

# Focus on Ukraine October 17-23 2016

Weekly informational-analytical news bulletin



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## NORMANDY FORMAT MEETING: WHEN THE ABSENCE OF BREAKTHROUGH IS A POSITIVE SIGN



Negotiations between leaders the of "Normandy Four" countries were held on October 19. 2016 in Berlin. The implementation of Minsk Agreements was evaluated at this meeting. Chancellor of Federative Republic of Germany Angela President of Ukraine Petro Merkel. Poroshenko. President of France Francois and President of Russian Holland. Federation participated in negotiations.

Neither diplomats and politicians nor expert community expected specific results of Berlin meeting. At that the perceptions of very low possibility of real breakthrough in negotiations were equally low both in Berlin, Paris and Brussels and Moscow and Kyiv. And though these "expectations" were satisfied – no revolutionary decisions were made in Berlin – at this stage even this result can be considered mutual tactical victory of Ukraine and the West.

Firstly, any practical agreements at this meeting were possible exclusively due to not even compromises, but concessions by Kyiv. Thus, in the light of absence of security at the Eastern front, incapability of OSCE mission to effectively monitor the situation. and humanitarian problems (in particular, no free international access of humanitarian organizations to the occupied parts of Donbas) the new agreements would mean that the status quo is accepted as reality, existing gaps in aforementioned spheres are unseen and other

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provisions of Minsk package are to be implemented. As per Moscow scenario these are political provisions of Minsk agreements: elections at the occupied territories, changes to Ukrainian Constitution, constantly acting laws on specific status of these districts. Ukrainian side is not ready to accept this version of Minsk agreements interpretation. The formula "security first" is a key requirement of Ukrainian negotiators and today is a part of permanent rhetoric of at least Chancellor Angela Merkel. As there were no potentially possible drafts of decisions for this meeting prepared, the diplomatic improvisations could cost Ukraine and its Western partners many months of persistence on the priority of particularly security and humanitarian part of agreements.

Secondly, there is a certain result of this meeting - the declaration of the beginning of work on socalled "road map" of Minsk agreements implementation. It is not the first attempt to start such work; however it was for the first time supported by all leaders of countries participating in negotiation. Will it be possible to develop step-by-step plan for implementation of Minsk-I and Minsk-II? The question is contradictory. Ukraine and Russia have polar views on this plan today. Key demands of Moscow, de facto, come down to beginning political settlement here and now, without security guarantees and stable cease-fire. It is most probable that the Western wing of Normandy Four will try to combine security and political components as simultaneous in the

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"road map" or at least as processes very close in time. Will Kyiv and Moscow accept this? It will depend on specific text and the level of its unambiguity, as the other problem of Minsk agreements (after unpreparedness of Russia to de facto cease the conflict) is vague character of these documents. And this gives the possibility to negotiation participants to differently interpret these documents. For example, Ukrainian side tried to change the discourse on returning control over the border to Ukraine, as currently acting Minsk-II not only moves this issue to the last stage of political settlement, but also does not provide any guarantees that the control over 400 km of Ukrainian border will be established. Thus, after the implementation of all political provisions (responsibility for which is above all laid on Kyiv) the process of returning control over Ukrainian border should be only started, there is not a single word about the completion of this process in the documents. In this situation it becomes obvious that at least the declaration about the support of the "road map" is the only acceptable maneuver for the West and Ukraine today, and is an evidence of so far stability in positions of this part of the Four.

Thirdly, this meeting had bigger, than previous ones, political significance for the Western moderators - first of all for Berlin. It was necessary to show that Minsk process "continues", negotiations go on, and there is at least some "movement". It is also important for internal "consumer" in Germany and France and other EU-member countries. Thus, at EU Summit, which started after Berlin meeting, the relations between the EU and Russia were one of the key issues of discussion, even if this discussion was mostly about Russia's actions in Syria. Besides that, the next review of the sanctions against Russia because of its aggression against Ukraine will take place in January 2017, and against the background of the preparation to this debate the demonstration of Minsk process continuation was also important.

Fourthly, Berlin meeting and general mood in Brussels in its regard give ground to make highprobability statement: sanctions against Russia will be not only continued, but can be even strengthened. This time, however, because of Syrian catastrophe. Actually, by its actions in Syria, Russia only confirms its inability to negotiate and untrustworthiness as a partner both to participants of Normandy format and other EU-member countries.

Fifthly, Berlin meeting outlined one more important thing: the idea of international security mission has become a part of political negotiations. Well, so far there is no decision and it is unknown when and what it could be, but the fact of discussion over such mission itself (very likely under the authority of the OSCE) seemed to be a political fantasy half a year ago.

And finally, the Berlin meeting, as all current discourse on Russian aggression in Ukraine, gained new characteristics. In particular, the degree of political tension around the idea of conducting elections at the occupied territory, political settlement due to concessions by Ukraine, and finally, the pressure by the West on Kyiv was definitely reduced. First of all compared to the pressure in spring 2016, when the threat of weakening the sanctions was quite high as well as the constraint of Ukraine to oneside implementation of Minsk-II. Altogether with recent real victory of the common sense over political manipulations in Parliamentary Assembly of the Council of Europe - this is a tactical victory of Ukrainian diplomacy. To which extent will there be a possibility to stick to this line? Only time and the level of military escalation will tell. This particular "reason" blackmail by military actions – is still used by the Russian side to promote its agenda. In whole Berlin meeting and its general political background do not give grounds to speak about any breakthroughs or victories, of course, but sometimes the absence of the "palpable" result is a positive result.

# HALF-YEAR OF GROISMAN'S GOVERNMENT WORK: CALM BEFORE THE STORM?



In general, the government of Volodymyr Groisman has got over its half-year marathon in a quite composed manner. The position of the current head of government seems to be especially stable from political point of view compared to the last stage of premiership of his predecessor at this post – Arseniy Yatseniuk.

At that it is quite noticeable that ex-premier's party mates from "People's Front" fraction are marking the continuation by the government of Premier Groisman of reformatory course started by Yatseniuk, which allegedly influenced the rapid loss of public trust to his government and consequent resignation of the latter in April this year.

However. the fact that Prime Minister V.Groisman in a status of the head of Ukrainian government managed to correct the vector of the policy of its predecessor bringing in it the elements of reformism "with a human face" immediately stands out. Among other things, the current government canceled highly unpopular system of pensions taxation in July this year, announced a slight increase of social standards and salaries for certain vulnerable groups of population (teachers and doctors), and also promised to establish provision of free-of-charge medicines for citizens starting from the next year. Besides that, according to some expert evaluations Groisman's government during the time of its work managed to provide certain macro-economic stabilization and even slight economic growth as well as to introduce or

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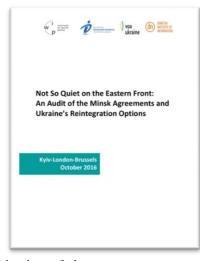
continue successful implementation of the series of important reforms, first of all in the part of introduction of e-governance mechanisms and full-fledged launch of public procurement system "Prozorro".

Apparently, the previous managerial experience of the work of current Prime Minister as a Mayor, the work of Groisman in a previous government in a status of Deputy Prime Minister, mechanisms of cooperation with MPs of current convocation established during his work as the Speaker of the Parliament as well as certain political patronage by the President contributed to the qualified start and certain effective succession in the work of Groisman's government. At that it is important that acting government has managed, among other things, to keep the support of international creditors, which was proven by the provision of the next tranche of IMF credit to Ukraine.

However, despite the generally stable and promising start, main challenges and difficulties are likely to await the government of Volodymyr Groisman in the second half of its work year. As now, with the beginning of the heating season in Ukraine, the citizens will actually feel the financial pressure of one of the most unpopular and painful reforms related to the raising tariffs for the communal services. Inability of many of Ukrainians not eligible for receiving state subsidies can (with proper accompaniment of people's discontent by opposition political forces) potentially become a trigger for mass public protests and general political destabilization. The main impact, in case of such development scenario, will obviously fall on the current government and its head.

Thereby one can say that preliminary indicators of relative political stability of the current government of Volodymyr Groisman can be put under the test by a serious social challenge soon. The ability of the government to handle this challenge will largely determine the prospects and stability of government's work in the second half of the work year.

#### **SECURITY FIRST!**



Key objective of the report was to review the situation with implementation of Minsk Agreements from four different but interconnected perspectives - foreign policy, economy, public opinion on the conflict and the situation at the occupied territories of Donbas and to outline the most probable short-term development scenarios.

Ilko Kucheriv Democratic Initiatives Foundations was one of the institutions preparing the analytical report; in particular, in regard to the public opinion on Minsk processes, ways of resolution of the conflict and compromises in frames of negotiations on reconciliation acceptable for the wider public.

Public opinion on Russian aggression and the price that the society is ready to pay to resolve the conflict was developing simultaneously with this aggression unfolding. Today we observe obvious tendencies in the sphere of public opinion and quite stable views on key issues of Minsk process. Thus, the approach "there cannot be peace at any cost" is still a priority: Analytical report "Not So Quiet on the Eastern Front: An Audit of the Minsk Agreements and Ukraine's Reintegration Options" was presented on October 18, 2016 in Brussels.

compromises have to be selective, agreements with the aggressor can be made nowhere near on anything, and the return of occupied today districts of Donbas should not be accompanied by provision of wider or "special" powers. The formula "security first" is also a trend in public evaluation of the balance between security and political regulations of the Minsk process.

Public opinion on the conflict today has its "red lines": there is a division between acceptable and unacceptable things for Ukrainian side. Crossing these "red lines" can lead to activation of the whole range of inner political risks: delegitimization of adopted decisions, final loss of trust to key state authorities involved in adoption or implementation of these decisions, protests (both self-organized and artificially prepared by those interested in destabilization of the situation in the country), final political dissension among political forces as well as decrease of trust to the Western partners.

So, the key conclusion in this situation is that either internal or external actors cannot ignore public opinion at this stage of the conflict and the way of its resolution. Of course, we speak about the strategic and real conflict resolution and not its formal withdrawal from the international agenda. Full text is available <u>here</u>.

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