vector to be introduced into the Constitution](#). Opposition MPs blamed the governing coalition, led by the Democratic Party, for transforming the European agenda into

political PR. In reality, Moldova's dialog with EU institutions has slowed down considerably.

Turkish President Recep Tayyip Erdoğan's visit to Chisinau served as an opportunity to demonstrate Moldova's creeping authoritarianism: the entire capital was paralyzed with all the increased security measures. The bilateral meetings seemed more as exchange of experience between two authoritarian leaders. The gift the [Turkish president gave the Moldovan government, two anti-riot armored vehicles](#), was quite symbolic. During Erdoğan's visit, [the opposition organized a protest](#) under the slogan, "Stop dictatorship." At the same time, [several NGOs urged Moldovan authorities to repatriate all Turkish](#)

[citizens](#) who were illegally expelled from the country.

The month culminated in [a rally organized by the Democratic Party](#) on October 21, announcing a "pro-Moldovan" fourth path, supposedly instead of a European, Eurasian or Romanian one. According to media reports, participants were brought from the Moldovan countryside largely involuntarily, through pressure and intimidation by employers loyal to the Democratic Party. Moreover, these people were given strict [instructions](#) on how to dress, how to behave, and what to tell journalists.

The crowd responded to boilerplate speeches by Democratic Party leaders with indifference and silence, which profoundly reflects the social-political situation in Moldova.

ECONOMY:

Asset amnesties and pork-barrel politics

The controversial [Bill #284 on voluntary declarations and fiscal facilitation](#), basically a combination of tax reform and capital amnesty, that caused [considerable debate](#) among CSOs and in the international community, came into force on October 1. It replaces the current progressive tax of 7% and 18% with a fixed 12%, while the amnesty is supposed to legalize previously undeclared assets and supposedly bring more revenues to the state budget.

On October 19, MACRO Forum 2018 took place in Chisinau under the title, "Investing for the public good and the welfare of the people," and organized by Expert-Grup and Friedrich Ebert Stiftung, a the German foundation. The conference discussed the country's investment policies, the prospects for and constraints on increasing private and public investment, and how such investments might

Turkish President Recep Tayyip Erdoğan's visit to Chisinau served as an opportunity to demonstrate Moldova's creeping authoritarianism

become a real catalyst for economic growth and social development in Moldova.

"On the surface, we can see the economic situation stabilizing, with an increase of 4-5% of GDP, but to reach the growth levels of Central and Eastern European countries, Moldova needs to grow 7-8%," [concluded Adrian Lupusor](#), executive director of Expert-Grup. "Judiciary reform and the fight against corruption remain fundamental

factors in attracting investment. Although the government understands the need for investments and is taking action in this regard, its impact is minor."

In a weekly press briefing on October 23, Democratic Party leader Vladimir Plahotniuc announced that, as of December 1, 2018, following salary reform, public sector

employees will receive salary increases in the 20-90% range. This clear display of pork-barrel politics was welcomed by the public.

FOREIGN POLICY:

In the EU spotlight, again

Moldova is once again being criticized by Foreign affairs MEPs. This time, [Petras Auštrevičius](#) commented on the socio-political situation in the country, saying, "Moldova has been captured by oligarchic interests and its economic and political power is being concentrated in the hands of a small group of people who influence the parliament, government, political parties, state administration, police, judiciary and media."

Chisinau and Ankara [signed 5 bilateral treaties](#) during President Erdoğan's visit, including on travel using iden-

tity cards instead of passports, access for freight transporters to transit across the two countries without special permits, and joint military exercises. Earlier, Moldova's President Igor Dodon said, "Turkey is ready to invest in various sectors of Moldova's economy and to propose some concrete investment projects in infrastructure."

With this gesture, Turkey appears to want to ensure additional support in the Black Sea region, especially in the context of its tense relations with the EU, Moldova's own drift in implementing its Association Agreement with EU, and the emergence of the "pro-Moldova" fourth path.

Ukraine: The closer to elections, the farther from Moscow

Sergiy Gerasymchuk, Foreign Policy Council “Ukrainian Prism”

Ukraine is inexorably drawing closer to presidential and Verkhovna Rada elections in 2019 and that means hot issues have come to the fore in politics in order to grab voter attention. This past month, language, religion and the war on corruption were the focus of domestic policy. Economically, it was cooperation with the IMF and a new hike in household gas rates that could have a major impact on ratings. As to foreign policy, it continues to be focused on countering Russian aggression.



DOMESTIC POLICY:

Language, religion and fighting corruption

In domestic politics, the pace has picked up as critical and sensitive issues appear on the agenda in Ukraine. In

early October, the Verkhovna Rada passed first reading of a Bill “[On ensuring the functioning of Ukrainian as the state language.](#)” which is intended to replace the controversial and ambiguous 2012 “Kivalov-Kolesnichenko” language law. This law was declared unconstitutional by

the Constitutional Court in February of this year. The new bill considers protections for the use and functioning of the Ukrainian language. At the same time, the EU has been insistently recommending that Ukraine pass this bill to the Venetian Commission to ensure that it meets international standards and [commitments made by Ukraine](#). All things considered, Brussels appears to be trying to head off a new series of complications in relations with Ukraine's neighbors, including Hungary, where Kyiv's language policy has raised hackles.

A major breakthrough has taken place in the gaining of autocephaly for the Ukrainian Orthodox Church. On October 11, the Synod of the Ecumenical Patriarchate in Istanbul made the historic decision for the Patriarchate to continue the procedure to grant autocephaly to the national Ukrainian Orthodox Church. The heads of the

Ukrainian Orthodox Church of the Kyiv Patriarchate, Patriarch Filaret, and the Ukrainian Autocephalous Orthodox Church, Metropolitan Makariy, [had their canonical status restored](#). The reaction of the Moscow Patriarch was not long in coming and on October 15, the Synod of the Russian Orthodox Church [met in Minsk to rupture ties with the Ecumenical Patriarchate](#).

A no less vital theme in Ukrainian society was the launching of the Supreme Anti-Corruption Court. As the president put it, the process is going according to plan and the court should be operating fully [no later than the beginning of next year](#). Meanwhile, an official at the Customs Policy Department at the Ministry of Finance complained that some anti-corruption measures, including the launch of a [“One-stop shop” at Customs are being openly sabotaged](#).

ECONOMY:

The IMF partnership lives!

In October, Ukraine intensified work with international financial institutions: the IMF, the EBRD and the World Bank.

Some observers were disappointed that the World Bank downgraded its forecast for GDP [growth in Ukraine from 3.5% to 3.3%](#). Meanwhile, the EBRD set its strategic priorities for Ukraine for the next five years. The Bank is expected to assist in promoting private sector participation in all sectors, to allocate resources to stabilize the energy market, and to promote the development of Ukraine's banking sector. Its priorities also include infrastructure expansion and [efforts to expand trade and investment flows](#).

Without any doubt the biggest news in October was the restoration of relations between Ukraine and the IMF. The two sides signed a 14-month Standby Agreement

(SBA) that will replace the Extended Fund Facility (EFF) that expires in March 2019. Under the new program, Ukraine will be eligible [to receive US \\$3.9 billion](#). The Finance Ministry expects the program to get final approval from the IMF board [by the end of the year](#). In order to meet the conditions placed by the IMF, the Verkhovna Rada has already passed [first reading of the 2019 budget](#), while the Government has agreed to a more painful decision: raising rates for household gas 23.5% as of November 1, [and raising them again in May 2019 and January 2020](#).

Based on this mutual understanding with the IMF, Ukraine announced two emissions of eurobonds: one series for US \$750 mn maturing in February 2024 and a second for US \$1.25 bn maturing in November 2028. Expectations are that Standard & Poor's and Fitch will rate the two issues no lower than B-.

A major breakthrough has taken place in the gaining of autocephaly for the Ukrainian Orthodox Church

FOREIGN POLICY:

Victory in the EU Parliament, strange maneuvers in Belarus

In the international arena, Ukraine was as notable in October as in September. One breakthrough was the European Parliament's adoption of a resolution on the situation in the Azov Sea on October 25, in which it condemned Russia's militarization of the Azov and Black Seas and Moscow's violations of international commitments. Among others, the European Parliament criticized Russia's blockade of the Kerch Strait, demanding that it comply with international conventions and adhere to international marine law. The European Parliament also proposed appointing a [Special EU Representative for Crimea and Donbas whose mandate would extend to the Azov Sea](#).

Kremlin prisoner Oleh Sentsov was also on everyone's lips in October. After being threatened with force-feeding, Sentsov was forced to stop his hunger strike. However, the international community continues to follow his situation as attentively before. On October 25, [Sentsov was awarded the European Parliament's 2018 Andrei Sakharov Prize “For Freedom of Thought.”](#)

On the northern “front,” that same day, the first Forum of the Regions of Belarus and Ukraine took place in Gomel with the participation of both presidents. After talks ended, Belarusian President Aliaksandr Lukashenka announced that his country was prepared, for the sake of peace, “to get involved in this conflict [sic]” [between Ukraine and Russia](#).

Georgia: The last “people’s” president

Lasha Tughushi, Liberal Academy Tbilisi (Tbilisi, Georgia)

This election is the first time in Georgia’s history that a presidential vote has gone to a second round. Both candidates in the run-off are former ministers of foreign affairs. Both began their diplomatic careers outside the country when they were citizens of other states. Both were brought into the “big game” by ex-president Mikheil Saakashvili. Only Grigol Vashadze continues to be an ally of Saakashvili, whereas Salome Zurbashvili is now his main opponent. Vashadze is a member of Saakashvili’s party, the United National Movement (UNM). In the 2018 election, he was nominated by the united opposition, which includes 10 parties. Zurbashvili calls herself an “independent” candidate, but she is supported by the ruling Georgian Dream party.



What's in a poll?

In the first round of the vote, both candidates came up with the same share of ballots cast and neither got the 50% necessary to be declared the winner of a presidential election. Vashadze got 37.7% and Zurabishvili got 38.6%. Based on information from their own sources, just a few hours after the polls closed, both candidates accepted the results, although the Central Electoral Commission (CEC) only announced the official results the following morning. Although both camps declared victory in the first round, a celebratory mood was seen only in the opposition camp.

Just two hours before the polls closed, the headquarters of the Georgian Dream campaign showed much-anticipated numbers from exit polls on a huge screen. These were taken by Psycho Project, which was commissioned by Georgian Dream. According to the results, Zurabishvili won the first round with a huge lead over Vashadze—52% to 37%. Bidzina Ivanishvili, the billionaire, former PM and now chair of the ruling party, confidently confirmed in the press that he was expecting such a result, but nevertheless called for patience. Other officials from Georgian Dream made similar statements. Calm and confident in her victory, Zurabishvili nevertheless followed the rules and waited until the CEC announced the final results.

Optimism filled the statements of the opposition, which was confident a second round was inevitable. However, they admitted to the possibility that “things would be decided” in the first round. Although both parties acknowledged that a second round was looming, the entire night was very strained. Mobile groups of observers kept moving from one electoral district to another, followed closely by the press, which kept providing updates all night long. In the morning, it was officially announced that for the first time, the president would be decided in a run-off. At the same time, this is the last time a Georgian president will be elected by direct vote.

Turnout in the first round of the election was 46.7%, approximately what it was in the previous presidential election in 2013, 46.6%. The highest turnout in recent years, 49.7%, was in 2017 when local government officials were being elected. At the local level, opposition parties won the big cities: Kutaisi, Batumi, Gori, Khashuri, Zugdidi, Telavi, and Rustavi. In Tbilisi, the results were nearly 50-50. Each of the leading candidates won five of the 10 districts in the capital. An interesting picture emerges: in the wealthier districts, where financial and bureaucratic power is concentrated, Zurabishvili is leading, while in the bedroom communities, Vashadze took much of the vote.

International and local observers noted some problems during the election, including inappropriate use of administrative leverages, unbalanced campaign financing, and

so on. Still, they concluded that the election was competitive.

Those left in the dust

The race originally had 25 candidates vying for the post. The third place was taken by the leader of European Georgia and former speaker, David Bakradze, with 10.9%. European Georgia currently has the largest opposition faction in the legislature. This party was formed after four months of internecine conflicts that followed UNM's loss in the last parliamentary election. In January 2017, European Georgia finally broke off from Saakashvili's party and by July had signed a three-point “non-aggression pact” at the initiative of its European partners, who were worried that there would be mutual election-campaign attacks involving former members of UNM. Basically, this worked. During the campaign, the agreement was mainly violated by Saakashvili himself and his supporters, who attacked European Georgia from time to time with accusations that it was merely a “pseudo” opposition.

Once the second round was announced, however, Bakradze and former Tbilisi mayor Gigi Ugulava, who managed to be mayor, spend time in jail and return to politics under the Ivanishvili Government, announced that

they were supporting Vashadze and called on their voters and supporters to actively continue the battle for their common goal—victory over Ivanishvili. Saakashvili himself congratulated Bakradze, who after Saakashvili's term as president ended, ran for president himself under the UNM. If simple mathematical logic works and Vashadze picks up all these votes through joint effort, he will be very close to a clear victory. Still, the elections often operate on a different kind of logic.

Three more candidates managed to pick up some votes: 3.7% of voters chose Shalva Natelashvili, head of the Labor Party of Georgia, which stands firmly on the side of a Euroatlantic choice for Georgia. Natelashvili had the top result in local elections back in 2002, winning the election in Tbilisi with 26%. But for unknown reasons, he gave the chair's seat on the City Council to his rival, Mikheil Saakashvili.

This threesome includes another former speaker, David Usupashvili, who took 2.2% of the vote. Usupashvili belongs to that category of politicians who, as a rule have more allies than voters. After the first round, he announced that he wouldn't support either of the candidates in the second tour, as he did not see either as a unifying force. It's possible that Usupashvili will be among those who claim to be a new, third force for the 2020 parliamentary elections.

The final candidate took exactly 2.6% of the vote, another former UMNER, MP Zurab Dzharparidze. Dzharparidze

International and local observers noted some problems during the election, still, they concluded that the election was competitive

appears to be a favorite among some part of the younger generation. A few days before the election, he was detained by the police. His party, Girchi or Spliff, had organized a marijuana festival in Tbilisi where, as a sign of protest against the government's policies around the legalization of narcotics, he demonstratively pulled some joints out of his pocket near some bystanders. Dzhabaridze was released a few hours after being detained. The politician is clearly a libertarian, supporting a sharp reduction in taxes, red tape and public spending. However, his main campaign message was decriminalizing drugs. Like Usupashvili, he announced after the first round that he did not support either of the two finalists, but told his voters to support the candidate that they felt deserved their vote. Among politicians who oppose the Euroatlantic course for Georgia, the highest share of the vote went to the leader of the Free Georgia party, Kakha Kukava, 1.3%. The other NATO skeptics, Nino Burdzhanadze and her team, with their Alliance of Patriots faction in the parliament, did not participate in this election.

The powerful like a weak president

This election will be last direct election of a president in Georgia. The decision to end direct elections for the presidency came after debates when some basic amendments were being considered to the Georgian Constitution in 2017. Despite the obvious disgruntlement of the opposition, a large share of civil society and much of the general public, the ruling party decided to curtail the already weak powers of the president. In addition to switching from direct to indirect elections, the Security Council under the president and the president's right to appoint judges to the Supreme Court were both eliminated.

However, despite these restrictions on specific powers, the presidents continues to carry out important functions in both domestic and foreign policy, including security issues. The main thing is that the president, even if for the last time, has been elected by the people, which gives that person considerable legitimate political clout. It follows that this is an attractive resource for the person's party, and so no one is prepared to lightly cast the post aside.

North vs West

The Russian question dominated throughout the election campaign. Zurabishvili supporters kept reminding Vashadze that he was a diplomat in soviet times, held a high post in Moscow, and was a Russian citizen. Vashadze, for his part, reminded his opponents that he had sent his Russian passport in the mail to Prime Minister Dmitry Medvedev as a sign of protest.



Vashadze himself attacked Zurabishvili for her “traitorous” position and declarations that Saakashvili had bombed Tskhinvali in 2008. Vashadze called this part of “the Russian narrative” with long-term plans of taking over more Georgian territory. He also reminded Zurabishvili of her comment that the greatest diplomat she knew was Russia's Foreign Minister Sergei Lavrov. Her opponents also criticize Zurabishvili's poor mastery of the Georgian language, as she was born and raised in France. The former diplomat is the direct descendant of

prominent political and public figures who left Georgia during the soviet occupation of 1921. At different times, she held high posts in the French government.

The rhetoric of the ruling team is even harsher, saying they will not allow Georgia to return to the “bloody nine-year regime” of Saakashvili. Just two days after the election, Zurabishvili appeared at a press briefing at her election headquarters where she stated that she would not “leave the country to Saakashvili and Russia.”

In the meantime, Kakha Kaladze, a one-time well-known football player but now mayor of Tbilisi and secretary general of the ruling party, commented on the out-

Despite these restrictions on specific powers, the presidents continues to carry out important functions in both domestic and foreign policy, including security issues

come of the first round of the presidential election, saying “We are looking the possibility that one of the reasons why we failed to mobilize our electorate was that the party did not nominate its own candidate”

The polarizing press

The tension of the electoral process has not receded in the least and a major component of this escalation has been the press. After the results of the first round were announced, Nana Lezhava, manager of the news service of Imedi, one of the top television channels, announced openly on air that his team was “going into emergency mode in order not to allow the return of Saakashvili.”

Meanwhile, Nika Gvaramia, general manager of another major channel, Rustavi 2, wrote on in Facebook: “We need to remember all those who finance or in some other fashion support the campaign of independent candidate for president Salome Zurbishvili that these people need to be driven out of every sphere of the community, whether that’s business, the arts or politics. This traitor of our country and her allies need to be punished demonstratively.”

The Russian question dominated throughout the election campaign

His comment was attacked by a statement from Speaker Irakli Kobakhidze: “That’s the comment of a useless, miserable fascist who had not once managed to succeed in his war against Georgian democracy, Georgian society and the truth in the past six years.”

Despite the fact that it’s hard to judge the press prior to

the release of monitoring results, it’s visible to the naked eye that both the traditional media and social nets are key mechanisms contributing to polarization. This especially

true of social nets, where debate has turned into a battlefield in a hail of insults and aggressiveness.

The final note will come only in a few weeks. The CEC is looking into complaints that might result in minor adjustments to the results of the first round. In this way, the two candidates are preparing for their final race. One can only hope that the electoral race will not turn into a gladiators’ match, as there will clearly be more than just two fighters in the ring. The prize is not just the one presidential seat, but also 150 seats in the legislature that could go to the victor, along with the Office of the President.

Ukraine: 20 EaP Deliverables progress report

Hennadiy Maksak, National Coordinator, Ukrainian National Platform of the Eastern Partnership Civil Society Forum (Kyiv, Ukraine)

On October 15, 2018, the Foreign Ministers of EU and Eastern Partnership (EaP) member-states met in Luxembourg. The agenda included a discussion of progress in achieving the 20 Deliverables for 2020 that were officially approved at the EaP Summit in Brussels in November 2017. This progress update is based on a monitoring report prepared by the European External Action Service.



The Foreign Ministers' of EU and Eastern Partnership (EaP) member-states meeting in Luxembourg.

The Ukrainian National Platform of the Eastern Partnership Civil Society Forum has prepared its own monitoring of the country's progress with the 20 deliverables as of September 1, 2018. Ukraine is generally in the process of

actively implementing nearly all priorities because most of the 2020 deliverables, in one way or another, reflect the goals envisaged by the Association Agreement, which fully came into effect on September 1, 2017.



Ukraine has adopted a number of mid-term strategies and concepts for 2020 and 2021 as part of its overall reforms, and as part of the Ukraine 2020 Sustainable Development Strategy. Before 2017, some of the program and strategic documents were developed to fit thematic

segments of planned milestones. Examples include the Concept for Reforming Local Government and Territorial Organization of Government in Ukraine for 2014-2017 and the State Program on the Basics of Anti-Corruption Policy in Ukraine, or the Anti-Corruption Strategy, for 2015-2017.

CROSS-CUTTING DELIVERABLES:

Visible progress

Ukraine has made noticeable progress in fulfilling the tasks within three **cross-cutting deliverables**. Structured engagement with a wide range of CSOs got an extra boost with the introduction of institutional support for the Ukrainian National Platform of the EaP Civil Society Forum and for the Ukrainian side of the EU-Ukraine Civil Society Platform from the EU-funded Civic Synergy Project. This has allowed the country to significantly improve the quality of analytical and communication projects implemented by these platforms, and to reinforce cooperation with decision-maker, both in Ukraine and at EU institutions.

Ukraine is showing interest in establishing institutional cooperation with the three EaP states that have signed Association Agreements

In the context of **gender equality and non-discrimination**, Ukraine has established the necessary legislative and procedural framework, strengthened the gender mechanism, and set up the office of Ombudsman for Gender Policy.

The use of **strategic communications** with a unified approach to the visualization of projects in Ukraine under the umbrella of the Moving Forward Together campaign has enabled broader dissemination of information about EU activities and reform support among Ukrainians. In the future, joint efforts should focus on resisting anti-EU disinformation and messages in

Russia-influenced media that are likely to be propagated during the pre-election and election periods.

ECONOMIC DEVELOPMENT:

Digital market problems

Ukraine has improved some socio-economic indicators for **economic development and market opportunities**. The regulatory environment and SMEs have seen positive changes thanks to support from EU programs. More specifically, 840 SMEs received support between 2016 and 2017. In order to reduce **gaps in access to financing and financial infrastructure**, Ukraine has updated program documents focusing on the development of the financial

sector, and passed laws on a credit register and credit risk management. However, it still lacks practical steps to establish and develop alternative sources of funding for SMEs and incentives for lending in the national currency. EU projects like Mayors for Economic Growth and Smart Specialization, in which Ukraine participated actively throughout 2018, generate new job opportunities at local and regional level.

Trade and DCFTA implementation has also been dynamic. In 2017, Ukraine exported 30% more goods to the

EU and imported 21% more goods from it. Trade with EaP states is following a similar trend. In 2017, the exports of five EaP countries to the EU grew 29% and imports from the EU went up 30%.

The lack of a coordinated strategic approach to the shaping of policies in **harmonization of digital markets**

STRENGTHENING INSTITUTIONS:

Mixed results

Priority II, **strengthening institutions and good governance**, has shown the most mixed results. On one hand, **the reform of state governance** has been quite productive and is described in the EU SIGMA 2017 report based on an assessment of the government system in Ukraine. On the other hand, **strengthening rule of law and anti-corruption mechanisms**, as well as **implementing key judicial reforms** have not delivered significant results on the ground in Ukraine and were given a low grade by Ukrainian National Platform experts. Ukraine is failing to guarantee effective, results-oriented work at its anti-corruption institutions and to fully automate the verification of e-declarations from officials within a unified declaration system. As part of its judiciary reform, Ukraine amended the provisions of its Constitution regarding justice in 2016 and adopted a package of laws to increase

The monitoring underscores the added value of the 2020 Deliverables for Ukraine, compared to the norms of the Ukraine-EU Association Agreement

the transparency and accountability of judges. However, the procedure for appointing judges and the judiciary's administrative staff who were supposed to carry out the reform have led to the conservation of problems such as corruption and political dependence in the country's judiciary. For Ukraine to effectively complete anti-corruption and judiciary reform, serious political will is needed, first and foremost.

Security is the critical sphere for cooperation with the EU in which Ukraine has demonstrated serious progress. The adoption of the Law on National Security in 2018 contributed to the existing system of strategic documents on security that foster Ukraine's integration with the EU and NATO. However, the EU needs to pay more attention to institutionally strengthening the fight against the hybrid elements of Russia's aggression and the

protection of critical infrastructure.

ENERGY:

Below average

Priority III, **connectivity, energy efficiency, environment and climate change**, aims to strengthen transport and energy links and to develop uniform approaches to the environment and climate change.

In 2017, Ukraine signed an agreement to extend the indicative maps of the **Trans-European Transport Network (TEN-T)**, the Mediterranean and the Rhine-Danube Corridors, to its territory. In addition, Ukraine has joined GO-HIGHWAY Gdansk-Odesa and Via Carpatia, two international projects under the TEN-T framework. The main challenge for Ukraine here is to prepare and implement priority projects within the network and to find funding.

While **energy supply** has a key place in EU-Ukraine relations, the 20 EaP Deliverables cover only some aspects of EU energy cooperation with EaP countries, and most of these have nothing to do with Ukraine directly. In 2018, a national working plan was agreed under the EU4Energy framework to continue reforms in the energy sector and to develop relations with the EaP countries that are not members of the Energy Union. Overall, progress in this

deliverable is below average, compared to other areas.

The **energy efficiency, use of renewable energy, and reduction of greenhouse gas emissions** deliverable provides Ukraine with two tools: the Sustainable Energy Action Plans (SEAP) for cities and towns in Ukraine that have signed the Covenant of Mayors, and the Energy Efficiency Fund based on co-funding from the EU. Ukraine leads in the preparation of SEAP alongside other EaP countries, but the quality of this preparation and implementation is not always up to par. The Energy Efficiency Fund was established in 2018 with an EU commitment of €50mn. However, additional efforts are necessary to organize its work.

Environment and adaptation to climate change were in the spotlight, too. Government policy on climate change is framed by long-term concept documents. Laws on the Assessment of Environmental Impact and on Strategic Environmental Assessment were adopted in 2017 and 2018 and are now being implemented. Reform of the water resources management system continues. The lack of systematic action on the part of the Government to tackle illegal logging continues to raise concerns.

PEOPLE-TO-PEOPLE CONTACTS:

Positively active

Priority IV **mobility and people-to-people contacts** aims at a separate assessment of cooperation between the EU and Ukraine.

The **visa liberalization and mobility partnerships** deliverable celebrated the first anniversary of a visa-free travel regime for Ukraine with EU and Schengen Area member-states in June 2018. In the first year of visa-free travel, nearly 5 million biometric passports were issued to Ukrainians and close to 1mn Ukrainian citizens travelled to the EU without visas. Young people, education, skill

development and culture are always important to provide high mobility among Ukrainians. Ukraine is an active user of the EU4Youth, Erasmus + and Creative Europe programs.

In terms of **research and innovation**, Ukraine is an associate member of Horizon 2020 and Ukrainian organizations are engaged in an increasing number of projects under its aegis. To strengthen integration with the European research community, Ukraine could assess the implementation of recommendations in a 2016 research and innovations audit under the Horizon 2020 peer-review instrument (PSF).

MULTILATERAL ARCHITECTURE:

Under renovation

20 Deliverables for 2020 contains a vision for **reforming the multilateral format**. Officially launched in March 2018, the updated multilateral architecture of EaP aims to strengthen the political component of the Eastern Partnership. The Senior Officials Meetings format is a positive development, as is the provision of more political weight to cross-government platforms. However, the EU still underestimates the security dimension as an element of cooperation.

Alongside its active engagement in the multilateral format for the six EaP countries, Ukraine is showing interest in establishing institutional cooperation with the three EaP states that have signed Association Agreements.

Such forms of cooperation were mentioned in the final documents of the EaP Summit in November 2017 and the Ukraine-EU Summit in July 2018, which is a positive development. 2018 has essentially been the year of institution-building. In September 2018, the first informal ministerial meeting in the EU+3 took place. It confirmed the prospects for and meaningfulness of this platform for issues linked to the implementation of the **DCFTA**. As to civil society, Kyiv hosted the Second Association Exchange Forum in September 2018, for NGOs and think-tanks to share their views on the implementation of the Association Agreement in the three countries. In October, the charter of the Interparliamentary Assembly of Ukraine, Georgia and Moldova was signed in Tbilisi.

Overall, the monitoring conducted by experts from the Ukrainian National Platform of the EaP Civil Society Forum underscores the added value of the 2020 Deliverables for Ukraine, compared to the norms of the Ukraine-EU Association Agreement and their implementation documents.

Some results complement and streamline the areas of cooperation and instruments envisaged by the Association Agreement. They also facilitate deeper reforms of sectors that are vital to Ukrainian society.

At the same time, the 20 Deliverables can be updated based on the strategic vision of the EaP's further development after 2020. This update could include the development of clearer criteria for EaP+ formats, focusing on the integration of EaP countries into EU sectoral and thematic areas, such as the Customs Union, the Digital Single

Market, the Energy Union, and the Schengen Area. A specific discussion of its future could be officially launched on the EaP's 10th anniversary in May 2019. This was mentioned many times during a meeting of EU and EaP foreign ministers in Luxembourg. For some strategic sectors, the Ukrainian government and civil society could develop individual road maps or action plans with clear indicators of success. As an example, the Ukraine-EU Action Plan for justice, freedom

and security has already been updated. The draft Road Map of Integration with the Energy Union is nearly complete. Similar plans are necessary for Ukraine's integration into the Digital Single Market and progress towards the standards of the Schengen Area and the Customs Union.

Finally, official Kyiv should use financial instruments for support within the EaP 20 Deliverables framework, despite the lack of clear legal commitments on its part to deliver on all 20. This will facilitate the implementation of reforms that have already been launched and the fulfillment of the EU-Ukraine Association Agreement.

This article draws on the monitoring report by the Ukrainian National Platform of the EaP Civil Society Forum as of September 1, 2018.

The update of 20 Deliverables could include the development of clearer criteria for EaP+ formats, focusing on the integration of EaP countries into EU sectoral and thematic areas

EaP Think Bridge

INITIATIVE BY:



Foreign Policy Council "Ukrainian Prism" (Ukraine) is a network-based non-governmental analytical center, the goal of which is to participate in providing democratic ground for developing and implementation of foreign and security policies by government authorities of Ukraine, implementation of international and nation-wide projects and programs, directed at improvement of foreign policy analysis and expertise, enhancement of expert community participation in a decision-making process in the spheres of foreign policy, international relations, public diplomacy.

www.prismua.org

SUPPORTED BY:



INTERNATIONAL
RENAISSANCE
FOUNDATION



Civic
Synergy



UKRAINIAN NATIONAL PLATFORM OF THE
EASTERN PARTNERSHIP
Civil Society Forum

Supported by the European Union and the International Renaissance Foundation within the framework of the Civic Synergy Project and under the auspices of the Ukrainian National Platform of the Eastern Partnership Civil Society Forum.

www.civic-synergy.org.ua

IN PARTNERSHIP WITH:



Center for Legal Initiatives (Azerbaijan) is an independent legal think tank based in Azerbaijan. The overall aim of the organization is promoting rule of law, good governance, and democratic values, as well as assisting to the European integration processes in the country.

www.legal.org.az



The Center for Economic and Social Development (Azerbaijan) is a leading Azerbaijani think tank specialized in economic and social policy issues working with and establishing bridge between the government and the various representatives of civil society. The Center was set up in 2005 to promote research and analysis into domestic economic and social issues for the purpose to positively influence the public policy decision-making processes.

www.cesd.az



CENTER FOR STRATEGIC AND
FOREIGN POLICY STUDIES

Center for Strategic and Foreign Policy Studies (Belarus) is a non-governmental non-profit independent think tank, the mission of which is to promote the opportunities for the Republic of Belarus in the international arena by analyzing international processes, and developing programs and projects.

www.csfps.by



EUROPEAN INITIATIVE
LIBERAL ACADEMY TBILISI

The foundation Liberal Academy Tbilisi (Georgia) is a non-governmental, nonprofit organization, committed to promoting core democratic values, supporting peace-building and European and Euro-Atlantic integration and with that fostering the democratic development of Georgia and the

whole Southern Caucasus region.

www.ei-lat.ge



Foreign Policy Association (Moldova) is Moldova's leading foreign policy think-tank, committed to supporting Moldova's Europeanization, integration into the European Union and a viable settlement of the Transnistrian conflict.

www.ape.md