

EaP Think Bridge

№14

September 2019

Eastern Partnership monthly analytical digest

Eurointegration track of the new team in Ukraine: Writing one, thinking two?



The first steps with appointments and programs on European integration give a mixed sense of optimism and lack of strategic line understanding of the new team that monopolized power in Ukraine.

Issue 14
September 2019

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

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

Contacts:
info@prismua.org
www.prismua.org/eaP-think-bridge

Eastern Partnership: between the West and... ?

The interests of the Eastern Partnership countries in September strangely settled between the West and the East. In search of partners and allies, gazes turned in different directions.

The new political force in Ukraine finally concentrated all power in its hands - from the president to the parliament and the government - and took full responsibility for the country's course. Will Eurointegration remain Kyiv's priority, and will it maintain the dynamics? New appointments and the program of the new prime minister were studied in search of answers by Hennady Maksak.

Moldova is trying to balance between Moscow and the West. The pro-Russian president and the pro-European government send completely contradictory messages to foreign partners. How long can such balancing last?

For Belarus, it's traditionally not a choice. Minsk continues to flirt with the West, while it is initiated to an agreement on deepening integration with Russia.

Georgian economy suffers losses from Russian sanctions and is looking for ways to diversify markets. For the first time since the August 2008 war, the foreign ministers of the two states met.

Azerbaijan is developing cooperation in the East, with Saudi Arabia and Turkey. Meanwhile, the next round of negotiations on Nagorno-Karabakh with Armenia gave no visible results.

These and other major developments of September in the Eastern Partnership are analyzed in our monthly reviews.

Olga Chizhova

Editor-in-Chief of the EaP Think Bridge Digest



Contents

September in review

Armenia: Anti-corruption probe widens amid court crisis	4
Richard Giragosian, Regional Studies Center	
Azerbaijan: Focusing on economy	7
Sevinc Aliyeva, The Baku Academy of International Law and Human Rights	
Belarus: not choosing between “West” and “East”	9
Yuri Tsarik, Center for Strategic and Foreign Policy Studies	
Georgia: Government reshuffle before elections	12
Lasha Tughushi, Liberal Academy Tbilisi	
Tug of war in Moldova?	14
Laura Zghibarta, Foreign Policy Association of the Republic of Moldova	
Ukraine: New authorities – new challenges	17
Sergiy Gerasymchuk, Foreign Policy Council “Ukrainian Prism”	

Analytica

Eurointegration track of the new team in Ukraine: Writing one, thinking two?	19
Hennadiy Maksak, Foreign Policy Council “Ukrainian Prism”	

Armenia: Anti-corruption probe widens amid court crisis

Richard Giragosian, Regional Studies Center (Yerevan, Armenia)



Armenia moves on with its anti-corruption probe, uncovering more and more high ranking officials of the previous regime.

DOMESTIC POLICY

Constitutional Court crisis escalates

In a statement from September 27, Armenian Justice Minister Rustam Badasian extended his support for a plan by the parliament to urge the Constitutional Court to replace its own chairman, Hrayr Tovmasian. The move, backed by the pro-government majority of deputies, is seeking to remove the court chair for his alleged “mis-handling” of appeals and for committing “serious procedural violations” in the criminal case against former President Robert Kocharian, including his own ties to one of

Kocharian’s defense lawyers and his membership in the former ruling Republican Party prior to his appointment as Constitutional Court chairman in March 2017.

The legal grounds are further complicated by the political battle over the court’s legitimacy, as Vahe Grigorian, the newest Constitutional Court judge elected by parliament in June, claims that he and his fellow judge, Arman Dilanian, are the only judges empowered to rule on cases due to their appointment to the court after the amended Armenian constitution came into effect in April 2018.

Meanwhile, Ambassador Andrea Wiktorin, the head of the European Union Delegation to Armenia, reaffirmed on September 27 the EU's readiness to assist in reforming the judicial system and restoring "confidence in the judicial system and judges." Both the EU and the Council of Europe are supporting efforts to "expand legal mechanisms for disciplinary proceedings" against judicial misconduct and to enforce their anti-corruption asset declarations.

More former officials charged in anti-corruption probe

On September 25 law enforcement officials announced that more former government officials had been charged under the government's widening probe of corruption and abuse of power allegations. Former defense minister and a senior figure in the former ruling Republican Party, Vigen Sargsyan, was charged with two counts of "abuse of power," involving his reported violation of state rules and procedures governing the allocation of state-funded housing units to army officers and their families during his tenure as defense minister. The case, which is still under investigation, carries the possible sentence of heavy fines and four years in prison. Sargsyan is out of the country, however, and is currently studying in the United States.

Another former official, one-time police chief Alik Sargsyan (no relation to Vigen), was also charged on September 25 with his alleged complicity in covering up "illegal activities" by the police in the March 2008 post-election fatal crackdown on opposition demonstrators and with destroying the evidence of the "overthrow of the constitutional order" by then President Robert Kocharian. The charges against the notorious Sargsyan, who headed the police until 2011, came days after the purported suicide of his predecessor as police chief, Hayk Harutiunian, who was repeatedly interrogated by investigators as a witness

in the case. The trial for the 2008 unrest of former President Kocharian, currently held in detention, and three other top officials, charged with "usurping the constitution", is currently ongoing.

Governor resigns amid scandal

In a rare case of political accountability after years of ruling officials resisting liability for their actions, regional governor Trdat Sargsian resigned on September 24 amid an investigation into a violent dispute between one of his senior aides and an army officer who was critically injured in the attack. Although not directly implicated in the attack, the 30-year-old governor, a member of Prime Minister Nikol Pashinyan's "Civil Contract" party, explained his move as a requirement for "political ethics and political responsibility in the New Armenia."

Shakeup in the security sector

After a clash with Armenian Prime Minister Nikol Pashinyan that later escalated into a public exchange, Artur Vanetsian, the head of Armenia's National Security Service (NSS), was dismissed from his post on September 16. The 39-year-old Vanetsian, as the most senior security official in the Pashinyan government, was appointed to the post a mere two days after the parliament elected Pashinyan as prime minister in May 2018, and was leading the government's sweeping anti-corruption campaign. The dismissal was followed by the firing of national Police Chief Valeri Osiptian on September 18, a controversial and deeply unpopular holdover from the previous government, who was reassigned as an "advisor" to the prime minister. On September 19, Prime Minister Pashinyan appointed Eduard Martirosian as the "acting director" of the National Security Service and Arman Sargsian as the interim police chief, pending parliamentary approval of both.

**Newest
Constitutional Court
judge elected by
parliament in June,
claims that he and
his fellow judge are
the only two judges
empowered to rule
on cases**

ECONOMY

Government cites job growth & tax collection

On September 13 the government hailed a set of positive statistics showing a 12% increase in employment, with some 65,000 new jobs largely in the private sector, created from May 2018 through the beginning of this month. For the same period, tax collection also improved, with an increase of over 14% in 2018, to 1.3 trillion drams (\$2.7 billion), followed by a further 25% improvement for the first half of this year.

Armenian Premier issues call to reopen closed gold mine

In a controversial move, on 9 September Prime Minister Pashinyan called for environmental protesters to unblock roads leading to the Amulsar gold mine in southeastern Armenia, saying that his government has no "legal grounds to prohibit the exploitation" of the Amulsar mine. With activists protesting the mine as a threat to the environment forcibly disrupting the mine's operations since June 2018, the prime minister has been reluctant to

order police to remove the demonstrators and waited for the completion of an external independent environmental

impact study which determined that the mine would pose only “manageable” risks to the environment.

FOREIGN POLICY

Azerbaijani drones downed over Nagorno Karabakh amid major military exercise

On September 25 Senior Nagorno Karabakh (Artsakh) army officials claimed to have shot down an Azerbaijani military reconnaissance drone, and released photographs purportedly showing the wreckage an Israeli-produced Orbiter 2 unmanned aerial vehicle (UAV). The reported downing of the UAV by an air-defense unit over the Armenian-Azerbaijani “line of contact” east of Karabakh coincided with the start of a major 12-day “strategic military exercise” in Karabakh and Armenia involving the largest ever call-up of army reservists.

Armenian & Azerbaijani Foreign Ministers meet

In the latest round of the Nagorno Karabakh (Artsakh) peace process, the foreign ministers of Armenia and Azerbaijan, Zohrab Mnatsakanyan and Elmar Mammad-yarov, met on the sidelines of the United Nations General Assembly in New York on September 23. Brought together by mediators from the OSCE Minsk Group Co-Chairs, the ministers reviewed efforts aimed at “strengthening the ceasefire and reducing tension” and the “need for consistent steps to build an atmosphere of mutual trust.... including implementation of the previously achieved arrangements.”

Azerbaijan: Focusing on economy

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

In September, the domestic policy of Azerbaijan remained stable. Country's economy was rated as Top-20 Improvers in Doing Business Ranking of the World Bank. The country is strengthening its economic ties with Saudi Arabia and Turkey. The foreign policy agenda was dominated by the visit of the Minister of Foreign Affairs to the 74th session of the United Nations General Assembly in New York and his bilateral meetings.



DOMESTIC POLICY

Mandatory medical insurance

According to the remarks made by the chairman of the State Agency on Mandatory Health Insurance Zaur Aliyev at Medical Business Forum in Baku, [the mandatory medical insurance system will be introduced in January 2020](#). “The system is already being adjusted and is being tested,” he added. In the forum, one of the issues on the table was offering benefits to private medical institutions. “This support can be rendered both by tax cuts and subsidies,” said Musa Guliyev, deputy chairman of the [committee on healthcare of](#)

[the Azerbaijani parliament](#). Participants also discussed the state of medical tourism and foreign investment to the medical sector.

In recent years, Azerbaijan has implemented several projects in order to increase the efficiency and transparency of the health care system. One of these initiatives is mandatory health insurance which will cover expensive medical treatments. The pilot project kicked off in 2016 in the city of Mingachevir and Yevlakh and Aghdash regions. Starting from the beginning of the next year, the insurance system will be introduced in all Azerbaijan.

ECONOMY

Improved “Ease of Doing Business”

According to the statement released by The World Bank, Azerbaijan has entered Top-20 improvers in [Doing Business 2020 list](#).

Doing Business ranking shows the level of difficulty a local entrepreneur faces when he wants to launch and run a small to medium-size enterprise while complying with relevant regulations. The list includes economies that have mostly improved their ease of doing business score. Countries are selected based on previous reforms, their impact, and regulatory changes. Doing Business rating chooses countries which have implemented reforms in at least three of 10 priority areas.

In the case of Azerbaijan, four areas that became easier to do business in are registering property, getting credit, protecting minority investors and enforcing contracts. The process of registering property has become faster because of the mapping and registration of individual land plots in Baku. *“Minority investor protections were strengthened after liability was imposed on directors for unfair related-party transactions. When commercial disputes arise, parties can now file summons online and receive financial incentives for pursuing mediation,”* the statement said.

The list of best-ranked economies will be disclosed in late October. Last year, among 190 countries Azerbaijan ranked 25th while it was 57th in Doing Business 2018.

Economic cooperation with Saudi Arabia

Azerbaijan and Saudi Arabia are working on new agree-

According to the statement released by The World Bank, Azerbaijan has entered Top-20 improvers in Doing Business 2020 list

ments in the economy. *“Currently, we have signed 20 agreements in various spheres of the economy. We are working on signing eight new agreements,”* – said Azerbaijani Minister of Finance Samir Sharifov in an event to honor [Saudi National Day](#). The Minister and The Saudi Ambassador talked about bilateral relations between two nations in international organizations. Furthermore, in order to expand ties in tourism sector Azerbaijan’s low-cost airline Buta Airways will start offering flights between Baku-Riyadh and Baku-Dammam. *“These new destinations will contribute to both an additional flow of tourists from the Gulf countries to Azerbaijan, and the strengthening of business ties between the two countries,”* – [said the report by InterFax Information Agency](#).

“No other two countries are so close to each other”

On September 16, Prime Minister Novruz Mammadov and Turkish Vice President Fuat Oktay signed a protocol of the 8th meeting of [the Joint Intergovernmental Commission between Azerbaijan and Turkey](#). Members of the Commission talked about joint projects such as Baku-Tbilisi-Geyhan, Baku-Tbilisi-Erzurum oil and gas pipelines, TANAP, Baku-Tbilisi-Kars railroad etc. The parties also approved an Action Plan about economic and trade-related initiatives. *“I think that no other two countries in the world are so close to each other and are so much reliable partners,”* said Mammadov.

FOREIGN POLICY

Bilateral meetings

The Minister of Foreign Affairs Elmar Mammadyarov attended the 34th meeting of the GUAM foreign ministers held in New York as part [of the 74th session of the UN General Assembly](#). Along with foreign ministers of four countries, the Secretary-General of the organization A. Afendiev participated in the meeting as well. Main topics of discussions included but not limited to complex issues related to interparliamentary cooperation, political and industry cooperation, and collaboration with other partner countries.

In the same occasion, Mammadyarov also met with Robert Malley, the President of the International Crisis Group and talked [about the Nagorno-Karabakh settlement process](#). He also briefed the current situation in the settlement process to United Nations Secretary-General Antonio Guterres. Furthermore, the minister held bilateral meetings with his Georgian, Romanian, Greek, Kuwaiti, Indian, and

Dutch counterparts, exchanged the views on the existing relations and discussed prospects for future cooperation.

One of the long-expected meetings was between Armenia’s Foreign Minister Zohrab Mnatsakanyan and Mammadyarov with participation of [OSCE Minsk Group Co-Chairs](#). The parties discussed a wide range of issues related to peace process and ceasefire; however, like previous meetings, no concrete steps towards resolution were agreed on.

In the General Debate of the 74th session of the United Nations General Assembly, Mammadyarov talked about economic development programs in the last 15 years and the recent reform package that covers 40% of population. According to his statements, the poverty rate has decreased to 5% in 2019 from 49% in 2004. When talking about Nagorno-Karabakh, *“...the negotiations cannot last forever and imply continuation and sustenance of the situation created as a result of the unlawful use of force...,”* he [mentioned](#).

Belarus: not choosing between “West” and “East”

Yuri Tsarik, Center for Strategic and Foreign Policy Studies (Minsk, Belarus)

Last month saw the launch of campaigns for MPs in both chambers of Belarusian parliament, and the country’s continued active interaction with its partners in the international arena.



DOMESTIC POLICY

Elections determine politics

In terms of the country’s domestic policy, the authorities have entered the stage of electoral campaigns. Their collective “program” has two crucial features. On one hand, from a political point of view Alexander Lukashenko ruled out the transit scenario and political reform in the nearest foreseeable future. The second signal Alexander

Lukashenko made were his words regarding unacceptable pressure on voters. He says, instead of forcing voters, one simply needs to “ask” people to support this or that candidate. In other words, local authorities are “let off the leash” to promote local government-favored candidates, while not asking for central support in case there is a crisis.

An important feature of the electoral campaign is the refusal to use issuing measures for economic stimulation of electoral loyalty. In fact, in September Alexander Lukashenko criticized the management of state enterprises and publicly stated that a change is coming in state support to these enterprises. Such requirements to reduce this support had been expressed by the government earlier and have been included into the presidential program.

Against the backdrop of elections, the authorities are still attempting to hold on to the policy of deliberately silencing the course of talks on “further integration” in order not to “agitate the public” before November 2019 elections. However, this policy brought them to a deadlock, as with Minsk being silent, Moscow took over the media space completely. September saw a number of fake information leaks provoking suspicions of possible “treachery” among the authorities. As of now, the officials

are not capable of retaliating against such provocations.

In the light of this situation, Belarus is experiencing more nationalistic and patriotic sentiments. One of surprisingly hot issues was the issue of possible reburial in Belarus of a historical leader Kastus Kalinovsky, whose remains are now in Vilnius. A group of prominent social activists, including a Nobel prize winner Svetlana Aleksievich, came up with a petition to the Lithuanian authorities in order to grant the permission for the reburial procedure.

Media space analysis reveals that Russian sources are actively promoting the issue of protests by “nationalists” in Belarus being “supported by the West”, while, according to some of them, such actions may be arranged by the authorities themselves and going out of control later on. In fact, such protests may take place due to the misguided information policy under the conditions of pressure from Moscow.

ECONOMY

Will the economy stand against populism?

One of the main recent economic issues is whether Belarusian economy will be able to “stand” against however modest yet populist decisions taken by the authorities during the campaign period. According to the National Bank, approximately 40% of the country’s enterprises have either a low working capital or do not have it at all.

Yet the economic growth slowed down. According to the authorities, Belarus GDP grew by 1,1% in 8 months of 2019 and made up 83,9 bn roubles (\$40 bn) against 1,3% as a result of the first 7 months of the year, with industrial production increasing by 1,4% in August.

Against this background the authorities have to support many inefficient enterprises in order to avoid negative social and political consequences. However, there is

For the first time in 11 years the USA and Belarus are prepared to exchange ambassadors

another way to look at it – namely, a “quiet” asset consolidation and their reallocation.

Earlier Belarusian Deputy Industry Minister Sergei Gunko announced at the Belarusian Industrial and Investment Forum that there is a “big wish” for state enterprises to “lose” social objects that remain part of their balance, as well as agricultural enterprises. Before that the first deputy chairman of the State Property Committee Aleksei Vasilyev stated that the committee made a decision to turn several enterprises and some banks into state corporations. Specific steps have not been declared yet, however, the State Property Committee aims to use the same method

to multiple enterprises of Ministry of Industry provided the project is successful. In other words, there are provisions made for dramatic reallocation of assets and powers (state corporations, most probably, will become joint stock companies).

FOREIGN POLICY

US returns to Belarus

As for the country’s foreign policy, September saw further top level contacts with the United States of America. After John Bolton, US National Security Adviser to President, visited Minsk, US Under Secretary of State for Political Affairs David Hale arrived in the capital as well and met with President Alexander Lukashenko and Vladimir Makei, head of MFA. The American guest announced that the USA and Belarus are prepared to exchange ambassadors (for the first time in 11 years). This was welcom-

ing news to the European commission that expressed its hope for US and EU joint work in Belarus.

According to David Hale, “we (USA) are closing this chapter” in its relations with Belarus and start a new one due to the steps taken by Alexander Lukashenko and Belarus in general both in its domestic and foreign policies. The American diplomat underlined that the USA still do not push Belarus to choose between “West” and “East” and support Minsk multi-vectoral policy as it makes an impact in terms of strengthening international stability and security in the region of Eastern and Central Europe. Alexander Lukashenko

yet again emphasized that Belarus will not deploy Russian long-range and medium-range missiles and will not let Russia in any other way use the territory of Belarus to undermine regional security. Lukashenko called on the US to take part in resolving the conflict in Ukraine (this vector is being actively promoted by Ukraine's president Volodymyr Zelensky), and later, in the course of talking to Ukrainian journalists, yet again suggested to involve Belarusian peacemakers placing them at the border between Russia and Ukraine in south-eastern regions of the country. David Hale also highlighted the need for corresponding actions of Belarusian authorities that would allow to report progress on the issue at the center of attention when the Belarus Democracy Act was adopted. This significantly increases the importance of 2019-2020 elections: the way these elections will take place in many ways will determine further progress in the country's relations with the US and other countries.

As for the country's relations with the EU, the main development was the new head of EU delegation to Belarus Dirk Schuebel, who earlier served as the head of the European External Action Service (EEAS) Russia division, visiting Belarus, and Alexander Lukashenko approving the simplified visa regime and readmission EU agreement drafts. There is no doubt that simplified visa regime will promote a faster boost for pro-European sentiments in Belarus. According to sociological surveys, within the re-

cent year the number of those favoring the integration of Belarus with Russia decreased by almost 10 % to 54,5%, while positive pro-European sentiments remain stable and make up one fourth of the country's population.

A more and more important role in the country's foreign policy is played by Ukraine. When communicating with journalists prior to the Forum of the Regions of Ukraine and Belarus in Zhytomyr, Alexander Lukashenko made it clear that he is ready for strategic agreements with Ukraine without looking back at Kremlin and its reaction. This mostly concerns oil and oil products delivery using Odessa-Brody-Mozyr pipeline (currently such negotiations are held rather actively with Kazakhstan, Azerbaijan and the USA).

As for the country's relations with Russia, they remained at a historically low level. On September 6 the prime ministers of both countries initiated Action Program on implementing the Agreement on creating the Union State, also known as "further integration program". However, Alexander Lukashenko pointed out yet again that Vladimir Putin and himself will need to go back to the issue of compensating Belarusian losses due to Russian tax maneuvers when signing this document. Moreover, it is quite obvious that Alexander Lukashenko will not approve of any provisions questioning the sovereignty of Belarus and the stability of its political regime.

Georgia: Government reshuffle before elections

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

Summer protests in Tbilisi resulted in changes within the government of the country, however, they were in fact just a simple reshuffling. The main economic issue is lowering the country's dependency on Russia. As for number one development in the country's foreign policy, it was the meeting with the Russian Minister of Foreign Affairs on the sidelines of the UN General Assembly.



DOMESTIC POLICY

Government changes or just reshuffling?

After summer mass protests in Tbilisi the prime-minister Mamuka Bakhtadze had to resign. He is still a member of the ruling party “Georgian Dream” and its team, while the party's leader Bidzina Ivanishvili called his resignation “a cultural dismissal”.

As for his successor, the position was taken by Giorgi Gakharia, a former minister of interior affairs, whose resignation was also requested by public due to the dispersion of protests that took place on June 20.

Giorgi Gakharia is a controversial figure in Georgian politics. A part of society believes he is a hero that is saving the country from yet “another” revolution. The other part feels he is an executioner who dispersed a peaceful

demonstration in front of the parliament where many civilians were injured.

The new primeminister introduced his new team to the parliament, with changes only present when it came to national security leaders. Former prime-minister Irakli Gharibashvili became the new minister of defense, while Vakhtang Gomelauri, the head of the State Security Service of Georgia, became the minister of interior affairs, with his first deputy Grigol Liluashvili replacing him as the head of State Security Service. Many experts openly state that such reshuffling is the result of a key role played by the ruling party and its head.

The new government is both an avant-garde and an arrière-garde for the ruling political power at the coming 2020 parliamentary elections. It is this government that will have to face the main political challenge. “Georgian

Dream” has no intention of losing, especially to the former president Mikhail Saakashvili, who, according to ratings, is the second political power in the country.

Yet the leader of the main opposition power, Georgia's ex-president Mikhail Saakashvili declared his intention to come back to Georgia from Ukraine. Saakashvili said it on air of a new “Mtavari” TV channel (Mtavari means “main”)

that was hastily launched by those leading journalists and managers that had left “Rustavi 2” before. On screen yet again those journalists are seen, which proved to be rather nerve-wrecking for the ruling team and its voters. For a long time, they took the first place in TV ratings. Despite an obviously low budget, “Mtavari” started to attract opposing voters.

ECONOMY

Away from Moscow

A lot has been recently said regarding the risks Georgia may face in case it clings to Russia in economy and trade. Diversification is crucial. “For instance, 90% of wheat is imported from Russia. This is a rather serious dependency”, said the executive director of Georgia's Wheat Importers Association Levan Silagava.

“Russia does not always use direct limitations; however, it has limitations on quality indicators that in their turn lead to delays in paperwork and transport – and that results

Following 2008 war and lack of diplomatic relations between the two countries, this meeting was the first meeting of Georgian and Russian foreign ministers

in price changes or wheat import limitations”, Silagava stated when talking to Interpressnews agency. Such issues are present also in other fields, such as wine industry. Approximately two thirds of Georgian wines are meant for Russian export.

“Gavrilov night”, named after a communist Russian MP who had to leave Georgia during the Interparliamentary Assembly on Orthodoxy, and Russian aviation sanctions made Tbilisi think long and hard on how to achieve greater diversification in order to protect its local market from expected serious ordeals.

FOREIGN POLICY

First meeting with Russian MFA

Quite a sudden development unraveled in New York where foreign ministers of Georgia and Russia, David Zalkaliani and Sergei Lavrov, had a meeting. “The meeting between the minister of foreign affairs of Georgia David Zalkaliani and the minister of foreign affairs of the Russian Federation Sergei Lavrov took place on September 26 on the sidelines of the UN General Assembly in New York; the meeting had been our initiative and took place with our full support as the mediator between the two countries”, Swiss MFA stated.

Following 2008 war and lack of diplomatic relations between the two countries, this meeting was the first meeting of Georgian and Russian foreign ministers. The meeting spawned many questions: what was the need to meet one on one without partners? What was the purpose

of the meeting? What was it all about? The Georgian opposition harshly criticized the minister calling on him to provide explanations in the country's parliament. At the same time Lavrov fueled the debate with his statement that the meeting was initiated by the Georgian side, while later it was revealed that in fact the meeting had been arranged by a third party. There is no doubt though that Lavrov's statement fueled the domestic confrontation within Georgia.

Zalkaliani explained that in the course of the meeting he did not go further than the issue of “occupied territories”. The discussions on the topic are still ongoing.

Tbilisi reaction is of surprise to Moscow. Putin's press-secretary does not understand why “one simple” meeting between Lavrov and Zalkaliani results in such hysterical reaction in Tbilisi. Peskov yet again highlighted that they value the people of Georgia.

Tug of war in Moldova? Dynamics within and outside Moldovan leadership

Laura Zghibarta, Foreign Policy Association of the Republic of Moldova (Chisinau, Moldova)

Moldova's current leadership celebrated its 100th day in power in September. This milestone is symbolic since both the parliament and the government are moving forward with their main priorities: reforming the justice sector, consolidating state institutions, resuming financial and political assistance from or cooperation with foreign partners, and delegitimizing the predecessors. This is also time marked by dissensions: slightly differing political and economic agendas, messages behind officials' foreign visits, resignations from one of the coalition parties, as well as rivalry stirred in the anticipation of the local elections. The agreement between the ACUM bloc and the Socialist Party (PSRM) has been extended, but disagreements arise from both the inside and outside of the majority.



DOMESTIC POLICY

United or divided?

The Moldovan parliament and government have focused their efforts on the deoligarchization process and the advancement of judicial reforms, which are of great importance especially to the ACUM bloc. The [law on prosecution](#) was adopted and promulgated, establishing a new procedure of electing the general prosecutor, which would increase the independence of the formerly politicized institution. However, the heads of key institutions, including the prosecutor's office, are yet to be identified and appointed. Moreover, the justice reforms triggered mixed reactions.

Certain accomplishments and remaining obligations have probably incentivized both [ACUM and the Socialist Party to renew their alliance](#). The new agreement excludes prominent geopolitical references and focuses on common strategic priorities: the continuation of the judicial reforms, good governance and economic development, so as to prevent possible clashes within the coalition.

Despite this, president Dodon, the de facto leader of the Socialist Party, is uninhibited in [voicing populist remarks and criticizing](#) the performance of certain minis-

tries under the government of ACUM member Maia Sandu, and the lack of social-economic policies. At the same time he remains committed to the alliance that overthrew the oligarchy. The Prime-minister's approach, however, centers on purging the system as a prerequisite for delivering public policies.

Elections in Chisinau will certainly test the strength of the alliance, the commitment of its members and the transparency of the process under the new reforms

Policy reform and improvement seems promising for the capital too, since, to date, there are 19 registered competitors for the mayoral position in Chisinau. The PSRM candidate framed [the October elections as not centered on geopolitics](#), but rather on the [electoral programs](#). Others are lobbying hard against any Russian or Dodon interference in the capital. This discontent generated skepticism and resignations from Platform DA,

part of ACUM. After winning the mayoral election in 2018 and facing its annulment, the current vice prime-minister, Andrei Nastase, will face again his former key opponent – Ion Ceban from PSRM, but also a former member of Platform DA – Octavian Ticu. These elections will certainly challenge the strength of the alliance, the commitment of its members and the transparency of the process under the new reforms.

ECONOMY

Impasse or improvement?

The performance of the Ministry of Economy and Infrastructure is evaluated as fairly negative by President Dodon. Major disagreements revolve around the possibility of a gas crisis taking place in the country. The issue arose after talks about halting the transit of Russian gas through Ukraine. Mr. Dodon is certain that Moldova will be supplied with [gas for the upcoming winter](#) at even lower cost than previously, after negotiations with both Gazprom and Putin. On the other hand, the government is considering purchasing and storing gas supplies

in Ukraine, and has already requested that two national companies hold minimum stocks.

The [46.5 million dollars](#) pledged for Moldova by the International Monetary Fund is also a matter of discontent between the parties, since in return, the government is required to partially increase taxes. Given this, president [Dodon is interested in renegotiating the deal](#) with the IMF. On the other hand, the US may become involved in the [investigation of the \\$1 billion bank fraud](#), as a recent visit paid by Prime-minister Maia Sandu and other high-level officials to Washington shows.

FOREIGN POLICY

Coordination or separate strategies?

With the renewal of the coalition, ACUM and PSRM agreed to continue promoting a balanced foreign policy. Both the government and president Dodon held meetings with Western and Eastern officials, but each had an agenda and message to deliver.

The Minister of Foreign Affairs and European Integra-

tion, Nicu Popescu paid a visit to his Russian counterpart, Sergey Lavrov. The meeting aimed to strategically re-establish the political dialogue, and resuscitate the economic cooperation between the countries. This may have been an attempt to pave the way towards the withdrawal of Russian troops from the separatist territory of Transnistria, supported legally by Moldova's constitutional provision on neutrality, as well as the disposal of the

Russian ammunition from the territory, preferably under the supervision of OSCE. The meeting did not suggest a redirection from or stop in the implementation of the Association Agreement, which Mr. Popescu reiterated to be at the core of the current government's foreign policy, in an earlier [visit to Berlin](#). A similar message was conveyed to the US Vice-president Mike Pence during the official visit to Washington. The [reassurances given by Maia Sandu](#) regarding furthering the European integration, strategic cooperation with the US and the [democratization of Transdnistria](#) may have increased Moldova's chances of attracting US investments.

On the other hand, President Dodon spoke about the [relaunch of relations in less limiting terms](#), during the Moldovan-Russian Economic Forum, held in Chisinau. The president's messages during the meetings with NATO and OSCE secretaries-general also implied a different approach. Dodon emphasized the idea of [neutrality and non-adherence to NATO without isolation](#), rather than co-

operation, as promoted by Ms. Sandu, as well as incremental changes and building trust for the [Transdnistrian settlement](#).

And [as expected, President Dodon presented his own stance on neutrality and the Transdnistrian issue](#) during the 74th UN General Assembly session. After first pledging all support for the UN agenda and determination to continue honoring commitments and fostering good relations with all foreign partner states and organizations, Mr. Dodon swiftly called for Moldova's permanent military neutrality to be de facto recognized at the international level. He framed it as a prerequisite for resolving the Transdnistrian issue, as well as ensuring regional security. The Action and Solidarity Party, led by Prime-minister [Maia Sandu](#), and part of the bloc ACUM, however, dissociated [from the president's statements](#) at the UNGA session, insisting that the withdrawal of the troops from the territory is imperative for the case, and should have been clearly stated during his speech.

Ukraine: New authorities – new challenges

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

The focus is on the parliament, the new government and its first steps – both inside and outside Ukraine. The new leaders managed to make several huge achievements. First and foremost, the release of Kremlin prisoners and further economic development. Despite a certain degree of uncertainty in Ukraine’s dialogue with the IMF, difficult Washington talks and the risk of terminating gas transit via Ukraine’s territory, the outlooks of rating agencies are positive, and expectations are high. The nearest future will show if such a trend remains.



DOMESTIC POLICY

Freedom granted to Kremlin prisoners and political season’s turbo speed

In September Ukraine’s society experienced an epic event – namely, a long-awaited prisoner exchange with Russia that resulted in the release of 35 Ukrainian citizens

from Kremlin (that number includes 24 Ukrainian sailors the UN maritime tribunal ruled Russia to release and [hand over to Ukrainian jurisdiction](#) and 11 civilians kept in Russian prisons as a result of fabricated allegations). Among them there are such names as Oleg Sentsov, a world-famous film director, Ukrinform journalist Roman

Sushchenko, and Crimean Tatar activist Edem Bekirov. In return the Ukrainian side released the same number of its prisoners to Russia, with Ukrainian citizen Vladimir Tsemakh, suspected of complicity in MH17 airplane crash in Donbas in July 2014, [among them](#). Let us keep in mind that the prisoner exchange between Ukraine and the Russian Federation had been put on hold by Moscow for almost two years (the last large-scale prisoner swap took place on December 27, 2017).

As an addition to such a joyful event in the life of the country, MPs worked really hard in the first month of autumn. To everyone's surprise, MPs adopted several draft laws on making amendments to the Constitution of Ukraine in the first reading and handed them over to the Constitutional Court **for expertise**. In particular, there is a draft law #1017 by pres-

A long-awaited prisoner exchange with Russia resulted in the release of 35 Ukrainian citizens from Kremlin

ident Volodymyr Zelensky offering to reduce the number of lawmakers from 450 to 300 and [introduce proportional representation](#). Another draft law introduced by the same system of making amendments to Constitution and by the same author – the sixth president of Ukraine – suggested that MPs may grant the guarantor of the Constitution the power to appoint the heads of the National Anti-Corruption Bureau of Ukraine (NABU) and [the State Bureau of Investigation \(SBI\)](#). The draft law #1014, provided the parliament adopts it, may invalidate the autonomy of both NABU and SBI heads, with the increase of their dependency on the president. Now the heads of the above-mentioned institutions are selected according to the recommendations of the relevant competition committees that include, on a side note, independent representatives.

ECONOMY

Post-election economic reality – achievements against high expectations

Presidential and parliamentary elections in Ukraine led to rapid growth of expectations and certain economic achievements. Already at the beginning of the month Fitch Rating upgraded Ukraine's long-term and short-term foreign- and local-currency issuer [default rating \(IDR\) from B- to B](#). Towards the end of the month a positive outlook was also confirmed by another agency, [Standard&Poor's](#). With such background it is no surprise that Ukraine's national currency hryvnia significantly strengthened its position [against dollar and euro](#).

The new government demonstrates its readiness for

bold reforms. During just the first days of work the new Cabinet of Ministers developed the draft state budget, which was submitted to the Parliament by the end of the month, with the biggest expenditure serving to pay public debt. One third of the budget is allocated [for public sector employees](#). Ukraine's ministry of economy submitted its land market [draft law for discussion](#). The ministry of finance states that IMF negotiations on launching a new [stand-by arrangement are taking place](#).

Careful optimism may be expressed with regard to the results of the trilateral talks on gas transit between Ukraine, Russia and the EU. In particular, Russia declared its readiness to sign a new contract on gas transit involving Ukraine's gas transmission system in compliance with European norms and regulations. Yet there is still a [risk of negotiations breakdown](#).

FOREIGN POLICY

Seeking balance in relations with Washington

As for the country's foreign policy, this month developments can be evaluated with a changing degree of success. At the beginning of the month president Zelensky had an official visit to neighboring Poland to attend the commemorations of the 80th anniversary of World War II outbreak. In particular, the president had several meetings with Polish officials, with [issues of energy security discussed as well](#). During his visit to Poland Volodymyr Zelensky met with heads and representatives of other states as well. In the course of the negotiations with US Vice President Mike Pence, American top official stated that: [“USA stands and have stood with Ukraine... We will continue to stand with the people of Ukraine on your security, on territorial integrity, including Ukraine's rightful](#)

[claim to Crimea”](#).

However, towards the end of the month a fly in the ointment appeared in Ukraine's relations with the USA. There was a whistleblower's leak to the press regarding the alleged “pressure” Donald Trump used on his Ukrainian visa-via Volodymyr Zelensky (namely, withholding military monetary aid). A scandal unraveled in the USA that may have [long-term consequences to Ukraine](#). Nevertheless, despite the recent negative vibe between Ukrainian and American sides, the meeting between the two presidents, that had been planned before, did take place. However, this meeting did not take place in Washington as it had been expected, but on the sidelines of the 74th session of the United Nations General Assembly. In the course of the meeting the Ukrainian leader thanked the American president for [his support on counteracting Russia and invited him to Ukraine](#).

Eurointegration track of the new team in Parliament and Government: Writing one, thinking two?

Hennadiy Maksak, Foreign Policy Council “Ukrainian Prism” (Kyiv, Ukraine)

For the observers of the dynamics of Ukraine-EU Association Agreement implementation, it is important to see how the new team in power plans to move ahead in this sphere. Important indicators include programs and appointments on European integration. For now, the first steps in this sphere give a mixed sense of optimism and lack of understanding of the new team's strategic line.



September can be seen as the first full month when government institutions operated in a new political reality -- that of monopolized control of executive and legislative branches by the team of President Volodymyr Zelensky.

The countdown of the first 100 days in office for the new team can start now that the Verkhovna Rada has elected its leadership, reorganized and distributed parliamentary committees, and launched a speedy legislative process -- all this with a monomajority of the Servant of the People MPs.

Oleksiy Honcharuk's Cabinet has done the necessary staff reshuffling and embarked on developing the mid-term program for the Government.

Uncertain European goals of the Verkhovna Rada

The snap parliamentary election in July generated factors unusual in Ukraine's political history: the majority of MPs was formed on the basis of just one faction. MPs from Volodymyr Zelensky's Servant of the People obtained 254 seats. This allowed them to reject any coalition with the factions representing other political parties. Yet, this did not add clarity to the priorities of the new Verkhovna Rada dominated by one political party.

Firstly, the Servant of the People's election program is largely a set of points that complement political statements Volodymyr Zelensky made during his presidential campaign and in the first months as President. Given that European and Euro-Atlantic integration were associated with his political opponent Petro Poroshenko, these issues received disproportionately little public attention. As a result, the Servant of the People's platform did not say much about these issues. When it comes to the EU in this context, the party manifesto declared the commitment to pass laws that are important for the implementation of the Ukraine-EU Association Agreement. Also, it points to the EU norms and formats for decentralization and the establishment of prefectures as an alternative to [state administrations](#).

Secondly, the coalition agreement which experts counted on never materialized because the election resulted in the monomajority, not a coalition of factions. In Ukraine's parliamentary-presidential model, coalition agreements used to outline key mid-term program goals for the development of the country. The Government's agenda, as well as specific government programs and strategies for different sectors were based on those.

Idealists, including this author, publicly urged the Servant of the People's party and faction leaders to present the faction's detailed program with a clear list of socio-economic reforms and key vectors in domestic and foreign policy. Similar to coalition agreements, this document could serve as the foundation of the [Government's](#)

[program for the next five years](#).

Unfortunately, the party leadership did not find it necessary to have such a document. Program statements at the first session of the newly-elected Verkhovna Rada by Speaker Dmytro Razumkov and Vice Speaker Ruslan Stefanchuk did not add much clarity. Both skillfully maneuvered away from the theme of relations with the EU and NATO, limiting their statements to the domestic agenda.

Given the scarce mentions of European and Euro-Atlantic integration in the Servant of the People's election platform, the role of integration processes in

the political vision of the dominating party in Parliament is everyone's guess.

Yet, this is an important nuance as it is the political will of the new leadership that will define the dynamics of the Eurointegration package and the support of it by most MPs.

The parliamentary Committee for European and Euro-Atlantic Integration is one of the most active committees in terms of work on draft laws thanks to the fact that it is chaired by Ivanna Klymush-Tsyntsadze, former Vice Prime Minister for European and Euro-Atlantic Integration and currently MP with the European Solidarity.

Optimistic appointments for European integration

New appointments in Government have somewhat curbed uncertainty over the prospects of European integration. **Oleksiy Honcharuk**, 35, is the new Prime Minister. He was previously mostly involved with non-government institutions working in consultancy and legal services. As Head of the Better Regulation Delivery Office (BRDO), Oleksiy Honcharuk referred to government-parliament cooperation in the context of the EU-Ukraine Association Agreement implementation many times. The BRDO did an audit of such cooperation, identifying technical and procedural weak spots that needed to be fixed. Therefore, we can claim with certainty that Prime Minister Honcharuk is not new to this topic.

Dmytro Kuleba was appointed Vice Prime Minister for Coordination of European and Euro-Atlantic Integration. He was previously Ukraine's Envoy to the Council of Europe. His first statements and moves showed his determination to continue strategic movement towards integration with the EU and NATO. In another positive development, Dmytro Kuleba tried to establish working relations with the Parliament Committee for European and Euro-Atlantic Integration led by his predecessor Ivanna Klymush-Tsyntsadze from the very first days in office. The new Vice Premier declared full continuity of the work on the European and Euro-Atlantic tracks at the coordination meeting. The Transition Book prepared by

New appointments in Government have somewhat curbed uncertainty over the prospects of European integration

the Government Office for Coordination on European and Euro-Atlantic Integration came in extremely useful in this context. It listed accomplishments and tasks for further implementation of the Association Agreement and the Annual Ukraine-NATO Program under the umbrella of the Ukraine-NATO Committee.

As predicted, **Vadym Prystaiko** heads the Ministry of Foreign Affairs. A high-ranking career diplomat, he was Acting Deputy Chief of Staff for the President before this appointment. His inaugural address to the Verkhovna Rada as Foreign Affairs Minister clearly mentioned European and Euro-Atlantic integration as priorities in Ukraine's foreign policy.

Economy Minister **Tymofiy Mylovanov** and his deputy and Ukraine's Trade Envoy **Taras Kachka** can be listed as players of the new "pro-European" Government team. Overall, the new ministers are mostly familiar with the issues of European integration.

Ambitious five years for the Government

Optimism about the new Cabinet, however, should pass the first test by reflecting what is expected of the team in the Government program. According to law, the new Government should present its program within 30 days after appointment. For Oleksiy Honcharuk, that bell rang in late September.

Given the absence of a detailed program of priorities for the country's further socio-economic and socio-political development from the mono-majority in Parliament, the foundation for the Government's program was not very clear. In addition to that, the Prime Minister's statements betrayed a desire to demonstrate that the domestic agenda prevailed over European integration in the economic sphere. It got to the point where the fact that part of the domestic work on socio-economic reforms as a component of Ukraine's homework on the Association Agreement implementation was not mentioned intentionally.

On September 29, the Cabinet of Ministers approved the program at its meeting. On October 4, 236 MPs voted for the Government program giving Oleksiy Honcharuk's Government a year-long immunity for the implementation.

The program of the new Government clearly differs from the planning formats of its predecessors. Its major feature is the five-year planning of goals and ways of implementation. The program is based on goal planning and it is human-oriented, according to Premier Honcharuk. The key goals for the coming five years include 40% growth of Ukraine's economy (GDP), USD 50bn of FDI, positive demographic trends, 1 million new jobs, infra-

structure development, and at least 20% less pollution of the environment.

In a positive development, social and economic growth is linked to the European track. For example, human-oriented elements and European integration are intertwined in the program declarations in the following manner: the ["Government's actions will be based on the fact that Ukraine's integration with the EU is ultimately defined by Ukraine's belonging to the European family of peoples and confirmed by the Revolution of Dignity, while the ultimate beneficiary of integration is the citizen of Ukraine."](#)

The program contains a number of goals linked to European integration in specific sectors; different entities are responsible for them. The section for the Ministry for Economic Development, Trade and Agriculture demonstrates this to the fullest extent.

The most important thing, however, is that the program contains a special section titled European and Euro-Atlantic Integration with two global goals: Ukraine should meet EU membership criteria, and Ukraine should meet the criteria and the principles necessary for membership in NATO.

The European integration vector in the program has two indicators of efficiency. Honcharuk's Government will aim to bring Ukraine as close as possible to the economic criteria of joining the EU (Copenhagen Criteria) within 5 years. It will also integrate Ukraine into the joint European economic, energy, digital, legal and cultural space.

The key instrument for accomplishing these criteria is progress in all sectoral reforms envisaged by the Association Agreement. This requires the integration of up to 80% acts of the EU mentioned in the Association Agreement into Ukrainian legislation.

The economic focus of foreign policy in this section is expressed in the growth of FDI from EU countries and an increase of the EU's financial assistance to Ukraine.

The regional dimension of European integration is an interesting component in the program: it envisages the creation of the institutional basis (oblast European integration offices) to bring the benefits of educational, cultural and economic projects closer to people on the ground.

Importantly, a boost of public support for Ukraine's European integration is expected following the opportunities to fully use the benefits of free movement of people, goods, services and capital between the EU and Ukraine.

Meanwhile, the opposition criticized the new Government's program -- both on the whole, and in the aspect of European integration. When looked at generally, the program of Honcharuk's team has plenty of human-oriented indicators, yet it does not always give answers about what resources and institutions will be used to accomplish

Honcharuk's Government will aim to bring Ukraine as close as possible to the economic criteria of EU membership within 5 years

these indicators. Some indicators are ambitious or inflated, while others fail to take into account the parameters that are necessary or have been accomplished earlier.

The opposition points to the absence of priorities approved in a number of previous EU-Ukraine summits in the European integration section of the program. First and foremost, these include Ukraine's integration into the digital and energy markets and integrated border management.

Conclusion

Whatever the scenario is, it is important to understand that the program is to demonstrate the Government's strategy, define tasks and goals, as well as indicators for evaluation. More details can be expected at the stage of planning Government actions for the year.

A positive development so far is the presence of the special section on European and Euro-Atlantic integration and many sectoral goals and indicators on the Associa-

The economic focus of foreign policy in the section on European and Euro-Atlantic integration is expressed in the growth of FDI from EU countries and an increase of the EU's financial assistance to Ukraine

tion Agreement implementation.

The risks include fast pace of law drafting, which tends to have a negative impact on the quality of the draft laws and results in the absence of consultations with the public.

It would be reasonable for the Government to resume the preparation of

roadmaps on priority laws in the context of Association Agreement implementation by the Cabinet and Parliament, and to pass these draft laws through Parliament with wide-ranging consultations. Despite the sufficient number of votes in support of the Government program, the opposition of the clearly pro-European parties to it raises concerns. The team in power should offer mechanisms of cooperation with parties, such as European Solidarity, Batkivshchyna (Fatherland) and Holos (Voice). Including these opposition MPs in projects to monitor the Association Agreement and prepare analytical reports on the progress of European integration could be one instrument for this purpose.

EaP Think Bridge

INITIATIVE BY:



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

www.prismua.org

SUPPORTED BY:



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

www.civic-synergy.org.ua

IN PARTNERSHIP WITH:



The Baku Academy of International Law and Human Rights (Azerbaijan) is a center for teaching and research in public international law and human rights law, with the aim of furthering the scientific study of the legal aspects of international law and human rights in Azerbaijan. The Academy conducts academic legal research and policy studies and organizes training programs and expert meetings. Besides, it concentrates on 2 branches of international law that relate to public international law, strengthening human rights protection, and developing national human rights protection system.

www.hra.az



The Regional Studies Center (Armenia) is an independent think tank based in Armenia. The RSC conducts a wide range of strategic analysis and objective research, implements a number of educational and policy-related projects, and develops policy initiatives aimed at bolstering political and economic reform and conflict resolution in the broader South Caucasus region.

www.regional-studies.org



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

www.csfps.by



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

whole Southern Caucasus region.

www.ei-lat.ge



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

www.ape.md