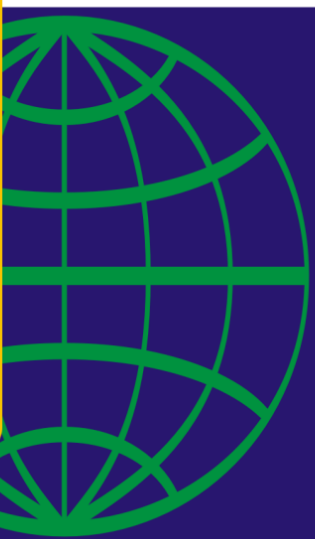


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UKRAINE – THE EUROPEAN UNION



KEY THEME ANALYSIS

THE G7 MAINTAINS SANCTIONS AGAINST RUSSIA, BUT CALLS FOR ELECTIONS IN DONBAS. THE EU IS CLOSE TO MAKING CONCESSIONS TO MOSCOW

In the G7 Ise-Shima Leaders' Declaration, sanctions against Russia are maintained till the implementation of the Minsk agreements; moreover, the possibility of their tightening is stressed. At the same time, the EU leaders show their willingness to make concessions to Moscow.

In Japan, on May 26-27, 2016, a summit of the Group of Seven was held. The G7 leaders mostly talked about the economic issues, but world politics was also on their agenda. **In the G7 final declaration, Ukraine is mentioned with reference to the conflict with Russia, the need for reforms and fight against corruption, as well as the 30th anniversary of the Chernobyl disaster.**¹

In the first sentence, which refers to the Russia-Ukraine conflict, **it is made clear to Kyiv that it should not expect military support; and the very fact of external aggression is not mentioned.** Declaration states that **"the conflict in Ukraine can be settled only by diplomatic means."** Thus, Kyiv and Moscow may conclude that nobody is going to assist Ukraine with weapons – and this fact is unlikely to encourage Russia to de-escalation. Further in the text of the declaration it is mentioned about the respect for sovereignty and territorial integrity of Ukraine, as well as the non-recognition of Russia's annexation of Crimea. So, the G7 admits the fact of annexation, but simultaneously considers the conflict as **internal**, literally: "the conflict **in** Ukraine."²

Leaders of the Group of Seven urged "all sides" to observe ceasefire, thus actually placing on Kyiv the same responsibility as on the Russian-separatist forces. Besides, **the G7 urged all sides "to fulfil their commitments without delay with a view to holding local elections in certain areas of the Donetsk and Luhansk regions as soon as possible in accordance with the Minsk agreements."** And no a single word about security conditions for holding of elections, not to mention the OSCE police mission.

The G7 reaffirmed its readiness to support reforms in Ukraine, and **urged Kyiv to strengthen fight against corruption.** By mentioning fight against corruption immediately after statement about keeping sanctions against Russia, the Group of Seven apparently wanted to emphasize that these issues are interrelated, and the Western

¹ <http://www.mofa.go.jp/files/000160266.pdf>

² <http://www.mofa.go.jp/files/000160266.pdf>

support depends on Ukraine's intention to implement reforms.

The declaration mentioned the importance of reforming the Ukrainian energy sector, and strengthening cooperation between the Ukrainian national gas transmission system operator and relevant international peers. The G7 also mentioned the 30th anniversary of the Chernobyl catastrophe, reaffirming "commitment to undertake joint efforts with Ukraine to convert the Chernobyl site into a stable and environmentally safe condition." However, no any specific commitment was named.

The positive point for Kyiv was that the **Group of Seven recalled that the duration of sanctions against Russia is clearly linked to the complete implementation of the Minsk agreements and respect for Ukraine's sovereignty. The G7 even warned Moscow of the possibility of "further restrictive measures** in order to increase cost on Russia should its actions so require." With that, the G7 recognized the "importance of maintaining dialogue with Russia." **The EU High Representative for Foreign Affairs and Security Policy Federica Mogherini assures that in June the EU will extend sanctions against Russia;**³ but there is no certainty for how long. There is a high probability that in December 2016 sanctions may be either lifted, or at least eased to the comfortable (for the Kremlin) level.

During the German-Russian Forum, in Berlin, on May 30, **Frank-Walter Steinmeier proposed to "gradually reduce the sanctions"** in accordance with the progress in settlement in Donbas.⁴ Actually, it is difficult to say where the German minister finds enough progress to talk about reducing the sanctions – Moscow has not stopped the shelling, has not withdrawn its troops, and continues transferring weapons and fighters to Donbas. Mr. Steinmeier also said that Germany will expand cooperation with Russian universities and strengthen youth exchange program. These steps are not in line with the policy of isolating Russia; and it is remarkably that Berlin does not offer such programs to Ukraine, a victim of Russian aggression.

In May, similar to Mr. Steinmeier, the call for gradual lifting of sanctions was voiced by the **German Vice-Chancellor Sigmar Gabriel.**⁵ **Greek Prime Minister Alexis Tsipras** said that sanctions were "counterproductive."⁶ On May 18, **Italian Veneto Regional Council** (north-eastern region centred in Venice) passed a resolution recognizing Crimea a part of Russia and calling the Italian Government to lift sanctions.⁷ In June, pro-Russian politicians will try to pass the similar decision in three more regions of Italy: Lombardy, Liguria and Tuscany.⁸ Strong sentiments for lifting sanctions are in Paris. **On May 31, Ukrainian Parliament adopted a formal appeal to the French Senate, urging not to support the resolution on lifting sanctions.**⁹ The relevant issue will be considered in the Senate on June 8.

European Commission President Jean-Claude Juncker decided to help Russia break through the diplomatic isolation – he is going to take part in St. Petersburg International Economic Forum scheduled for June 16, thus being the first top-level EU official to visit Russia since the introduction of sanctions. Juncker's excuses that dialogue should be maintained and European arguments must be brought to Russia – does not stand up to criticism. Contacts with Russian leadership constantly continue, the problem is that the Kremlin ignores the EU position. **Lithuanian Foreign Minister Linas Linkevicius rightly noted that "Meetings for the sake of meetings as such do not bring added value to EU-**

³ <http://www.dw.com/uk/могеріні-впевнена-що-єс-продовжить-санкції-щодо-росії/a-19268462>

⁴ http://www.auswaertiges-amt.de/DE/Infoservice/Presse/Reden/2016/160530_BM_DEU_RUS_Forum.html

⁵ <http://ukrainian.voanews.com/content/germany-russia-sanctions/3348508.html>

⁶ http://www.bbc.com/russian/news/2016/05/160527_tsipras_condemns_sanctions

⁷ <http://corrieredelveneto.corriere.it/veneto/notizie/politica/2016/18-maggio-2016/crimea-russa-voto-veneto-divide-partiti-fa-infuriare-l-ucraina-240444240382.shtml>

⁸ <http://ria.ru/world/20160531/1441259912.html>

⁹ <http://www.eurointegration.com.ua/articles/2016/05/31/7050100/>

Russia relations," while "the Kremlin uses meetings to create the impression of business as usual, and usually reports this impression to their own public."¹⁰

Thus, despite the G7 decision to continue sanctions against Russia and a large probability that the EU sanctions will be extended for another six months, Russophile position in Europe becomes stronger. Soon, Kyiv may face a risk of significant reduction in the sanctions, this only real Western leverage in relations with Moscow. The G7 declaration advises what Ukraine should do to not lose the Western support, emphasizing the need for reform and fight against corruption.



¹⁰ <http://www.politico.eu/article/jean-claude-junker-trip-to-russia-vladimir-putin-raises-concerns/>

UKRAINE – NATO



KEY THEME ANALYSIS

NATO MAKES PREPARATIONS FOR THE WARSAW SUMMIT; UKRAINE DROPS OUT OF THE LIST OF POTENTIAL CANDIDATES FOR MEMBERSHIP

In the framework of preparations for the Warsaw Summit, the meetings of NATO Foreign Ministers and Parliamentary Assembly were held, both of which confirmed the intention to strengthen the Alliance's Eastern flank. Georgia hopes for approaching the MAP. Ukraine drops out of the list of potential candidates for membership; and Kyiv should not put many hopes on the Warsaw Summit.

At the NATO Foreign Ministers meeting held in Brussels, on May 19-20, 2016, an *Accession Protocol with Montenegro* was signed, and preparations for the Warsaw NATO summit were discussed.

At a joint press conference with Montenegrin Prime Minister, **NATO Secretary General Jens Stoltenberg stressed that the accession of Montenegro is "a clear sign that NATO's door remains open for partners that share and promote our values."**¹¹ But actually, besides the shared values, a political will is also needed – both of the NATO members and of the candidate countries. The Alliance had such a will regarding Montenegro, because it firmly decided to provide membership to all the Balkan countries – to remove a constant source of tension from this region. **Montenegrin capital Podgorica also had enough political will and, unlike Kyiv, did not fall for pro-Russian tricks about the alleged "necessity" of referendum on NATO membership.**

The Allied Ministers confirmed their intention to approve at the Warsaw Summit a decision on **deployment of four thousand rotation troops in Estonia, Latvia, Lithuania and Poland.** They also discussed **expansion of cooperation between NATO and the European Union** in the sea and in combating hybrid threats and cyber attacks. It was confirmed that **during the Warsaw summit a meeting of the NATO-Ukraine Commission at the highest level would be held.**

German and French Foreign Ministers insisted that before the Warsaw Summit, NATO should hold a meeting with Russia and explain its plans to the Kremlin. This proposal weakens the Alliance's positions due to **demonstration of fear.** Moreover, it is humiliating, because Moscow never informs Brussels about its plans for the CSTO summits. So, it is not surprising that **Russian Minister Sergey Lavrov contemptuously and rudely commented the words of NATO Secretary General Jens Stoltenberg on intention to ask**

¹¹ http://www.nato.int/cps/uk/natohq/news_131132.htm

Moscow for a NATO-Russia Council meeting: *"Why did he (Stoltenberg) say it? ... If they want to discuss it, let us discuss, and leave alone the microphone."*¹²

During the Brussels ministerial, the **NATO-Ukraine meeting at the level of Chiefs of Staff took place at NATO Headquarters**. They discussed the situation in Donbas, directions of further cooperation, and the main provisions of the future State Target Programme for the Armed Forces of Ukraine Development until 2022. Ukraine's Chief of General Staff Viktor Muzhenko held bilateral meetings with the Supreme Allied Commander Europe Curtis M. Scaparrotti, as well as Chiefs of General Staff of the U.S., Poland, Estonia, Latvia, Lithuania, Turkey and South Korea. The prospects for deepening military cooperation were discussed.

The NATO Parliamentary Assembly held a meeting in the Albanian capital Tirana, on May 30. In the adopted declaration the PA clearly named Russia's actions as "aggression against Ukraine", recalled the "illegal annexation" of Crimea and "continuing illegal occupation" of Abkhazia and South Ossetia," as well as "provocations directed against Allies." In this respect, the PA recalled that "NATO's core mission is the collective defence," and that **"all Allies remain committed to the fundamental principle enshrined in Article 5 of the Washington Treaty that an attack against one is an attack against all."** Thus, NATO has no choice but **"to consider the prospect of aggressive Russian action against an Alliance member as a potential threat,"** and "to adopt measured, proportionate responses."¹³

The NATO PA urges to ensure at the Warsaw Summit that all 28 Allies continue to provide reassurance to those Allies who feel their security is under threat; to continue strengthening conventional and nuclear deterrence; to strengthen cooperation with Sweden and Finland; **to reaffirm that the Black Sea remains an important component of Euro-Atlantic security, and to strengthen in this respect cooperation with Georgia, Ukraine and Moldova;** to develop a comprehensive strategy for supporting stability in the Alliance's southern neighbourhood; to expand further cooperation on the management of migration flows; to enhance the European dimension of the Alliance; **to continue denouncing Russia's ongoing occupation of Georgian and Ukrainian territories, and to assist both countries with domestic reforms;** to continue to support the right of partners to make independent and sovereign choices on their foreign and security policy free from external pressure and coercion.

Besides, the PA declaration urges **"to reaffirm all the elements of the 2008 Bucharest Summit decision that Georgia will become a member of NATO with a Membership Action Plan (MAP) as an integral part of the process," (Ukraine was not mentioned, although at the Bucharest Summit it had been also promised the membership prospects);** to support Bosnia and Herzegovina's efforts so that its first MAP can be activated as soon as possible; and to reiterate NATO's firm commitment to the Euro-Atlantic integration of Macedonia.¹⁴

On May 20, 2016, the National Security and Defence Council of Ukraine chaired by Petro Poroshenko considered the Strategic Defence Bulletin and the issues related with planning and implementation of the state defence order. The President called the Strategic Defence Bulletin "a roadmap of security and defence reforms" with a view to possible NATO membership: ***"The given project is virtually the beginning of real restructuring of security and defence sector aimed at joining NATO. It doesn't mean that the decision on the accession is being made now. Certainly, we remain in the sphere of our international commitments, but it is a milestone for our***

¹² <http://tass.ru/politika/3300490>

¹³ <http://www.nato-pa.int/default.asp?SHORTCUT=4203>

¹⁴ <http://www.nato-pa.int/default.asp?SHORTCUT=4203>

Armed Forces and national security and defence sector."¹⁵ Thus, one can note in this President's statement the familiar **reluctance to clearly speak about the course for NATO membership**.

The positive news was the decision of May 27 **to appoint the former NATO Secretary General (2009-2014) Anders Fogh Rasmussen as an Advisor to the President of Ukraine**. The experience of ex-NATO chief will be helpful to Ukraine, especially if he gets actual access to defence and security sector reforms aimed at meeting the NATO standards. However, it should be noted that the present authority, like the previous one, rarely listens to the advices of the Western high officials.

NATO's decision to deploy four thousand soldiers in the Baltic countries has a symbolic significance to demonstrate solidarity, while actually such a small number of troops would not be able to curb the possible Russian aggression. Idea-fix "to not irritate Moscow" is still strong among some Allies; and the NATO intention to explain its steps to the Kremlin is considered in Moscow as weakness.

Ukraine is no longer mentioned in the list of candidates for NATO membership even in the PA declarations, while just a year ago the PA emphasized the validity of the Budapest Summit decision on Ukraine's membership prospects. The main reason is Kyiv's position – Ukraine is much less consistent and persistent in the issue of membership than Montenegro and Georgia.



¹⁵ <http://www.president.gov.ua/en/news/mi-pochinayemo-realnu-perebudovu-sektoru-oboroni-ta-bezpeki-37135>

FOREIGN POLICY OF UKRAINE



KEY THEME ANALYSIS

THE RELEASE OF NADIYA SAVCHENKO, AND PROSPECTS OF MINSK / "NORMANDY" PEACE PROCESSES

Despite the absolute value from a human point of view, the release of Ukrainian pilots Nadiya Savchenko generated many questions among experts about the possible demands of the "Normandy" counterparts to make Kyiv pay for this Kremlin's "concession."

The release of Nadiya Savchenko was the only landmark achievement in the framework of the Minsk and Normandy processes in the last few months. **On May 25, Ukrainian pilot was exchanged for two Russian intelligence officers, Eugene Erofeev and Alexander Alexandrov;** Presidents Vladimir Putin and Petro Poroshenko signed the corresponding decree of pardon.

French President Francois Hollande told reporters that **decision on this exchange was agreed during the telephone talks of the "Normandy" Four on May 23.**¹⁶ It is doubtful that the talks were only about the exchange, without reference to other issues of the Minsk agreements implementation. Remarkably, during the meeting with Petro Poroshenko, **just a few hours after arrival to Ukraine, Nadiya Savchenko expressed support for the Minsk agreements: "It is great that we have the Minsk agreements. It is great that they will be fulfilled. We will do everything for them to be fulfilled."**¹⁷ Quoting of these Savchenko's words on the official Presidential website indicates intention to emphasize them.

On the very day of Savchenko's release, **German Foreign Minister Frank-Walter Steinmeier said: "I hope that today's exchange of prisoners will help to build trust between the two countries, and create a positive situation for the Minsk process."**¹⁸ Obviously, it is just a wishful thinking of Mr. Steinmeier – even the exchange procedure indicated the extremely low level of mutual trust between Kyiv and Moscow, which did their best to make exchange strictly simultaneously. However, there is no doubt that the German Minister will repeat his words at the next "Normandy" meetings, **insisting that Moscow took a step to reconciliation, and demanding a step forwards from Kyiv, namely, elections**

¹⁶ <http://www.lefigaro.fr/flash-actu/2016/05/25/97001-20160525FILWWW00217-liberation-de-savchenko-conforme-elysee.php>

¹⁷ <http://www.president.gov.ua/en/news/ce-lishe-pochatok-prezident-pro-povernennya-nadiyi-savchenko-37187>

¹⁸ <http://ukrainian.voanews.com/content/nimechchyna-savchenko/3345627.html>

in Donbas.

The probability of this scenario is indicated by the commentary of the U.S. Secretary of State **John Kerry, who called Savchenko's release "an important part of fulfilling Russia's commitments under the Minsk agreements," which "should now provide impetus for their complete implementation."**¹⁹ He also stated about the need for comprehensive and sustained ceasefire; full access for the OSCE to the area affected by the conflict; and elections in Donbas monitored by the OSCE Office for Democratic Institutions and Human Rights (and not mentioning any armed police mission, demanded by Ukraine). Only then, Secretary of State mentioned the withdrawal of foreign forces and return to Ukraine of full control over its border (and not before the elections, as Kyiv insists).

In the mid-May, in Moscow, **the U.S. Assistant Secretary of State Victoria Nuland had a meeting with Russian presidential aide Vladislav Surkov.** They discussed the implementation of the Minsk agreements. No specific information on the meeting was available, but judging from the John Kerri's statement quoted above, there was no positive news for Kyiv. Contrarily, the information on the preparation of the draft law on elections in the occupied territories, published by Ukrainian journalists,²⁰ indicates that the Moscow-Berlin settlement scenario prevails.

The President's Internet site informed that on May 23, during the "Normandy" Four phone talks, "leaders of Ukraine, France, Germany and Russia supported the deployment of the OSCE police mission in Donbas."²¹ But this information was confirmed neither by Berlin, nor by Paris. And Moscow actually denied it with **Sergei Lavrov's words: "Now the topic of security suddenly became the main to Poroshenko; and it is not only about a ceasefire, but also about some security forces throughout Donbas. I want to say: Donbas will never agree on this "**²²

In addition to the local elections, demanded by Berlin, Paris and Washington, **Moscow expects to get in exchange for Savchenko's freedom the lifting of sanctions or at least their reducing to the comfortable level.** German Vice Chancellor Sigmar Gabriel²³ and Foreign Minister Frank-Walter Steinmeier²⁴ already called for gradual lifting of sanctions.

Besides, **Mr. Putin reasonably expects that Nadiya Savchenko can become a political competitor to Ukraine's President Petro Poroshenko,** whose public support significantly fell due to the lack of reforms and offshore scandals. Given Savchenko's membership in the opposition "Fatherland" ("Batkivshchyna") political party, such development is highly possible.

The release of Nadiya Savchenko is certainly an important event, but, unfortunately, it is just a tactical victory of Kyiv, while its opponents will do their best to use this event in their strategic plans. By freeing the hostage on the one hand, and increasing attacks in Donbas on the other, Russia offers the West an illusion of choice between the better and worsen options. Brussels, Berlin and Washington seeks the way to lift sanctions and return to "business as usual" with Russia. So, they may accept the Kremlin's scenario, if Kyiv does not offer a real alternative and does not prove its ability to implement reforms.

¹⁹ <http://www.state.gov/secretary/remarks/2016/05/257722.htm>

²⁰ http://gazeta.dt.ua/internal/viyna-i-minsk-_.html

²¹ <http://www.president.gov.ua/en/news/prezident-ukrayini-proviv-telefonnu-rozmovu-u-normandskomu-f-37183>

²² <http://www.eurointegration.com.ua/news/2016/05/31/7050069>

²³ <http://ukrainian.voanews.com/content/germany-russia-sanctions/3348508.html>

²⁴ http://www.auswaertiges-amt.de/DE/Infoservice/Presse/Reden/2016/160530_BM_DEU_RUS_Forum.html