



NATO DEFENSE COLLEGE FOUNDATION

EASTERN EUROPE STRATEGIC TRENDS

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Executive summary

A new visa facilitation agreement between the European Union and Ukraine entered into force the 1st of July, enhancing cooperation between Kiev and Brussels ahead of the Summit of the Eastern Partnership, which will be held in Vilnius in November. Ukraine wants to sign a Stabilization and Association Agreement (SAA), as well as a free trade agreement. Yet Kiev has not yet released Yulia Tymoshenko, whose freedom is the condition set by the EU to sign these deals.

The SAA and the free trade agreement are Moldova's priorities too. The European Commissioner for Enlargement Stefan Fuele and the High Representative for Foreign Affairs and Security Policy of the EU, Catherine Ashton, met with Moldova's leader in July to check if the commitment for reforms required to sign the deals, especially in the field of justice, is sincere. Also Traian Basescu, the President of Romania, Chisinau's main sponsor in the EU, paid a visit to the post-Soviet republic in July.

The EU is negotiating the signature of the SAA with Georgia as well. Yet Russia, which wants to keep influence in Tbilisi, leveraged its control over one of Georgia's breakaway regions, Southern Ossetia, to put Georgia under pressure.

Situation report

Ukraine

A new visa facilitation agreement between the European Union and Ukraine entered into force on July 1. It broadens the list of those enabled to get free visas for travelling to Europe for short periods. The agreement is one of the measures through which Brussels and Kiev are working to enhance cooperation. The main ones, the Stabilization and Association Agreement and a free trade agreement, will be discussed in the coming months, ahead of the summit of the Eastern Partnership, a European program aimed at fostering stronger ties with post-Soviet republic and limit Russia's influence, as consequence, on Europe's Eastern periphery. The summit will be held in Vilnius in November.

Ukraine would want to sign both the deals, which for the former Soviet republic would be similar in magnitude to the fall of the Berlin Wall in Germany, said Ukraine's ambassador to the EU, Kostiantyn Yeliseiev, on July 19. Despite this rhetorical statement, the deals are key to give Kiev an umbrella to protect itself against economic weaknesses (Standard & Poor's recently stated that Ukraine is one of the most-exposed emerging markets to a liquidity squeeze) and Russia's strategic appetites. Moscow wants to keep Ukraine under its sphere of influence and is making huge pressures through energy leverage, by saying that if Kiev wants a discount on gas prices (too high for the post-Soviet republic's current financial resources), it should hand over its grid of pipelines to Gazprom or join the Russia-Kazakh-Belarusian Custom Union. Recently, while attending in Kiev the 1025th anniversary of the foundation of the Kievan Rus, the cradle of the Russian nation, Russia's

President Vladimir Putin urged Ukraine to weigh carefully the benefits of joining the Custom Union, which according to him gives Ukraine more growth chances than deals with the EU. Ukraine has resisted so far to Russia by joining the Custom Union just as observer and cutting gas imports.

Yanukovich feels the pressure of the EU as well, since the 28-bloc set the release of Yulia Tymoshenko, convicted to seven years in 2011, as the condition to sign the SAA and the agreement on a free trade area. Yanukovich said once again that he is not going to pardon Tymoshenko. He only pardoned Yuri Lutsenko, a key ally to Tymoshenko who served as Minister of Interior during her two mandates as Prime Minister. Lutsenko was previously convicted for abuse of power after a trial that, as well as the one attended by Tymoshenko, was considered politically motivated.

Moldova

The European Commissioner for Enlargement Stefan Fuele and the High Representative for Foreign Affairs and Security Policy of the EU, Catherine Ashton, met with Moldova's leadership in July, showing a commitment to secure stronger ties with the post-Soviet republic.

Fuele met with Moldova's Head of State Nicolae Timofti on July 2 in Brussels. He stated that Moldova should draw lessons from the political crisis experienced in the previous months, which ended with the appointment of the former Minister of Foreign Affairs Iurie Leanca as Prime Minister and a new deal between pro-EU parties. Fuele left the doors opened ahead of Vilnius Summit, saying that if issues raised by the EU will be addressed, Moldova will have a chance to sign the SAA and other deals with Brussels. Fuele basically meant the need for comprehensive reforms aimed at fighting corruption and strengthen the independence of the judiciary system. As a matter of fact its politicization was one of the main reasons behind the recent political crisis in Chisinau.

Catherine Ashton said more or less the same things when she visited Chisinau on July 9. She praised Moldova's efforts to escape snap elections and remarked that the path to the EU has not been jeopardized, although reforms must be speeded up quickly.

Few days later also Romania's President, Traian Basescu, landed in Chisinau. He renewed his endorsement for Moldova's European bid and discussed current efforts to reach a settlement in the long-running dispute between Moldova its breakaway region, Transnistria, which is backed by Moscow. On July 4, the OSCE Parliamentary Assembly tried to give a new impetus to negotiations by adopting a resolution that highlights the need for a special judicial status for Transnistria in the framework of the integrity of Moldova's territory. Alongside Russia, Ukraine, Moldova and Transnistria, plus the EU and the US as observers, OSCE in one of the members of the so called 5+2, a group working for a diplomatic solution to the Moldova-Transnistria frozen conflict.

Georgia

The United National Movement (UNM), the party founded by the President Mikhail Saakashvili, lost majority in Tbilisi City Council in July because Koki Ionatamishvili, the head of the party faction, resigned and joined the group formed by independent councillors.

Ionatamishvili's decision, which stemmed from disappointment with party leadership, reflects divisions and frustrations in the UNM after general elections in October, which were won by the Georgian Dream, an electoral coalition led by the oligarch Bidzina Ivanishvili, now Prime Minister. Ionatamishvili is not the only member of the UNM who left the party in the last months. Some MPs, for example, made the same choice.

Supporters of the UNM now hope that David Bakradze, the speaker of the UNM faction in the Parliament, who recently won party primaries for presidential elections, can help the party to find a new unity. Elections will take place on October 31. The new Head of State will have less powers than the outgoing Mikhail Saakashvili, who will not run for a third term. A new law, agreed by parties, cut some of the presidential powers, paving the way to a transition from a presidential republic to a parliamentary republic.

Despite stakes are lower than in previous presidential elections, the vote will be a crucial test for Georgia's European and Atlantic aspirations, which had been the main purposes of the UNM in the period during which the party ruled the country (2003-2013).

The current coalition still wants to pursue these goals, although trying to mend ties with Russia. Diplomatic relations were interrupted after the war in August 2008, which infringed Georgia's territorial integrity, as its breakaway regions, Abkhazia and Southern Ossetia, declared independence backed by Moscow. Some steps have been done so far to improve the dialogue (Russia lifted the ban on Georgian wine and mineral waters, Ivanishvili said he will attend the opening ceremony of Sochi Winter Olympics in February 2014), yet contrasts related to the status of Abkhazia and Southern Ossetia periodically affect the process or rapprochement. Georgia does not want to give up the idea of re-establish a form of sovereignty over these territories. Russia dislikes such a perspective, as control over Abkhazia and Southern Ossetia are key to limit Georgia's Euro-Atlantic bid, which – this must be stressed – is undermined also by arrests of some prominent member of the UNM, among them the former Georgian Prime Minister Vano Merabishvili, who might become Georgia's Tymoshenko.

Recently, Russia's border guards, to whom South Ossetia's authorities demanded the border control, erected barbed wired barriers along the frontier with Georgia. The question is spreading concerns among the international community. NATO General Secretary Anders Fogh Rasmussen criticized the "Georgian Wall" early in July.

Regional trends

As the summit of the Eastern Partnership is approaching fast, Russia has raised its efforts to hijack the signature of the SAA and free trade agreements between the EU and Moldova, Ukraine and Georgia, which potentially could jeopardize Putin's dream of forging a Eurasian space led by Moscow.

Moscow is playing different cards. Energy leverage remains the tool to make pressures on Ukraine, which is most sensible issue for Moscow's foreign policy. Losing influence on Ukraine would be a fatal blow to Russia, which might lose its imperial weight and evolve towards an ordinary nation-state, as stated several times by experts, among them Zbigniew Brzezinski.

As for Georgia and Moldova, recent manoeuvres in breakaway regions of these two countries (last month Transnistria literally seized a couple of Moldovan villages claiming a new settlement along the border) seem directly connected to the Kremlin goal. However Moscow gives a higher priority to Georgia. Keeping influence on it is key to stability in Caucasian region, not to mention the fact that Georgia is a very important energy corridor. Someway Moldova is more peripheral, although Transnistria is a card that will still be played to limit the European enlargement.

The European tactic ahead of the summit of the Eastern Partnership is gaining weight as well. The EU realized that despite the lack of reforms in Moldova, Tymoshenko case in Ukraine and political turbulences in Georgia, as well as things that would suggest the EU to postpone the signature of SAA and free trade deals, concrete results must be shown. After putting a huge emphasis on the political importance of the Eastern Partnership Summit, the EU can't base the Vilnius meeting just on some mere auspices focusing on a deeper cooperation with post-Soviet countries. The EU has privileged a "standards before agreements" approach so far. One should not rule out that this approach might be reversed (first agreements, then standards).