INTERNATIONAL WEEKLY

№ 16 01.10.2015 — 16.10.2015



Friedrich Naumann STIFTUNG FÜR DIE FREIHEIT



UKRAINE – THE EUROPEAN UNION



KEY THEME ANALYSIS

PARIS 'AGREEMENTS': MOVING TOWARDS 'FREEZING' THE CONFLICT?

Unlike the Minsk "Normandy" Quartet summit of February 2015, concluded with signing of two documents (Package of Measures for the Implementation of the Minsk Agreements, and Declaration in Support of the Package of Measures), **at the September Paris summit no one document was published to prove the achievement of certain arrangements**. As a result, all the sides interpret Paris agreements in the most convenient for them manner.

The only commonly acknowledged point is *the withdrawal of less than 100 mm caliber weapons from the front line*. However, the relevant agreement had been reached before the Paris summit, at the Trilateral contact group meeting. So the "Normandy" Quartet leaders only endorsed the already existing agreement, strengthening it with their political weight, but not making it legally binding. Since no document has been signed, the implementation of the arrangement remains a matter of goodwill, while Russia traditionally lacks the latter. After the Paris meeting, the OSCE registered at least two shelling of Ukrainian positions with heavy weapons; moreover, the shelling of October 13, between Avdiivka and Spartac, caused the death of Ukrainian soldier.¹

As for the other points, the participants to the Paris summit voiced contradictory versions.

President of Ukraine said about the agreement to expand the OSCE mission activities through the whole territory of the so-called Donetsk and Luhansk "people's republics," including the uncontrolled part of Ukraine-Russia border.² However, Moscow did not give any corresponding public guarantees, while it is Russia that should fulfill this part of the arrangements. As of October 14, 2015 Russian-separatist forces continued to restrict the OSCE mission from access to the border areas. However, even if Russia fulfills the abovementioned agreement, the OSCE representatives will be able only to monitor the situation on the border, but not control the border itself. So, they will not be able to stop the flow of Russian "volunteers" and military equipment to Ukraine. As for the restoration of Ukraine's control over its state border, it became clear after the Paris meeting that it would not happen by the end of 2015.

The most contradictory versions were voiced about such important issues of Paris negotiations as *the withdrawal of Russian troops* and *local elections in the*

¹ http://www.pravda.com.ua/news/2015/10/14/7084833.

² http://www.president.gov.ua/en/news/obsye-povinno-mati-bezpereshkodnij-dostup-do-vsih-okupovanih-36079.

occupied areas of Donbas. President Petro Poroshenko said that "foreign troops should be withdrawn right now, without any reference to the election," and that this position was clearly confirmed by French and German leaders.³ Foreign Minister Pavlo Klimkin⁴ and Deputy Head of Presidential Administration Kostyantyn Yeliseyev⁵ argued that the withdrawal of "foreign troops" should be a prerequisite for the elections in Donbas. However, Francois Hollande and Angela Merkel announced the opposite sequence of actions: at first, local elections should be held in Donbas, and then the "foreign armed forces" should be withdrawn.⁶ In this context, it is worth recalling that holding elections without withdrawal of Russian troops was envisaged by the so-called "Morel's Plan", approved by Moscow, Washington, Berlin and Paris.⁷ Thus, Ukraine's aspiration to hold elections only after Donbas is liberated of Russian troops has little chance to be implemented in reality.

Equally controversial situation is regarding the date and modalities of local elections in the occupied territories. The only thing known for certain is that **in Paris the parties agreed to abandon the separatist "elections" scheduled for October 18 and November 1**. But versions of further developments substantially differ. Formally, all parties agreed that elections should be held under the Ukrainian legislation. Kyiv interprets it as participation of all Ukrainian political parties in the elections, as well as adopting a special law to provide possibility to vote for all the migrants from the occupied areas.

The Russian vision was voiced by Putin's spokesperson Dmitry Peskov: "...talks about elections should be held in the context of other relevant provisions of Minsk agreements, such as political reform and amnesty. Certainly, President Putin could not assume any obligations, and he could not agree on some parameters. The only thing that President promised was to order, within a few days, to negotiate these issues with the DPR and LPR officials."⁸ Moscow's vision was also indicated by the statements of separatists, who said they agree to postpone (not to abandon) their "elections" to give Ukraine time for adaptation of the constitutional amendments (decentralization) and of laws on amnesty and on local election in Donbas – in coordination with separatists.⁹

It is obvious that **if the EU and the U.S. agree on Russian scenario of elections (which shaped the basis for the so-called "Morel's Plan"), it would be not about the elections, but about the legalization of Kremlin-backed separatists regimes in Donbas** – to make them full participants in direct negotiations with Kyiv. It is also clear that if the West agrees to turn a blind eye on *fake elections*, then it would agree on *fake withdrawal of Russian troops* disguised by turning them into the "people's militia" of Donbas, as well as on *fake transfer of border control to Ukraine* disguised by transferring such control to the so-called "people's militia."

There is nothing unexpected actually: Europe is ready to "freeze" the Donbas conflict to fully switch attention to the problem of refugees, and to lift sanctions against Russia, which irritates some influential European business. *Statement of the European Commission President Jean-Claude Juncker was symptomatic – he said that the EU must improve its relationship with Russia: "We can't*

³ http://www.president.gov.ua/news/prezident-nazvav-golovni-rezultati-parizkogo-samitu-normands-36083.

⁴ http://www.pravda.com.ua/news/2015/10/7/7083988.

⁵ http://www.president.gov.ua/news/kyelisyeyev-klyuchova-peredumova-demokratichnih-viboriv-na-d-36089.

⁶ http://www.ukrinform.ua/rubric-politycs/1892402-olland-i-merkel-poyasnili-chomu-minsk-2-prodovjit-diyati-i-u-2016-rotsi.html.

⁷ http://fpri.kiev.ua/?p=20516&lang=en.

⁸ http://www.vesti.ru/doc.html?id=2671036&cid=5.

⁹ http://dan-news.info/politics/data-vyborov-v-dnr-budet-zaviset-ot-vypolneniya-obyazatelstv-kievom-pushilin.html.

let our relationship with Russia be dictated by Washington."10

It should be also noted that in **October 2015, the European Council lifted a small portion of sanctions against Russia** – it excluded from the sanction list some components for the rocket fuel to be used within the EU space programs.¹¹ The precedent is important by itself, because the EU could find a replacement for Russia's participation, but preferred to make that symbolic gesture.

Kyiv should more pragmatically assess the scope of Berlin's and Paris' support it can rely for, and accordingly shape its foreign and internal politics. Formal (on paper only) implementation of Minsk commitments might satisfy not only Moscow, but Berlin and Paris as well. And it might cause serious internal problems in Ukraine, because Kyiv could be the only side to make real concessions in the form of constitutional amendments, as well as legalization of separatists and funding of the occupied areas at the expense of state budget.

If Berlin and Paris really believe that situation in "DPR/LPR" is secure enough to hold elections there – the EU can sustain its confidence with sending its police mission, to guarantee the security of voters and candidates in Donbas. But if the EU does not dare to send such a mission, it should stop demanding from Kyiv the legalization of Moscow-backed separatists, and proceed with elaborating some other modality of conflict resolution, this time more honest towards Ukraine.



¹⁰ http://www.euractiv.com/sections/global-europe/juncker-we-cant-let-eu-relations-russia-be-dictated-us-318364. ¹¹ http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2015.263.01.0010.01.ENG.

UKRAINE – NATO



KEY THEME ANALYSIS

EXPANDING RUSSIAN AGGRESSION FORCES NATO TO STRENGTHEN ITS EASTERN FRONTIERS

The policy of appeasement pursued by the West after Russian war against Georgia and annexation of a part of Georgia's territory in 2008, resulted in strengthening the Kremlin's aggressive course and eventually led to the Russian invasion to Ukraine in 2014. Similarly, **the absence of adequate response of the West to the Russian aggression against Ukraine resulted in a new Kremlin's military adventure, this time in Syria**. Russia acts with more and more impudence, bombing the U.S.-instructed Syrian insurgents, violating the NATO airspace in Turkey, and firing Syria with cruise missiles from the Caspian Sea, thus demonstrating the political will to use military force in any form and scale, as the Kremlin wishes.

Given that Russian missiles flew through the Iran territory, one can assume that among Moscow's goals was to demonstrate Russia's capability to protect its Persian ally, if needed. So, one should not wonder that on October 10, 2015 Iran ventured to tests a medium-range missile that can carry nuclear warheads, thus violating the UN Security Council Resolution 1929. If events continue to develop that way, it could happen soon that the Iran nuclear deal, which is Barack Obama's source of pride, is worthless, as well as all the concessions that the U.S. made to Russia in order to reach that deal.

The influential U.S. military chiefs and NATO leaders are more and more specific in their statements about the reality of Russian threats and the need to respond. At the hearings in the U.S. Senate Committee on Armed Services, *Gen. John M. Keane rightly said that if the U.S. actions in confronting Russia continue to be dictated by fear, the Russian aggression would expand, and the Baltic and Eastern European states would be the next victims.*¹² The U.S. Army Europe commander Lt. *Gen. <u>Ben Hodges</u> admitted the existence of threat that Russia might try to break through a land corridor to the Kaliningrad enclave.*¹³ NATO Secretary General *Jens Stoltenberg* said that violations by Russian *military aircraft of the Turkish air space "didn't look as an accident,"* noting that the Alliance significantly enhanced its Response Force and was capable to quickly deploy them in Turkey, if needed.¹⁴

On October 8, 2015, at the meeting in Brussels, Allies Defense

¹² http://ukrainian.voanews.com/content/senator-reed-weapons-production-in-ukraine/2998958.html

¹³ http://breakingdefense.com/2015/09/upgraded-radios-networks-needed-for-russian-challenge-troops-fine-lt-gen-hodges.

¹⁴ http://www.nato.int/cps/en/natohq/opinions_123471.htm.

Ministers approved a concept for the Enhanced NATO Response Force, increasing their number to 40 thousand. Ministers also agreed to set up two more NATO Force Integration Units (NFIUs) in Hungary and Slovakia, in addition to the six similar NFIUs in Bulgaria, Estonia, Latvia, Lithuania, Poland and Romania.

Besides, during the above-mentioned Brussels meeting, **Poland and the U.S.** signed an agreement on deployment of American military equipment in **Poland** (it is about 200 vehicles). And British defense minister Michael Fallon promised to increase the number of rotational British troops in Estonia, Latvia, Lithuania and Poland (although, the number of soldiers is not large, just about a hundred).

On October 3, 2015 **the largest in a decade NATO military maneuvers Trident Juncture** started, which involved 36 manpower, 130 aircrafts, 16 helicopters, and 60 ships and submarines. Besides NATO members, 14 partner countries take part in exercises, including Ukraine. However, the maneuvers are held in Spain, Italy and Portugal, which are located far away from possible areas of Russian invasion. In this respect, the **Polish military training Dragon-2015**, which began on October 13, are more close to the real geographical conditions of potential conflict. The exercises involve 7 thousand soldiers and 700 vehicles, with the participation of troops from Poland, the U.S., Canada, Germany and the UK.

However, Moscow estimates the NATO's real willingness to effectively respond to Russian aggressive actions not so much by the Alliance's exercises, but rather by NATO's readiness to help its partners, primarily Ukraine. The Kremlin is very well aware of the difference between the military capacities and the political will to practically use those capacities. And the NATO's political will is under question, for the Alliance does not dare to provide to its partners in Ukraine and Syria as strong military support as Russia does.

Resolution "On Solidarity with Ukraine," adopted on October 12, 2015 at the NATO Parliamentary Assembly autumn session in Norway, urges member governments and parliaments *"to redouble efforts to help Ukraine at this critical juncture,"* but it is still only about the *"diplomatic, political, financial, economic, material and expert assistance,"* and **not** about the military one. ¹⁵

Among the positive points of the abovementioned Resolution one should note the emphasis that diplomatic efforts to resolve the conflict "should not compromise Ukrainian territorial integrity nor Ukraine's inalienable right to determine its own place in the European and Euro-Atlantic order." Besides, the NATO parliamentarians urged "to maintain political, diplomatic and economic pressure on Russia until Moscow fully implements its commitments under the Minsk agreements, convincingly demonstrates that it is willing to abide by international law, and ends the occupation of Ukrainian territories, including Crimea."¹⁶ Mentioning Crimea is particularly important, given that the EU tends to 'forget' about this issue and demonstrates its willingness to lift the sanctions, if the conflict in Donbas is 'frozen.' By the way, members of the Ukrainian delegation reported that parliamentarians from the German Bundestag tried to amend the Resolution with favorable to Russia provisions and offered to exclude the Crimean issue from the text.¹⁷

As for the issue of arms supplies, Kyiv puts its hopes primarily on the U.S., whose Congress passed in October 2015 a bill on defense spending for 2016, authorizing the Pentagon to assist Ukraine at \$300 million, including help with intelligence, training, transferring drones, electronic warfare equipment,

¹⁵ http://www.nato-

pa.int/Default.asp?CAT2=0&CAT1=0&CAT0=576&SHORTCUT=3960&SEARCHWORDS=422,

¹⁶ http://www.nato-

pa.int/Default.asp?CAT2=0&CAT1=0&CAT0=576&SHORTCUT=3960&SEARCHWORDS=422,

¹⁷ http://www.pravda.com.ua/news/2015/10/11/7084477.

counterbattery radars and even such lethal weapons as anti-tank systems and mortars, etc. But what actually Ukraine may get, it will depend on the situation in Donbas and on the position of the White House, which still continues to ignore the opinion of the generals and to consistently lose one position on the global geopolitical chessboard after another.



FOREIGN POLICY OF UKRAINE



UKRAINIAN PRESIDENT'S VISIT TO KAZAKHSTAN: RELYING ON BILATERAL RELATIONS WITH THE CIS AND THE EAEU COUNTRIES

On October 8-9, 2015 Petro Poroshenko paid an official visit to Kazakhstan, the second large member of the Eurasian Economic Union (EAEU) and one of the most active CIS members. Ukrainian President held negotiations with President and Prime Minister of Kazakhstan.

Following the talks, Vice Prime Minister of Ukraine Gennady Zubko and First Deputy Prime Minister of Kazakhstan Bakytzhan Sagintayev signed Ukraine-Kazakhstan Action Plan for 2015-2017, which identified key areas of bilateral cooperation for the coming years, above all, the establishing of joint enterprises in Kazakhstan to produce oil and gas equipment, railway products, road construction, and lifting and mining equipment. Ukraine will provide technological assistance in construction of feed mills, elevator and grain cleaning systems, and dairy farms in Kazakhstan.¹⁸

The issue of strengthening bilateral economic ties with Kazakhstan is particularly important due to the hybrid war waged by Russia against Ukraine that includes a trade war as its component. In recent years, Moscow has been consistently closing its market for Ukrainian goods by introducing one unjustified ban after another. The Kremlin threatens to substantively restrict the access of Ukrainian goods to the EAEU and CIS markets after January 1, 2016, when the EU-Ukraine free trade zone fully enters into force. In this regard, it is important for Kyiv to enlist the support of Astana as one of the most active participants of both mentioned post-Soviet organizations and as an important trade partner of Ukraine with positive trade surplus.

Kazakhstan and Belarus are dissatisfied with Russia-imposed trade restriction in relations with Ukraine, because they have significant interest in bilateral relations with Kyiv. Of course, Astana's and Minsk's abilities to influence decision-making within the CIS and the EAEU are limited by Moscow's dictates in these organizations, but there are various mechanisms to bypass Russia-imposed trade "sanctions," e.g. through the establishing of joint Ukrainian-Belarusian and Ukrainian-Kazakh joint enterprises. Additional options are opened due to this year Kazakhstan's accession to the WTO, which rules gives Astana additional grounds to deviate the

¹⁸ http://www.president.gov.ua/en/news/spilna-zayava-prezidenta-ukrayini-petra-poroshenka-ta-prezid-36109.

Russia-imposed restrictions against Ukrainian goods.

Presidents and officials of Ukraine and Kazakhstan discussed prospects for broadening of **transport infrastructure** for transportation of goods from Asia to Europe and vice versa through Kazakh and Ukrainian territories, in the framework of Chinese initiative to restore the Silk Road.

In Astana, SC "Ukrspecexport" and OOO "Kazakhstan Aviation Industry" signed an **agreement on cooperation in the aviation sector**. Particularly, the parties plan to establish in Astana Aviation Technical Center of JSC NC "Kazakhstan Engineering" a service center for maintenance and repair of the "Antonov" aircrafts, as well as to develop industrial cooperation on production of components for those aircrafts. The parties also agreed on the development and production of military and civilian drones, as well as on the issues of supply, repair and maintenance of aircraft training simulators.¹⁹

Ukrainian and Kazakh parties discussed the issues of **energy cooperation**; in particular, it was about the **supplies of Kazakh coal**, as Ukraine lacks the latter due to the loss of mines in Russia-occupied areas of Donbas. Among the negotiated issues were the prospects of Kazakh oil, gas condensate and uranium concentrate supplies to Ukraine through the territories of Azerbaijan and Georgia.

It is worth noting that **Petro Poroshenko congratulated Nursultan Nazarbayev on the 550th anniversary of Kazakh Khanate** – "a symbol of Kazakh statehood and historic roots."²⁰ It was a transparent hint on recent Putin's statement, who said that Kazakhstan had no statehood in the past. Kazakhstan and Belarus are reasonably concerned about the risk of possible recurrence in their territories of Crimean or Donetsk scenarios. This factor objectively encourages them to enhance partnership with the West, and Ukraine could become a "window" for such cooperation.

Kyiv faces a difficult task to preserve the mutually beneficial economic ties with the post-Soviet countries and to engage their support within the EAEU and the CIS, whose members are forced by Russia to introduce restrictive measures against Ukrainian goods. The next round of such contention may start on January 1, 2016, when the EU-Ukraine free trade zone entries into force. Belarus and Kazakhstan lack capacities and political will to block anti-Ukrainian economic decisions at the level of the EAEU and the CIS, but Kyiv can minimize losses by expanding mechanisms of bilateral cooperation.

¹⁹ http://www.mod.gov.kz/rus/press-centr/novosti/?cid=0&rid=2006.

²⁰ http://www.president.gov.ua/en/news/prezidenti-ukrayini-ta-kazahstanu-obgovorili-plani-shodo-roz-36108.