EaP Think Bridge Summer 2019

Eastern Partnership monthly analytical digest



After "Servant of the People" party got the majority in the Parliament and pro-presidential government was formed, the concentration of power in one hands, the hands of president Zelenskyy, becomes one of an unprecedented scale

EaP Think Bridge

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Summer of hopes

A complete reboot of power in Ukraine and Moldova is not only a chance for changes, the request for which has grown dramatically in the societies of both countries. It is also a test for democracy. It is too early to say whether the new leaders have passed this test, but the summer has already shown some important trends.

For the first time during its independence, all the power in Ukraine is concentrated in the hands of one political force. Whether President Zelenskyy and his party will withstand the temptations of monopoly rule and justify the high as ever confidence of the people, Sergey Gerasimchuk analyzed.

The controversial coalition of pro-Russian socialists and the pro-European bloc ACUM seemed to be the only chance for Moldova to overthrow the regime of oligarch Vlad Plahotniuc. How long this unexpected alliance will last and whether the allies will cope with other tasks facing the country, Natalia Stercul searched for answers.

Rapid, albeit difficult, changes are on in Armenia, where the prime minister set ambitious development goals for 2050 already. Meanwhile, Belarus decided on the dates of the parliamentary and presidential elections, although neither the change of power, nor the reform of the system are in question.

The summer was hot in Georgia: mass protests with victims took place in Tbilisi, and relations with Russia were aggravated once again.

Azerbaijan faced yet another harassment of a journalist - new charges were brought against the former director of Radio Liberty in Baku, Khadija Ismailova.

These and other summer developments analyzed in our country reviews by the experts from the Eastern Partnership.

Olga Chizhova

Editor-in-Chief of the EaP Think Bridge Digest











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Armenia's difficult reforms

Richard Giragosian, Regional Studies Center (Yerevan, Armenia)

Reforms in Armenia continue, touching both foreign and domestic policies as well as economy.



DOMESTIC POLICY

Former minister arrested in anticorruption probe

After months of speculation and a perception that Armenian government's anti-corruption drive was far too selective, one of the wealthiest officials of the old government, former Finance Minister Gagik Khachatrian, was arrested on August 27 and charged with multiple counts of corruption, illegal enrichment, misuse of funds and abuse of power. Khachatrian, who was also the former head of the country's tax and customs service, was widely seen as one of the more egregious examples of state-related corruption. Investigators from the Special Investigative Service (SIS), which are conducting a parallel investigation along with the National Security Ser-

vice (NSS), announced their recovery of some 800 million drams (\$1.7 million) in "damage inflicted on the state" by Khachatrian. Simultaneously with the arrest, investigators also raided several homes owned by the former minister and his relatives and are expected to focus on his family's extensive business interests, which include one of Armenia's three mobile phone networks, a shopping mall, a car dealership and a luxury watch store in Yerevan, as well as real estate holding in the Georgian capital Tbilisi.

Government backs down from ratifying European treaty

Backing down earlier promises, newly-appointed 28year old Justice Minister Rustam Badasian announced on August 26 that the Armenian government is unlikely to seek parliamentary ratification of the Istanbul Convention, a European treaty aimed to combat violence against women but strongly opposed by the Armenian Apostolic Church and other groups promoting so-called "traditional family values." Armenia signed the treaty in 2011 but has yet to ratify it, and has seemingly backed down in the face of vocal opposition by conservative groups protesting the treaty's definition of gender as "social roles, behaviors, activities and characteristics....appropriate for women and men," although government officials vowed to seek passage early next year.

Prime Minister elaborates ambitious "strategic goals"

In an emotional address in the capital of Nagorno Karabakh (Artsakh) on August 5, Armenian Prime Minister Nikol Pashinyan articulated an ambitious set of "strategic goals" for Armenia through 2050 that included the expansion of the Armenian population from 3 to 5 million, the end to poverty and the industrialization of the country, as well as an increase in GDP by more than fifteen times and expanded surges in spending on education, science and health care in order to create 1.5 million new jobs while providing employment for 2.5 million workers.

ECONOMY

Premier vows to restart closed gold mine

After more than a year of protests by environmental activists that forced the closure of the Amulsar gold mine, Armenian Prime Minister Nikol Pashinyan announced on August 26 his government's intention to allow the reopen-

Nikol Pashinyan

ambitious set of

"strategic goals"

for Armenia through

articulated an

2050

ing of the mine after an environmental assessment found the potential risks from the mine to be well within "manageable" limits. The closure of the mine mine, operated by an international company Lydian International, in June 2018, has sparked serious concerns over the country's investment climate. The government also stated that the Armenian Ministry of Environment Protection did not break any laws or regulations when it formally allowed the company, Lydian International, to develop the Amulsar

gold mine in 2016. Further defending the move, Deputy Economy Minister Avag Avanesian, noted that Lydian has invested \$350 million in the mine and is expected to finance another \$130 million, which will expand mine-related iobs from 550 to almost 3800.

Armenia welcomes Ryanair

After the visit to Armenia by two senior executives of Ryanair on August 21, Armenian officials announced the entry of the low-cost carrier into the Armenian civil aviation market, noting the importance of offering a new cheaper alternative for tourism and transport. The agreement was hailed as a success for the efforts of Tatevik Revazian, the head of the Armenian government's Civil Aviation Committee, and is expected to be followed by a similar contract with another Western low-cost airline, Wizz Air, who is ready to launch flights to Armenia next year.

Officials meet visiting IMF Chief

On August 20 Armenian Prime Minister Nikol Pashinian and other senior officials met with Jihad Azour, head of the IMF's Middle East and Central Asia Department in Yerevan. The IMF official endorsed and approved the Armenian government's macroeconomic policies and reform agenda. He added

that the IMF continues its support for Armenia, as reflected in the May 2019 offer of a "precautionary" \$248 million loan to Armenia aimed at "providing insurance against shocks" as a three-year "stand-by arrangement." The IMF's previous lending program for Armenia, worth roughly \$115 million, was launched in 2014 and completed in 2017.

The Armenian government announced on July 2 the creation of a powerful new anti-corruption body empowered to prosecute state officials suspected of bribery, fraud and other corrupt practices. The move follows the completion of a related anti-corruption strategy and three-year plan of action which will also consolidate and streamline various state bodies and entities with overlapping responsibilities in fighting corruption.

Government moves to increase minimum wage

On June 27, Armenian Prime Minister Nikol Pashinian announced the plans to increase the minimum wage in the country by more than 23%, raising it from 55,000 drams (\$115) to 68,000 drams (\$142). Deputy Minister of Labor and Social Affairs Gemafin Gasparian noted that some 35,000 people working in the public sector and 45,000 others employed by private firms are paid 55,000 drams per month at present.

FOREIGN POLICY

Prime Minister announces "Major Changes" in foreign policy

In an announcement by Armenian Prime Minister Pashinian on August 27, Armenia vowed to institute more "major changes" in foreign policy in an address to an annual meeting of Armenian ambassadors and other senior diplomats. He explained that "the most significant of those changes is that

our traditional policy of balancing has been replaced with a policy of having our own clear position and consistently defending that position." Foreign Minister Zohrab Mnatsakanian stressed that the Armenian revolution was "free from geopolitical orientations", arguing that "Armenia did not take foreign policy steps changing the balance of global forces and it is set on basing its relations with all [foreign] actors on the principle of sovereignty."

Azerbaijan: Human rights never a priority

Sevinc Aliyeva, The Baku Academy of International Law and Human Rights (Baku, Azerbaijan)

This summer Azerbaijan was active in the international arena. The country's delegation attended the first Caspian Economic Forum, Iran and Azerbaijan decided to create a joint industrialized zone to boost the trade between the two countries. Domestic agenda of Azerbaijan was dominated by the new charges of tax evasion that were brought against famous journalist Khadija Ismayilova. State Statistic Committee of Azerbaijan and independent think tank the Center for Economic and Social Development reported main economic indicators of the country in the first half of 2019.



DOMESTIC POLICY

New charges for Khadija Ismayilova

Khadija smay lova, award-winning journalist, reporter, and former Radio Free Europe/Radio Liberty Azerbaijani Service's Baku bureau chief, faced charges of tax evasion from Azerbaijan's Supreme Court in early August.

Previously she reported high-level corruption and secret financial links in different industries of the country. Furthermore, Ms Ismayilova uncovered property holdings which belong to government officials. After being

arrested in 2014 and spending 583 days in prison, she was released in 2016 thanks to the international pressure from human rights organizations. However, she is still not allowed to move around the country and her assets and bank accounts have been frozen.

The new charge of tax evasion states that Ms Ismayilova needs to pay taxes for Radio Free Europe/Radio Liberty, which is a non-profit organisation. "Another conviction that I have is illegal entrepreneurship. The government

says that since I don't have international accreditation in Azerbaijan's foreign ministry, all the money I earn from foreign media is illegal," stated Ms Ismayilova.

Karin Deutsch Karlekar, director of Free Expression at Risk Programs at PEN America said that "For more than three years since her release from prison, Khadija has been subject to surveillance, a travel ban, financial restrictions, and other forms of harassment intended to intimidate her into silence. We call on authorities to drop

these ridiculous charges and allow Khadija full freedom of movement and the ability to continue her work freely".

Freedom House has published a press-release that condemns the Supreme Court's decision. "This decision should be immediately overturned, the charges should be dropped, the travel ban imposed on her should be lifted, and her bank accounts should be unfrozen," said Marc Behrendt, director for Europe and Eurasia programs at Freedom House.

ECONOMY

Economy in the first half of 2019

According to the State Statistic Committee of Azerbaijan, the country's GDP increased by 2.4% in comparison to the same period of previous year and amounted to 37825.2 million manats (about \$22184,87 mn) in the first half of 2019. The GDP growth in oil-gas and non-oil and gas sectors was 1.3% and 3.2% respectively.

Furthermore, the inflation rate for the first six months was 2.7% according to the Statistic Committee; however, a report published by Center for Economic and Social Development indicates that the inflation rate was 7.3%.

Moreover, an international rating agency Moody's Investor Service's has changed the outlook on Azerbaijan's

banking system from "stable" to "positive". Starting from 2015 the outlook had been "negative" till last year's August. On introducing measures to solve issues related to problem loans and restoration of banks' profitability, Moody's changed the outlook from "negative" to "stable" last year. This year's report was published in July and presented expectations from the banking system for the next 12-18 months. According to the report, the main factors leading to the positive change were "continuous economic growth and unprecedented state support for households". Furthermore, the report predicted 3% economic growth and 10% decrease in the amount of problem loans in 2019-2020.

FOREIGN POLICY

The first Caspian Economic Forum

Azerbaijani delegation led by country's Prime Minister Novruz Mammadov participated in the first Caspian Economic Forum hosted by Turkmenistan in mid-August. Five countries located on the borders of the Caspian Sea gathered and discussed the legal status of the sea and future possibilities for economic development. Russian Prime Minister Dmitry Medvedev, Iranian Vice President Eshaq Jahangiri and Kazakh Prime Minister Askar Mamin were among the other representatives. The President of Turkmenistan, Gurbanguly Berdimu-

hamedow and the Prime Ministers of the other four countries discussed the importance of the Caspian Sea region in the international arena, expanding integration and interaction of countries' economies, future opportunities for investment projects and simplification of visa regime.

Last year Russia, Iran, Azerbaijan, Turkmenistan and Kazakhstan signed a convention on how to divide territorial waters and fishing zone. However, the division of seabed rich in hydrocarbon resources was not agreed upon. Furthermore, two of the countries. Russia and Iran have not

Khadija İsmayılova, award-winning journalist, reporter, and former Radio Free Europe/Radio Liberty Azerbaijani Service's Baku bureau chief, faced charges of tax evasion

yet ratified the above-mentioned agreement. Since Azerbaijan and Turkmenistan have not agreed about the seabed division, the progress of <u>Trans-Caspian natural gaspipeline has been delayed as well.</u>

Joint Industrialized Area with Iran

Trying to decrease its oil dependency, Azerbaijan has cooperated with Iran in order to create a joint industrial zone. "This will create favorable conditions for the further development of the non-oil sector in both countries,"

said Mohsen Salehinia, Iranian Deputy Minister of Industry in the opening ceremony of the new industrialized zone in Iran.

Farhad Dejpasand, Iranian Minister of Economic Affairs and Finance has also stated that Iran is interested in developing relations in the insurance sector and two countries have already agreed to create a joint investment fund. This fund will facilitate the cooperation among entrepreneurs and companies of the countries. Trading volume between Azerbaijan and Iran has reached about \$440 million and is expected to exceed \$600 million.

Belarus: Rhetoric changes, the system doesn't

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

Parliamentary elections are finally scheduled in Belarus. While the government is walking away from populistic rhetoric in its struggle for the hearts of the voters, nobody expects the parliamentary election to deliver systemic change. Without such transformations, the economy will not solve its chronic problems. Solving landmark issues in foreign policy is put off till later.



DOMESTIC POLICY

Preparations for the parliamentary election

Belarusian President Aleksandr Lukashenko demonstrated record-breaking activities in public space all summer, focusing on two key issues that define the stability of the political regime: the state of affairs in the law enforcement and security bloc and the election campaign.

The government predictably approved the date of the parliamentary election offered by the Central Election Commission. The indirect election of the Republican Council will take place on November 7, while the direct election of the Chamber of Representatives is scheduled for November 17.

Central Election Commission Chair Lidia Yermoshyna confirmed once again that <u>August 30, 2020 is the fitting</u>

date for the presidential election. She mentioned that she was not familiar with specific proposals on the constitutional reform in Belarus. She endorsed the introduction of the mixed election system to boost the work of parties in Belarus. Most parties, as well as Za Svobodu (For Freedom) movement and Speak the Truth bloc, have already announced their intention to run in the parliamentary election. In other words, the government will not face the problem of election boycott in the coming year.

For now, however, the impression is that the parliamentary campaign will be run under a conservative scenario, while Belarusian authorities are openly cold-shouldering expectations of election liberalization by Western capitals. The authorities expect to have two thirds of the current MPs in the new parliament. The share of women is likely to increase in the legislature. No serious changes are expected in the composition of the parties.

The number of candidates from the parties loyal to the government, including the Republic Labor and Justice Party, the Liberal Democratic Party and the Communist Party of Belarus, is likely to increase thanks to the easier nomination procedure. Still, the overall competition

is likely to match that of 2016 with around 500 candidates. At least one of the two alternative candidates (Alena Anisim) is expected to get

ECONOMY

Short-term success against negative trends as background

International financial institutions forecast a slowdown of Belarusian economy in the coming years. In its report, the World Bank worsened

economic outlook for Belarus for the coming years once again: its GDP will grow 1.8% in 2019, 1.3% in 2020 and 1.2% in 2021. The key reasons for this decline include low growth of productivity as a result of structural inflexibility of Belarus economy and worse external conditions (stagnation in traditional markets for Belarusian processing and agricultural industries). The increase of government debt largely denominated in foreign currencies and uncertainty about compensation of losses caused by Russia's oil tax change, as well as about bilateral trade relations, create risks for the country's economic development.

<u>Lukashenko's meeting with the leadership of the Council of Ministers</u> on August 2 resulted in the publication of the government's plans to ensure moderate eco-

into the Chamber of Representatives in the new parliament, and several independent MPs with a technocratic profile without serious political ambitions will probably join the new parliament, too.

The authorities have opted for the mobilization scenario for the election campaign next year. Their primary target to mobilize will be the traditional electorate, including pensioners and people in the countryside and small towns.

The "crushing" meeting of A. Lukashenko with the law enforcement segment on the quality of crime detection and investigation was aimed at creating "election PR" for him, including by shaping the core of support among entrepreneurs. In practical terms, the key goal is to strengthen the work of law enforcement authorities, primarily for the benefit of the Presidential Administration, and to make law enforcers less autonomous. The Investigation Committee, the Ministry of Internal Affairs and Prosecutor General's Office found themselves under fire of criticism. The Operative Analytical Center under the President and the State Security Committee were publicly designated as "supervisors" over the law enforcement authorities. At the

same time, there is no discussion of systemic reforms yet. Some decisions regarding appointments can be taken in the near future.

Belarusian approach in the integration talks is all about talking away the process and refusing to take any additional commitments without solving current problems first

nomic growth and income of the population in 2020. The President unexpectedly did not use the opportunity to make the usual populistic declarations and criticize the government. It is not entirely clear whether this is a stable trend, but the rejection of populistic rhetoric may signal a serious shift towards

cooperation with international financial institutions and to the new economic rhetoric in the context of the upcoming election campaign.

The National Bank leadership also <u>confirmed plans to</u> <u>adopt a deficit budget</u>. It insists that this move will not raise doubts about macroeconomic stability or lead to increased inflation.

Meanwhile, the results of foreign trade in goods in January-July 2019 are available now. <u>Trade deficit amounted to US \$2.728bn</u> compared to US \$2.288bn in the same period of 2018. <u>GDP for January-July 2019</u> increased 1.3% in comparable prices from the same period of 2018. This means that GDP growth increased in July. The half-year growth was 0.9%.

FOREIGN POLICY

Talking away talks on deeper integration with Russia

Russia's new Ambassador Dmitri Mezentsev arrived in Minsk in early June. At the same time, Moscow sent a clear signal to Belarus by appointing Mikhail Babich, its ex-ambassador perceived very negatively in Belarus, Deputy Minister for Economic Development of Russia in charge of integration processes with Belarus.

As expected, the meeting of Belarus and Russia prime-ministers on June 21 did not deliver practical results in terms of "deeper integration within the Union State". Despite many declarations about the process of talks, the parties failed to reach an understanding on the key issues on the agenda and postponed the discussion to November 2019 between heads of states. Belarus-Russia top level talks of July 17-18 led to yet another rescheduling of the deadline from November to December 2019. Prime-ministers are expected to approve the action plan on deeper integration in early September and presidents of the two countries will consider it in December. The action plan contains the principle of "two states -- one market" and does not have any political points. According to the action plan, government agencies will have to draft 28 action plans on different sectors of the economy in the future.

The deadline for negotiations allows Belarus to conduct November parliamentary election in a "calm" atmosphere. But it raises the stakes at December talks: gas prices will remain among unresolved issues until then. The Russian side only announced that Belarus-Russia relations would not remain within the status quo after the current stage of negotiations (until November-December 2019) -- they will either deepen or degrade. It is obvious, however, that Belarusian approach in the integration talks is all about talking away the process and refusing to take any additional commitments without solving current problems first. Moreover, the adoption of this program will not solve the root conflicts in the Belarus-Russia relations: the problem of extending discounts for Russian fuels for Belarus.

In the relatively quiet background of Belarus-Russia relations, preparations for the Union Shield 2019 drills between Belarus and Russia have started. The drill will take place from September 13-19 at the field near Mulino, a town in Nizhniy Novgorod Oblast, Russia. The location deep in Russia was chosen in order to avoid raising tensions in Europe. Yet, this will hardly have a de-escalation effect given the matching timeframes of Union Shield 2019 and Russia's Center 2019 strategic maneuvers. Quite on the contrary, a serious risk exists that foreign observers will see them as elements of one strategic concept. In practice, the Belarusian side is not engaged in preparations, planning or participation in the Center 2019 maneuvers. The Union Shield 2019 plans to engage nearly 12,000 of personnel, up to 950 combat equipment and up to 70 airplanes and helicopters. Belarus will send over 4,000 of personnel, over 30 tanks, 80 armored carriers, nearly 50 reactive missile systems, devices and mine launchers, as well as 15 airplanes and helicopters.

Georgia: Freedom with barbed wire

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

This summer in Georgia saw aggravated tensions with Russia. The address to the Georgian Parliament made by a Russian MP spawned series of violent protests. In response Moscow banned passenger airline service to Georgia, challenging the tourist season, and accused Tbilisi of genocide of Ossetian people in 1920.



DOMESTIC POLICY

Tbilisi protests, people injured

Prior to this summer the name of Sergei Gavrilov, a Russian State Duma MP from the Communist Party of Russia, was virtually unknown with an exception of some of his colleagues. However, it was his address to the Georgian Parliament at the 26th General Interparliamentary Assembly on Orthodoxy that provoked series of violent protests in Tbilisi.

It was for the first time that Assembly took place in Tbilisi on June 19-21. Gavrilov was leading the assembly,

sitting in the chair of the Georgian Parliament Speaker and making his address in Russian, which angered some MPs. During the break between the sessions the representatives of the opposition broke into the Parliament. The session was disrupted, while Gavrilov and other Russian MPs were asked to leave the country. Moreover, they were bombarded with eggs in front of their hotel and had to leave for the airport accompanied by the police.

The protest relocated to the building of the Parliament. Many thousands of angry citizens demanded the resignation of the speaker who at the time was making an official visit to Baku. Irakli Kobakhidze stated that he had no intention of resigning. The tensions reached their peak. Journalists and MPs forming the parliamentary minority were asked to leave the building of the Parliament. Clashes started between some protesters and the police. Several hours later the police fired teargas and shotguns with rubber buckshot, giving no warning. Over 240 protesters were injured including some journalists. Two lost their eyes, 121 were arrested. 80 policemen were injured as well.

The break-up of the protest dramatically aggravated the situation. The leader of the ruling party Bidzina Ivanishvili came up with an initiative to hold parliamentary elections this fall under the proportional representation system with a zero

threshold. The Parliament's speaker Irakli Kobakhidze resigned, however, the protests went on demanding to remove the minister of internal affairs Giorgi Gakharia from his post.

At the same time another dramatic development followed around the main opposition outlet – a TV channel "Rustavi-2". All of a sudden a host of a weekly news TV program "Post Scriptum" Giorgi Gabunia went on live insulting the President of Russia Vladimir Putin, with his mon-

ologue being extremely offensive to the late parents of the Russian president including strong language in Russian.

The reaction was fast to follow. Conservative groups gathered near the building of the TV station with radical demands concerning the TV host himself and the channel "Rustavi-2" as well, specifically requesting to dismiss the general director of the station Nika Gvaramiya, arrest Giorgi Gabunia and shut down the controversial channel. Russian State Duma demanded to initiate legal proceedings against Gabunia.

Putin commented on the situation as well: "one came

out and said something, pretending to be someone...Nobody knew him before and now everyone is talking about him...too much honor for him to start legal proceedings, let him broadcast on", - the Russian president said.

Meanwhile, European Court of Human Rights in Strasbourg announced its final verdict in the case that started in 2015. "Rustavi-2" was returned to the owner Kibar Khalvashi, affiliated with the authorities.

Khalvashi spent a month clearing up the channel from "untrustworthy" elements. First the general director Gvaramiya was dismissed, then other significant figures followed, which provoked a mass protest involving members of the staff. Almost all employees left the channel. It

is for the first time since 1995 that "Rustavi-2" does not broadcast news.

Khalvashi called on the journalists to come back, however, they created a new TV channel "Main Channel". The founder is Nika Gvaramiya, Mikhail Saakashvili's follower. Yet the prosecutor's office accused Gvaramiya of abuse of authority and financial damage to television. Tbilisi city court ruled on a judicial restraint of a bail of 40 thousand lari (about \$13,5 00) and limited his right to

leave the country without notifying the prosecutor's office. Gvaramiya does not agree with the court ruling and does not intend to pay the bail. Therefore, the ending for the situation is unclear.

Another TV channel, "Pirveli", was also facing problems as the prosecutor's office made accusations regarding the owner's father. Gvaramiya and "Pirveli" owner made public statements saying they are not ready to give in. Gvaramiya is ready to go to prison as he stated "freedom or prison" and that he personally will accept capitulation from the government.

Over 240 protesters were injured including some journalists, two lost their eyes, 121 were arrested, 80 policemen were injured

ECONOMY

#SpendSummerInGeorgia

Putin banned Russian airlines to fly to Georgia. He also made a recommendation to travel agencies not to plan any tours to Georgia. Russian mass media spread information that it is not safe for Russian tourists in Georgia now.

It is still rather difficult to estimate the damage, while in general it mostly comes to an unprecedented growth rate of Russian tourists coming to a stop. However, statistics regarding tourists from other countries still shows positive dynamic. 72% of Russian citizens enter Georgia via its land border and this means that cancelled flights are a problem only to insignificant number of travelers.

The number of Russians visiting Georgia dropped by 6,8% in July against the same period last year. After Russia stopped its flights to Georgia the number of tourists arriv-

ing by plane went down by 74,8% in the last week of July. However, the decrease in those arriving by air was balanced by those entering by land – the rate rose by 15,3%. Moreover, the number of Russian citizens arriving via the border between Georgia and Armenia increased by 24%.

In response to banned flights, a new social campaign with a hashtag #SpendSummerInGeorgia was launched in social networks. Georgians as well as foreigners share their personal experience of traveling in Georgia and encourage everyone to support tourism in Georgia this year.

The problems in tourism once more demonstrated that relations with Russia are unpredictable. They may pull the plug at any moment, shut down the market for agricultural products or other produce. Even more so, such precedents have been already observed before.

FOREIGN POLICY

Attempts to rewrite history

Russian State Duma suddenly decided to discuss the issue of "genocide" of Ossetia by Georgia in 1920. Moreover, the president of Russia Vladimir Putin accused Georgia of historic occupation of the regions of Abkhazia and South Ossetia as well as of genocide of the people of Ossetia. This issue resulted in Tbilisi's moderately sharp response. The country's top officials unanimously stated that this is a pointless attempt to rewrite history.

Even though the issue is absurd and this process does not have any international legal perspective, current authorities try their best not to fall for Kremlin's attempts to further aggravate the escalation policy, despite the fact that the phase of annexation is very close to the phase of occupation.

The situation is deteriorating due to the destructive policy of "borderization". Near the border line there appear to be more cases of locals abducted by military groups located on the occupied territories. Moreover, the borderization of border-line villages is going on, with this process being especially traumatic to local farmers, whose land and houses are getting enclosed with barbed wire at night.

Russia has no intentions of making concessions, while its relations with Tbilisi still symbolize hands wrapped with barbed wire.

What political changes bring for Moldova

Natalia Stercul, Foreign Policy Association of the Republic of Moldova (Chisinau, Moldova)

Summer was a probation period for the new coalition government led by Maia Sandu. The new government has come across complex multifaceted tasks that require political wisdom, maturity and balanced approaches. While it is still too early to talk about profound elimination of corruption and antidemocratic abuses, a step towards building a civilized modern state has been taken. The set tasks can be accomplished provided that those in power are able to negotiate, agree and prevent the expansion of space for conflict in the power corridors. The external factor continues to play a defining role for Moldova, so does the importance of financial assistance from international and EU entities. The new government focuses primarily on building its policies in the interests of Moldovan citizens.



DOMESTIC POLICY

Political changes and the new government

Moldova escaped snap parliamentary election. The Party of Socialists of Republic of Moldova (PSRM) and Bloc ACUM, both opposition parties, signed a temporary political agreement helping them to overcome the political crisis and start dismantling the oligarch regime. Despite the indisputably significant role of political forces that have shown strong will, determination and sequence of actions, the external factor contributed decisively to domestic political processes. Three high-ranking repre-

sentatives from Russia, the EU and the USA arrived in Moldova at the critical moment, managing to initiate the "recovery" process of Moldova and normalization of its political situation. The overthrow of Vlad Plahotniuc's re-

Dismantling the oligarch regime is the top priority task for the new government

gime that lasted a decade de facto had a unifying effect on domestic and external political forces. As a result, the Party of Democrats of Moldova (PDM) went into opposition and the oligarch left the country.

The top priority tasks for the new government include dismantling the oligarch regime, implementing a package of anti-oligarch laws, solving problems linked to economic and budgetary risks, and endorsing real economic, social and judiciary reforms. Resolving the Transnistria conflict is one of the ten top priority tasks set by the Government. In addition, the Parliament passed a law cancelling the mixed electoral system and going back to the

proportional representation system in the third and final reading. MPs voted to decrease financial support for election campaigns and representation threshold to 5% for parties, 7% for blocs and 2% for independent candidates.

ECONOMY

Macro-financial assistance from the EU

A search of funds to cover the budget deficit was one of the many problems the new government inherited from Plahotniuc's regime. It could not do <u>without assistance from international partners</u>. After EU entities were assured of the new government's strong political will and desire to accomplish real results in reforms and practical implementation of the EU-Moldova Association Agreement, the disbursements of budget support resumed on July 24 and MDL 284 mn (nearly 14,5 mn Euro) was unblocked.

In addition, three EU funding agreements were signed in Brussels on July 25 to assist Moldova in strengthening the rule of law and fighting corruption, and to provide economic support. The total budget of these agreements exceeds EUR 40 mm. Further actions were dictated by the EU for Moldova to obtain financial resources. The 28 indicated conditions include democratic standards in the country, free and transparent local elections, demonopolization of the media market, investigation of the bank frauds, revealing corruption schemes and regulation of the tax burden.

FOREIGN POLICY

EU-Russia Relationship: Will balance be achieved?

Apart from its commitment to the European vector of development and the intention to consistently implement the Association Agreement with the EU, regular contacts with representatives of EU entities, construction of strategic partnership with the US and close cooperation with

the neighboring states, the new government's focus is to revise its relations with Russia, restore economic relations and intensify trade and economic cooperation.

The new government is trying to build honest and open bilateral dialogue so that relations between Moldova and Russia do not go against agreements with the EU. At this stage, the main task is to try and unblock the opportunities of agricultural exports to the Russian market.

Ukraine's hot political summer

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

Summer 2019 proved to be quite intense when it came to politics in Ukraine. President Volodymyr Zelenskyy significantly strengthened his political positions. First Zelenskyy demonstrated phenomenal results winning the presidency, then pro-presidential political party "Servant of the People" followed up successfully winning snap parliamentary elections. Now Volodymyr Zelenskyy and his political allies possess absolute authority in Ukraine and this means that they bear full responsibility for the future of the country. Expectations both within Ukraine and among foreign partners are high as ever.



DOMESTIC POLICY

"Servant of the People" flexing political muscles

Despite summer season and vacations, Ukraine's political life went on, sometimes gathering pace, predetermined by presidential elections last spring and followed

by a landslide victory of a complete political freshman and a former comic well-known on the territory of the entire post-USSR. In his inauguration speech the sixth Ukrainian president declared the Parliament of the VIII convocation dissolved and announced snap parliamentary elections. The presidential decree was upheld by the

Constitutional Court of Ukraine on June 20. This particular Constitutional Court ruling made way for early parliamentary campaign, which, as a side note, was one of the shortest in the history of Ukraine.

Another important development happened on July 16 when the Constitutional Court of Ukraine made a final decision regarding the so-called "Law on decommunization" (a law that condemns the actions of communist and fascist regimes in Ukraine). The Constitutional Court declared this law fully constitutional within the Constitution of Ukraine, thus, this ruling is mandatory, final and cannot be appealed.

However, the most dramatic development in Ukraine's political life came with early parliamentary elections in July, which resulted in a landslide victory for "Servant of

the People" party supported by president Zelenskyy. This political power got 254 seats in the new Parliament of the IX convocation (in order for bills to be passed 226 votes are needed). It is for the first time in the history of independent Ukraine that one political power will be able to form a mono majority in the new Verkhovna Rada, without "looking back" at its opponents. "Servant of the People" got the positions of the Speaker and the first Vice Speaker in the new Parliament.

The Parliament's support, in its turn, will help president Zelenskyy to promote high-priority tasks: renewing talks within the Minsk format, holding economic reforms and launching a financial investigation service, continuing fight against corruption and reforming government agencies.

ECONOMY

High expectations and positive signals

Against the backdrop of relative political stability, there are some positive changes coming in Ukraine's economy. According to Info Sapiens, this summer saw the highest index of consumer moods. Current personal income grew the most in July, while economic growth is expected to continue this year and in the next five years to come. Better personal income numbers are related to real higher wages, stable currency exchange rate and pricing. An-

alysts believe that trusting new authorities has a positive impact on higher expectations regarding economic growth in general.

Fact-based indicators also report economic growth. According to the State Statistics Service and its preliminary data, GDP growth in the second quarter made up 4,6% against the same period last year. As for 2019 first quarter, GDP grew by 1,6%. The second quarter indicators were the best in the last two and a half years. The most recent similar result, 4,6%, was achieved in the fourth quarter of 2016.

FOREIGN POLICY

Zelenskyy's first steps

This summer saw some significant developments on the foreign policy arena. President V. Zelenskyy used this

time to make his official foreign visits. His first visits were to Paris and Berlin on June 17-18, in order to meet German chancellor Angela Merkel and the president of France Emmanuel Macron - who are, in fact, participants of Normandy format (a format designed to solve the military conflict between Russia and Ukraine, instigated by Russia's annexation of the Crimea and its participation in Donbas military activities). As a result, at a joint press-conference the president of France stated that his country will do everything possible in order to hold a meeting within the Normandy format and support Ukraine on its path to get the peace back.

In his turn, president Zelenskyy expressed his gratitude to the French leader for France's firm and consistent position in the issue of liberating imprisoned and <u>captive</u> <u>Ukrainians in the Russian Federation</u>.

As for meeting Angela Merkel, Zelenskyy discussed the matter of releasing Ukrainian prisoners in Russia (including captured sailors) and expressed his hopes for Germany to support Ukraine's European and <u>Euro-atlantic aspirations</u>. Canada was included in the president's itinerary as well, being Ukraine's long-time trusted partner and advocate in the international arena. During his official visit to Canada the Ukrainian leader expressed

his gratitude to Canadian authorities for their consistent support to Ukraine both in G7 and UNO formats, as well as underscored the importance for consolidation of international coalition to counter Russia's aggression.

The first contact of Ukraine's president and Russian leader Vladimir Putin was initiated as well. In particular, the presidents held a telephone conversation, with the main subject being the issue of releasing Ukrainian sailors. Moreover, Volodymyr Zelenskyy and Vladimir Putin discussed the expansion of the Normandy format, which would involve the participation of

US president and UK prime minister.

Thus being said, European integration remains a consistent priority for Ukraine's foreign policy. This was discussed at the 21st EU-Ukraine summit that took place in Kyiv in July. EU leaders Donald Tusk and Jean-Claude Juncker stated that current relations between Kyiv and Brussels are "best ever".

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New government in Moldova: Test by compromise

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The temporary coalition between the Party of Socialists of the Republic of Moldova (PSRM) and ACUM bloc is a compromise decision, the overthrow of the oligarch regime being its main result. From now on, Moldova is no longer referred to as captured state. Deoligarchization of institutions and full reorganization of the system built by the previous government are underway. But the coalition has yet to pass the main test of its ability to make compromises, facing many challenges in the future. Overcoming disagreements within the coalition and developing consensus agreements may bring reputation risks. This looks inevitable and logical given the polarization of views, positions and geopolitical preferences between the pro-Russian PSRM and the pro-European ACUM.



Political crisis and change of government in Moldova

The June political crisis in Moldova widely reverberated in and beyond the country. The main reason was the

determination of the Democratic Party to hold on to power at any price. Still, Moldova escaped snap parliamentary election: the pro-Russian PSRM and the pro-European ACUM entered into a temporary coalition at the very last moment, despite the divergences and conflicts between them. ACUM

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leader Maia Sandu heads Moldova's new government while PSRM's Zinaida Greceanii became the Speaker of Parliament. One of the new coalition's first documents was the declaration of Moldova as captured state at the first meeting of the Parliament on June 8. The Democratic Party expressed discontent and disagreement with the appointments and the new status quo.

As a result, the Constitutional Court removed the President from power and appointed Pavel Filip as Acting Prime Minister, claiming that the three months available for coalition talks had expired before it was formed. The Parliament was dissolved and snap parliamentary election was announced. This created ground for a unified position of all external political players, including the US, the EU and Russia -- for the first time in Moldova's history as an independent country. At the end of the day, this played the defining role in the resolution of the domestic crisis. On June 14, Filip's Cabinet resigned and Plahotniuc, the leader of the Democratic Party, left Moldova and resigned as party leader. Government buildings were unblocked and the Constitutional Court annulled its earlier verdicts. A new turn in the country's development began.

In Moldova's case, it is difficult to speak about benefits or flaws of the coalition agreement: this was the only possible compromise in the given situation. The specific short-term goal of the PSRM and ACUM joining forces in a coalition was to disrupt Plahotniuc's regime. Real change is hard to think of with the PSRM, although the coalition is working quite constructively together despite scepticism of many politicians, experts and analysts. Apart from that, deoligarchization turns out to be a complex process. The system built by the Democratic Party's leader is a mechanism that continues to operate smoothly, resisting the

new government on all fronts. Despite the barriers to the Democratic Party's actions, the new government still faces resistance that can aggravate intracoalition disagreements, cooperation alliance partners and disrupt their tem-

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porary union.

Reluctant to leave the Democratic Party's illegal efforts to hold on to power unaccounted for, Interior Minister Andrei Nastase has requested an internal investigation from the Prosecutor General's Office. But former Pros-

ecutor General did not see any crimes in the claims listed in the request. Meanwhile, new appointments -- also temporary for now as the coalition has not yet come to a unified decision on this issue -- have delivered results. Prosecutor General's Office has revised its earlier decision and decided to

open a criminal case for usurpation of power in the state from June 7 to June 14.

The Democratic Party declared this decision illegal: "The opening of a criminal case for an alleged coup is part of an effort to persecute Democratic Party representatives and is in line with the new government's aspiration to hit political pluralism and declare the Democratic Party outside the law". The Parliament does not yet have constitutional grounds to declare the Democratic Party outside the law. And the Democratic Party will not dissolve voluntarily. Its next convention is scheduled for September 7. It will discuss restructuring and plans to elect new leadership.

Since it entered into power, the new government looks capable of negotiating on many issues, avoiding provocations and trying to build a constructive debate. Its top priority actions include return to the proportional election system; adoption of the law to change the procedure for appointing Prosecutor General; making the State Guard accountable to the President; amendment of the law on Information and Security Service, and more. One of the most important tasks is to reform the Constitutional Court, justice and attorneys sectors. But there are many stumbling blocks on this path that make the reform difficult. Some NGOs have expressed concern over non-transparent appointment of two Constitutional Court justices by the Parliament and asked it to amend the Constitutional Court Law.

The change of government in Moldova created ground for more proactivity from political forces, leading to the emergence of new parties in Moldova's political landscape. The Save Bessarabia Union emerged, founded by Valeriu Muntianu, former leader of the Liberal Party;

APEL (Protection of Individual is Law) was established as a pro-European left-of-center party; Mark Tkachuk and Yuriy Muntian set up the Party for Collective Action -- Civic Congress presenting itself as the first anti-crisis par-

ty in the Republic of Moldova. New political parties aim at entering the political battle. This could bring the new forces to a higher level and create conditions for a reload of civic relations within the state. This will also increase political competition.

In any case, these changes launched a chain political reaction, somewhat overcoming inertia and passivity of political groups and the population. A glimpse of hope emerged: the changes are real and there is a chance to build a democratic state, which means that Moldova has a future. It is therefore important that the current government does not disappoint EU partners and, first and foremost, its own citizens.

Foreign policy reference points: both EU, and Russia

Some changes emerge in Moldova's foreign policy triggered by the aspiration to build constructive relations with all partners. Prime Minister Sandu went to Bucharest on her first visit, then to Brussels, Kyiv and Berlin. While clearly declaring its European aspirations and definitive commitment to cooperation with the EU and implementation of the Association Agreement, Sandu's government also included in its platform an item about promotion of permanent institutional dialogue with the Russian Federation to create ground for mutually beneficial cooperation. Sandu is scheduled to travel to Moscow in September. The agenda has a range of issues, including trade cooperation between Moldova and Russia and free trade zone within the CIS as priorities. Resolution of the Transnis-

tria conflict and the issue of the Russian military presence in the region are also on the agenda. These are seen as extremely important points given the impression that the new government has not yet chosen a way to resolve

While few believe that this coalition will last, it may stay in place longer than initially expected

the Transnistria issue, and that it will rely on the tactics of small steps which is not productive, given the experience of the past years. Sandu's visit may help to clarify many issues -- for herself as Prime-Minister first and foremost --, including Moldova's position on the future cooperation.

The impression is that an agreement may be reached on trade cooperation while the Transnistria issue will remain frozen.

On the other hand, the expansion of the Presidential Administration's foreign policy links with the West deserve a note. Igor Dodon is scheduled to travel to Brussels and Washington to attend a UN Assembly General session in September-October. President Dodon has recently more than once marked the importance and the value of the EU as Moldova's partner in his speeches.

Apart from that, the dialogue with development partners resumed after it had been suspended as a result of irresponsible actions by the previous government, including tax amnesty and decisions that resulted in budget disbalance. Successful completion of evaluation missions under the IMF program allowed it to extend the current program through March 2020 and Moldova to receive macrofinancial assistance.

The geopolitical factor will continue to affect Moldova in the future. External players still have diverging interests in this region. But Moldova's current choice of tactics makes sense from the perspective of rethinking and reloading relations with some partners given its own interests and its choice of civilizational development.

Controversial coalition: how long will the union last?

PSRM and ACUM are not simply parties with different political platforms and diverging visions of the country's strategic course. They are political competitors. This requires a search of the best possible consensus decisions and the ability to accept mutual concessions. The greatest tests are ahead and all coalition representatives probably realize this. This is because of the opposing views on many issues of political nature and diverging geopolitical preferences; because of how unsustainable, unclear and shaky the domestic situation in Moldova is, and because of the scale of the tasks faced by the coalition. The key question is how long the new coalition will last and whether it will stand the test of resilience.

Local elections in October 2019 will be one serious test. PSRM understand how obscure the situation is and demand that ACUM signs a political agreement with them stating clearly the main goals of domestic and foreign

policy. The key task is to prevent risks that could prove destructive for governance, consolidation of society and balanced foreign policy. This was President Dodon's main motivation when he initiated the drafting and signing of a "Non-Aggression Pact" between the PSRM and ACUM as a solid basis for further work of the coalition partners.

While few believe that this coalition will last, it may stay in place longer than initially expected. The importance of crucial decisions it needs to take in order to implement reforms can bring PSRM and ACUM together. Of course, this requires political maturity. Still this coalition is purely temporary and aimed at accomplishing the set goal. Hardly anyone can confidently project the future balance of power in Moldova. One thing that can be stated with certainty is that the country has experienced political change and a change of those in power.

President Zelenskyy: 100 days on the way to full power?

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The lack of power monopoly made Ukraine stand out during all the years of independence. Presidents had to seek compromise with rebellious parliaments, taking into account interests of big business owners and searching for an approach to regional elites. The attempts to seize power monopoly led to mass protests, namely: "Ukraine without Kuchma" campaign, the Orange Revolution of 2004 and the Revolution of Dignity in 2013-2014.



Zelenskyy's rise to power brought about dramatic changes – after "Servant of the People" party got the majority in the Parliament and pro-presidential government was formed, the concentration of power in one hands, the hands of president Zelenskyy, becomes one of an unprec-

edented scale. However, if hints made by the country's leader regarding early local elections looming in the near future are to be believed, then it is clear that soon the president will be limited neither by stubborn opposition representatives nor by influential representatives of the

regions. It is highly likely that even business will have to show more respect to Volodymyr Zelenskyy.

It is clear that much depends on how exactly the new president will use his power now. The first hundred days of this presidency may give some ideas as to his plans and governing style.

Holoborodko on the country's main stage?

Many of those who actually voted for Zelenskyy took into account not so much his political program that included popular but quite vague wording, but rather an image created by Volodymyr Zelenskyy on set of a famous TV show "Servant of the People". A simple guy next door who managed to beat corruption seemed to the electorate a worthy alternative to the "old elite". Zelenskyy's team seized this opportunity and was able to get the most of electoral dividends both at the presidential and at the parliamentary elections based on their leader's image. Moreover, even now the president is using the image of his character "Holoborodko". It seems that sometimes Zelenskyy's team voice certain ideas concerning the country

being "reloaded". Then they thoroughly examine public opinion and only after that, given that the opinion is a positive one, transform such ideas into political plans. Even now among the most likely priorities for the next year there are the following: reforming land market, holding another stage of privatization and continuing the fight against corruption. However, there is no clear plan yet. Zelenskyy's team say that they will voice their priorities once the new government is formed.

Zelenskyy has 70% support among Ukrainian citizens. This is the highest score and the best results among all-time Ukrainian presidents.

Given all of the above, first one hundred days of Zelenskyy's presidency included some elements of an exciting political show. Among top issues discussed within the period and sometimes overshadowing the political process itself there was the issue of renaming Presidential Administration into a less pompous Presidential Office while actually moving it from an ostentatious building on Bankova street used in the past by the Central Committee of the Communist Party of Ukraine to a more modest Ukrainian House. Moreover, there were promises of redoing this building with an open space concept in order to provide for the maximal transparency of the President's team work (and get rid of its spirit being former Lenin's museum that occupied the building before Ukraine got its independence). However, the idea of moving houses had to be dropped recently for security reasons.

Other dramatic developments took place when Volodymyr Zelenskyy went on a "tour" to Ukraine's regions. First of all, throughout his visits the president demonstrated how close he is to common people: public saw his photos

eating shawarma at the gas station, going for a swim in Odessa and appearing at a humor show League of Laughter, and of course doing his workouts in gyms.

Secondly, his visits to the regions of Ukraine were accompanied by reprimands he made to the representatives of regional authorities. For instance, in Boryspil, a town close to Kyiv, he made quite a scandal and asked the city council secretary to leave the premises while calling him "a robber". While on a visit to Mykolaiv, he requested the head of the regional state administration to resign, with the reason behind being the city's notorious "bandit" reputation, meaning that the head of the city state administration is underperforming. When in Zhytomyr region, the president demanded the heads of regional police offices to be dismissed, as well as the heads of the regional offices of the Security Service of Ukraine in Zhytomyr, Volyn and Rivne regions for not being able to deal with illegal amber mining, while he also called on the head of Zhytomyr forestry and hunting department to resign.

The image of Holoborodko-Zelenskyy, a fighter for the truth, appeals to voters. They are completely reviewing their attitude to authorities and officials – therefore,

his support among the people of Ukraine is as high as ever. According to the Democratic Initiatives Foundation report, Zelenskyy has 70% support among Ukrainian citizens. This is the highest score and the best results among all-time Ukrainian presidents.

However, there are some unsuccessful decisions that do not allow the president to enjoy people's full devotion, with one of them celebrating Ukraine's Independence Day on August 24 without holding a military

parade. It is most probable that the president had good intentions behind the decision. The money previously used for holding the parade was promised to the veterans, with celebrations deprived of the demonstration of power. However, active part of the population, war veterans and volunteers did not agree to such an approach. As a result, on one side the president took part in his own version of a holiday while his opponents self-organized their own Walk of Invincible, with 50-60 thousand participants.

Another controversial attitude is the one to the truce in the east of the country that the president declared. It is quite possible that this decision was also backed by the president's best intentions and his faith that in order to stop a war one needs to simply "stop firing", however, the failure of the ceasefire and over 10 Ukrainians killed challenge the efficiency of the president's initiative.

Among the most recent scandals affecting Zelenskyy's image there is one concerning a preliminary decision to appoint Nestor Shufrych, a former representative of the Party of Regions and a current MP from Opposition Plat-

form For Life, as a head of a parliamentary committee on freedom of speech. Despite the fact that formally Opposition Platform is in fact opposition and therefore it is rather logical to hand them over the power in such a committee, Shufrych's image and his role in establishing the regime of the ex-president Victor Yanukovich make such a figure unacceptable for many activists, while the decision adopted at the Parliament where "Servant of the People" is calling the shots may backfire and affect the president.

Whether Volodymyr Zelenskyy will be able to correct his political agenda – time will only tell. If he does not manage to do that, even a single party majority in the parliament will not () help the situation, while the president will need to face both the opposition and the people of Ukraine.

Bonjour, Paris?

Prior to the recent presidential elections experts were eminently skeptical when evaluating the country's for-

eign policy, with it being an area of weakness for Volodymyr Zelenskyy. If president Petro Poroshenko was known for his diplomatic skills and a relevant degree, Zelenskyy stands in stark difference looking like an obvious neophyte. However, the new president manages to hold a high bar in the international arena. His contacts with EU and NATO authorities have already taken place, with this

stage leaving no doubts as for Ukraine's policy regarding these institutions. The president of Ukraine also visited France, Germany, Canada and Turkey. While there have not been any breakthroughs in these directions yet, there is still the first impression that Zelenskyy seemed to make on his vis- -vis, and it is quite decent.

It is worth mentioning that there is a certain amount of "chemistry" when it comes to Zelenskyy and his relations with the top officials of the European Council and European Commission – Donald Tusk and Jean-Claude Juncker. During EU-Ukraine summit in July the European side even noted that relations between the EU and Ukraine are best ever. It is a shame that soon the European Commission and in general the EU will have new top officials, and it will be necessary to build rapport and structure new relations with them.

As for his contacts with leaders of foreign states, it is worth mentioning Zelenskyy meeting the president of France Emmanuel Macron even before Zelenskyy became president. When he did become president, even more so, he chose Paris as one of his first destinations. There is an impression that, contrary to Petro Poroshenko who placed his bet on his contacts with Angela Merkel, Zelenskyy prefers communicating with Macron. What is more, both politicians seem to be somewhat alike. Both of them are young, to some extent external to the system, and

their presidency was a surprise to many experts and analysts, with both of them having quite noticeable charisma and ambitions.

Yet it is alarming that there seem to be certain contradictions between Merkel and Macron themselves. Earlier both leaders had a single opinion, while now their approaches are different more frequently. Even the recent G7 summit in late August was no exception. Before the summit the French leader met the president of Russia Vladimir Putin and did not rule out the possibility that the latter may be invited to the summit. It was only after it became perfectly clear that Germany and the UK were adamantly opposed, Macron himself "changed his mind". There are also discorded opinions when it comes to fault line issues in the European Union and against this backdrop it is not going to be easy for Zelenskyy's team to create a single opinion for the EU, moreover, an opinion that is pro-Ukrainian.

Another challenge to President Zelenskyy appears as

he needs to build rapport with the USA. First of all, Donald Trump administration does not rule out that already next year Putin will be invited to take part in G7 summit in the USA. Taking into account that Russia was excluded in the first place because of the Crimea's annexation, such a turn will mean a slap to Ukraine's foreign policy. Secondly, Donald Trump remembers that Ukraine's ex-president

Petro Poroshenko sided with the Democrats, with Zelenskyy having to show his loyalty to the current resident of the White House. The most important exam that the president of Ukraine has to take is him meeting Donald Trump personally, with this meeting being planned already for this fall.

Putin-challenge

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As for the main challenge for Zelenskyy, it is absolutely his dialogue with Vladimir Putin. It is not easy to find common language with the Russian leader. While Zelenskyy is demanding to release Ukrainian prisoners of war and prisoners of conscience on the territory of the Russian Federation, the Kremlin is ignoring the requests of Kyiv. Moreover, even though possible exchange options are being discussed, Moscow is in no hurry to make certain steps. As Kyiv is initiating truce, beginning military disengagement within Minsk agreements and suggesting including the USA and the UK in the Normandy format, there is still shellfire at Ukrainian positions in the east of Ukraine, which resulted in over 10 people losing their lives only in August.

Putin understands that time is an important asset that works in his favor. The EU is not as consolidated as it used to be and further sanctions regime is threatened. Transatlantic solidarity is being questioned as well, while for Kyiv

it will not be easy to have a dialogue with Moscow without having a single pro-Ukrainian Western stand on the issue. Moreover, Putin dictates his own conditions in order for such talks with Kyiv to take place. First of all, he requests a direct dialogue between Kyiv and Donbas militants, which, in its turn, will lead to their legitimization and furthermore, will be used by Moscow as an argument to support the theory of Ukraine

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being torn apart by civil war all these years.

Such words by Vladimir Putin are being echoed by representatives of Ukrainian Opposition Platform – For Life, with one of its leaders, Viktor Medvedchuk, now being represented in Ukraine's Parliament. Taking into account all of the above-mentioned circumstances, the big picture does not turn out to be so cheerful for Zelenskyy's team. While it is true that Volodymyr Zelenskyy and "Servant of the Peo-

ple" party now have full authority of power in Ukraine and they are talented enough to support their popularity among their voters, the international situation needs to be accounted for as well and it is subject to change: within the European Union there are some emerging controversies; Washington D.C. and Brussels struggle to find common language rather frequently; Kremlin intensifies its pressure on Europe

and Kyiv. Under such conditions Zelenskyy's team need to concentrate their efforts and already now create such domestic and foreign policies that would face contemporary challenges, while keeping in mind that full authority means full responsibility for political steps made. It is only then that the first one hundred days of Zelenskyy's presidency will become steps leading to full power instead of one hundred steps leading to disaster.

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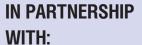






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