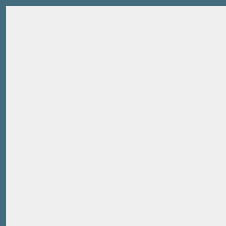




UKRAINE'S
FOREIGN
POLICY
AUDIT.

T
TRUMAN



INDEX OF
RELATIONS



Dear colleagues, partners and friends,

We, Truman agency consultants, are happy to inform that a new analytical product is launched together with the Institute of the World Policy (IWP).

This study is a deep analysis of the current situation in Ukraine's foreign policy by key areas: the EU, the US, the Russian Federation and the People's Republic of China.

The document prepared by the IWP experts is based not only on their observations but also on exclusive comments by Ukrainian officials, Ukrainian and foreign diplomats, government officials and opinion leaders. The monitoring will be provided on a regular basis, which will help observe the dynamics of the bilateral relations development and compare forecasts with reality.

Since the inception of this project, we strongly believed that Ukraine has taken the path of radical internal changes and would succeed despite all the difficulties be it domestic or international. Therefore, we consider the foreign political relations index of Ukraine so important.

There is another reason today is a very important day for us: this is the first time we present The Truman Agency brand created by Ogilvy to the public; during the beta stage of the project, the name Victory Communications (VICOMM) was used.

Our experts create and introduce communication programmes that engage the political establishment and other target audiences in a constructive dialogue on both the national and the international levels. The result of this work will always be the growth of goodwill, increased trust and more opportunities for our clients.

Learn more about us and our projects soon on the company's website www.trumanagency.com. Please, do not hesitate to contact me with your questions personally as well.

Thank you for your interest in Ukraine in the international context.

Regards,
Viktoriya Zarkevskaya,

The Truman Agency Partner
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RESEARCH METHODOLOGY

The publication “Ukraine’s Foreign Policy Audit. Index of Relations” is based on the monitoring and analysis of the events in the foreign policy of Ukraine by key areas: the EU, the US, the Russian Federation and the People’s Republic of China. The document is issued regularly, at least once every four months, to monitor the dynamics in the developments. In addition to the permanent areas, the expert group will provide an analysis of a special topic, i.e. the most important event, issue or trend for the reporting period. Besides by the experts’ observations, an important component of the research is exclusive interviews with Ukrainian officials responsible for certain areas in the foreign policy, Ukrainian and foreign diplomats. Furthermore, the document is based on numerous discussions with foreign opinion leaders and officials.

The report presents an analysis of foreign political events in Ukraine in each area, as well as that of the partner country’s (region’s) approaches to Ukraine within the period under research. The document discloses the context of the events and provides the assessment of factors that affect the country’s reputation. A forecast of the developments is made based on the facts presented.

Along with the qualitative analysis, the researchers have performed a quantitative analysis, assessing each area on a ten-grade scale.

Step criteria (0.5 points each):

- Discussion
- Agreement
- Document signing
- Implementation commencement
- Finance allocation
- Political support
- Headline-making public statements
- Partial implementation of agreements
- New initiatives
- Full implementation of agreements.

A “minus” will be applied to the score if the criteria assessment is negative.

Total score for the area is the sum of points for the criteria, which characterize the area within the reporting period.

The expert group takes the BISS¹ methodology as the basis: they have developed a clear scale for foreign policy events assessment.

Event assessment scale:

Economic and political integration, entry of agreements for more intensive cooperation into force – **7-10 points**

Signature/ratification of an important agreement (on cooperation, trade, tariffs etc., signature of agreements on integration), provision of loans or economic aid – **4-6 points**

Official visits at the ministerial level (key ministers: Foreign Affairs, Interior, Defence, Economy and Finance), negotiations on the conclusion of agreements, Top level (President or Prime Minister) official visit by any of the parties – **1-3 points**

Positive statements made by the key politicians of the state and by the Ministry of Foreign Affairs on the foreign policy direction, parliamentary resolutions – **1-2 points**

Official visit at the vice minister (or non-key minister) level, a visit of a parliamentary delegation, exhibitions, business forums, national culture days, important diplomatic contacts and negotiations – **1 point**

Negative statements made by the key politicians of the state and by the Ministry of Foreign Affairs on the foreign policy direction, parliamentary resolutions – **minus 1-2 points**

Delays in agreement ratifications, denial of invitations to events, denial of support at the international level – **minus 2-4 points**

Breach of an agreement or mutual obligations – **minus 3 points**

Trade wars, antidumping investigations, boycott of goods, embargos, expulsion of diplomats, recall of ambassadors – **minus 4-6 points**

Severing of diplomatic relations, provocations or hostilities – **minus 7-10 points.**

Relations between Ukraine and the European Union

Total index: **+30**

Positive points: **+42**

Negative points: **-12**

SUMMARY OF RELATIONS

Kyiv currently has several priorities in relations with the European Union: to retain sanctions against Russia, secure visa liberalization, obtain the second macrofinance assistance tranche of EUR 600 million, as well as to complete the Association Agreement or at least to find an acceptable way out of the collision after the Dutch referendum.

Brussels, in turn, is waiting for reforms in Ukraine (anticorruption, energy and justice system reforms) as well as for decentralization. They believe that Ukraine's main task is to create and bolster the institutions capable of efficient and independent work.

Differences in the priorities of Kyiv and Brussels sparked several major disputes over these 4 months, and the EU had to make strong statements. The Ukrainian authorities face increasing difficulties in aligning their political agenda with the EU expectations, especially in sensitive areas like anticorruption efforts, transparency of the authorities and new energy market regulations. The anticorruption area is seen by the EU members as a litmus paper, the main test for Ukraine on which both the country's prospects and its future relations with the EU depend. Therefore, the delays and hesitation in corruption curbing have displeased the European Union and will do so in the future. The Europeans' attention to Ukraine has been weakening during this period: they were distracted by the migration crisis and several terrorist attacks; their priorities shifted completely when Britain voted to leave the EU. Suddenly, the Union found itself facing radical changes that will shape its future. At the moment, various groups of the EU member states promote their own vision of the 'relaunch', and the European governments' and institutions' attention and resources are drawn to development of a common strategy and resolution of the migration crisis.

In this situation, Kyiv continues to raise the issue of the Kremlin's role in internal European issues. Ukrainian leaders are afraid that the EU may revise their sanction policy with respect to Russia (the EU Council summit had this on their agenda for October) and, therefore, are pointing at the threats Putin's regime poses for the EU integrity.

According to certain optimistic forecasts, by the end of December the EU will take all decisions needed to grant a visa-free regime for Ukraine. The prospect of the visa-free regime has been a strong incentive for Ukrainian reforms over the last years, and the EU plans to replace it with financial instruments. Those include the promised financial assistance, new programmes, mediation in the relations between Ukraine and other donors, as well as potential negotiations on debt restructuring Ukraine is going to face in 2017-2018. The last two months demonstrated that the EU is ready to use this instrument should the Ukrainian authorities back away from their obligations.



Relations between Ukraine and the US

Total index: **+17**

Positive points: **+21.5**

Negative points: **-4.5**

SUMMARY OF RELATIONS

The American administration has entered a lame duck period, however, the dialogue between the two states remained very active over the last months, from June to September (albeit without any significant breakthrough). The current administration has earlier defined its overall strategy: to prevent any further escalation in Eastern Ukraine, as well as political chaos or economic disaster in the remaining parts of the country.

The US made certain attempts to overcome the deadlock in the Minsk agreements implementation. Although formally the US adhered to the formula that was very important for Ukraine (safety first, then elections), this period made it clear: Washington and Kyiv differ in their assessment of the safety level needed for Ukraine to comply with the political part of Minsk agreements. The fundamental difference is that the Americans believe they are really feasible and do not understand why we over-dramatize the real threats that the complete implementation of Minsk agreements poses for Ukraine's stability and the European vector of its development. Another difference is Washington's belief that Minsk agreements can be implemented at better terms for Ukraine today than in the future. On the contrary, Kyiv is sure that a quick implementation is now possible on Russia's terms only.

It has become clear in this period that Barack Obama will be the first President of the US over the period of Ukraine's independence who never visited Ukraine, although he had a chance do this during one of his European trips (e.g. on the eve of the NATO summit in Warsaw when Secretary of State John Kerry paid a short visit to Kyiv). This is his administration's mistake since a visit of the American President would make an important signal of the political support of Ukraine. It is worth noting that Poroshenko has not had any full-scale negotiations with President Obama over the last years, just talks on the side-lines of international events.

This is the first time the Ukrainian issue is featured, directly or indirectly (in conjunction with Russia), in the US pre-election discourse. Although this may sound like a paradox, this happened primarily owing to the Republican candidate Donald Trump (his rhetoric on Crimea, a scandal and resignation of Paul Manafort in connection with the Ukrainian case). In short, the Ukrainian approach to the Presidential elections in the US may be summarized as follows: Trump is not really something to be desired but Clinton is not a panacea either. In the latter case, however, it is more clear what channels to use to further develop the relations (which was proved by the meeting between Clinton and Poroshenko at the UN General Assembly in New York).

There are reasons to believe the US will continue to work on their two priorities in Ukraine: they will help to deter the Russian aggression and to fight corruption. It is clear that the next quarter will see the dialogue along these two lines, the only issue is which components these areas will include.

At this stage, the first area (curbing the Russian aggression) will include but not be limited to:

Sanctions against Russia coordinated by the US with their allies in Europe and the G7

Assistance in the settlement of the situation in Donbas (top level negotiations along Obama-Merkel, Obama-Putin and Nuland-Surkov lines)

Strengthening of Ukraine's defence capability (the US are training the National Guard and the Army, providing military equipment and experts in fighting corruption and the issues of the transfer to civil control)

The second area (fighting corruption) will include but not be limited to:

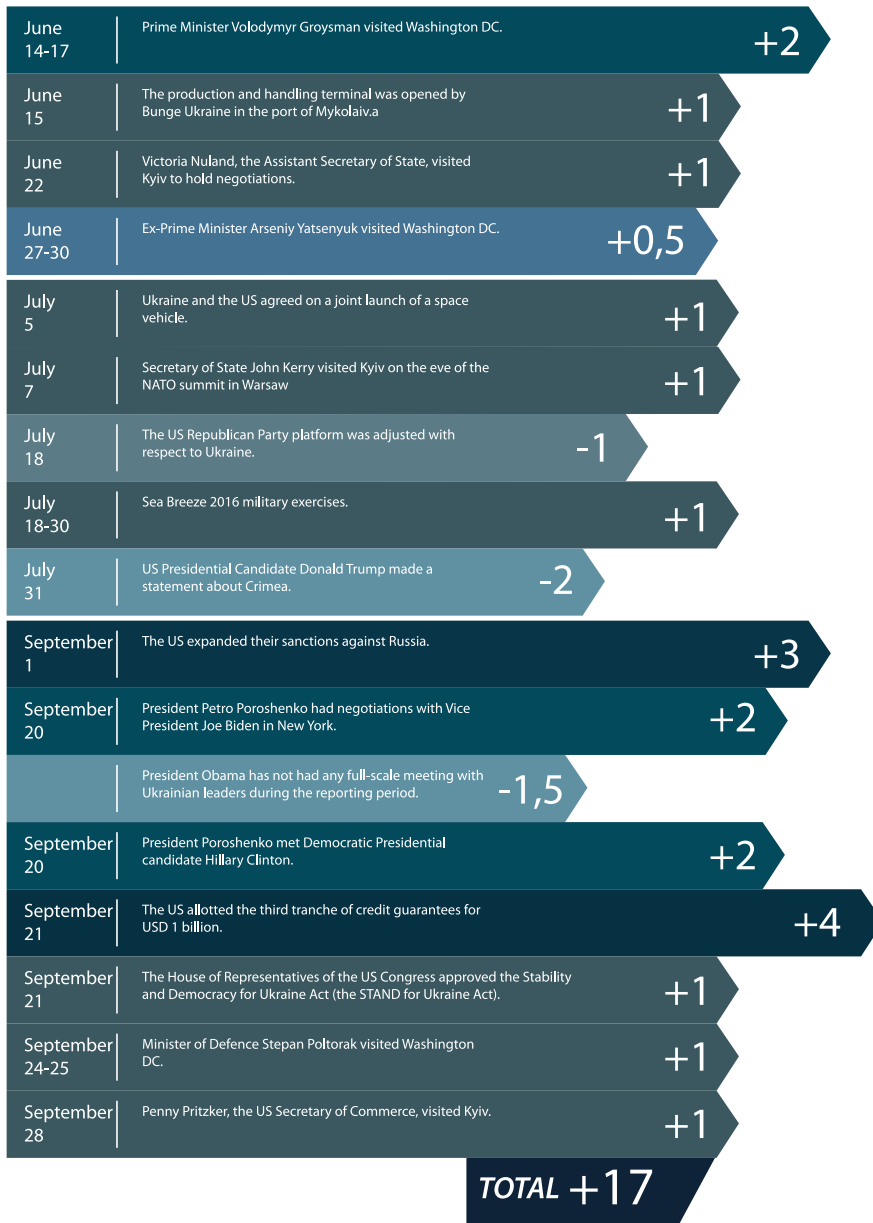
Creation and strengthening of independent anti-corruption authorities (the National Anti-Corruption Bureau of Ukraine, special anti-corruption prosecutor's office, General Inspectorate within the Prosecutor General's Office and the future anti-corruption court)

Support in the reform of law enforcement authorities and the judicial reform

Assistance in the customs reform

The approval of the Stability and Democracy for Ukraine Act (or the STAND for Ukraine Act) by the House of Representatives of the US Congress was important for Ukraine; among other issues, this Act legally forbids the US to recognize the annexation of Crimea, sets the sanctions and allows to supply Ukraine with lethal defensive weapons. It is not likely, however, that the current Senate and, moreover, the current President of the US will consider and approve the act as it is now.

American investors are still waiting. The exception is the production and handling terminal opened by Bunge Ukraine in the port of Mykolaiv. This includes a vegetable oil extraction plant and an oil terminal, and increases the grain terminal capacity (the investment amounts to USD 180 million). The outcome of Odesa Port Plant privatisation will be telling for the US: according to the IMF recommendations, it should take place this year.



Relations between Ukraine and the Russian Federation

Total index: **-39**
 Positive points: **+5**
 Negative points: **-44**

SUMMARY OF RELATIONS

The relations between Ukraine and Russia are still worsening: the leaders of the two countries ceased all communication via traditional channels (not always public), problems in the energy sector materialized, and there is a threat that hostilities in the East of Ukraine will resume. The Kremlin tried to present Ukraine as a state that cannot be dealt with. First, this is how Moscow treated Ukraine's refusal to accept a new Russian ambassador, and then they tried to blame the Ukrainian intelligence service for a firefight in Crimea. These two accidents brought the conflict between the two countries back on the world mass media front pages. Both Ukraine and the West treat similar accidents as provocations by the Kremlin. However, Ukrainian diplomats state that their Western colleagues sometimes share the position of Moscow. This is because Russia will first provoke a conflict and then position itself as a peacemaker (the Russian 'assistance' to Syria is a classic example).



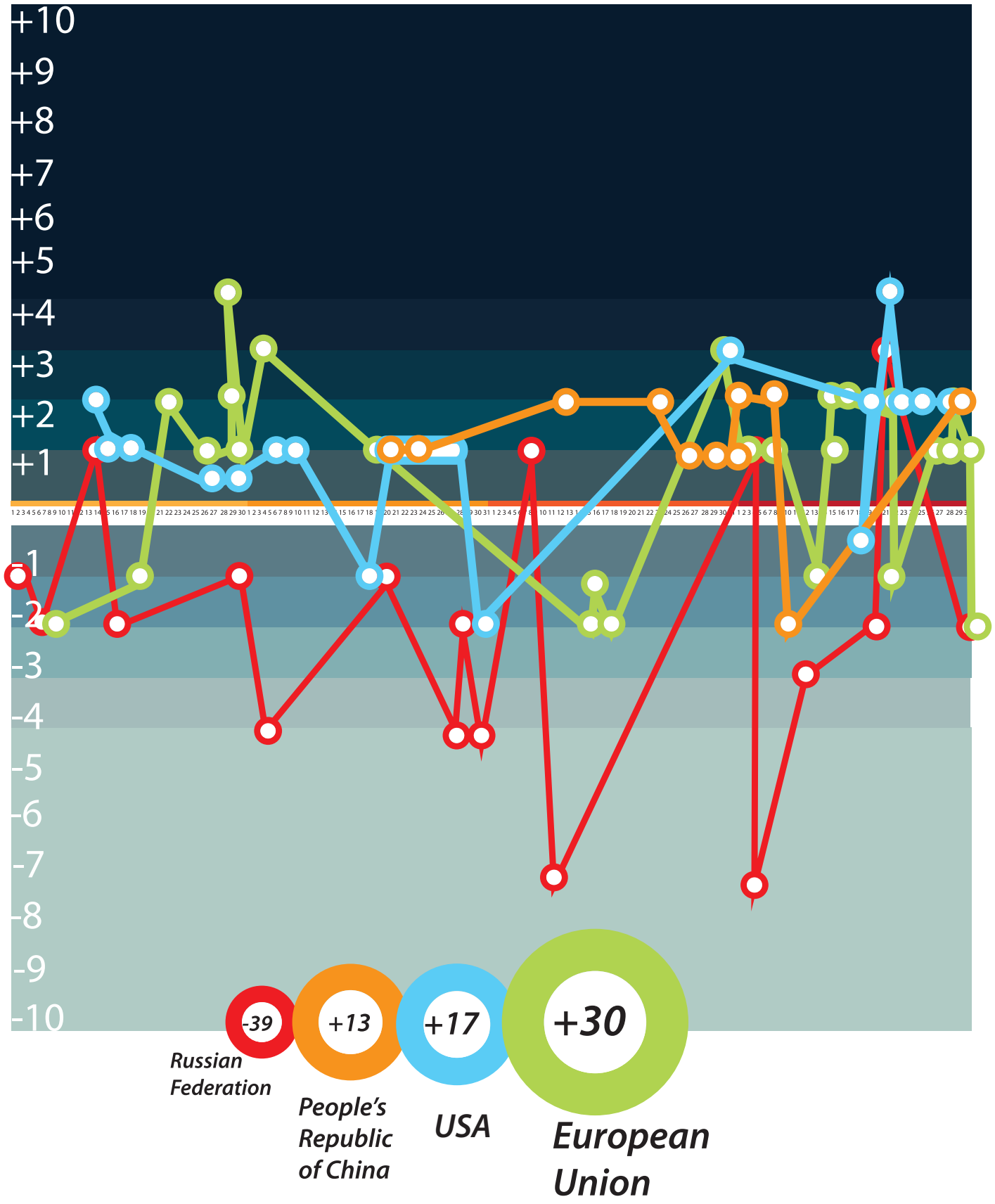
Relations between Ukraine and the People's Republic of China

Total index: **+13**
 Positive points: **+13**
 Negative points: **0**

SUMMARY OF RELATIONS

The relations between Ukraine and China were frozen in 2014–2015 and their main trend now is overcoming the negative consequences of that time. Three formal meetings of subcommissions of the Commission for Cooperation between the Government of Ukraine and the Government of the People's Republic of China took place in June–September. China was still hoping that the Ukrainian colleagues would change their formal and bureaucratic attitude to these meetings. Each of them stressed that the cooperation between Ukraine and China was of strategic importance, developed plans for future cooperation and discussed the importance for Ukraine to join the initiative of the economic belt of the Great Silk Road. Although Ukrainian officials still fail to make any real steps toward Chinese investments and Chinese business in Ukraine, the contacts between Ukraine and China at different levels and in different areas are getting more frequent, as the increasing number of delegations proves. China is becoming clearer in its support of Ukraine's sovereignty and territorial integrity on the global stage.





SPECIAL ISSUE:

Is Transnistria a Regional Game-Changer?

SUMMARY OF RELATIONS

Ukraine can relate to the Transnistrian issue since 2014 when Russia illegally annexed Crimea and tried to implement the huge Novorossiya project where this region was to become its westernmost part. The situation has changed by 2016, but Transnistria remains a problem for Kyiv and Chisinau alike.

Several important changes have taken place there since June 2016, which drew attention to this region. They include purely 'internal' processes, e.g. the economic crisis, political strife between two clans and so-called presidential elections to take place on December 11, 2016, as well as more important issues that may have an impact on the security of Ukraine and Moldova.

5+2 negotiations resumed in June 2016; Germany wants to see tangible results by the end of the year there. Germany and Russia touched upon the issues sensitive for Moldova: for example, they insist that Chisinau recognise diplomas and license plates issued in Transnistria. Thus, no progress was reached. In this conflict, any moves that damage the sovereignty and territorial integrity of Moldova may have an impact in the East of Ukraine. Transnistria is in a deep economic crisis and any cooperation between Ukraine and Moldova adds to its problems. Moreover, this crisis is unwinding with the presidential elections to take place on December 11, 2016. Anticipating these elections, the region leaser, following the results of the 2006 'referendum' signed an edict that requires a unification with Russia and adaptation of local law to Russian law, which only draws additional attention to the region.

Relations between Ukraine and the US

TIMELINE OF RELATIONS

Several differing factors and events have determined the relations between Ukraine and the US over the last several months, including: 1. The first steps of the new Ukrainian Government headed by Prime Minister Groysman, including his visit to the US and the appointment of new Prosecutor General Yuriy Lutsenko. 2. The US attempts to accelerate the resolution of the conflict in the East of Ukraine by the end of this year, e.g. while the current administration are still in the White House. 3. The active phase of the election campaign in the US where the main candidates in their discussions made statements related to Ukraine in some way. 4. The NATO summit in Warsaw where the Ukraine-NATO commission worked at the top level, and the US assistance in the security area. 5. The change of the US ambassador to Ukraine. Let us briefly analyse each factor.

1. First steps of the new Ukrainian Government chaired by Prime Minister V. Groysman, the Prime Minister's visit to the US, Yuriy Lutsenko's appointment as the Prosecutor General.

It is not a secret that the US were initially sceptical about the dismissal of Arseniy Yatsenyuk from the Prime Minister's office and appointment of Volodymyr Groysman who is loyal to the President. But the prospect of new parliamentary elections in Ukraine invited even more scepticism. Thus, a lesser evil was selected: the choice was made in favour of the new government chaired by Groysman rather than early elections. Even prior to Groysman's appointment, the US political and diplomatic circles and experts perceived him as a politician who was less prone to reforms than Yatseniuk (even though Groysman had a portfolio of local but tangible reforms in Vinnytsia). The destination for the new Prime Minister's first foreign visit was chosen for a reason: Groysman visited Washington DC on June 14-17, and the American experts decided that, first of all, he wanted to communicate personally to American capital that he really meant to continue the reforms and that his government included enough people who can implement them (almost all of them arrived with the Prime Minister to Washington).

After Yatseniuk's resignation, the US considered it very important that the relations between Poroshenko and Groysman on the one side and Yatseniuk on the other side remained constructive. American diplomats were happy to see Yatseniuk in the Bankova (Presidential Administration of Ukraine) after his resignation and to hear that he was willing to fully support the government. But this behaviour of Yatseniuk should not be credited exclusively to the American side's wishes. Yatseniuk himself is not interested in the destruction of the coalition and in early elections. Furthermore, this may be his wise tactics: he gives Groysman a free hand in his work and later the current Prime Minister will not be able to claim that his mistakes and errors are a result of a destructive coalition partner's (i.e. ex-Prime Minister's) interference. Anyway, Yatseniuk managed to maintain a demonstrative understanding face with the exception, maybe, of his own visit to Washington. This visit immediately followed Groysman's visit and included the most important components of the current Prime Minister's programme, e.g. a meeting with US Vice President Joe Biden.

The government circles presented Groysman's visit as 'a trip to get a billion'. This is a reference to the third and the last tranche of credit guarantees for USD 1 billion which is supposed to provide Ukraine with the gas subsidies (Ukraine and the US signed the agreement before Groysman's visit. It should be noted that the same billion was claimed as a success of the visit to

the US by President Poroshenko. Therefore, the US financial assistance is being turned into a kind of a sacral symbol, although experts for a long time advise to put stakes on American investments, not American assistance.

The whole issue with them is more complicated. Although the Ukrainian leaders keep calling for investments in Ukraine, American investors prefer to wait for more favourable conditions. Here we can see only one remarkable event: launch of the production and handling terminal by Bunge Ukraine in the port of Mykolaiv. This includes a vegetable oil extraction plant and an oil terminal, and increases the grain terminal capacity (the investment amounts to USD 180 million).

The Americans are still demonstrating their interest in the privatization of Odesa Port Plant. This interest was again confirmed in the course of the negotiations during Groysman's visit. By and large, the course and the outcome of Odesa Port Plant privatisation will be significant for the whole American business. Per the recommendations of the IMF, the privatization should be completed by the end of this year. The Prime Minister's announcement about the soon to be opened Investment Attraction Office were met with scepticism by most American and European investors. "They should create the conditions for the investors' activities, rather than offices an American businessman shared his attitude. The fact that Ukraine and the US agreed on a joint launch of a space vehicle is of practical value in the bilateral business relations.

As for the US perception of the new Prime Minister's work, now there are reasons to state the following: expectations from Groysman's government were so low that many stakeholders in the American capital are generally neutral or even positive in their assessments of his work, but in any case, those assessments are not better than in the case of Yatseniuk's cabinet. So far, Groysman failed to overcome the Western stereotype that Yatseniuk initiated and was implementing the changes while his government brought the situation to stagnation.

Comments of American economic experts are representative in this context, as well as the comments of Michael McFaul who is not an expert in Ukraine but still works in the group of foreign policy advisors of Clinton's campaign in the region. Biden's speech in the Council on Foreign Relations (CFR) in New York in September is also quite indicative: apparently, he just forgot Groysman's last name and called the Prime Minister the speaker by force of habit when mentioning his continuous contacts with Ukrainian authorities (he claimed he had 2-3 phone calls a week). And, finally, it is indicative that Barack Obama expressed no interest in a personal meeting with Volodymyr Groysman during the latter's visit to Washington DC. And here we do not mean any separate pre-planned meeting with the American President. Barack Obama used to adjust his schedule and join Biden in his meetings with certain foreign prime ministers. This is what happened with Prime Minister Yatseniuk when Obama just came into the room where Biden was meeting the Ukrainian guest, as well as with the meetings with prime ministers of Moldova and Georgia. During Groysman's visit, Obama was in the White House but he preferred to meet the Second Vice-Prime Minister, the Minister of Defence and Deputy Crown Prince of Saudi Arabia Mohammad bin Salman Al Saud.

The name of the new Prosecutor General became even more symbolic for American politicians than the position of the Prime Minister. Surprisingly for many observers both in Kyiv and in

Washington, the US have excessively personified and, to a certain extent, demonized ex-Prosecutor General V. Shokin. He became a synonym of the old system, or 'Old Ukraine' as the Americans like to put it. In his recent speech, Vice President Biden publicly confirmed that Washington tied the dismissal of Shokin with the allotment of USD 1 billion in credit guarantees.

Initially, the American administration did not accept Yuriy Lutsenko as the Prosecutor General and advised to abstain from appointing politicians at all. However, Poroshenko assured Biden that people from within the prosecution system cannot reform it, and the US turned a blind eye to the issue. Moreover, some American diplomats even demonstrated certain enthusiasm: "What if this works out?" American partners had more than one personal discussion with Lutsenko about his vision of the reform of the Prosecutor's General Office. And they were happy to see an American adviser in the Prosecutor's General Office, ex-federal prosecutor, American of the Ukrainian origin Bohdan Vitvitsky who is responsible for the creation of the General Inspectorate of the Prosecutor's General Office. However, his role in the reform of the Prosecutor's General Office and the level of influence thereon remain very limited. The reputation of the Prosecutor's General Office was damaged because of a conflict between them and the National Anti-Corruption Bureau of Ukraine. The Prosecutor's General Office state they have a problem with their American partners who tend to demonise them and to idealise the National Anti-Corruption Bureau. This idealism may be explained by the fact that the US treat the Bureau as an important symbol of 'New Ukraine'.

2. The US attempts to accelerate the resolution of the conflict in the East of Ukraine by the end of this year, e.g. while the current administration is still in the White House

Ukraine highly values the fact that the US coordinate the introduction and retention of sanctions against Russia. The Americans are doing much more than is known to the public.

In September, the US approved additional sanctions against Russia. According to a high-ranking Ukrainian government official, the American partners have taken into account all individuals and companies submitted to them by the Ukrainian side.

The Americans also perform a lot of work in European capitals providing arguments to confirm that Ukraine is doing much more to implement Minsk agreements than Russia. Therefore, they were glad to obtain a draft bill on the elections in the occupied territories as a confirmation that Ukraine is treating its Minsk obligations seriously. This bill fits well with the tactics that Washington initially recommended to Ukraine: to be a constructive partner and demonstrate a proactive position in the Minsk agreements implementation.

The US also believe they are doing well for Ukraine by helping their European partners to understand what is really happening in the area of the Anti-Terrorist Operation. The US have great resources, including human resources, to collect and process information while the embassies of the European countries (including France and Germany) are short of staff. Generally, the Americans were helping Ukraine to maintain the 'safety first, and the political settlement will follow' position. However, they make it clear at both formal and informal negotiations: Ukraine should be ready to implement the political part as soon as the safety conditions are in place, otherwise the support of the West will be over.

However, the so-called Nuland-Surkov dialogue was met with a mixed reaction in Kyiv. Some decision makers in Ukraine have reasons to believe that Washington and Kyiv look at Nuland's diplomatic efforts differently. Officials in the American capital tend to believe that their negotiation efforts with Moscow create

certain added value, they are rather 'constructive' (they love this word) and Kyiv has no reason to worry, as there were just four meetings on this kind. Every time Ukraine was scrupulously informed before and after the negotiations, and the negotiation participants focused predominantly on one settlement component: so-called security bubbles.

The US believe the creation of security bubbles (security zones where weapons could be drawn off and grouped) is an important step in the implementation of Minsk agreements. The idea was presented by Victoria Nuland per recommendations of the resigned American diplomat John Ordway who worked with the Embassy of the US in Ukraine in 2015 and in early 2016 as a special envoy for the Minsk process. And the Americans were the ones who proposed the pilot project of these security zones in Zolote, Petrivske and Stanytsia Luhanska.

Officials in the Ukrainian capital are more sceptical with respect to this idea: Ukraine has been insisting that weapons should be removed from separate districts of the Donetsk and Luhansk Regions (ORDLO) as clearly stated in Clause 10 of Minsk agreements. Kyiv has objections to this idea as it is unclear who is supposed to guard the weapon depots and whether security can be guaranteed in this case at all. To be exact, an answer to this question exists, but it does not suit Kyiv. Some American (as well as European) partners believe that security of weapon depots and security during the elections in general may be ensured by local security providers, which sounds rather mysteriously, and looks like Surkov's concept of the people militia. Kyiv insists that it should at least be an armed component of the OECD mission.

Ukraine is concerned not only with the format of Nuland-Surkov negotiations itself (about Ukraine but without Ukraine) but also with the claim going around the Ukrainian government circles that Surkov skilfully uses a separate channel of communication with Nuland to promote his ideas and maybe even to manipulate her. In particular, Nuland started to use some phrases previously heard from Surkov. There is a surprising fact: in the context of Minsk agreements implementation, the relations between Kyiv and Berlin administration are more confidential than the relations with the administration in Washington DC, mainly owing to Chancellor Merkel's foreign political team.

The extent of Nuland's independence during her negotiations with Surkov is not really clear. American counterparties expressed various opinions on this. It is possible, however, that her activities over the last six months were enhanced by corresponding instructions from the White House. In June, 2016 (right before Groysman's visit to Washington DC) Susan Rice, in her interview for The Washington Post, said that the White House believed that the conflict in Ukraine could be settled by the end of this year, and were sparing no effort to ensure that peace agreements be adhered to until Barack Obama left his office: "We hope that if the Russians want to settle it (and we have a reason to believe they could) we have the time, resources and instruments to manage this".

At the same time, American diplomats went on saying it was not essential for them whether the conflict is settled before the end of Obama's administration and that they would not apply pressure to Ukraine if that was against Ukraine's national interests. However, there are reasons to believe that Washington and Kyiv have a different understanding of what "applying pressure" is or a different view on Ukraine's "national interests" in the context of Minsk agreements implementation. According to some participants of the negotiations between President Poroshenko and Vice President Biden in New York, the Ukrainian delegation were under significant pressure to immediately bring back to mind their political obligations within the framework of Minsk agreements when the separation of the troops is completed as agreed in Minsk on September 2.

There is a question that remains open: why are the US forcing the implementation of Minsk agreement some weeks before the presidential elections when there are no persuasive signal that Putin is ready for compromises? The issue is that the Americans believe that Ukraine can resolve the conflict in Donbas at better terms today than, say, next year. Officials in the Ukrainian capital also understand now (this understanding was missing a year ago) that the time is against Kyiv. But they also understand that the promotion of Minsk agreements today is possible at Putin's terms only and, probably, doing nothing is the best the current US administration can do within the context of Minsk agreements while still in office. The resolution of the conflict in Donbas at Putin's terms can hardly improve President Obama's legacy in foreign policy but it may further undermine it instead.

It should be noted here that, unlike Ukraine, the US are not concerned with the impact the implementation of Minsk agreements may have on the internal political stability and capacity of Ukraine as a state. Officials in the Ukrainian capital, in their turn, believe that anyone who is interested in stable Ukraine, its EU orientation and in a functional state, cannot support the implementation of Minsk agreements at the existing terms. Furthermore, at their informal meetings with experts and journalists, high-ranking representatives of Poroshenko's administration say openly (even if they do not want to be referred to) that should Ukraine chose between its internal political stability and sanctions, the sanctions will be the choice.

It is not totally clear what influence the dialogue between the US and Russia on Syria may have on the Donbas conflict resolution. Despite rather successful separation of the negotiation tracks on Syria and Ukraine (credit should be given to Obama's administration here), after the meeting between Obama and Putin in China some representatives of the American administration admitted informally to the experts their concern that should the agreements with Russia on Syria work (which was initially of little probability), the US might increase their pressure on Ukraine in respect of the political component of Minsk agreements as a gesture of appreciation. This pressure, however, continues even after the agreement between Russia and Syria is broken. We dare to assume that if the US, intentionally or not, followed the "cooperation on Syria first and then, maybe, cooperation on Ukraine" principle, Putin could follow a different plan: "cooperation on Ukraine first and then, maybe, cooperation on Syria".

3. Active stage of the election campaign in the US and the Ukrainian issue in the discussions of the main candidates

Over the reporting period, the candidates for the Presidential elections in the US were named: Hillary Clinton for the Democratic Party and Donald Trump for the Republican Party. The Ukrainian attitude to this issue since early 2016 has been as follows: we will work with anyone elected. An opinion that potential candidate Trump is not an official candidate and the official candidate is not the president prevailed in Kyiv and, in fact, in Washington DC. But later Kyiv was concerned that Trump, having been named the official candidate (this, for example, gives access to intelligence information) did not tone down his rhetoric with respect to Europe in general and to Ukraine in particular. On the contrary, it became even more critical. Trump's statement on Crimea marked a kind of a red line for him (he admitted de facto that he would consider the recognition of the peninsula since most people in Crimea wanted to live in Russia anyway). This means that Trump who previously sounded pro-Russian became plainly anti-Ukrainian after his statements on Crimea.

Most observers explain this change in Trump's rhetoric by the fact that Paul Manafort, ex-political consultant of Yanukovich, joined the management team of his election campaign. The issue, however, is whether Manafort and Trump's other consultants

who are connected to Russia directly or otherwise, indeed advised him to make the statements like that or whether they just created the environment in the Republican candidate's election campaign favourable for the statements of this kind.

A self-speaking example of how the accents were moving is the adjustment in the Republican platform made right before the Republican congress: the provision that defensive lethal weapons could be provided to Ukraine was removed. Later Trump assured that he had nothing to do with this change in the platform but he knew the wording was toned down. It should be noted that the programme of the Democratic Party did not contain any separate provision on Ukraine but, for some reason, this did not cause any significant response in Ukraine.

A noticeable event for Ukraine was Paul Manafort's dismissal from the position of Trump's campaign manager this August. This resignation followed the publication by The New York Times and Associated Press of 'black records' of the Party of Regions where Manafort was mentioned more than once and which named the lobbyists in Washington that received money from him to mitigate the critique of Yanukovich's government that followed Timoshenko's arrest. Kyiv perceived that as a direct influence of Ukraine on the US election process, although a question remains: what played the main role in Manafort's dismissal, information of the National Anti-Corruption Bureau of Ukraine or the outcomes of sociological surveys that fixed unfavourable trends for Trump after Manafort joined the team and Manafort's personal clashes with his uncontrollable client. Therefore, it would be inaccurate to state that the dismissal was caused by the Ukrainian issue.

Moreover, the Manafort issue is not likely to improve Ukraine's reputation: on the contrary, it contributed to its image of deeply corrupt and oligarch-ruled country. This is similar to numerous publications in the American press devoted to Ukrainian oligarch Viktor Pinchuk's generous donations to the Clinton Foundation (approximately USD 10 million, according to The Wall Street Journal) in exchange of certain preferences: not only being close to the Clinton family (he is one of the few businessmen who attended their family events) but also obtaining a chance to work in Iran despite sanctions when Hillary Clinton was the Secretary of State.

Therefore, when a meeting between Poroshenko and Clinton at the UN General Assembly was announced, some American experts were asking whether this was a result of diplomatic efforts only or whether this was lobbied by Pinchuk. Most experts share an opinion (to a similar extent) that Pinchuk will hardly be able to exercise influence on Hillary Clinton in her capacity as the US President in the Ukrainian issue. But at the same time, his phone call is not likely to be completely ignored.

A question why Trump rejected Poroshenko's invitation to meet at the General Assembly has so far no answer. Ukraine keeps insisting that the only reason is the schedules mismatch and that there is no other hidden motive here.

Getting back to the meeting with Democratic candidate Hillary Clinton, it is worth noting that it has got a full-scale coverage by the Ukrainian side, whereas the Presidential candidate's party covered that rather moderately. This meeting was not mentioned even in Clinton's Twitter account, even though the meeting participants say Clinton was very well informed on what was happening in Ukraine.

By the way, journalists from The Voice of America established that Hillary Clinton tweeted about Ukraine only twice over the last two years: first, in December 2013, during the Euromaidan and second, in August 2016, during the Manafort scandal. Noteworthy, an entity related to the Clintons featured in the Manafort scandal indirectly. We refer to Podesta Group founded by John Podesta, the head of Clinton's campaign office. In particular, Paul Manafort tried to launder the image

of Yanukovich after Timoshenko's arrest through this company for a certain fee. And again, these connections failed to find an appropriate response in Ukraine. The same is true for the cooperation between Podesta Group and Sberbank Rossii.

In short, the Ukrainian approach to the Presidential elections in the US may be summarized as follows: Trump is not something to be desired, but Clinton is not a panacea either. Although in the latter case it is more clear how to put on bridges and what channels to use. There are many people around Hillary Clinton with whom Kyiv has established contacts during their work on various positions in the Department of State or in Clinton's time as the First Lady. There are also cautious expectations that Trump, should he become President, will differ from Trump the Candidate and that after his first misunderstanding with the Russian President he will take a much harder stance with respect to Russia. Kyiv officials do not understand at the moment what line of conduct to select in the dialogue with the US should Trump win the elections. If Hillary Clinton is the winner, Ukraine will stand for the new agreements in the area of security and will try to restore the institutional formats, in particular, the US-Ukraine Strategic Partnership Commission which last time met (and this is symbolical) at the level of the then Minister of Foreign Affairs Petro Poroshenko and the then Secretary of State Hillary Clinton.

4. The NATO summit in Warsaw, the Strategic Defence Bulletin, the Ukraine-NATO Commission and the US assistance in the security area

The US position with respect to detaining the Russian aggression in Europe may be summarized as follows: we defend NATO member countries and we help other countries to defend themselves. The US proved rather consistent in their help to enable Ukraine to defend itself. The US were helping Ukraine without asking the questions that were heard in the White House in early 2014: isn't this or that form of assistance too military?

The Americans have also played their important role in the heads of states' meeting in the Ukraine-NATO Commission within the framework of the Warsaw summit. In return, Ukraine had to demonstrate its plan with a clear vision of the reforms in the security and defence area. This plan was prepared and presented in the NATO headquarters by the Minister of Defence and signed by the President as the Strategic Defence Bulletin. The US were very complimentary about the final draft of this document. They were especially pleased that Ukraine had taken into account all recommendations of RAND Corporation that had earlier provided a detailed description of what they saw as the structure of the Ministry of Defence.

Today the main challenge for the Americans who sympathise with the Ukrainian defence reform is the proper preparation of Ukraine to the implementation of civil democratic control over its army, which, according to the Bulletin, should be over in 2018. "We should make it a real reform, not just a change from the uniform to civilian clothes," said one of the American diplomats. The US provided Ukraine with an adviser to the Minister of Defence, a well-known General John Abizaid, who is supposed to assist, among other areas, in the transfer to the civil control and anti-corruption activities in the Armed Forces. The US stressed the importance of these measures again when Stepan Poltorak, the Minister of Defence of Ukraine, visited Washington DC in late September.

Just before the NATO summit in Warsaw, all assistance of the US to Kyiv was summarized: what was provided through bilateral channels and as part of the cooperation with NATO to improve the compatibility of Ukraine's Armed Forces with NATO forces. In particular, the US have allocated USD 335 million worth of bilateral assistance in the security area this year, thereby

increasing the total assistance in this area to more than USD 600 million since 2014. Is this a lot? The answer depends on what country to compare with. Say, neighbouring Georgia obtained USD 30 million from the US, and Moldova—USD 11 million in total last year. At the same time, Israel will receive USD 39 billion over the next 10 years, i.e. almost USD 4 billion a year.

The 2016 assistance to Ukraine includes bilateral support in three main areas:

Training: 350 American instructors train 5 battalions of Ukrainian Armed Forces and one battalion of the Special Operation Forces

Equipment: counter-artillery and counter-mortar radars, secure communications equipment, tactical air drones and medical equipment

Advisers: they help to implement the defence reform by promoting the civil control, transparency and anti-corruption measures

The US continued with annual military exercises in Ukraine: Rapid Trident on the land and Sea Breeze in the sea. The fourteenth large-scale Sea Breeze exercise took place in Odesa in July to exceed, according to the American side, all expectations. The US believe these exercises will increase the compatibility between the Ukrainian and NATO forces.

Although the US invested much money in strengthening Ukraine's defence capability and increasing its compatibility level, not everyone in Kyiv is supportive of the idea that Ukraine should help itself. Some government authorities consider the training of Ukrainian military personnel to be the most significant contribution of the US, whereas others still believe the US should do more taking into account the Budapest Memorandum. At a closed meeting with Ukrainian ambassadors, President Poroshenko admitted that he had specially mentioned the Budapest Memorandum in his speech dedicated to the 25th anniversary of Ukraine's independence for a reason. The Ukrainian government still believes the US could sign a bilateral agreement with Ukraine in the security sector that would in some way enhance the Budapest Memorandum (this issue will be discussed with the new administration of the US, especially if Hillary Clinton wins). The problem is that the US lack a clear vision of how to work on with the countries that are currently not NATO members and are not likely to join the Alliance in the near future.

In September, the House of Representatives of the US Congress passed a draft of Stability and Democracy for Ukraine Act (or the STAND for Ukraine Act), which, among other issues, legally forbids the US to recognize the annexation of Crimea, sets the sanctions and allows to supply Ukraine with lethal weapons. It is not likely, however, that the current Senate will review it immediately and that it will be approved as it is now (to say nothing about being signed by the President). Ukraine must mobilise its informal lobby in Washington DC to the extent possible to push the bill in the Senate.

5. New Ambassador of the US to Ukraine

A traditional rotation of the US Ambassador to Ukraine was scheduled for this summer. Geoffrey Pyatt was replaced by Marie Yovanovitch, the first female Ambassador of the US to Ukraine. For all the differences in the opinions on Pyatt's style of work in Kyiv, he has been highly regarded in Washington DC. The Vice President of the US publicly called him one of the best ambassadors in the US diplomatic service. Some Congressmen are sure Pyatt's work in Ukraine should be part of manuals for young diplomats as practical recommendations in the area of diplomatic crisis management. Geoffrey Pyatt managed to play a significant role despite permanent direct contacts of the

Ukrainian leaders with the Vice President of the US and deputy Secretary of State.

Marie Yovanovitch is still getting neutrally positive feedback (unlike some other new ambassadors of key European countries). Unlike Pyatt, Yovanovitch arrived in Ukraine as a very well prepared regional expert. Her strength and advantage in comparison, for example, with the new Ambassador of the EU is her knowledge of Russian. Her peculiar characteristic, which is true of almost all newly appointed ambassadors, is the lack of any emotional connection to the Revolution of Dignity, which the ambassadors who had personally witnessed it in Kyiv had. The situation when the Ukrainian case is supervised personally by the Vice President of the US is not likely to continue and, therefore, the role of the US Ambassador in the dialogue with Washington will be growing stronger. It may well happen that, once the new US Administration are in place, the Ukraine-US relations over the last two years will be remembered in Kyiv with deep nostalgia.

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