

EaP Think Bridge

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Total victory of revolution in Armenia or another serious challenge?



As impressive as the forced resignation and defeat of the old regime was, the real demands of governance represent much more daunting and serious challenges for Armenia

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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

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Chance for reforms

Is the resignation of the old government enough to talk about the victory of a revolution? Unfortunately, the examples of Ukraine and Georgia indicate the opposite. Now Armenia also faces a major challenge: can the new leadership resist the temptations of the monopoly of power and really reform the state? Both the government and the parliament in Yerevan are yet again under the control of one political force, which, moreover, has no real management experience. Do the new leaders have enough will and wisdom to deal with the country's serious internal problems and maintain a foreign policy balance? Richard Giragosian analyzes the outlook for Armenia.

Meanwhile, Ukraine is slowly but surely moving along the path of reforms, including fulfilling the obligations under the document "20 Eastern Partnership Deliverables Until 2020". Natalia Kupriy examined how things are going in the public administration reform, the key one for the country.

In Georgia, the judicial reform is endangered. Its implementation is the most difficult for the state, and its current steps caused a scandal and a split in the ruling party.

Reforms in Belarus are aimed at further mobilizing the state apparatus and strengthening control. In the meantime, the economy is under threat of stagnation without Russian support.

The peace process to resolve the conflict in Nagorno-Karabakh intensified unexpectedly between Azerbaijan and Armenia. However, real results are not yet visible and the motives of the parties are vague.

Moldova and Ukraine are completely absorbed by the electoral process, which has already entered the home stretch.

The most important developments of January in the Eastern Partnership are analyzed in our reviews by experts from each of the countries in the region.

Olga Chizhova

Editor-in-Chief of the EaP Think Bridge Digest



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A “not so new” Armenian government

Richard Giragosian, Regional Studies Center (Yerevan, Armenia)

Armenia President Armen Sarkisian issued an official decree on January 14 affirming the reappointment of Prime Minister Nikol Pashinyan in the wake of the political landslide in parliamentary elections in December 2018. Reflecting the country’s dynamically new political landscape, Pashinyan’s “One Step” party secured 88 seats in the new 132-seat parliament, thereby, ushering in a second term as a premier for Pashinyan. Only two other political parties were able to garner representation in the new parliament, with the “Prosperous Armenia” and “Bright Armenia” parties winning 26 and 18 seats respectively.



New Armenian government.
Photo by gov.am

DOMESTIC POLICY

New Armenian government formed

Following the sweeping victory in the 9 December 2018 parliamentary election, reappointed Prime Minis-

ter Nikol Pashinyan went on to form a new government, returning most of his former ministers to their previous posts. Of the returning group, the three non-partisan ministers of defense, finance and foreign affairs, as the only

ones with previous government experience, were also re-appointed. Among the new additions, Pashinyan named Zaruhi Batoyan as the Minister of Labor and Social Affairs. The 39-year-old Batoyan, a former deputy minister in the same ministry, is also the only female member of the new government. The Minister of Justice Artak Zeynalian, a significant senior member of the rival “Bright Armenia” party, was also reappointed.

Further moves included the reappointment of two of three deputy prime ministers, Tigran Avinian and Mher Grigorian, with the third post due to be abolished. The

prime minister also plans to initiate an institutional reorganization of the new government, with the reduction of the number of ministries from 17 to 12, merging the Ministry of Culture with the Ministry of Education and moving the Ministry of Diaspora to the Ministry of Foreign Affairs. In a more controversial move, however, Pashinyan is also seeking to have the Armenian police, National Security Service (NSS) and the State Revenue Committee (SRC) remain accountable to the prime minister, rather than being subordinate to either his cabinet or the parliament.

ECONOMY

Armenia to receive new EU-World Bank funding for transportation

In a joint statement released by the World Bank and the EU on January 25, a new financial package of over 730 million euros (\$832 million) was announced to be invested in the Armenian transport infrastructure. The fresh aid, running until 2030, comprises a mix of loans and grants which are the part of a broader EU-World Bank Trans-European Transport Network (TEN-T) Investment Action Plan to “boost connectivity and economic growth” in the six countries of the EU’s Eastern Partnership program. For Armenia, the aid will finance projects focused on rebuilding and modernizing roads and railway, logistics centers and border crossing points. According to Ambassador Piotr Switalski, the head of the EU Delegation in Yerevan, the EU has already financed over 90 million euros in loans and 15 million euros in grants for the current reconstruction of two Armenian highways running from Yerevan to the Georgian border, as well as the 54-million-euro modernization of the three Armenian-Georgian border checkpoints.

Armenian government promises national health insurance

Newly reappointed Minister of Health Arsen Torosian announced on January 23 that the Armenian government plans to introduce an ambitious system of universal national health insurance by 2021 that would be funded by a special new income tax. The plan seeks to modernize and improve national healthcare, while also greatly expanding free public access to healthcare. After the privatization of most hospitals in the 1990s, only state-run polyclinics

are legally required to offer free basic medical services, but also including surgery, for children, toddlers and infants, although reportedly families must also make informal payments to doctors for such care and services.

The Minister of Health Torosian has also pledged to ensure “accessible and high-quality healthcare” and has already initiated an effort to fully cover the cost of cancer surgery performed at local hospitals. The cost is to be expanded this year to cover financing for expensive radiation therapy for roughly 200 cancer patients. Based on the 2019 state budget, expenditure on health care is set at 90 billion drams (\$186 million), a figure that also covers increased salaries for some 14,000 doctors and other medical personnel working in the

state-run polyclinics.

Armenia praises increased tax collection

After several years of notorious corruption and inefficiency, on January 17 the Armenian State Revenue Committee (SRC) hailed a significant increase in revenue and tax collection for 2018. According to the official figures, the SRC posted a more than 14% increase in the collection of taxes and customs duties last year, with a total of tax revenues worth 1.3 trillion drams (\$2.7 billion), an amount that exceeded the government’s official target by 3.5%. While the increased tax collection was attributed to the improvement in efficiency and administration, the positive figures also bolstered Prime Minister Pashinyan’s promises to combat tax evasion and root out corruption. According to Pashinyan, this pledge was further reaffirmed by recovering of more than 20 billion drams (\$42 million) of unpaid taxes from some 73 companies.

The prime minister plans to initiate an institutional reorganization of the new government, with the reduction of the number of ministries from 17 to 12

Armenian Premier visits Moscow

Arriving in Moscow on a one-day visit on January 25, Armenian Prime Minister Nikol Pashinian participated in a meeting of the Eurasian Economic Commission (EEC), which deals with the issues related to the recent transfer of the one-year presidency of the Eurasian Economic Union from Russia to Armenia. Former Armenian Prime Minister Tigran Sarkisian is also set to continue his term as the head of the EEC Executive Body through the remainder of 2019. After the opening of the EEC session, Prime Minister Pashinyan met with his Russian counterpart Dmitry Medvedev, which was followed by a meeting with a group of Russian-Armenian businessmen, in a bid seeking to promote investment in Armenia. According to the official Armenian government data, for the period of January-November 2018, the Eurasian Economic Union accounted for 27% of foreign trade, with the European Union in a close position accounting for 25% share.

Armenian and Azerbaijani leaders meet

In an unannounced meeting on the sidelines of the World Economic Forum in Davos, Switzerland, on January 22 Armenian Prime Minister Nikol Pashinian met with Azerbaijani President Ilham Aliyev for “informal” talks on the Karabakh conflict. In a subsequent statement issued by the Armenian prime minister’s office, the 90-minute meeting consisted of the leaders’ “exchange of views” on the current state of the Karabakh peace process and included “further discussions”. Although the meeting is the third such encounter, following meetings in Tajikistan in September 2018 and Russia in early December 2018, unlike more official presidential summits, the informal nature of each of the three meetings offered less substan-

tive opportunities, with no agendas and little real focus. Nevertheless, the meetings do represent the acceleration of the peace process, and follow a significant decrease in normally routine ceasefire violations around Karabakh and along the Armenian-Azerbaijani border areas.

The Davos meeting also comes in the wake of a four-hour meeting of the Armenian and Azerbaijani foreign ministers in Paris on January 16 that surprised the mediators from the Organization for Security and Cooperation in Europe (OSCE). In an unusually positive joint statement issued after that Paris meeting, which is the fourth ministerial meeting of such kind in the last six months, Foreign Ministers Zohrab Mnatsakanian and Elmar Mammadyarov “agreed upon the necessity of taking concrete measures to prepare the population for peace”, adding that a presidential meeting would “give a strong impulse to the dynamics of negotiations”. For his part, Azerbaijani President Aliyev has also uncharacteristically hailed the progress in talks with the Armenian side, predicting a “new impetus” to the pace of the peace process. In subsequent statements to the media, Prime Minister Pashinyan explained that although there was no “secret deal” over Karabakh, the leaders have “touched upon all the issues”, but noted that he only represents the Republic of Armenia, and cannot speak for Karabakh (or the Republic of Artsakh as was officially renamed) in the negotiations.

Armenian Prime Minister attends Davos World Economic Forum

In last minute decision, Armenian Prime Minister Nikol Pashinian attended the annual World Economic Forum held in the Swiss town of Davos on January 22-25 and met with a number of foreign leaders.

Azerbaijan: Diplomatic optimism over Karabakh

Sevinc Aliyeva, Center for Legal Studies (Baku, Azerbaijan)

In January, the Central Bank of Azerbaijan revealed its ultimate goals for 2019 and clarified what was achieved in the previous year. The foreign policy agenda of the country was dominated by the unofficial meeting of President Aliyev and Armenian Prime Minister Pashinyan. In the domestic policy, human rights are in the spotlight again.



President Ilham Aliyev and Armenian Prime Minister Nikol Pashinyan held an informal meeting in Davos World Economic Forum.

DOMESTIC POLICY

Political prisoner on hunger strike

Blogger Mehman Huseynov was due to be freed in March 2019 after the two-year sentence. He is a human rights defender, journalist, and blogger who document-

ed corruption cases and human rights violations in Azerbaijan. Huseynov published a series of reports showing wealthy properties of Azerbaijani officials and criticizing the appointment of the first lady Mehriban Aliyeva to the

post of the first vice president.

However, only months before Huseynov's release the new charges were brought against him. Allegedly, he had violently attacked Lieutenant Ali Aladdin, the senior inspector of the enterprise's regimental-control department and caused a serious injury. If convicted to the charge, Huseynov would face additional 5 to 7 years in prison.

In the meantime, the European Parliament adopted a resolution with 89% majority of the votes for immediate and unconditional release of Huseynov. The Council of Europe Commissioner for Human Rights and the OSCE Representative on Freedom of the Media have addressed Azerbaijan's Foreign Ministry officials expressing their concerns about the situation. Following the event, thousands of people gathered at the protest rally in the capital

Baku to demand the release of Mehman Huseynov and other political prisoners from the government. According to the opposition sources, the number of people in the streets was around 20.000. During the protests, the representatives of the opposition parties talked about the corruption, [deteriorating economic conditions, and human rights violations](#).

After one of the largest protests in the recent years, the international pressure and Huseynov's six-day no-liquid hunger strike, President Aliyev ordered to review blogger's case. As a result, the new charges were dropped and the activist is said to be released on March 3.

The survey by the Working Group for a Unified List of Political Prisoners says that [the current number of political prisoners is 128](#).

ECONOMY

Main goals for 2019

During the meeting of the Central Bank of Azerbaijan (CBA), the Chairman Elman Rustamov talked about the monetary policy for the current fiscal year. According to him, maintaining the inflation rate at 4% and maintaining macroeconomic stability are the main goals of the CBA. *"Interest rate policy will be based on achieving the inflation rate target. The decision on the parameters of the interest rate will be made by analyzing the macroeconomic processes in the country, dynamics of cyclic indicators, recent forecasts, and changes in the balance of risks"*, [he mentioned](#). He added that country's GDP actually grew

The survey by the Working Group for a Unified List of Political Prisoners says that the current number of political prisoners is 128

by 1.4% and the non-oil sector grew by 1.8% in 2018 which created favorable conditions for the economic growth. He further stated that the official currency reserves of the CBA increased by 5.5% to \$5.6 billion.

Talking about the management of the Central Bank, Rustamov noted that in line with the goals and objectives of the Bank, its statistical base has been improved; the institutional development process has accelerated; modern, electronic, and infrastructure-based continuous payment systems have been implemented; complex measures have been undertaken to strengthen cybersecurity; all information security systems have been provided [with the modern virtualization infrastructure](#).

FOREIGN POLICY

"Diplomatic optimism" or "rose-colored glasses"?

On January 22, Azerbaijani President Ilham Aliyev and Armenians Prime Minister Nikol Pashinyan held an informal meeting in Davos World Economic Forum in Switzerland. This is considered the third unofficial talk between the leaders. The first occurred during the CIS summit in Dushanbe in September, where the sides discussed de-escalation acts along the borders. Then in December, during the informal CIS summit in St Petersburg, parties met again and focused on exchanging captives and prisoners. However, no result was achieved. The third meeting continued for an hour and a half and the sides exchanged views [on the current status of the negotiation process and future prospects](#).

According to some local sources, during the talks the

future meeting of Azerbaijan's and Armenia's presidents was agreed on, however, Foreign Affairs spokesman of Armenia Tigran Balayan has contradicted the news saying the formal meeting of the Presidents will only happen upon the proposal by the OSCE Minsk Group. He further added that even if this meeting occurs, it will only be a trigger for the negotiations process, [not a solution to the conflict](#). PM Nikol Pashinyan speaking live on Facebook said that the parties discussed the possibilities and conditions of the settlement without any specific detail. *"I would like to emphasize that the main focus of the discussions is all what we speak about publicly also"*, [Pashinyan added](#). During his interview with journalists in Moscow, the PM mentioned that he is only representing Armenia, not the Nagorno-Karabakh. *"They have their own President and the parliament. I cannot hold a discussion on behalf of them. There are no results. Neither Aliyev nor I expected*

any results. We were just speaking, discussing”, [he said.](#)

After the unofficial talks between the parties, the reciprocal confidence-building measures like the partial deployment of the paramilitary forces along the border give a sign about the diplomatic optimism. At least, it can be inferred that both sides wish for sustainable peace and are ready for constructive engagement. On the other hand, domestic political processes in Armenia and new leadership in Yerevan pose new questions, such as if Yerevan will change its traditional stance about the settlement and accept compromises or if it will follow the previous government’s attitude.

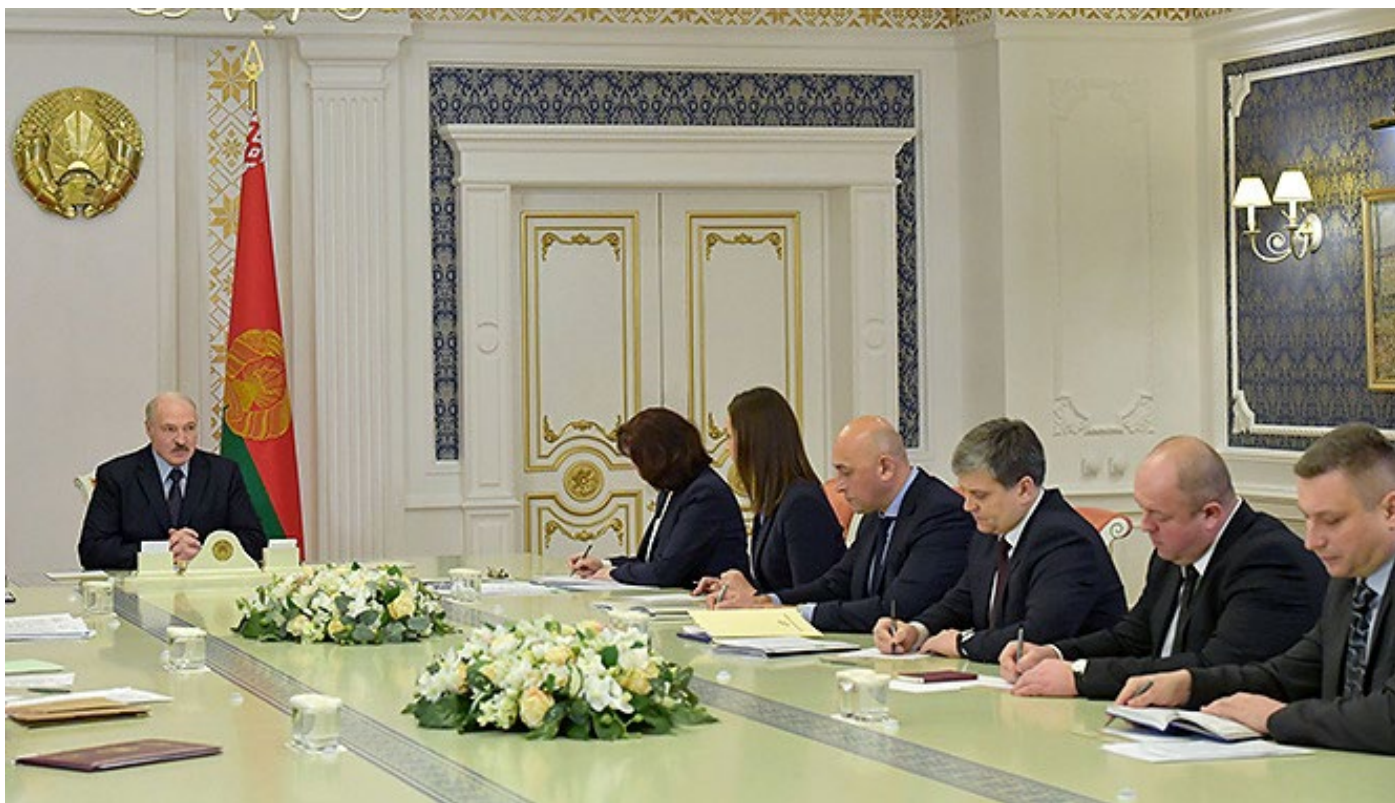
Iran and Azerbaijan towards military cooperation

On January 17, the Chairman of the Chiefs of Staff of the Iranian Armed Forces Major General Mohammad Baqeri and Azerbaijan’s Defense Minister Lieutenant-General Zakir Hasanov held a meeting in Baku. During the meeting, the activities of Iran-Azerbaijan Joint Defense Commission were reviewed and future prospects were discussed. Defense officials of the two countries signed the memorandum of understanding [in order to boost defense and military cooperation.](#)

Belarus: Between independence and economic benefits

Arseniy Sivitsky, Center for Strategic and Foreign Policy Studies (Minsk, Belarus)

Belarus further tightens control over its domestic political field. Without Russia's support, the outlook for its economy is gloomy. Meanwhile, the standoff with Moscow switches from open to positional.



President Lukashenko focuses on further mobilizing the government apparatus and strengthening the control.
Photo by president.gov.by

DOMESTIC POLITICS

Discipline of the bureaucracy

Two important events have marked Belarus's domestic political life lately, outlining Aleksandr Lukashenko's harsh pursuit of further mobilizing the government apparatus and strengthening the control. [On January 22, the meeting on the new bill On Public Administration took place.](#) The Presidential Administration had been

drafting it throughout 2018.

Its key message was to strengthen discipline among civil servants. Lukashenko demanded the development of a common approach to some sections of public administration, including civilian, military and militarized services. He listed executive discipline and common norms of conduct for civil service in office and beyond,

including in social media, as the core components of his demands. The objective is to bring civil service as close to military service as possible. How exactly these common requirements can be implemented is not yet clear enough. For example, restrictions of social media activity applied to the military can hardly be transferred to civil service without risking a serious loss of feedback and trust between public authorities and the population.

[The meeting with Aleksandr Lukashenko to discuss new approaches to information security](#) was the other important event. The key question was how the state should effectively counter black PR and campaigns, especially those launched in social media, including in Telegram channels. It is an open secret that the main

vector of information resistance is Russian. Secondly, the issue of “isolating” Belarusian TV advertising market from the Russian market was raised. In order to become independent of Russian sellers and sign ad contracts with transnational companies directly or through a national seller, Belarus has to establish a system of media measurements that the international community, including employers, will accept.

[The approval of requirements for mass events](#) was an important step towards tightening the screws. By requiring the organizers to sign contracts to ensure security, medical care and other services for such events, those in power have seriously raised the cost for them and narrowed the room for “unauthorized” street activity.

ECONOMY

Recovery growth stops

[Belarusian economy grew 3% in real terms in 2018](#), 15% in Belarus rubles and 9.3% in the dollar equivalent. The first estimates by BelStat, the statistics bureau, put GDP at BYN 121.568bn (US \$59.7bn) in 2018.

International institutions, including [Fitch](#), [International Monetary Fund](#), and [Eurasian Development Bank](#) offer a predominantly negative outlook for further development of Belarusian economy. The phase of recovery growth stopped in Q3'2018 when the economic growth began to slow down dramatically. No solutions have been found to improve the productivity of its economy, no structural reforms have been implemented, and all vulnerabilities of Belarusian economy remain unchanged or have aggravated. In the IMF's gloomy forecast, Belarusian economy would grow 0% or less (down to a recession of 2% a year) if the country has no compensation for the losses caused by Russia's oil tax change. The lack

Belarus' economy can only stagnate or shrink without the support from Russia

of compensation for the loss means that Belarus's oil refinery industry would have to switch to international market conditions. This indicates that Belarusian economy can only stagnate or shrink without the support from Russia.

At the same time, the government has set a task of [cutting 5% of spending in the utility sector in 2019](#). Coupled with the raise of utility tariffs, this will make these services generate far more revenues at the expense of payments from households. In other words, the government is coming close to fulfilling the conditions for an IMF loan program via privatization and reform of the utility sector. The current situation is most likely forcing the administration not to wait until all election campaigns are over but to try and conduct the presidential election as soon as possible, then start negotiations with the IMF during the preparation and conduct of the parliamentary election in 2020 as losses from Russia's oil tax manoeuvre increase and uncertainty over the price of Russian gas mounts.

FOREIGN POLICY

Positional standoff with Moscow

After the Kremlin raised stakes and formulated an “integration ultimatum” for Belarus, offering cheap fuels in exchange for a deeper integration late last year, and Minsk responded harshly that bargains over independence “for a barrel of oil” are unacceptable, the sides changed their tactics. The public discussion of integration problems has transformed into a “positional standoff” where each administration is unilaterally pushing for progress in the agendas it deems important.

On January 23, Russia's Ambassador to Belarus Mikhail Babich [commented on the work](#) of the Belarusian-Russian

intergovernmental working group on further integration. According to Amb. Babich, “the Russian part of the group” has started working and is examining all provisions of the Union State of Russia and Belarus Treaty to develop its proposals on “deepening the integration”. In his view, these proposals should not overlap with the mechanisms implemented on the level of the Eurasian Economic Union. The first meeting of the intergovernmental working group can only take place after the Russian side has prepared its proposals and the Belarusian side has come up with its proposals in response.

But another clash is looming between the positions of Russia and Belarus within the Eurasian Economic Union

framework. It manifested itself in the meeting of the EEU Intergovernmental Council in Alma-Ata. Belarus Prime Minister Sergei Rumas traditionally focused on confiscations and restrictions in bilateral trade in his public speech, but it was generally correct and “constructive” otherwise. By contrast, Russia’s Economy Minister Maksim Oreshkin stated after the Intergovernmental Council meeting that the talks of the smaller group lasted three times longer than the time scheduled initially and did not result in agreement on a number of issues because of the position of “one” side (Belarus). [Oreshkin pointed to another key issue](#) -- the continuation of “free economic zones” -- on which Minsk is not in agreement with other EEU partners. It supports them primarily because of the Great Stone, a Chinese-Belarusian industrial park

project. Also, Oreshkin criticized Minsk of Belarus’s involvement in re-exports of sanctioned products from the EU to Russia. He said that Russia’s Prime Minister [Dmitriy Medvedev presented “kompromat” against the Belarusian side](#) about the re-export schemes, specifying the goods and the company involved, at the smaller group meeting.

As the Belarus-Russia relations deteriorate, [Belarus MFA Vladimir Makey notified Washington on January 10](#) of lifting the restriction on the number of American diplomats in Minsk. No progress is expected in this anytime soon, however, especially after Wess Mitchell’s resignation from the office of Assistant Secretary for European and Eurasian Affairs, given his personal role in the affair of diplomatic normalization with Belarus.

Georgia: Naked truth under the cover of justice

Lasha Tughushi, “Liberal Academy Tbilisi” Foundation (Georgia)

The Chair of Parliament’s Legal Affairs Committee Eka Beselia faced large-caliber political weapons aimed at her after announcing the resignation from the post.



Civil activists protest against dependency of the court on political influence in Tbilisi

DOMESTIC POLICY

Judicial reform under threat

Ms. Beselia prevented the nomination of the judges for Supreme Court who stained their reputation, and thus fell out of favor with her own political team. According to the Georgian legislation, the candidates for the Supreme Court judges are listed by the High Council of Justice and then should be appointed by the Parliament.

“They wanted to hastily slip the list on a torn piece of paper on New Year’s Eve, but it did not work out”, - that is how Beselia commented on the situation. “My resignation stood in their way, as, according to the procedure,

it was only me who as the chairperson, had the right to nominate judges”.

The Parliament’s speaker Irakli Kobakhidze replied that the MP broke the rules of team game, demonstrating the party’s laundry to outsiders. Ms. Beselia found herself under fire as a dirty PR campaign was launched against her. Compromising videos containing sex scenes allegedly involving the MP were spread in social networks. The police detained sixteen people suspected of keeping and distributing such private videos. It is yet unknown how exactly the files ended up in the hands of the detainees, who is

behind such political harassment and what they are aiming at. As tensions were rising within the party, Bidzina Ivanishvili, the party's leader, had to step in. At least one thing is clear: the scandal damages the reputation of the ruling "Georgian Dream" party already preparing for the parliamentary elections next year.

According to many, the judicial reform is the main obstacle on the way to democratic Georgia. The main problem lies in the dependency of the court on political

influence and nepotism. The four waves of reforming the judicial system had a jigsaw pattern. The reform itself turned out to be the hardest challenge for the authorities. Well-known non-governmental organizations signed a manifest demanding to clear the judicial power from the discredited members of the Council of Justice. This issue led to public sector fleeing the streets to protest and as a result becoming the top topic for all serious Georgian mass media.

ECONOMY

Contributory pensions

The new pension reform will definitely impact the lives of all Georgian citizens of legal age. Starting January 1, 2019, everyone who permanently resides in the country and has a job is automatically included into the country's pension program. For every Georgian citizen under 40 the participation in the program is mandatory as a participant has no right to leave the program at will.

The accumulative system will work on a 2+2+2 scheme. It means that each employee, employer and the government will make a contribution of 2% of the gross volume of the employee's income to an individual retirement account. It is only possible to get a pension for citizens of the appropriate age, 65 for men and 60 for women correspondingly. At the same time any participant has the right to postpone pen-

According to many, the judicial reform is the main obstacle on the way to democratic Georgia

sion payment based on their request or request to get the entire sum as one payment.

Challenged citizens will be able to withdraw the money from the account before the pension age comes. The same right is granted to a person leaving Georgia forever.

Despite a great number of interpretations, citizens do not feel comfortable as there is no tradition of long-term

investment in the country. Nobody knows what is going to happen with the national currency over the course of years, what the purchasing power of GEL will be like tomorrow, if the people of Georgia will be fooled yet again or not. Employers are not happy about it as it is an additional financial burden. However, the law has been adopted

and this means that the first payments to the pension fund have already been made.

FOREIGN POLICY

Religious issues

Georgia finds itself in a rather delicate position after the Ecumenical Patriarch called on all Orthodox Churches to support the autocephaly of the Orthodox Church of Ukraine. The Russian Church, unlike the State of Russia, did not recognize the independence of the churches of the separatist Abkhazia and South Ossetia regions. The possibility of such recognition is a weighty argument against the state of Georgia and a great tool for political negotiations.

The chairman of the Department of External Church Relations of the Moscow Patriarchate, Metropolitan Hilarion Alfeyev, has already had a chance to speak about the consequences for Georgia in case it recognized the independence of Orthodox Church of Ukraine. His statements were dubbed as "un-due pressure" by the Georgian patriarch.

However, there is no united position on the issue among the leaders of the Georgian Church. The country's top officials are also playing it safe.

"It would be easy to congratulate Ukraine, however, I did not do it because our Patriarchate is cautious about it", said the president of the country Salome Zurbishvili.

The pro-Western opposition and political experts took a rather strong stand on the issue, some of them even started to mention Russia's influence on the Church of Georgia. Meanwhile, religious visits to Georgia became more frequent, coming both from Moscow and from Western religious centers.

The Georgian Patriarchate should make a decision in the near future following the decisions made by other autocephalic Orthodox churches. Given the sensitive nature of the issue, there is a possibility of Russia taking a heavy toll yet again on Tbilisi interests.

Moldova: Aleas jacta est!

Sorin Șclearuc, Foreign Policy Association of Moldova (Chișinău)

Even though it is still winter outside, the degree of political heat in the Republic of Moldova is getting higher and higher. On January 25 Moldova saw the start of the race for parliamentary elections set for February 24, 2019. Opponents started their campaigns with grand promises. Romania's Presidency in the Council of the European Union provides a chance for Moldova to set its European dialogue in motion as a result of close relations with its "trans-fluvial brother". And at the end of the month the unrecognized Transnistrian government surprised Chisinau with launching their very own "diplomatic office" in Moscow.



Romanian Presidency in Council of the European Union is a chance for Moldova.

DOMESTIC POLICY

The ice has broken!

On January 25 the Republic of Moldova saw [the start of the election race](#). The Central Election Commission of Moldova registered 9 candidates in the national district including 8 political parties and one bloc. There are three main candidates for the seats in the parliament.

The democrats launched their campaign right next to their own headquarters. Andrian Candu gave an election

speech stating that the Democratic party, unlike other rivaling parties, is a party of actions rather than words, and has completed many projects demonstrating its efficiency.

The Party of Socialists of the Republic of Moldova (PSRM) launched their campaign near L'Arc de Triomphe in Chisinau where Ion Ceban stated that "These 10 years saw some Maia Sandus, Pavel Filips and many others

coming to power through the parties of Filat, Ghimpu or Plahotniuc. It is them who should be blamed for the mess in the country”.

“ACUM” bloc including the Party of Action and Solidarity and Dignity and Truth Platform Party “DA” presented their candidates and election pledges in front of the Parliament building. “We will come to create justice. Together, united for our country, we will fight for our families, for the future of our country”, stated Maia Sandu, the leader of the PAC party.

In the meantime, the third Report on the monitoring of

coming parliamentary elections, drawn up by [Promo-LEX Association](#), reveals a series of worrying trends, in particular, intimidation of international observers by state bodies – Police and Information and Security Service of the Republic of Moldova. Also the report mentions early start (up to January 25) of electoral campaigns and PR activities of some politicians, misuse of administrative resources and offering of electoral gifts, defective reporting of expenditure by initiative groups, as well as other cases related to non-observance of some legal provisions by the public administration.

ECONOMY

A double-edged sword

Starting January 1, 2019, the Russian Federation [suspended import charges on some products from the Republic of Moldova](#) including fresh and canned fruit and vegetables as well as wines. Interestingly enough, the decision taken prior to the elections is only valid until June 30, 2019. Moreover, it is rather problematic to take advantage of the suspended charges within this period for Moldovan suppliers as the main channel for transporting Moldovan goods into Russia is by transit via Ukraine. And Russia simultaneously introduced a ban on importing “goods originating from or delivered from Ukraine or goods transported via the territory of Ukraine”. Following the information on problems with Moldovan goods crossing the border between Ukraine and Russia, the government in Chisinau recommended economic agents to avoid delivering supplies to Russia.

The report mentions early start of electoral campaigns, misuse of administrative resources and offering of electoral gifts, defective reporting of expenditure by initiative groups

Given this context, economic experts believe that suspending charges had less to do with economic reasons but much more with political ones in order to support the president of the country Igor Dodon with the parliamentary elections coming soon. Moreover, Dodon himself stated that such a decision was possible following his meeting with President of Russia Vladimir Putin. However, according to experts, it would be more beneficial to Moldova if the Russian Federation changed its rhetoric and avoided using economic blackmail aiming to influence domestic processes inside the Republic of Moldova.

On January 1 [the law on oil product market](#), adopted by the Parliament in November 2018, entered into force. From now on the National Energy Regulatory Agency will no longer establish price ceiling for oil products as prices will be regulated by companies supplying fuel and they will be based on fuel supply costs and up to 10 % rate of profit standard.

FOREIGN POLICY

A brother in need

Starting January 1 2019 Romania holds a six-month rotating Presidency of Council of the European Union. For the Republic of Moldova it means an opportunity to be promoted in terms of European integration process largely thanks to its “brotherly” relations with Romania. In this context the Prime Minister of the Republic of Moldova Pavel Filip [congratulated](#) the Prime Minister of Romania Viorica Dăncilă and expressed his hope that during Romania’s Presidency in the Council of Europe the Republic of Moldova will make progress in its relations with the EU and strengthen its position within the Eastern Partnership.

Pavel Filip also expressed his hopes for Romania’s success in implementing the Presidency of the Council of the European Union and also expressed his confidence

that it is an excellent opportunity both for promoting the European agenda of the Republic of Moldova and for deepening bilateral cooperation.

Towards the end of the month, on January 22, Transnistria opened a diplomatic office in Moscow. [According to the Transnistrian leader Vadim Krasnoselsky](#), this office will function as a diplomatic institution while Russia’s Ministry of Foreign Affairs qualified this event as an opening of a Foundation for social and cultural ties named “Transnistria” and aimed at promoting direct social and economic “relations” between Moscow and Tiraspol. [Moldova’s Ministry of Foreign Affairs demanded that the Russian Federation respects](#) the country’s territorial integrity and explains the status and format of this “foundation” as its opening leads to deterioration in relations between Moldova and Russia.

Ukraine's presidential election begins

Sergiy Gerasymchuk, Foreign Policy Council "Ukrainian Prism" (Kyiv, Ukraine)

A new political season has started in Ukraine after the New Year and Christmas lull. The question of power will dominate this season as the official presidential election campaign kicks off in Ukraine. It is fair to assume that domestic policy, economic issues, and even international relations will be subordinate to the logic of the electoral competition.



Photo by empr.media

DOMESTIC POLICY

The rise of religion and the start of the presidential race

Undoubtedly, the presentation of the *Tomos* of autocephaly signed by [the Synod of the Ecumenical Patriarchate and Patriarch Bartholomew](#) to Metropolitan Epiphanius of the Orthodox Church of Ukraine (OCU) in Constantinople (Istanbul) was the main event of January. The OCU thus finally gained independence. Among others, the US noted the fact as Secretary of State Michael Pompeo announced that his country views the *tomos* of autocephaly for Ukraine as a ["historic achievement as Ukraine seeks](#)

[to chart its own future"](#).

Following on this issue, the Parliament passed [a law on the reassignment of religious communities](#) on January 17. The law is intended to normalize the procedure of switching from one Church to another for religious communities. According to the current legislation, the Ministry of Culture has published a list of churches subordinate to Russia that have to be renamed from the Ukrainian Orthodox Church (Moscow Patriarchate) to Russian Orthodox Church [within the next three months](#).

Politicians are likely to exploit the theme of Ukraine gaining independence for its Church in the upcoming

election campaign, since political developments have been competing with religious matters. In January, a number of political parties nominated their leaders to run for presidency. According to the Central Election Commission, [26 candidates were registered as of January 31](#). This is not a final number, but already a record number of presidential candidates in Ukraine's history.

ECONOMY

Pressing questions

The economic situation in Ukraine still depends on Kyiv's cooperation with international financial institutions. [In its statement](#) following the meeting of Managing Director Christine Lagarde and President Petro Poroshenko, the International Monetary Fund said that it will continue further cooperation with Ukraine and support reforms in the country. At the same time, the IMF insists that the economic reforms should be accelerated.

The coalition of civil society organizations in Ukraine, too, demands a focus on reforms, including the land reform. Together with a group of MPs, they have called on President Poroshenko to veto the moratorium on land privatization. On January 17, Verkhovna Rada MPs failed to adopt a bill to repeal the extension of the ban on the sale of agricultural land for another year. But the President did not use the veto and signed the bill on the extension of [the moratorium](#)

A record number of candidates runs in presidential election

The promises of the candidates are not too original and are mostly populist: some pledge to halve the cost of gas for households, while others go further into promising a fourfold cut of gas prices. A standard element of the candidates' campaign is the promise to bring peace and prosperity to Ukraine, eliminate oligarchs and lower utility tariffs.

[till 2020](#). This might put cooperation with international financial institutions at risk.

Land privatization is an extremely sensitive issue in the context of the election campaign. Yulia Tymoshenko, the main competitor to the current president, claims that [the moratorium protects Ukraine's national interests](#). A hypothetical veto of the moratorium extension law from Poroshenko could add another argument to Tymoshenko's election campaign.

Another problematic aspect is privatization in Ukraine.

The Government said that the plan of revenues from the privatization of state property in 2018 [failed](#). 2019 is unlikely to deliver any major breakthroughs. According to Maksym Nefiodov, First Deputy Minister of Economic Development and Trade, investors show limited interest in what Ukraine [has to offer for](#)

[privatization](#).

These economic issues should be resolved soon. Otherwise, a new president will have to take care of them.

FOREIGN POLICY

Ukraine's captured sailors on international agenda

Ukraine remains in the center of attention on the international arena and keeps getting support from partner states and organizations. On January 10, the EU demanded that Russia should release Ukrainian sailors captured in November 2018 and political prisoners, as announced by Maya Kocijancic, Spokesperson for [Foreign Affairs and Security Policy](#).

Thanks to the efforts of Ukrainian MPs, PACE adopted a resolution on the situation in the Sea of Azov and the Kerch Strait titled "The escalation of tensions around the

Sea of Azov and the Kerch Strait and threats to European security". While the term "prisoners of war" was not used in the document to refer to the captured Ukrainian sailors, PACE members adopted a compromise option requiring that the sailors fall under [the jurisdiction of the international humanitarian law, including the Geneva conventions](#).

In addition, a group of US Congress members submitted a resolution to the Senate calling on President Donald Trump to take measures to deter Russian aggression in the Black Sea, as well as to stop the construction of the Nord Stream 2 pipeline. Around 40 Senators [supported a draft resolution](#).

Total victory of revolution in Armenia or another serious challenge?

Richard Giragosian, Regional Studies Center (Yerevan, Armenia)

As impressive as the forced resignation and defeat of the old regime was, the real demands of governance, including the necessity for compromise and concession, represent much more daunting and serious challenges for Armenia



One party rule yet again

For Armenia, the victory of thousands of peaceful protestors in April 2018 in forcing the resignation of the country's president-turned-prime minister, Serzh Sargsyan, was a rare demonstration of the "people power" potency. And that success only continued, as opposition leader Nikol Pashinyan was then able to drive the incum-

bent ruling Republican Party from power and alter the Armenian political landscape irretrievably.

Backed by an outpouring of popular support, Pashinyan was able to assume the post of prime minister, as the parliament, which remained under the control of the now embattled Republican Party, was pressured to go along. However, Pashinyan quickly moved even faster and further, pushing through an agreement for a snap election for

a new parliament in early December. With the parliament as the last bastion of power for the embattled Republicans, an early election was an astute move by Pashinyan, aimed at capitalizing on both his own political momentum and the rapid decline of the formerly ruling Republican Party. And despite holding power for over a decade, the election saw the largely discredited Republicans unable to even pass the threshold to remain in the new parliament.

Although Pashinyan easily returned to a second, more lasting term as the prime minister, the sweeping victory of his “One Step” party in the election was somewhat tainted. More specifically, repeating an informal tradition of one party rule, Pashinyan consolidated his dominance of the new parliament, as his party secured 88 seats in the new 132-seat parliament, with only two other political parties, “Prosperous Armenia” and “Bright Armenia”, able to garner representation in the new parliament, winning 26 and 18 seats respectively.

Yet the outlook for Armenia is neither as promising nor as positive as those impressive accomplishments would suggest. With a largely inexperienced new government, and in the face of dangerously high public expectations, the coming months will be crucial tests of leadership and political prudence. And as impressive as the forced resignation and defeat of the old regime was, the real demands of governance, including the necessity for compromise and concession, represent much more daunting and difficult challenges for Armenia. At the same time, foreign policy issues cannot be ignored for long, and are bound to exert political pressure and pose tests of resolve for the new government.

Domestic agenda

For the Pashinyan government, the domestic agenda has always been the priority. Just as the wave of demonstration that swept them to power was never about foreign policy, the political ambition of the newly installed government remains shaped and driven by a perspective of a domestic reform. In part, this also stems from the recognition that foreign policy is not only a largely secondary issue, but is also a fundamental weakness, where the prime minister and much of his government have little experience.

Although the foreign policy challenges, from the unresolved Nagorno Karabakh (or Artsakh) conflict to lingering tension with neighboring Turkey, are constant and consistent pillars of Armenian politics, the government's real interest stays clearly centered on deepening democracy and reforming the closed political system.

But even with domestic issues serving as such policy priorities, the government is hindered and even threatened by much more than inexperience. For example, the country is still plagued by institutional weakness and vul-

nerability. The weakness is most evident in the lack of a truly independent judiciary, and a related absence of a real rule of law. And the vulnerability stems from a new parliament that has little if any legislative or regulatory knowledge.

The unprecedented transformation of the country's system of governance, for instance, from a presidential to a parliamentary form of government is especially daunting as more than three-quarters of the recently elected members of the parliament are first-time deputies and first-ever legislators. Despite the energy, enthusiasm and sincerity of this group of new parliamentarians, the learning curve will be steep and will take time. But given the dangerously high and sometimes unreasonable expectations from most of the population for immediate benefits and improvements to their daily lives, time is the one commodity in short supply.

Economics is key

On a broader level, there is an added pressure of time for the government as well. This pressure is rooted in the economic reality of the necessity to advance the already underway fight against corruption, overturn the inordinate market share and commodity-based cartels of the previous oligarchic system, and establish a more level playing field for business. If these challeng-

es were not enough, the country is also faced with another problem, which the government has done little to address, - troubling poverty, with one out of three Armenians living in official poverty.

With an added constraint of an overall Armenian investment climate that is now threatened by the lack of investor confidence, the economic outlook for Armenia remains rather bleak. Such a gloomy forecast is also based on the limits to growth imposed by external constraints, including closed borders, a weak manufacturing base and the readjustment of the country's natural directions of trade that was driven by Armenia's membership in the Eurasian Economic Union (EEU).

The latter factor is especially serious, as a set of initial exemptions from the higher tariffs required by the members of the EEU are due to begin expiring in the coming few years. The necessity for adopting higher trade tariffs to conform to the EEU standards will apply to some 800 Armenian goods and products, triggering an obvious blow to the Armenian economy. Moreover, this impact may be further exacerbated by the lack of a government strategy to manage or at least mitigate the economic harm from such a move. To date, the Armenian government has not yet decided whether to fight the expiration of the exception and seek to renegotiate, or to formulate a plan to counter the economic impact on exporters.

The outlook for Armenia is neither as promising nor as positive as former opposition's impressive accomplishments would suggest

Implications for foreign policy

Beyond the Armenian government's clear preference for concentrating on domestic reform, pressure from foreign policy issues will only intensify. One notable example is the peace process over the Nagorno Karabakh (Artsakh) conflict, which has surprisingly accelerated in recent months. Despite expectations of continued diplomatic stalemate, it has actually been Azerbaijan that has set the faster pace for mediation, seemingly moderating its previous policy.

More specifically, Azerbaijan has apparently discarded its previous maximalist position and has offered a fresh position defined more by moderation and reasonable engagement. Yet this may be more of a tactical adjustment than a deeper strategic shift, and may be a part of a more sophisticated test of the Armenian government's inexperience in negotiating with Azerbaijan. Nevertheless, given the lack of any real progress in recent years, the more positive environment of the peace talks can only be welcomed and encouraged.

For the Armenian side, however, the risk of moving too far too fast on the Karabakh issue has already triggered a backlash of concern, both within Armenia and Nagorno Karabakh itself. The prime minister's lack of any credentials either as a wartime leader or as a hard-line nationalist tends to only exacerbate such mistrust and concern, leading to rather incredulous charges of "dangerous concessions" and "betrayal". But endowed with now well-established political legitimacy and popular support, the Armenian government will likely fend off such concerns, and continue to maintain engagement in seeking a diplomatic resolution to the conflict.

Seeking strategic balance

Thus, the broader context of Armenian foreign policy will only continue to be defined by the imperative for greater strategic balance. Such balancing will not be easy to accomplish, however, and will be largely contingent on the capacity of the Armenian leadership to manage its complicated, yet essential relationship with Russia. As part of this, the most difficult aspect will be to more adroitly manage Russian concerns and downplay the dangerous precedent that Armenia's "people power" victory represents for Moscow. At the same time, Armenia can be expected to continue pursuing the new strategic opening and opportunity from its position as a member of the Eurasian Economic Union (EEU).

That opportunity rests on Armenia's capacity to present itself as a "bridge" between the Eurasian Economic Union and the West, and with the European Union (EU) more precisely. The potential bridging role is bolstered by the geographic position of Armenia, which despite lack-

ing any land borders with the EEU itself, offers alternative avenues to leverage Armenia's relations with Iran, proximity to the Middle East and even interest in the possible benefits from the possible reopening of its closed border with Turkey. In addition, and perhaps more importantly, Armenia can also exploit the need for the Union to garner greater legitimacy and credibility, stressing Armenia's Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU as an avenue for institutional engagement and cooperation between the Eurasian Economic Union and the European Union.

And for a small state like Armenia, its foreign policy is more nuanced and sophisticated than it seems. This is demonstrated, for example, through the application of a four-pronged course of deepening political and economic ties with the European Union, sustaining its close links to the United States, developing trade with neighboring Iran and seeking to manage its over-dependence on Russia, its primary trade and security partner. The latter factor stems from Armenia's unique role as the sole Russian ally in the region. After all, Armenia is the only country to host a Russian military base in the region, and the one country of the South Caucasus with membership in both the Russian-led Collective Security Treaty Organization (CSTO) and the EEU.

Looking East

Simultaneously, in order to attain such greater strategic balance, Armenia has also pursued an uncharacteristically subtle and stealthy pursuit of engaging China. While this "Eastward embrace" seems

surprising, given the disparity in size and remote connections between Armenia and China, it does conform to both Armenian and Chinese interests.

For China, the small country of Armenia is recognized as a stable and promising element of a much larger landscape, whose position at the intersection of the Caucasus and the broader Middle East offers a more pivotal bridgehead for China. Although Armenia is far too small and remote to garner individual significance for China, as part of this bigger picture, the country has appeared on the Chinese agenda of expanding trade and infrastructure, thereby, enhancing China's influence and prestige.

From the Armenian perspective, the appeal and aspiration of drawing closer to China stems from a combination of opportunities in the future, driving Armenia to position itself early in a scramble to be included in China's Belt Road Initiative (BRI). The appeal of Chinese capital investment in infrastructure is already evident in Armenia's "North-South" roadway, a project launched by the Asia Development Bank (ADB) designed to provide "inter-connectivity" by extending and modernizing the Armenian highway network to Georgia in the north and to Iran in the south.

The outlook for Armenia's strategic embrace of Chi-

More than three-quarters of the recently elected members of parliament are first-time deputies and first-ever legislators

na and its pursuit of further deepening its military ties to China face a potentially serious challenge, however. That challenge stems neither from Yerevan or Beijing, and, interestingly, not even from Washington. Rather, it may be Moscow that will come to resent being upstaged by a new rival. Yet China's presence and position in the South Caucasus remains far less than other regional powers, in contrast to Russia, Turkey and even Iran. And given the limits of Chinese interests in the region, it seems unlikely that China would seek to challenge Russia for dominance. Nevertheless, Moscow has been watching Beijing closely and with a degree of trepidation. Although Russia remains Armenia's most important security partner, for the Armenian government, the country's pronounced over-dependence on Russia necessitates a course correction, based on garnering greater balance. However, this engagement of China may still work for Armenia, as ties to China are still more acceptable and less threatening to Russia than any Western embrace.

The broader context of Armenian foreign policy will only continue to be defined by the imperative for greater strategic balance

Conclusion

The outlook for Armenia depends ever more on the performance and prudence of the government. First, the Armenian government needs to move fast to deliver results, with concrete outcomes sufficient to meet high expectations. But with the parliamentary election that was the first free and fair contest in years, the fact that this Armenian government is considerably and noticeably more democratic endows a greater degree of legitimacy than any previous administration. And from that greater legitimacy a new opportunity is derived to exercise political will, necessary to withstand unexpected challenges in the foreign policy.

Although the external challenges, from Russia and over the Nagorno Karabakh (Artsakh) conflict perhaps, will endanger the government in its weakest areas, the statesmanship required to weather such a storm may once again be seen in the leadership of the Armenian prime minister, only matching his unexpected victory last year.

Public administration reform in Ukraine: A review of accomplishments

Natalia Kupriy, Central Ukrainian Foundation for Development Support (Kyiv, Ukraine)

Public administration reform is key for Ukraine as all other transformations in the country hinge on it. Implementing any reform before civil service functions effectively seems unthinkable.



Assessment of the EU

20 Deliverables by 2020, a joint Eastern Partnership working document, says that the member-states should improve the quality of governance by strengthening institutions and implementing proper governance practices. When Ukraine adopted the Public Administration Reform Strategy in 2016, it declared commitment to the Principles of Public Administration developed by SIGMA (Support for Improvement in Governance and Management). The EU provides sectoral budget support to Ukraine for implementing a comprehensive public administration reform.

SIGMA's Principles of Public Administration cover six

core areas: the strategic framework for public administration reform; policy development and coordination; public service and human resource management; accountability; service delivery, and public financial management. In a nutshell, this is the EU's model for relatively good governance. Since 2015, SIGMA has done a comprehensive assessment of the extent to which public administration complies with these Principles in seven candidates and potential candidates for joining the EU, as well as in Moldova, Georgia and Ukraine. The results of this assessment define the starting point for work towards the goal

of improving public administration and for the roadmap of reforms.

The assessment of Ukraine was conducted upon request from its government using the methodology applied to the candidates for EU membership. The criteria are harsher than those used for the European Neighborhood Policy (ENP) countries.

The response of different government institutions and expert groups to the findings varied. SIGMA found that [“overall, Ukraine has already made considerable progress in reforming some areas of its public administration”](#). In September 2018, the EU decided to issue another tranche of sectoral budget support to it. Ukraine received 3 or more points out of 5 [in half of all the criteria](#). At the same time, little has been done on nearly 20% of the criteria. According to the EU experts, Ukraine's indicators are overall better than those of Western Balkan candidates and potential candidates for EU membership that have long been in the process of reforms, and still better than of those countries in the “civil service” segment.

Ukraine's Cabinet of Ministers took into account the findings of the assessment and used them as the basis for updating the Public Administration Reform Strategy in December 2018.

Launching the process

What specific results of the reform effort are visible by now? First of all, Ukraine's ranking in a number of indices points to some progress in this key reform. It went 34 points up to position 65 in Transparency of Government Policymaking in the 2018 Global Competitiveness Index by the World Economic Forum. Also, it improved its position by 23 points to rank 31st in the Open Data Index.

Ministries are undergoing restructuring, with the respective procedures for analysis and government policymaking integrated into their work. Ten pilot ministries and the Secretariat of the Cabinet of Ministers have introduced new apparatus structures.

Among other things, general policy directorates and directorates for strategic planning and European integration were established. This allows the ministries to gradually shed excessive functions of public property administration and administrative service provision, and of the routine “administration of the national economy”, a standard function of the old-school administration. Starting from 2018, impact outlook will be a mandatory element of decision making in the government. This means defining target groups and the impact these decisions will have on them in the short and long term.

1,300 posts of reform specialists were introduced in the government bodies, with almost half of them already filled through open, transparent competitions with nearly 19,000 applicants. A special procedure for the selection of

reformers allowed the government to hire people experienced in civil service and external specialists with respective competency and experience in business and non-government sector. The new general directorates are staffed with graduates of some top international European and American universities, and specialists with experience in think tanks and investment companies, well-known NGOs and projects, including Tabletochki foundation, National Anti-Corruption Platform, Factcheck-Ukraine project and more.

New law on civil service

When the new law on civil service came into effect in 2016, it essentially made a huge step towards the creation of professional, stable and politically neutral civil service. The institute of state secretaries was introduced in the ministries. Currently, new people are hired and promoted in civil service through competition exclusively. Replacements in the top echelons of civil service are based on a competition held by the designated Commission for the Top Segment of Civil Service. 60% of the Commission members represent civil society, including trade unions and employers' associations. What is more, since 2018 there has been a stricter requirement for contenders for the top segment of civil service to have the A2+ command of a foreign language, English or French, proven by the respective tests.

The new philosophy of civil service requires new approaches to personnel management. For this purpose, HRM departments have been introduced in all government bodies, replacing the current “staff management units” whose only function was to keep records on human resources. In 2019, Ukraine plans to launch the HRMIS staff management information system with the functions of hiring staff for civil service and keeping record of it, assessing professional activity, organizing professional learning and tracking salary progress.

The National Civil Service Agency developed a knowledge management portal, which will serve as a marketplace for professional learning and development of civil servants. The vacancy web-portal www.career.gov.ua was launched to ensure more transparency of hiring competitions. It allows users to track open vacancies and announced competitions, as well as apply to these competitions electronically using digital signature.

2018 saw the first full cycle of assessing civil servants' work based on Key Performance Indicators (KPIs). The results serve as a basis for individual programs of personal development for civil servants, as they focus on identifying the competencies to be developed further and the education programs to be used for that purpose on a yearly basis.

Ukraine has already made considerable progress in reforming some areas of its public administration

The reform of civil servant salary system was launched. Starting from 2019, a solid system is in place whereby 70% of the salary is a permanent component tied to subsistence minimum and 30% is the variable bonus component. This approach allows employers to minimize the subjective factor and bias in remunerating for civil service. According to The Reform of Remuneration for Civil Servants (2017), a study by the independent Center for Economic Strategy, Ukraine has competitive wages for civil servants on the local level, while the wages for civil servants in central authorities are still below the ones in the private sector.

The #NewCivilService (#НоваДержавнаСлужба) awareness raising campaign was launched to attract top quality specialists into the public sector, with the focus on young people.

Administrative services go online

The system of administrative services is a special priority. It is an essential component of proper public administration that defines how taxpayers experience its quality. At the end of 2018, the Cabinet of Ministers approved the Law of Ukraine On Administrative Procedure and submitted it to the Parliament. This framework law defines an essentially new policy for administrative service provision.

The Single Portal for Administrative Services was launched allowing citizens to receive many administrative services electronically, which minimizes corruption and speeds up the service. International technical assistance has helped Ukraine expand the network of one-stop-shop or front-office Administrative Service Centers (ASCs). By 2018, 775 ASCs were in operation and have provided 11 million services so far. Individuals and legal entities get an average of over 40,000 services through all ASCs daily.

Based on the government decision, the Single State

Late 2019 will show the extent to which public administration is resilient to political influence

Open Data Portal works at www.data.gov.ua. It has published over 27,500 data sets and registered over 2,000 data set administrators.

Tested by elections

All these accomplishments do not overshadow challenges in the public administration reform. Moreover, criticism will get more prominent as Ukraine walks further into the political

turbulence over the 2019 presidential and parliamentary elections. All transformations, especially in public service, are not yet stable enough, which remains the key challenge. If the government changes after the parliamentary election, they will have to stand the test of the change. Late 2019 will show the extent to which public administration is resilient to political influence, especially on staffing the top offices, managing the system of salaries, and continuing reformist positions in ministries. Another worrying factor is financial unsustainability of the reform implementation.

Noteworthy is some perfectly obvious internal resistance to reforms. A good illustration to this will be the intensified efforts of the newly-elected Audit Chamber to undermine many reformist programs and projects through audits that often provide controversial findings.

Undoubtedly, the system of strategic planning, administrative procedure and government policymaking procedure are still far from being fully operational.

The next steps on the crucial public administration reform should be more decisive. Hopefully, Ukraine will manage to navigate through the election turbulence and deliver the expected results in 2020. The reform can not last forever. If protracted too long, it risks drowning itself without delivering the expected result.

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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

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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.

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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



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