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### Eastern Partnership мonthly analytical digest



# JUNE OF HIGH LEVEL AND LOW CONTENT

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# **EaP** Think Bridge

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

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Partnership and EU countries. Key areas of support are democracy and human rights, economic integration, environment and energy, contacts between people, social and labour policies.

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# Yet Another Year without the Eastern Partnership Summit

Just as last year, they did not dare to call the meeting of the Eastern Partnership heads of states a summit. The main political event was yet again postponed – until 2021. No common statements and declarations have followed since the June online conferences.

Does this mean that the European Union and partner states cannot agree on a future framework for cooperation? Or is the interest in the policy fading from both sides? Hennady Maksak searched for answers.

In the meantime, neither the quarantine nor the summer season slowed down the political life in the region. Passions run high around the upcoming elections in Belarus and Moldova. And in Georgia, the authorities and the opposition finally agreed on the rules of the parliamentary election.

The Armenian anti-corruption campaign got to the oligarch and opposition member of the parliament. Azerbaijan is again dissatisfied with the brutality of the police, this time both domestic and Russian. And in Ukraine, the presidential party in parliament failed to support the action plan of its own government.

Against this backdrop, the countries of the region continue to combat the coronavirus pandemic and its economic consequences. The highlights of the Eastern Partnership life in June are in our traditional overviews of the month.



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### Analytics

# June of High Level and Low Content

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

June 2020 was fruitful in events directly related to the Eastern Partnership policy development. On June 11, the EU and Eastern Partnership countries' foreign ministers had a video conference meeting, and, on June 18, the heads of the states and governments had their meeting in the same format, though they did not dare to call it a summit, both in terms of its form and content.



Although these multilateral meetings and summits created the impression of great interest in the Eastern Partnership, at the same time, no joint statements or declarations were adopted based on their results. And in general, in early June, there was still no confidence in the summit dates, the course of preparations to the event was unclear, and it was repeatedly proposed to postpone it.

#### "Hybrid" Summit

Completely logical question arises: why a video conference, not a summit? To begin with, in recent years, by various reasons Brussels could not manage to organize a fullfledged summit, even though the summit is the highest political and institutional level of the Eastern Partnership.

The previous Eastern Partnership Summit was held in Brussels back in 2017. Among other things, the declaration following its results politically secured the obligations of the member states to adhere to "The Eastern Partnership 20 deliverables for 2020" as a kind of a road map for relations with the European Union.

Following the traditional biannual cycle of the summits, the next summit was to be held in

2019. However, instead of the summit, last May we saw a high-level conference dedicated to the decade of the Eastern Partnership policy. It had many vivid speeches summing up the results, however, a joint position was not worked out neither during the event nor during the foreign ministers' meeting preceding the conference.

It was decided to hold a fully-featured summit during the Croatian presidency in the EU Council in the first half of 2020. The EU institutions took up the task to prepare the basis for the event "on the highest level". In March, they approved the Joint Communication of the European Commission, the High Representative of the Union for Foreign Affairs and Security Policy to the European Parliament, the Council of the EU, the European Economic and Social Committee, and the Committee of the Regions of the EU -"Joint Communication: Eastern Partnership policy beyond 2020: Reinforcing Resilience - an Eastern Partnership that delivers for all" (hereinafter - Joint Communication). In May 2020, the EU Council adopted the Conclusions of the Eastern Partnership policy beyond 2020 (hereinafter - the Conclusions). However, this time, the coronavirus pandemic made its adjustments to the EU's plans. Already in the spring, after the introduction of all restrictive and quarantine measures both by the EU countries and partner states, it became obvious that the schedule and thematic content of the contacts at the highest level would have to be reviewed.

That is why, the June video conferences, both at the level of the Ministers of Foreign Affairs of the Eastern Partnership countries (June 11) and in the format of the

states and governments heads meeting (June 18), for one thing, were to create the possibility of online communication on the joint agenda important issues. For another thing, the increased EU interest in the meetings testifies to the desire of the European functionaries to demonstrate the continuity of the process of involvement in the neighbourhood policy. For The EU's reluctance to call the top-level video conference a summit was also dictated by fears that this event would not bring significant and politically important decisions example, in early June, the High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell asked the main Eastern Partnership stakeholders to submit their proposals to these events agenda.

However, the EU's reluctance to call the top-level video conference a summit was also dictated by fears that this event would not bring significant and politically important decisions, as well as an

agreement to adopt a joint outcome document in the form of an Eastern Partnership declaration.

#### Pandemic is on the Agenda

Therefore, during the June 18 video conference with the heads of the European institutions, states, and governments of the Eastern Partnership (EU 27 + 6 partners), the main focus was on the discussion of the joint efforts to combat COVID-19, as well as proposals for Joint Communication and Conclusions regarding future EaP policies beyond 2020.

Based on the video conference outcomes, the participants noted the need for international solidarity during the pandemic and appreciated the significant support for the EU partner states.

In the context of the future Eastern Partnership development, the states' and governments' leaders agreed on 5 main priorities, which will form the basis for the development of new content and structuring of activities within the Eastern dimension of the neighborhood policy. In particular, they will apply to such strategic areas as:

- 1) sustainable and integrated economies;
- 2) accountable institutions, the rule of law and security;
- 3) environmental and climate sustainability;
- 4) digital transformation;
- 5) fair and inclusive societies.

These areas of common effort are articulated in the Joint Communication, dated March 2020. However, during the meeting, these five areas were not supported by any

specific detail.

#### Looking forward to a "Physical" Summit in 2021

During the video conference, the heads of the states and governments agreed to postpone the offline Eastern Partnership summit till the spring of 2021.

Perhaps, the Berlin's' reluctance to actively shape the political agenda of the Eastern Partnership can explain the high-level political summits schedule formation They plan that the summit will take place in Brussels during the Portuguese presidency in the EU Council.

At this "physical summit", they are to present new roadmaps for the cooperation development within the EaP framework, and approve them according to new five priorities, which should replace the current "Eastern Partnership 20 Key Deliverables for 2020". And this is when we can expect an approval of a new Eastern Partnership declaration, with new Due to the lack of the agreement among the EU members, both documents had no room for mentioning the enhanced cooperation between the EU and the associated partners, Eastern Partnership

parameters for cooperation within the EaP policy framework. New cooperation rules for the EaP participants, in the coordinates indicated in the Joint Communication and Conclusions, should be developed under Berlin (second half of 2020) and Lisbon (first half of 2021) presidency in the EU.

At the documentary level, it should be positively noted that the program of the Trio Presidency (Germany, Portugal, Slovenia) in the EU Council in 2020-2021 clearly indicates the need to implement the ambitious policies of the Eastern and Southern Neighborhood, to assist the partners in close geographical proximity in overcoming the coronavirus-provoked crisis, as well as strengthening the overall stability of the states.

Besides, the Trio will focus on the preparation and subsequent implementation of the commitments that will be made at the upcoming Eastern Partnership Summit. Also, they will continue to implement obligations specified in the Conclusions of the EU Council on Foreign Affairs of June 2019, providing for the active involvement of the EU in the Black Sea regional cooperation.

At the same time, among the priorities of the German presidency in the Council of the European Union from July to December 2020, they pay much less attention to the EaP issues. Perhaps, the Berlin'sreluctance to actively shape the political agenda of the Eastern Partnership can explain how the important political summits schedule is formed: the video conference was held in June under the presidency of Croatia, and the "physical summit" was postponed until the Portuguese presidency in the EU Council, leaving Germany without any important political Eastern Partnership milestone. However, it would be an exaggeration to assume that a new Eastern Partnership framework development will be suspended or will lose pace in the second half of 2020.

#### How Ambitious the New Eastern Partnership will be beyond 2020?

Given that the heads of the states and governments, who took part in a video conference on June 18, did not

present any final joint declaration or statement based on its results, the Joint Communication documents, dated March 2020, and the Conclusions of the EU Council, dated May 2020, remain to be the main communication documents for the new medium-term Eastern Partnership framework development.

At the technical level, the documents mentioned above are a step forward in identifying new areas of cooperation for the Eastern Partnership members. The Joint

communication gained a new direction in public health in the context of combating COVID-19, and the European Green Agreement is a red thread on both documents.

New progressive vectors for the application of the EU and partner states' joint efforts will not be disclosed here in detail again since they take a great part of the analytical and expert reviews already written. Given that the Joint Communication was based on the results of the structured consultations on the EaP future, it takes into account the specific wishes of the partner states. This allows us to consider documents as a mutually acceptable basis for the further development of substantive content for the EaP Summit decisions. However, it is advisable to mention once again those political decisions of the EU members that do not allow to talk about high expectations from the future summit in Brussels in 2021.

The documents language is disappointing in the context of determining the European prospects of the associated states. The Joint Communication text refers to politically weaker declarations of the EaP summits, does not mention association agreements, which directly speak of the European aspirations of the signatory states. Also, one cannot ignore the absence of references to supporting the territorial integrity and sovereignty of the partner states, which, accordingly, may indicate a very low joint political denominator among 6 partner states.

And, which was obviously predictable, it is due to the lack of the agreement among the EU members, that in both documents there was no room for enhanced cooperation between the EU and the associated partners, Eastern Partnership+.

Hopefully, some of the mentioned political obstacles to the development of the Eastern Partnership policy will be resolved during the preparation for the Eastern Partnership Summit in 2021. But besides active work within the framework of the intergovernmental platforms and panels, to which the EU casts an active role in filling of the EaP new strategic priorities, Ukraine, Georgia, and Moldova should pay special attention to the demonstration of the closer sectoral integration and partners' full access to the EU internal market benefits to their European partners.

# Armenia's Political Drama

Richard Giragosian, Regional Studies Center (Yerevan, Armenia)

Amid a worsening public health crisis over the continued spread of the coronavirus, the Armenian government launched a domestic political drama, targeting the leader of the parliament's second-largest opposition party and completing planned restructuring of the country's Constitutional Court. While the move against the oligarch opposition figure was widely welcomed, the parliament's legislative bid to reform the Court raised concerns over the rule of law and the stated goal of forging judicial independence.



Photo: Prime Minister Nikol Pashinyan, after a meeting of the commandant's office, held a briefing with the Minister of Health Arsen Torosyan. Source: Official website of the Prime Minister of Armenia

### **DOMESTIC POLICY**

#### **Armenian Coronavirus Crisis Worsens**

As of June 30, Armenia has reported 25,542 cases of the coronavirus and 443 deaths, making it the worst-affected country in the South Caucasus region. The situation has also prompted concern from the World Health Organization (WHO) over a "very significant" increase in coronavirus infections in Armenia. Despite the worsening situation, however, Prime Minister Pashinian has repeatedly vowed that his government has no plans to impose another lockdown and will continue to enforce social distancing and wearing face masks in public instead. Throughout the month, Armenia has received significant assistance, including the voluntary service of doctors and

medical experts from France, Italy and Lithuania, and financial support from the European Union and the United States, as well as some less substantial aid from Russia and other countries.

#### Armenian Parliament Restructures the Constitutional Court

After nearly a year of simmering tension and sporadic confrontation between the Armenian

government and the country's Constitutional Court, on June 22 the parliament adopted legislation that would enforce term limits for the court's nine judges. In a vote of 89-0, with two opposition parties defiantly boycotting the special session, the new legislation effectively removed three of the sitting judges, forced the parliament to select a new chairman to replace the current one, and will require another two justices to step down by 2022. Although the initiative represented a compromise alternative to the government's previous plan to hold a national referendum on constitutional amendments in April, the process violated the existing law.

#### Armenian Opposition Oligarch Targeted

On the early morning of Sunday, June 14, Armenian security forces and investigators raided and searched

#### **ECONOMIC**

#### Central Bank Assesses Economic Downturn from Coronavirus

In an announcement on June 30, the head of the Armenian Central Bank, Martin Galstian, reported that the Armenian economy is expected to contract by at least 4% in 2020 due to the negative impact of the coronavirus pandemic. That setback follows an impressive 7.6% growth rate in 2019. He did note, however, that the country is also expected to recover with an estimated increase in GDP of some 5.5% in 2021. Estimates from the Central Bank had previously forecast a contraction of 0.7 % this year. Analysts note that the worst-affected sectors of the economy are the services and construction sectors, as well as international tourism, while inflation is expected to remain at around 1.9% in 2020. Equally worrying was the report that revealed a severe decline in the amount of private remittances, projected to fall by between 22-25% in 2020,

### **FOREIGN POLICY**

#### Armenian and Azerbaijani Foreign Ministers Hold Online Talks

The MP Gagik Tsarukyan is the subject of three separate criminal investigations, consisting of two corruption cases and a third involving alleged electoral violations in the 2017 parliamentary election the residence of Gagik Tsarukyan, the head of the opposition "Prosperous Armenia" Party, in the town of Arinj, north of Yerevan. Following the search of his palatial home, Tsarukyan, a sitting member of the Armenian parliament and one of the country's wealthiest men, was then brought to the headquarters of the National Security Service (NSS) in central Yerevan for interrogation, as several hundred of his supporters gathered to

demonstrate support of the party leader. By the evening, the police arrested about 100 of the demonstrators, largely for brazenly violating the country's state of emergency that remains in effect due to the COVID-19 crisis.

The oligarch is the subject of three separate criminal investigations, consisting of two corruption cases and a third involving alleged electoral violations in the 2017 parliamentary election. After security forces sought to arrest Tsarukyan on the latter charges, a district court in Yerevan on June 21 refused the request for the pre-trial detention. Earlier, on June 5, Tsarukyan openly challenged Prime Minister Nikol Pashinyan and called for government's resignation. The Armenian parliament voted on June 16 to remove his parliamentary immunity, however. Tsarukyan is the leader of the opposition the Prosperous Armenia party that holds 26 of the 132 seats in the parliament.

mainly due to spillover from the economic slump in Russia and as a result of Russian imposition of restrictions on migrant workers during the pandemic.

#### **New Property Tax Adopted**

After the passage of an earlier tax reform in 2019 that imposed a new "flat tax," on June 24 the Armenian parliament adopted legislation to gradually phase in a complex progressive scale of property taxation over the next four years. Under the new annual property tax, the owners of small apartments worth an estimated \$48,000 will be required to pay 18,000 drams (33 EUR). Meanwhile, owners of larger, more expensive properties would be liable for a much higher property tax, so that the property cost of 58 million drams will translate into 108,000 drams (200 EUR). For the highest end of real estate, pertaining to property worth 100 million drams or more, the new tax payment will be 326,000 drams (600 EUR).

In a videoconference on June, 30 Armenian Foreign Minister Zohrab Mnatsakanian and his Azerbaijani counterpart, Elmar Mammadyarov, held the latest round of

peace talks over the Nagorno Karabakh conflict. The foreign ministers were joined by the U.S., Russian and French mediating co-chairs of the OSCE Minsk Group. The video conference, which followed an earlier online discussion on April 21, included some heated exchanges, as Armenian Foreign Minister Mnatsakanian criticized yet another series of aggressive rhetoric from Azerbaijan, pointing to the statements from June 25 by Azerbaijani President Ilham Aliyev that attacked Armenia.

For his part, Mammadyarov countered that the recent "aggressive rhetoric" was a result of Armenia's provocative actions taken in the occupied territories of Azerbaijan", including what he defined as illegal "infrastructure changes" carried out there, in a reference to the planned reconstruction of road connecting Karabakh to Armenia. According to a clarification used by the Armenian Foreign Ministry, Mnatsakanian stressed the importance of ensuring Karabakh residents' "free and safe movements" as an important element of Karabakh's "comprehensive security". Nevertheless, in the comments following the online discussion, the two sides "agreed to hold another joint video conference in July and to meet in person as soon as possible". And adding tension of the June 30 talks, Armenian Prime Minister Pashinian criticized President Aliyev in unusually strong terms for his "maximalist" demands instead of reciprocating his repeated calls for an Armenian-Azerbaijani peace deal that would satisfy all parties to the conflict.

# Azerbaijan Condemns Police Actions, both Russian and Domestic.

Turan Information Agency (Baku, Azerbaijan)

The actions of the local police while detaining those breaking lockdown rules in Baku resulted in public outrage. The same reaction followed in response to the violence shown by Russian forces to Azerbaijan citizens who cannot return to their homeland due to the lockdown and are forced to stay in a tent camp at the border with Dagestan.



Photo: Opposition activist Amrakhov detained in Azerbaijan Source: Caucasian Knot

#### **DOMESTIC POLICY**

## Police Operation Condemned by Civil Society

June saw a development that spawned angry public response to police actions. On June 7 a violent attempt by police to detain those violating lockdown rules took place in the Yasamal district in the capital of Baku, which resulted in negative reactions among local residents. They started to throw garbage and plastic bottles from their balconies, aiming at the police. In response to this in the morning of June 8 local police units surrounded the building and without showing their search warrants started to break into apartments. As a result of this police operation 11 people were detained. The arrest was filmed on camera by the police and uploaded into social networks. One of the videos features scenes of a police unit breaking into an apartment where a young man was sleeping and detaining him without allowing him to put on his clothes. He was forced into the police car wearing

Police attempt to detain violators of lockdown rules in Baku resulted in negative reactions among local residents

nothing but his underwear. Later, the detained stated they had been violently beaten in the police station.

The explosion of public indignation followed. In social networks citizens assessed the actions of the police as

#### ECONOMY

#### Azerbaijan's GDP Went Down

In June, the State Statistical Committee of Azerbaijan announced economic results for the first five months of the current year. The government, for the first time since the outbreak of the coronavirus pandemic, reported the decrease of Azerbaijan's GDP. According to the State Statistical Committee, in January-May 2020 GDP production (AZN 27 billion 480 million) went down by 1,7% against the same period in 2019, with non-oil GDP rate decrease leaving behind the total dynamic. The share of non-oil sector made up 66,3% of GDP production within the five months of this year.

The executive director of the Center for analysis of economic reforms and communications Vusal Gasimli stated that by 2020 the total foreign debt of Azerbaijan made up \$9,1 billion – about 17% of the country's GDP. According to him, the debt strategy provides for the bigger return of the national debt by 2025 than new debts and will gradually go down to 12%. immoral abuse of power. The National Council of Democratic Forces (NCDF) condemned the operation stating that the Ministry of the Internal Affairs violates the Constitution and crosses the line of moral ethics

and law. The authorities were forced to back down and apologize for what had happened. This incident was an illustrative example of high tensions on the rise between authorities and the local society.

At the end of June, the Central Bank of Azerbaijan reported having foreign currency reserves on the level of \$ 6 billion 436 million 300 thousand, that went up by 2,8% against the beginning of the year.

In June, the Central Bank of the Republic of Azerbaijan decreased the bank rate from 7,25% to 7%. Moreover, the Central Bank expects that by the end of 2020 the inflation will reach 3-3,5%.

This month Azerbaijan also saw new amendments into the Tax Code coming into force as well as the law on social insurance that provides for tax deductions and other incentives as well as tax holidays for enterprises (including small and medium businesses) due to significant changes in economic conditions as a result of the coronavirus pandemic (COVID-19). According to the amendments, the legislature provides for some measures in order to improve the financial situation of taxpayers and introduce temporary tax regime in the country starting January 1 till the end of the year.

#### **FOREIGN POLICY**

## Controversial Relations with Russia and Improved EU Attitude

June saw some significant events taking place on the border between Azerbaijan and Russia. On June 15 the citizens of Azerbaijan located in a tent camp in Kullar, Dagestan, held a desperate protest rally in an attempt to come back to Azerbaijan. The protesters were massing on the main road in order to attract attention to the situation at the border. The protest was violently broken up by the Russian special police unit OMON. The social networks and Azeri mass media featured video coverage of violent beatings of Azerbaijani citizens by the Russian police unit. This resulted in the outbreak of negative reactions among Azerbaijan's civil society. Approximately 100 people were detained, while criminal charges were presses in 10 cases. However, these events were followed by a faster process of Azeri citizens crossing the border between their homeland and Russia.

On June 2 Azerbaijan's Minister of Defence Zakir Hasanov was interviewed by the local media and stated that April battles of 2016 aimed at liberating parts of Azeri territories were put on hold after a phone call from Russian Minister of Defence Sergei Shoigu. The interview launched a controversial response. There was an outbreak of angry comments in the mass media and social networks regarding Russia interfering with Azerbaijan's domestic affairs, as well as regarding Azeri top officials following orders of their Russian counterparts.

President Ilham Aliyev refused to visit Moscow for participating in the military parade, quoting the pandemic as the main reason.

As opposed to this, June saw positive development of relations between Azerbaijan and the European Union. On June 18, in the course of EaP Summit video conference the president of Azerbaijan Ilham Aliyev stated that co-

operation with the European Union is one of Azerbaijan's most important foreign policy priorities.

On June 20 the European Parliament adopted a resolution under the name "Draft European Parliament Recommendation to the Council, the Commission and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on the Eastern Partnership, in the run-up to the June 2020 Summit". This document is drafted having regard to the European Parliament resolution of 20 May 2010 on the need for an EU strategy for the South Caucasus, where chapters 8 and 10 of this resolution call the territories with Armenian forces "occupied lands".

In chapters (b o) of the new resolution there is a call to immediate withdrawal of foreign military contingent from all occupied territories. The resolution was embraced by Azerbaijani officials.

# Belarus: Wave of Repression at the Start of the Election Campaign

Vadim Mojeiko, Belarusian Institute for Strategic Studies (BISS) (Minsk, Belarus)

Hundreds of people were arrested and fined while the West criticizes the persecution of politicians and bloggers. In the new government, the security forces replaced the market-oriented staff.



Photo: Detention of a participant in an opposition rally in Minsk. June 19, 2020. Source: Radio Liberty Kazakhstan

### **DOMESTIC POLICY**

#### Presidential Campaign Front-runner Put behind the Bars

The Belarusian authorities started the campaign with an unprecedented wave of repression.

They put into the State Security Committee pre-trial detention center on criminal cases the campaign's front-runner <u>Viktor Babariko</u> (who had previously announced more than 400 thousand signatures gathered in his nomination support), his son and headquarters director Eduard Babariko, as well as Sergei Tikhanovsky, who is a video blogger and headquarters director of his wife Svetlana Tikhanovskaya (nominated for taking part in the presidential elections instead of her husband, preventively arrested for the term of documents submitting). The authorities also detained on criminal charges several <u>video bloggers</u> with a combined audience of more than half a million people. According to human rights activists, a total of 224 people were repressed, punished with €60 thousand fines and 1609 days of arrest. Pressure on alternative candidates and their headquarters activists intensified the Belarusian society politicization and mobilized people for solidarity. During the period of signature collection campaign for potential candidates nomination, in dozens of cities in Belarus, people

lined up in long queues for pickets. On June 19, on the last day of the signature collection campaign, after the detention of Viktor Babariko, the joint picket of candidates in the center of Minsk turned into a spontaneous action of solidarity, when people stuck around until late at night and lined up for several kilometers. Later, such actions of solidarity repeated throughout the country and attempts to detain participants led to clashes with the security forces.

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More than 96% of nominees of pro-government parties

#### ECONOMY

#### Security Forces Instead of Market Orientation

On June 4, the president appointed a new government. Roman Golovchenko, who had previously worked in the Prosecutor General's Office, the Security Council, and the military-industrial complex, <u>was appointed</u> a new government head instead of market-oriented Sergei Rumas. And Major General Ivan Tertel, former deputy chairman of the State Security Committee, became the chairman of the State Control Committee.

The authorities' actions confirm anti-market policy.

**FOREIGN POLICY** 

#### **Repressions Chill Regulations with the** West

The repressive policy of the Belarusian authorities caused a series of critical statements from the <u>European</u> <u>External Action Service</u> and some members of the <u>European Parliament</u>, the Ministries of Foreign Affairs of Germany and France, the embassies of the United Kingdom and the United States.

In the evening of June 18, the ambassadors of the Euro-

and organizations were included in the district election committees, with only 1% of nominees of the opposition parties. The chairman of the Central Election Commission argued this with the saying "When in Rome, do as Roman do".

Lukashenko constantly threatens his opponents ("Have you forgotten how Karimov suppressed the putsch in Andijan by shooting thousands of people? Well, we'll remind you", "They won't get the country") and insults them ("mangy", " maidan morons", "pot-bellied bourgeois", "boar", "scoundrel"). Human rights activists <u>state</u>: "In such circumstances, we can't talk about holding honest and fair elections."

Lukashenko <u>criticized</u> the idea of state-owned enterprises privatization, and the new Prime Minister promised to provide them state support. The new head of the State Control Committee opened a criminal case against <u>Belgazprombank</u>, the country's largest private bank. The bank forcibly changed the administration, and shareholders <u>refuse</u> to cooperate with it. All this worsens the expectations of private business and the investment climate in Belarus. Nevertheless, on June 19, Belarus placed <u>\$1.25 billion</u> <u>Eurobonds</u>. Investment funds from the USA and Europe bought most of them.

pean Union countries were unexpectedly invited to a meeting at the Belarusian Ministry of Foreign Affairs, where they got an explanation of Viktor Babariko detention. Diplomats anonymously <u>noted</u> the aggressive and abusive behavior of the Belarusian officials. The Belarusian MFA head <u>threatened</u> that in case of a negative reaction of the West to repression, "there will be no new thaw (in relations)", and "the development of the events under an undesirable scenario will put an end to the diversification of foreign policy and foreign economic activity that has begun."

# Georgia: New System Elections to Come

Lasha Tughushi, Liberal Academy Tbilisi (Tbilisi, Georgia)

The Parliament was finally able to adopt the long-awaited constitutional amendments and establish new game rules for the upcoming parliamentary elections. Meanwhile, Georgia was included in the list of few countries whose citizens are allowed to enter the EU.



Photo: Voting in the Parliament of Georgia Source: Georgian Parliament Website

#### **DOMESTIC POLICY**

#### **Constitutional Amendments Adopted**

Amid June 29 extraordinary plenary session, the parliament of Georgia adopted constitutional amendments in the final reading by 117 votes. Therefore, a door into a new political reality opened. The following term parliament will be composed of 120 members elected via proportional system and 30 via majoritarian system.

In fact, there is a consensus in the country regarding proportional system: it is considered to be better as no party can govern and rule on its own. However, Georgia will completely switch to a proportional system only in 2024, but the model agreed upon for the upcoming elections is believed to be as close as possible to a proportional one.

Nevertheless, the main part of the opposition – United National Movement and European Georgia Party – did not participate in voting. The opposition members believe that the consensus agreement reached in March was not completely fulfilled by the government, since of one of the convicted, Giorgi Rurua, a Mtavari opposition channel shareholder, is still held in pretrial detention. The boycott of opposition parties came amid controversial opinions. Irakli Kobakhidze, the former head of the parliament, called the opposition "criminals" and "enemies of the state". His words were echoed by the prime minister Giorgi Gakharia, who expressed his hopes that "national traitors" will not be part of the next parliament.

Updating the law on

elections is also happening on a fast-track basis. Moreover, the draft bill includes gender quotas as well: every fourth candidate in a registered proportional list should be of the opposite sex.

Mediators in this process were ambassadors accredit-

#### **ECONOMY**

#### **National Debt Tripled**

Georgia's national debt has tripled since 2013. By the end of the year its total volume will reach GEL 27 bn, which makes up over 55% of the country's GDP. By 2020 the debt had increased by GEL8 million. The growing debt is the result of the COVID-19 pandemic and economic recession that followed, which is a typical situation for many other countries and their economies. Per capita debt makes up

#### ed in Georgia. It is obvious that Georgian government experienced significant pressure to enforce compliance with the memorandum signed by the parties. All of the ambassadors reacted positively to the constitutional changes ad-

opted by the Parliament.

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However, as soon as the constitutional amendments were approved, the political discourse got back on track. The most popular and "favourite" terms are still ones like "national traitor" and "criminal political power".

approximately \$2500 in Georgia, which is not too much compared to other countries. However, with national debt growing and getting close to 60%, the country may face serious challenges taking into account its "credit rate". It is quite possible that next year extra financial resources will be needed, which means that against the backdrop of the above-mentioned numbers bigger problems might appear.

#### **FOREIGN POLICY**

#### **EU Opens for Georgia**

The EU Council started lifting travel restrictions and reopened its borders to 14 countries including Georgia. Their citizens, respectively, will be able to enter the EU starting July 1.

However, the EU states that this list of countries will be reviewed every two weeks and the situation will be monitored regularly. This information got positive feedback in Georgia. At the same time, the negotiations with EU member states on opening green corridors are ongoing, as the situation remains unclear.

According to Georgia's prime minister Giorgi Gakharia, the full reopening of land border crossings has not been planned yet.

"We are not going to take hasty steps when reopening

land border crossings. The movement of Georgian citizens as well as everything related to goods transportation is not problematic today at all... We provide unbelievable comfort to international companies and cargo companies. We monitor health of every truck driver for 72 hours while they remain in our country. The control is quite efficient. Still, full reopening of land border crossings has not been planned yet", said Giorgi Gakharia.

"Reopening borders for tourists in both directions, this is not as simple as pushing a button, this is hard work", said EU Ambassador Carl Hartzell. According to Hartzell, "it involves serious work with individual members of the EU, with commercial air transporters. This is a combination of key players, and we need to work with them. However, Georgia is on the list of safe countries, and this is its best starting point"

# Year 1 or Year 0 for Moldovan Politics?

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

June is already becoming a symbolic month for Moldovan politics. The country witnessed its first full year since the collapse of Vladimir Plahotniuc's regime and the withdrawal of the Democratic Party from power. Quite ironically, with no clear and definite resolution to the governance issue in Moldova since then, a complete restructuring of the country's politics is in the talks yet again. As of now, there are too many political moves and unknown variables to understand a pattern or predict an outcome. It is evident, however, that the government is not handling the health crisis, those in power struggle to remain in power, and the opposition is unable to agree on an alternative.



Photo: In Moldova, on June 18, the Pro Moldova party was officially registered. This was announced at a press conference on June 22 by party head Andrian Candu. Source: newsmaker.md

### **DOMESTIC POLICY**

#### **Unclear and Unexpected Maneuvers**

It appears that political struggles have overtaken the delivery of public policies at a time where COVID-19 surges among the population and medical personnel. People are now left to their own devices and responsibility, since, according to Prime-minister Chicu, the country can no longer afford a complete prohibition of the mobility and economic activity in the country.

Meanwhile, the <u>Moldovan Parliament adopted a Dec-</u> <u>laration</u> condemning party defectors and political corruption, drafted by the Democratic Party (PDM), which has had to suffer the most from the practice lately. Soon after, another Democrat MP and signatory of the Declaration, left the faction and joined the Pro Moldova group, cement-

ing thus the Parliamentary crisis on a brim. With no majority from the Socialist and the Democratic Parties to support the Chicu Government, the Dignity and Truth Platform Party (DA) has been actively pushing for government dismissal and taking full respon-

#### Political struggles have overtaken the delivery of public policies at a time of COVID-19

sibility for a new one to address the domestic crisis. The Action and Solidarity Party (PAS) is <u>open to support the</u> <u>Platform's new Government</u>, but not alongside the controversial Pro Moldova and Sor Party, thus placing its hope on the votes from PDM. As there are no guaranteed and unconditional votes for a new government if the incumbent one is dismissed, PAS considers <u>early parliamentary</u> <u>elections</u> as the only option for regaining the functionality of the governance process. This position stirred open and harsh <u>criticism from DA</u>, despite the <u>support for early elections from Donald Tusk</u>, too. The Constitutional Court has yet to determine whether such an option is viable, given the upcoming presidential elections. While tensions between the two former partners are on the rise, the Sor Party, and especially <u>Pro Moldova are gaining traction</u>.

President Dodon has, therefore, reinvented his approach and is now trying to maintain his positions and fight the remains of the oligarchic system, an immediate threat to the status quo. Recent controversial decisions of the judiciary have been quite suggestive: the suspension of sentence execution in the case of a businessman convicted for involvement in the 1 billion dollars bank fraud, known to have competed with Plahotniuc and the extradition request for Plahotniuc. The Anticorruption Prosecutor's Office has also found no elements of a criminal offence during the investigations regarding the video showing Dodon, Plahotniuc and his adviser, and a bag, presumably with money. Even more so, President Dodon seems to want to 'mend' the ties with the Socialists' former coalition partners. He called for talks and joint actions from the anti-oligarchic parties: PAS and Platform DA, alongside PSRM and PDM, to address the Parliamentary crisis. Otherwise, if the situation worsens, they will be just as accountable for chaos

in the governance process. Presidential elections and control over state institutions are, after all, at stake in the upcoming months. This period has also been marked by the <u>adoption of the Law on NGOs</u>, which prohibits NGOs from funding political parties and participating in electoral campaigns on their behalf. Dodon and Chicu criticized the Law,

> but it was a key condition to the disbursement of the second tranche of 30 million EUR from the EU.

Economy

The Struggles of Restarting a Severed Economy

Being too late for pre-emptive economic measures in the

light of the pandemic and too expensive to keep the economy under lockdown, Moldovan authorities are now facing the crisis as it is. According to the Extraordinary National Committee for Public Health, all economic activities will be resumed throughout the country, with only small exceptions, starting with July 1, despite the state of emergency in public health being extended until July 15. The authorities are working on measures to ensure both the productivity of the sector and the safety of their activity. This is not too reassuring, given the experience of the HoReCa sector (hotels, restaurants and cafes) with the vague regulations drafted by the Committee. Such businesses have officially reopened on June 15, but many are unable to work in full sway, fearing unduly fines and abusive practices from control bodies, given the unclear instructions for the sector.

Paying wages, pensions and allowances in due time and not operating tax increases for the business environment, as announced by the Government, will most likely put it under strain. The authorities already have to allocate funds for the pandemic-related issues. Initially critical of the Law on NGOs, Prime-minister Chicu is now hopeful of the 30 million EUR from the EU. Meanwhile, President Dodon announced that Moldova and Russia will resume negotiations on the 200 million EUR Ioan, previously declared unconstitutional by the Constitutional Court.

Apart from this, small changes should be under way for the energy sector and agriculture in the country. The <u>World Bank will fund a project</u> that aims to improve the efficiency of the centralized heating system, while a <u>loan</u> <u>from Japan</u> will support the Moldovan farmers in purchasing high-performance agricultural equipment.

#### **FOREIGN POLICY**

#### Lower Priorities, but Significant Issues

Major foreign policies are currently on a standby or, at least, secondary, amid the political and pandemic crisis in midst of the country's domestic affairs. The instability, however, gives off several warning signs.

Thomas Mayr Harting, the Special Representative of the OSCE Chairperson-in-Office visited Moldova in the wake of tensions between Chisinau and Tiraspol. The <u>parties</u> <u>discussed</u> the restrictions on entering and leaving the Transnistrian region, the illegal checkpoints installed by

Tiraspol, and access to medical services, among others, in hopes to de-escalate the issue. Even more controversial, however, has been <u>President Dodon's participation at the</u> <u>Victory Day military parade</u> in Moscow, alongside a substantial contingent of the National Army, in spite of health restrictions and regulations. Symbolic or not for our country's current foreign policy is the presence of Dodon at the event, as per Vladimir Putin's invitation, while the country marked 30 years since the adoption of the Declaration of Sovereignty.

Moldova's political choices and domestic issues do not go unnoticed by its foreign partners. In a <u>meeting</u> with Oleg Tulea, the Minister of Foreign Affairs and his counterparts from EU and EaP countries, the European Commissioner for Neighborhood Policy and Enlargement, Oliv€ V€rhelyi, pointed out that the EaP countries' support for Moldova substantially depends on whether the authorities can deliver or not.

# Ukraine: Economic Recession, Threats to Democracy and Dynamic Growth in Relations with Neighbors

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

This summer brought Ukraine not only the long-awaited heat but also quite hot news and developments. Domestic policy news includes failed government policy, prolongation of the so-called adaptive quarantine under late July and persecution of opposition political leaders. The country's economy witnessed the IMF's positive decision on the loan, with other international financial institutions joining in. As for Ukraine's foreign policy, it included statements by the President of Ukraine V. Zelensky on Ukraine's ambitions to become EU's full member as well as progress in the state's relations with NATO.



Photo: The fifth President of Ukraine Petro Poroshenko is facing charges in several cases. Source: Ukrainian Pravda

### **DOMESTIC POLICY**

#### Failed Mono-Majority and Adaptive Quarantine

In June, despite many expectations, the country's parliament failed to approve the updated governmental program. Only 207 MPs supported it, while a minimal number of votes to approve the program is 226. Even pro-presidential mono-majority did not express a vote of confidence to the current Cabinet of Ministers and, therefore, did not provide one-year immunity to the government headed by Denys Shmygal. Thus, the Cabinet of Ministers is going to be under a constant "threat" of being dismissed at any given moment. However, for many such situation seems more than acceptable. In case of intensifying tensions, the Cabinet of Ministers can be sacrificed. It will play the role of a lightning rod, as did the former government in its own time. Despite such a wake-up call from the parliament, the Cabinet of Ministers continues to carry out its functions, related to, in particular, fighting COVID-19. Yet another time quarantine measures are prolonged until July, 31. Such a step was taken by the executive authorities as a result of a growing number of infected citizens.

A high-profile incident occurred when it became clear that the opposition may be persecuted. According to a number of local and foreign observers, this may be a sign that Ukraine begins to develop features of a police state. In particular, this situation concerns a number of charges against the fifth President of Ukraine and the head of the current "European Solidarity" party Petro Poroshenko. The incumbent head of state V. Zelensky received many open letters from former political prisoners, historians, public figures and activists. According to them, such actions jeopardize the state's law enforcement system and Ukraine's image on the international arena. A number of western political figures also made statements attempting to defend the former head of state including Donald Tusk, the ex-head of the European Council and the head of European People's party now, Carl Bildt, an influential European politician and the former prime minister of Sweden. as well as several former heads of diplomatic missions in Ukraine. This controversial issue also drew attention of such organization as Ukrainian Congress Committee of America, which issued a statement warning Ukraine's authorities of selective justice.

### **ECONOMY**

#### Assistance against the Backdrop of Unnerving Forecasts

There is no doubt that June's main economic development was the long-awaited decision taken by the IMF's Executive Board to approve 18-month US \$5 billion standby arrangement for Ukraine.

As it was expected, IMF's decision turned into a signal for many other international partners and donors. In particular, the World Bank approved \$350 million First Economic Recovery Development Policy Ioan to support reforms and help mitigate the impact of the COVID-19 pandemic.

However, IMF makes no secret of its concerns regarding the development of Ukraine's economy. According to its forecast, Ukraine's GDP will go down 8,2% in 2020 instead of previously forecasted 7,7%.

As for Ukraine's National Bank (NBU), it echoes IMF forecasts. According to its analysts, actual economic decrease intensified in the second quarter. This is the result

#### of slowly growing consumption and investment demand. Investment decline rate approximately coincides with the rates during 2014-2015 recession.

Thus being said, NBU enjoys trust of its international partners who insist on keeping the independence of this institution. According to G7 ambassadors, undermining the NBU's independence "would affect Ukrainians, damage investor confidence, and jeopardize international support for the Ukrainian government's efforts to achieve a secure, prosperous and democratic country".

Despite IMF and NBU, the government's forecast is far more optimistic. According to the statement made by the Prime Minister of Ukraine Denys Shmygal, the Cabinet of Ministers plans on helping the country's economy are still actual. The government is doing everything in order to see substantial economic growth in the second half of the year. This is exactly the reason why a decision regarding the adaptive quarantine instead of a full lockdown was taken.

#### **FOREIGN POLICY**

## Ukraine Only a Step away from NATO Membership?

On June 12, Ukraine was granted Enhanced Operating Partner (EOP) status by NATO allies. Among other things this status provides for enhanced dialogue and sharing information, joint interoperability programs and exercises as well as an opportunity for Ukrainian military leaders to occupy positions in NATO International Military Staff and other command structures of the alliance. However, it should be mentioned that "enhanced operating partnership" does not mean NATO membership perspectives, while Hungary, even though it did not block this decision, still has a "veto" on NATO-Ukraine commission top level meetings.

Nevertheless, it should not be left unmentioned that relations with Hungary are gradually getting better. In particular, on June 25 the Ukrainian-Hungarian intergovernmental economic commission meeting took place for the first time in 7 years.

Optimism is also present in Ukraine's relations with neighboring Romania. Bucharest decided to approve \$2 million aid to help Ukraine fight the coronavirus pandemic and it

coronavirus pandemic and it may be a signal that it is ready to intensify the dialogue regarding other issues as well.

Another foreign policy development important to

On June 12, Ukraine was granted Enhanced Operating Partner (EOP) status by NATO allies Ukraine was the video conference with the leaders of EaP member states present. The head of Ukraine V.Zelensky, among other things, highlighted Ukrainian ambitions regarding full EU membership. Moreover, Ukraine's leader expressed his gratitude to the

EU for the support it provided, in particular, for the new 1.2 bn euros macro-financial assistance program, which is, according to him, important and timely.

### **Eastern Partnership Civil Society Forum News**

## **Solidarity Action to Support Belarus**



The Eastern Partnership Civil Society Forum Secretariat took part in a solidarity action to support Belarus, organised by the Member of European Parliament, Petras Austreviciuson, on 1 July. Statements focusing on Belarus and acts of solidarity in support of the Belarusian people, including letters and video messages by several MEPs, have been made, with and a number of physical demonstrations having also taken place in Brussels. They send an important message to the Belarusian people. The EaP CSF Steering Committee and Belarusian National Platform monitor the situation in Belarus closely, <u>condemning</u> in their recent statement the violence and repression currently being witnessed there.

## EaP in the Eyes of Belarus, Georgia and Moldova



The EaP CSF has released in June the last three <u>country</u> <u>reports</u> on Belarus, Georgia and Moldova. The reports provide detailed views of over 220 civil society organisations on the future of the EaP and are part of the structured consultations process launched in October 2019. Respondents from the EaP countries provided insights on economic and human capital development, good governance, and rule of law, EU-EaP and intra-EaP cooperation, boosting EU visibility in the EaP region and strengthening the role of civil society.

## The Lockdown Exit Etrategy in Armenia

As the epidemiological situation gets out of control in Armenia, hospitals do not have enough capacity to manage the new wave, explains Arevhat Grigoryan, a media expert from Yerevan Press Club in the <u>new Upside Down</u> <u>podcast episode.</u> Increasing pressure from political opponents, using the crisis against the government, might have further implications on the post-pandemic political situation in the country, concludes Grigoryan. Listen to the full story here.

## **EaP** Think Bridge



NGO Promotion of Intercultural Cooperation (PIC) is a non-governmental, non-profit organization aiming to promote international cooperation and intercultural dialogue. The goal of PIC is to raise awareness in different groups (youth, students, business, journalists, state and local authorities, academics, etc.) on the issues of international, intercultural relations, global and local socio-political problems.

http://ngopic.org.ua/

The project benefits from support through the EaP Civil Society Forum Re-granting Scheme (FSTP) and is funded by the European Union as part of its support to civil society in the region. Within its Re-granting Scheme, the Eastern Partnership Civil Society Forum (EaP CSF) supports projects of its members that contribute to achieving the mission and objectives of the Forum.

#### https://eap-csf.eu/

Foreign Policy Council "Ukrainian Prism" (Ukraine) is a network-based nongovernmental 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

Belarusian Institute for Strategic Studies (BISS) is an independent thinktank, founded in 2007 by a group of leading scientists and civil activists. BISS's mission is to provide a holisctic picture of socio-political processes in Belarus based on empiric studies. https://belinstitute.com/

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

The foundation Liberal Academy Tbilisi (Georgia) is a nongovernmental, 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