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1. TOP STORIES

Anti-corruption row continues in Ukraine

The anti-corruption bureau has accused the prosecutor's office and security service of sabotage and said that it suspends all undercover operations

Read more in DOMESTIC POLITICAL

Ukraine not to get EU's third tranche of 600m euros

The European Commission is ready to consider further aid if Ukraine speeds up reforms

Read more in ECONOMIC

2. ARMED CONFLICT IN EASTERN UKRAINE

Militants resume shelling of front-line villages, towns in Donbas

Pro-Russian militants have resumed firing on front-line populated areas in Donbas, the antiterrorist operation headquarters reported on 2 December.

In particular, neighbourhoods in Vodyane, Avdiyivka and Verkhnyotoretske came under fire from mortars, grenade launchers and small arms. As a result, a woman was wounded in Verkhnyotoretske and a house was destroyed in Avdiyivka.

In addition, the headquarters said that the militants continued shelling Ukrainian positions with heavy artillery.

Three Ukrainian soldiers were killed and 12 were wounded in Donbas over the past week (27 November – 2 December).

Volker: We took break in talks with Russia on Donbas

US Special Representative for Ukraine **Kurt VOLKER** said his next meeting with Russian presidential adviser **Vladislav SURKOV** on a Donbas settlement has been postponed at least until December. Until then, the parties took a break after the unsuccessful previous negotiations, Volker said in an interview with the LB.ua news website ahead of the 8th National Expert Forum organised by Gorshenin Institute.

The US diplomat noted that the last meeting was "a step back". "Russia returned to its original concept of using merely security forces," Volker said.

He recalled that the USA had proposed the deployment of a permanent peacekeeping force with a UN mandate in this area, similar to what Ukraine offered a few years ago, which would oversee security across the entire territory, contain and monitor heavy weapons, and control the Ukrainian side of the border with Russia. According to Volker, this peacekeeping mission should not include any Russian personnel.

Later Surkov said that his next meeting with Volker would take place next year. He added that there was nothing to discuss at the moment. In his words, Russia "came up with a realistic and doable peaceful initiative" on a security mission in Donbas and that it should be accepted.

Volker and Surkov met in Minsk on 21 August and in Belgrade on 7 October and 13 November.

Volker's plan for Donbas peacekeepers agreed with Ukraine, Germany, France

US Special Representative for Ukraine **Kurt VOLKER**'s plan for a UN peacekeeping mission in Donbas has been agreed with Ukraine, Germany and France, according to a deputy head of the Ukrainian presidential administration, **Kostyantyn YELISEYEV**.

In addition, during the VIII National Expert Forum "Ukraine: Seeking Balance" that was organised by Gorshenin Institute in Kyiv on 28 November, Ukrainian Foreign Minister **Pavlo KLIMKIN** said that he is in daily contact with the US Special Representative for Ukraine, **Kurt VOLKER**.

German Foreign Minister **Sigmar GABRIEL** said in Washington on 30 November, after meeting US Secretary of State **Rex TILLERSON**, that the two states have similar views on the issue of a UN peacekeeping mission in Ukraine. However, he noted "very significant" differences with Russia on the matter. He said that the UN mission could monitor a ceasefire and the withdrawal of heavy weapons from the line of contact in Donbas.

Russian Foreign Minister **Sergey LAVROV** said in an interview with the Italian paper *Libero* that UN forces may be deployed to Donbas after the sides pull their troops and weapons from the line of contact. He added that the dispatch of peacekeepers must be agreed with the authorities in Kyiv, Donetsk and Luhansk.

Ukraine repeatedly objected to discussing the peacekeeping mission with pro-Russian militants.

Normandy Four diplomatic advisers to meet in December

Diplomatic advisers from Ukraine, Germany, France and Russia will meet in December in the so-called Normandy Four format to continue a discussion on how to find a peaceful solution to the Donbas conflict, according to a deputy head of the Ukrainian presidential administration, **Kostyantyn YELISEYEV**.

He assumed that the advisers may schedule a meeting of the Normandy Four leaders.

Last time the four presidents met in autumn 2016. Their meeting yielded no particular results.

Donbas contact group says parties ready for prisoner swap

The trilateral contact group with the participation of representatives of Luhansk and Donetsk separatists has confirmed that the sides are ready to exchange

prisoners based on the previously approved lists and to agree as soon as possible a procedure and a date of exchange to have it carried out by the New Year and Christmas holidays, **Darka OLIFER**, the press secretary for Ukraine's representative in the group, **Leonid KUCHMA**, has said on Facebook. Another round of Donbas negotiations took place in Minsk on 29 November 2017.

She said that the security situation gives reasons for concern, with OSCE monitors registering frequent attacks on infrastructure, including on the Donetsk water filtering station, which is fraught with humanitarian and ecological consequences. Militant shooting near Stanytsya Luhanska blocks the withdrawal of troops and forces in the area.

Ukraine also informed the OSCE about Soviet-made antipersonnel mines near Hladosove, which recently moved under control of the government forces.

The Ukrainian delegation also drew attention to the incident with an OSCE monitoring officer who warmly greeted a Luhansk militant.

Ukrainian interior minister says Minsk deals not working

The Minsk agreements once had a positive effect which resulted in lower casualties among Ukrainian servicemen, however they are no longer effective, neither can they be used as a real mechanism for achieving peace and settling the conflict in Donbas, Ukrainian Interior Minister **Arsen AVAKOV** has said at the 8th National Expert Forum "Ukraine: Seeking Balance". The event was organised by Gorshenin Institute in Kyiv on 28 November 2017.

Avakov deems it necessary to sign new agreements on the settlement of the situation in eastern Ukraine, which would clearly define the withdrawal of Russian troops, Kyiv's control over the Ukrainian-Russian border together with UN peacekeepers, introduction of Ukrainian judiciary bodies in Donbas, and holding of local elections. He also called for the adoption of a law on collaborators' responsibility.

Alexander VINNIKOV, head of NATO Representation to Ukraine, said at the forum that although the Minsk agreements are not carried out, they have no alternative at the moment.

Over 35,000 Russian servicemen, militants fighting in Donbas - minister

The operational group of the Russian occupying troops, which includes the first and second army corps controlled by the Operational Command of the Russian Armed Forces' Southern Military District, are fighting in Donbas under the guise of paramilitary groups of the self-proclaimed Donetsk and Luhansk "republics", Ukrainian Interior Minister **Arsen AVAKOV** has said at the expert forum "Ukraine: Seeking Balance".

Avakov said that the first (Donetsk) and second (Luhansk) army corps include 35,500 servicemen (including career Russian servicemen, mercenaries and local population), 478 tanks, 848 armoured vehicles, up to 750 artillery and mortar systems, 208 multiple-launch rocket systems, 363 antitank systems, and 419 air defence systems. Thus, he said, there are more enemy heavy weapons in Donbas than in the British arsenal.

Ukraine home to ninth largest number of internally displaced persons - UN

Ukraine ranks ninth on the list of countries by the number of internally displaced persons (IDPs), UN Resident Coordinator and UNDP Resident Representative in Ukraine **Neal WALKER** has said.

By 27 November 2017, the Social Policy Ministry of Ukraine has registered 1.49 million IDPs from the antiterrorist operation area and Crimea.

According to a social survey by the UN International Organisation for Migration (IOM), 70 percent of refugees are forced to return to Donbas because they cannot afford to rent housing or find jobs. Mostly, these are pensioners aged above 60 years, the organisation said. Almost two thirds of people who were forced to return to occupied areas said that their salaries only cover the cost of food. In Donbas, they earn 87 dollars (2,360 hryvnias) per month on the average.

The IOM said that the number of refugees who returned to Donbas increased by 3 percent in September. According to the IOM estimates, 40 percent of internally displaced persons can only afford food. Some 15 percent said they faced discrimination.

3. CRIMEAN ISSUE**Crimean parliament passes bill "writing off" pre-2014 loans**

On 29 November 2017, the Russia-controlled Crimean parliament adopted in the second reading the bill "writing off" Crimeans' outstanding payments on loans they took from Ukrainian banks before the annexation.

According to expert estimates, Crimeans owed 2bn dollars to Ukrainian banks when the peninsula was annexed by Russia.

Turkey swaps Crimean Tatar leaders for two Russian agents - media

The Turkish government exchanged deputy heads of the Majlis of the Crimean Tatar people, **Akhtem CHYYHOZ** and **Ilmi UMEROV**, for two Russians accused of espionage, the Turkish Haberturk TV has reported referring to court documents.

Russians **Aleksandr SMIRNOV** and **Yuriy ANISIMOV** were arrested in Turkey in April 2016. They were accused of planning murders of Chechen dissidents and have been kept in custody until recently.

Crimean court places Ukrainian activist under house arrest

On 1 December 2017, the Rozdolne district court in Russia-annexed Crimea released Ukrainian activist **Volodymyr BALUKH** from a remand centre and placed him under house arrest. He cannot leave his house, communicate with witnesses for the prosecution (including his own relatives), use communication devices and go online, including for communication with his

lawyer, the news and analysis website LB.ua has reported, quoting Balukh's lawyer **Olga DINZE**.

The decision was taken after the Russia-controlled supreme court of Crimea cancelled the extension of Balukh's arrest on 29 November.

After Crimea was annexed by Russia, Balukh hoisted a Ukrainian flag above his house and refused to apply for a Russian passport. In late 2016, he was detained by the Russian Federal Security Service (FSB). Its operatives said that they had found dozens of cartridges and several TNT blocks at the attic of his house.

In early August 2017, the court sentenced the activist to three years and seven months in prison. After he challenged the sentence, his case was sent for a retrial by a new composition of the court.

Arrested Crimean rights activist complains of torture by Russian FSB

Yalta resident **Yunus MASHARIPOV** in Russia-annexed Crimea, who was arrested on suspicion of making an explosive device, has said he was subjected to torture by employees of the Russian Federal Security Service (FSB).

According to his account, he was attacked, beaten and delivered to the FSB office in Yalta by unidentified individuals on 27 September 2017. He was questioned about his frequent visits to mainland Ukraine. He said that since 2014 he had been engaged in human rights activism, "informing organisations about violations of the rights of children, people with disabilities and pensioners". He was then beaten and tortured by electrocution. He said that he was forced to confess to things he did not do. In his testimony made under torture, he said that he was "acting on the orders of the Security Service of Ukraine (SBU) as its agent".

According to Masharipov, FSB are threatening to place him in a mental facility because he reneged on his testimony given under torture.

4. INTERNATIONAL POLITICAL

UKRAINE-RUSSIA

Russian court extends arrest of Ukrainian journalist

On 27 November 2017, the Moscow city court extended the arrest of Ukrainian journalist **Roman SUSHCHENKO** until 30 January 2018. As before, the court met behind closed doors.

The Ukrainian Foreign Ministry protested against Sushchenko's arrest. The fact that the Ukrainian consul was not allowed to attend the court session means the case is political, the ministry added.

Sushchenko, a foreign correspondent of the Ukrinform news agency, was arrested in Moscow where he came on a private visit on 30 September 2016. He was charged with espionage on 7 October.

Russian court extends arrest of kidnapped Ukrainian border guards

On 29 November 2017, Moscow's Lefortovskiy district court extended the arrest of Ukrainian border guards **Bohdan MARTSONYA** and **Ihor DZYUBAK** until 5 February 2018. They were kidnapped at the Ukrainian-Russian state border in Ukraine's Sumy Region on 3 October 2017.

The meeting was held behind closed doors. The border guards are suspected of illegal crossing of the border.

UKRAINE-EU**President signs law on Ukraine's accession to PEM Convention**

On 30 November, President **Petro POROSHENKO** signed the law on Ukraine's accession to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin. The law was passed by parliament on 8 November.

It is expected that the accession to the Convention will facilitate trade with European countries and boost the use of Ukraine's export potential.

The possibility for Ukraine to join the pan-Euro-Mediterranean Convention is projected by the EU-Ukraine Association Agreement.

UKRAINE-CHINA**Ukraine, China approve revised space cooperation programme**

Ukraine and China have approved a revised bilateral space cooperation programme until 2020. The decision was approved at a meeting of the working group and at the sixth meeting of the subcommission for space cooperation of the Ukrainian-Chinese intergovernmental commission in Beijing on 20-23 November 2017.

UKRAINE-UN**Ukraine, UN sign Partnership Framework for 2018-22**

On 30 November 2017, UN Resident Coordinator **Neal WALKER** and Ukraine's First Deputy Prime Minister and Minister for Economic Development and Trade **Stepan KUBIV** signed a framework agreement on partnership between the UN and the Ukrainian government for 2018-22.

The five-year Partnership Framework with an estimated budget of 675m dollars defines common strategic planning basis for UN development operations and assistance at country level.

UKRAINE-BSEC**Kyiv hosts 50th session of Black Sea Economic Cooperation General Assembly**

Kyiv hosted the 50th session of the General Assembly of the Black Sea Economic

Cooperation (BSEC) on 29-30 November 2017.

Participants in the session issued a declaration, which includes a Ukraine-sponsored amendment saying the BSEC shall facilitate the restoration of territorial integrity of BSEC member states.

However, the Armenian delegation said that it was not invited to a discussion of the amendment on the conflicts in the region. The delegates left the session hall in protest.

Earlier, Armenia voted against the UN General Assembly Resolution 68/262 on "Territorial integrity of Ukraine".

The BSEC includes 12 states of the Black Sea region and South Balkans. The organisation was set up to develop cooperation, peace and stability in the Black Sea region. Ukraine took over chairmanship of the BSEC for six months as of 6 July 2017 in accordance with the organisation's regulations.

UKRAINE-WORLD

Ukrainian president accepts credentials from four ambassadors

On 28 November 2017, Ukrainian President **Petro POROSHENKO** accepted credentials from four ambassadors: **Yuddy CHRISNANDI** of Indonesia, Nguyen Anh Tuan of Vietnam, **Melissa O'ROURKE** of Australia, and **Silvia CORTES MARTIN** of Spain, who recently took office in Kyiv.

5. MILITARY

USA allocates 115m dollars to Ukraine's defence - Tillerson

The US Department of State has allocated 115m dollars to Ukraine to help it improve its combat ability to protect its territorial integrity, US Secretary of State **Rex TILLERSON** has said.

He said that sanctions against Russia would remain in place until Russia fully delivers on the Minsk agreements.

Lithuania to supply Ukraine with arms, ammunition worth 2m euros

On 29 November 2017, the Lithuanian government decided to give Ukraine weapons and ammunition, including AK assault rifles and other Soviet-made weapons, worth 2m euros.

According to Lithuanian Defence Minister **Raimundas KAROBLIS**, the transfer of these supplies is part of Lithuania's consistent and comprehensive support for Ukraine to help it strengthen its defence capacity and ensure its sovereignty.

US destroyer, French frigate call at Odesa port

The USS James E. Williams destroyer called at the Odesa port on 29 November

2017. It will leave the city on 2 December. On 29 November, the USS James E. Williams (DDG-95) missile destroyer arrived in Odesa. The visit lasted until 2 December. On 2 December, the Ukrainian Navy held a joint exercise (PASSEX) with the US destroyer.

The French FS Guepratte (F 714) frigate called at Odesa on 30 November. She will stay there until 3 December.

6. DOMESTIC POLITICAL

Security service, prosecutor's office detain undercover anti-graft officer

On 29 November, officers of the Security Service of Ukraine (SSU) and the Prosecutor-General's Office (PGO) detained an undercover agent of the National Anti-Corruption Bureau (NABU) who was trying to give a bribe of 15,000 dollars to the first deputy head of the State Migration Service, **Dina PIMAKHOVA**. The latter reported the bribery attempt to law-enforcement agencies. The NABU agent was declared a suspect and released.

In addition, the PGO conducted searches at the office and homes of undercover NABU agents who were involved in the special operation to investigate activities of senior migration service officials. In particular, they raided the house of the female agent who came into the spotlight during the "amber case" of MP **Borys ROZENBLAT**. She and Rozenblat negotiated a bribe of 200,000 dollars.

The NABU said that it was a planned act of sabotage against the bureau and the Specialised Anti-Corruption Prosecutor's Office that was organised by the SBU and authorized by the prosecutor-general.

At the same time, NABU director **Artem SYTNYK** said that the SBU and the Prosecutor-General's Office had torpedoed the special undercover operation aimed at exposing members of an organised criminal group in the migration service in order to intimidate the bureau's officers. He said that his agency, jointly with the FBI, was investigating reports that migration service officials were illegally issuing residence permits and passports to foreign citizens. The NABU director also said that the bureau will discontinue all operations involving its undercover agents after this incident. Sytnyk did not rule out that the SBU could deliberately leak the information about the NABU's operation against Pimakhova.

Later, Prosecutor-General **Yuriy LUTSENKO** said that the NABU officers had no authority to lure the migration service official into accepting a bribe. In addition, he argued that it was illegal to conduct joint operations with the FBI in Ukraine. The prosecutor also added that all NABU agents were beyond the law and that they were appointed to posts through closed procedures bypassing competition. For his part, Sytnyk said that all the officers passed special secret competition.

President of Ukraine **Petro POROSHENKO** said that he agreed with Lutsenko that one must not fight crimes with illegal methods. At the same time, he added that conflicts among uniformed agencies had gone beyond reasonable competition.

Prosecutors question antigraft bureau chief

On 27 November, the Prosecutor-General's Office (PGO) questioned the director of

the National Anti-Corruption Bureau (NABU), **Artem SYTNYK**.

Earlier, the PGO launched criminal proceedings against Sytnyk, suspecting him of disclosing secret information relating to a pre-trial investigation during a meeting with journalists and editors of several media outlets.

It should be noted that the Kyiv Solomyanskyy district court postponed from 28 November to 6 December an examination of an administrative offence report against Sytnyk that was filed by the National Agency for the Prevention of Corruption (NAPC). The NAPC suspects the NABU director of using the bureau's resources for his own personal benefits.

President calls for extending interim period for prosecutor's office

President **Petro POROSHENKO** deems it appropriate to pass a law that would prolong the transition period required for the creation of the State Bureau of Investigation (SBI). This will make it possible for the Prosecutor-General's Office to launch criminal proceedings for another year, he explained.

The so-called transition period for the PGO ended on 20 November 2017. By this date, the prosecutor's office had to pass criminal cases to the SBI, but the bureau was never launched.

The newly appointed head of the SBI, **Roman TRUBA**, expects that the bureau will begin full-fledged work in mid-2018. However, in an interview with the news and analysis website LB.ua, he said that 650m hryvnias (24.21m dollars) earmarked in the state budget was not enough for the launch and operation of the bureau. Truba added that he would submit his proposals before the final reading of the 2018 budget.

Supreme Court elects chairwoman

On 30 November, the plenum of the Supreme Court elected **Valentyna DANYSHEVSKA** as the court's chairwoman. She was elected by secret ballot for a term of four years.

Danysheska, judge of the Economic Court of Cassation (part of the Supreme Court), previously worked as a judge of the Arbitration Court of Zaporizhzhya Region. In 2011 she founded and became head of the charitable organisation Centre of Economic Law. In 2015 she was elected member of the public council of the Justice Ministry. Danysheska was a judge of the permanent arbitration court at the Association of Ukrainian Banks.

The new Supreme Court will begin operations on 15 December.

Two killed in courtroom blast in Nikopol

On 30 November, a man detonated two grenades in a court room in Nikopol (Dnipropetrovsk Region) after the trial of suspected murderers of his son was adjourned for the 21st time. The man died on the spot. Later, one of the defendants died too. In addition, 11 people sustained multiple injuries.

In February 2016, unidentified people opened fire on a passenger car in Nikopol, killing its two passengers. One of the victims was the son of the man who detonated grenades in the court.

President signs law on business protection

On 1 December, President **Petro POROSHENKO** signed a law that increases protection of businesses from abuse of law-enforcement agencies during pre-trial criminal investigations. The law was passed by parliament on 16 November.

President announces NATO, EU referendums

Referendums on Ukraine's accession to NATO and the EU will be held in the foreseeable future, President **Petro POROSHENKO** has said.

The Ukrainian president already promised to hold a referendum on NATO membership in the past, but he never mentioned the referendum on joining the EU.

According to an opinion poll conducted by Gorshenin Institute jointly with the Friedrich Ebert Foundation in Ukraine, 46.1 percent of Ukrainians would support Ukraine's joining NATO at a referendum, 33.4 percent would vote against NATO membership, 14.1 percent could not answer this question, while others would not come to the polls (6.4 percent).

In addition, according to the survey results, the majority of Ukrainians (51.6 percent) believe that Ukraine should integrate into the European Union. At the same time, 10.2 percent of Ukrainian citizens support the country's integration into the Russia-led Customs Union. Another 25.4 percent of the respondents opposed Ukraine's integration into both the EU and the Customs Union. Another 10.2 percent could not answer this question.

March for impeachment held in Kyiv

On 3 December, a march for the impeachment of Ukrainian President **Petro POROSHENKO** was held in central Kyiv. The event was organised by former Georgian President **Mikheil SAKASHVILI**. Among the protesters' main demands was the adoption of the laws on impeachment and anti-corruption court.

The organisers said that 20,000 people came to the rally. According to the Interior Ministry, 2,500 people joined the protest, accompanied by 1,500 police officers. According to estimates by the media, 5,000 people took part in the rally.

Activists block NewsOne TV channel in Kyiv

On 3 December, members of **Dmytro KORCHYNSKYI**'s Brotherhood party and other nationalist organisations blocked the office of the NewsOne TV channel in Kyiv with sandbags and barbed wire. At the same time, the activists said that it was a symbolic protest, since there are four entrances in the TV channel's building.

The protesters demanded that the owner of NewsOne, MP **Yevhen MURAYEV**, apologise for calling the Revolution of Dignity a coup and change the channel's

"pro-Kremlin" editorial policy.

NewsOne linked the protest to the fact that it was the only channel that broadcast the "March for Impeachment" organised by **Mikheil SAAKASHVILI**.

President **Petro POROSHENKO** said that such protest actions are a reaction to the inactivity of agencies that deal with Russian propaganda. At the same time, the president added that he considers pressure on the media, especially physical pressure, inadmissible.

Ukraine bans popular sitcom

On 29 November, the State Film Agency of Ukraine banned a popular Ukrainian-made sitcom, *Svaty* ("In-laws") after the Culture Ministry listed Russian citizen **Fedor DOBRONRAVOV**, a key actor of the series, among persons posing a threat to Ukraine's national security.

Earlier, the Security Service of Ukraine banned Dobronravov from entering Ukraine for three years for visiting Crimea in violation of established rules and his "anti-Ukrainian public statements", in which he supported the annexation of Crimea by Russia.

The producers of the series - the Ukrainian studio Kvartal 95 - sharply criticised this decision.

Court rules to arrest Odesa businessman suspected of bribery

On 30 November, the Kyiv Pecherskyi district court ruled to arrest businessman **Vadym ALPERIN** for two months with the right to be released on bail of 21m hryvnias (782,000 dollars).

According to the Prosecutor-General of Ukraine, **Yuriy LUTSENKO**, Alperin, a "famous Odesa smuggler", offered a bribe of 800,000 dollars to an officer of the National Anti-Corruption Bureau of Ukraine.

Court arrests ex-commander of Donbas battalion

On 27 November, the Zhovtnevyi court of Mariupol arrested for two months the former commander of the Donbas volunteer battalion, **Anatoliy VYNOHRADSKYY**, and a former fighter of the OUN battalion, **Leonid LYTVYENKO**. They are suspected of robbing a security guard at a farm in Kirovohrad Region in July 2017.

7. ECONOMY

European Commission withholds 600m-euro tranche from Ukraine

The European Union will not disburse the last tranche of 600m euros of macro-financial assistance to Ukraine under the 1.8bn-euro programme approved in 2015. This follows from a press release posted on the website of the EU Delegation to Ukraine on 1 December.

It noted that Ukraine fulfilled most of its policy commitments to the EU, including measures to increase transparency in public finance management, to launch public administration, judicial and governance reforms, to advance ongoing reforms in the energy sector, to improve the business environment and to reinforce social safety nets.

At the same time, four of the measures linked to the third and final tranche of the macro-financial assistance currently remain outstanding. In particular, Ukraine's government failed to fulfil the following conditions: cancelling the current timber trade moratorium, launching an automatic system for checking electronic asset declarations, a system for checking beneficial owners of companies and adopting a law on the credit register of the National Bank of Ukraine.

The European Commission said that it was ready to prepare the next, fourth, macro-financial assistance programme (IMF) and present it to Ukraine in early 2018, provided that Ukraine reinforces the reform momentum.

At the same time, the EU Ambassador to Ukraine, **Hugues MINGARELLI**, once again criticised the Ukrainian authorities for delaying the election of new members of the Central Electoral Commission (the term of office of most CEC members ended in June 2014, but they continue to fulfil their duties). In addition, the diplomat added that the EU will monitor the adoption of the draft electoral code in Ukraine.

EU to provide 1.8bn euros to Ukraine under new programme - minister

Under a new macro-financial assistance programme, the European Union plans to provide 1.8bn euros to Ukraine in 2018-19, Finance Minister **Oleksandr DANYLYUK** has said.

Earlier, President **Petro POROSHENKO** said that an agreement was reached at the Eastern Partnership summit to extend the EU's macro-financial assistance programme for Ukraine to 2018-19.

IMF, Ukraine continue work on pension reform

The International Monetary Fund and the World Bank continue working with the Ukrainian authorities on some issues relating to the adoption of pension reform, Resident Representative of the IMF in Ukraine, **Goesta LJUNGMAN**, has said.

According to the official, the sides plan to include sufficient enumeration for longer service and larger contributions to the pension system, as well as declaration of real income.

Ljungman also said that in order to receive the fifth tranche from the IMF, the Ukrainian authorities need to approve the law on privatisation, bring domestic tariffs for natural gas in line with import prices and pass legislation establishing an anti-corruption court, along with the adoption of the pension reform. In addition, he said that the IMF continues negotiations with the government on the 2018 state budget draft.

On 1 December, Ukraine transferred 169m dollars to the IMF, the last payment in 2017. This year Ukraine paid 1.27bn dollars to the IMF and received 1bn dollars from the fund.

Launch of land market postponed for another year – president

Ukrainian President **Petro POROSHENKO** has said that the launch of the land market will be postponed for at least one year. He noted that during this time, the government should complete work on the electronic land cadastre.

In 2002, Ukraine imposed a moratorium on purchase and sale of farmland. Parliament has repeatedly prolonged this moratorium since then. At the same time, this reform will be required to receive the sixth tranche from the IMF.

The World Bank hopes that the Ukrainian authorities will finish the preparatory steps without delay and will manage to lift the moratorium in 2018.

Land reform would add 4-5 percent to GDP growth in Ukraine, the CEO of the investment company Concorde Capital, **Ihor MAZEPA**, said during the VIII National Expert Forum at Gorshenin Institute.

Living wage rises in Ukraine

The subsistence wage for able-bodied individuals in Ukraine increased by 78 hryvnyas (2.91 dollars) to 1,760 hryvnyas (65.55 dollars) from 1 December. This was projected by the 2017 state budget law.

Government approves budget draft for second reading

On 1 December, the Cabinet of Ministers approved the draft law on the 2018 state budget for the second reading.

Prime Minister **Volodymyr HROYSMAN** expects parliament to pass the 2018 state budget on 7 December.

Finance Ministry sells 575m dollars' worth of government notes

At a scheduled auction on 28 November, the Finance Ministry sold foreign currency government notes to the tune of 575.1m dollars. The securities maturing in 490-546 days were placed at the rate of 3.85 percent.

The ministry also offered for sale hryvnya-denominated government notes with maturity ranging from 175 to 994 days, but no securities were placed.

On 22 November, the Finance Ministry repaid foreign-currency bonds for 301.6m dollars.

Budget surplus reaches 52m dollars over 10 months

In January-October, the surplus of Ukraine's state budget reached 1.4bn hryvnyas

(52.1m dollars) thanks to a surplus of 27.7bn hryvnyas (1.03bn dollars) in the special fund. In April 2017, the special fund received 29.67bn hryvnyas (1.11bn dollars) from the special confiscation of "Yanukovich's money", the State Treasury has reported.

Over the period, revenues totalled 647.47bn hryvnyas (24.11bn dollars), which makes 84 percent of the annual target of 771bn hryvnyas (28.72bn dollars). Expenses amounted to 646bn hryvnyas (24.06bn dollars) or 76.8 percent of the annual target set at 841.1bn hryvnyas (31.33bn dollars).

At the same time, in October the state budget was fulfilled with a deficit of 13.6bn hryvnyas (506.5, dollars).

The target deficit for 2017 is 80.89bn hryvnyas (3.01bn dollars).

Foreign trade deficit grows to 5bn dollars over 10 months

In January-October, foreign trade in goods and services in Ukraine showed a deficit of 5bn dollars, which is 14.6 percent more than the deficit recorded in January-October 2016, the National Bank has reported.

At the same time, the deficit of foreign trade in goods in comparison with the same period of the previous year increased by 30.2 percent to 7.01bn dollars, while the surplus of foreign trade in services doubled to 2.01bn dollars.

In October, the foreign trade deficit was 746m dollars, including a deficit of trade in goods of 991m dollars and a surplus of trade in services of 245m dollars.

In 2016, foreign trade in goods and services showed a deficit of 5.58bn dollars.

Ukraine exports farming products worth 14.7bn dollars over 10 months

In January-October, exports of Ukrainian agrarian and food products reached 14.7bn dollars, an increase of 22.7 percent compared with the same period in 2016, the Agrarian Policy Ministry has reported.

Three leading importers of Ukrainian agro products were India (11.3 percent of total exports), Egypt (7.5 percent) and the Netherlands (6.9 percent).

At the same time, imports of agricultural products grew by 8 percent to 3.6bn dollars.

In January-September, capital investments in Ukrainian agriculture totalled 40.5bn hryvnyas (1.51bn dollars), which is 37.8 percent more than in the same period of 2016. The total share of investments in agriculture was 15.6 percent of the total capital investments in Ukraine's economy.

Banking system shows 107m-dollar loss in nine months

In January-September, the banking system of Ukraine, including both solvent and insolvent financial institutions, showed an after-tax loss of 2.87bn hryvnyas (106.8m dollars).

At the same time, solvent banks received a profit of 1.41bn hryvnyas (52.5m dollars).

Out of 88 solvent banks, 17 posted losses. The largest losses were shown by Prominvestbank (4.9bn hryvnyas or 182.4m dollars), Privatbank (1.6bn hryvnyas or 59.5m dollars), VTB Bank (1.4bn hryvnyas or 52.1m dollars), Kredyt Dnipro Bank (489m hryvnyas or 18.2m dollars) and Clearing House Bank (366.7m hryvnyas or 13.7m dollars).

Ukraine stops production of Lanos cars

The Zaporizhzhya Automobile Plant has stopped production of Lanos cars and plans to focus on commercial vehicles. The reason behind this decision was the economic situation in the country, low demand for cars and mass imports of inexpensive used cars from Europe bypassing customs clearance, the company said.

In October 2017, sales of new cars in Ukraine increased by 26 percent against the same period in 2016, to 7,650 units, but decreased by 2.4 percent compared to September 2017, according to the Ukravtoprom association.

8. ENERGY

Naftohaz launches gas pipeline operator

On 1 December, the state-run energy company Naftohaz Ukrayiny announced the launch of the GTS Operator of Ukraine (OGTSU), an Ukrtranshaz subsidiary. The new company is the single decision-making centre for the management of the national gas transport system. It already serves over 1,000 contracts for natural gas transport.

The OGTSU was established in October 2017 according to the plan for the internal reorganisation of Ukrtranshaz, which was agreed with the Energy Community Secretariat.

The launch of the new operator marks the completion of the first stage of the separation of Naftohaz's gas production and transport operations (unbundling).

During the next stage of the unbundling process, the OGTSU will be singled out into a separate legal entity outside Naftohaz's corporate governance. This will be possible after the Stockholm Arbitration makes its final decision on the transit contract (tentatively in February 2018).

9. RELIGION

Russian Orthodox Church passes amendments on Ukrainian branch

The Russian Orthodox Church (ROC) held the council of bishops in Moscow from November 29 to 2 December. The bishops of the Ukrainian Orthodox Church of the Moscow Patriarchate (UOC-MP) also took part in the council.

On 30 November, the council of bishops supported the proposal of the

metropolitan of Kyiv and All Ukraine, **ONUFRİY**, to single out the provisions concerning the UOC from the chapter on self-governing churches into a separate chapter. The document states that the UOC's centre of administration will be in Kyiv. In addition, the general church court will be extended to the entire territory of the Moscow Patriarchate except for Ukraine.

At the same time, the website Religion in Ukraine wrote that although the council of bishops helped the UOC-MP look as a more independent church in Ukraine, it actually narrowed the independence of the Ukrainian church. In particular, decisions of the local council and the council of bishops have become mandatory for the UOC (previously this provision was not officially defined). In addition, the ROC will approve the UOC's charter (previously only the UOC council could approve the UOC's charter). Also, according to the new charter, decisions on the creation or abolition of dioceses included in the UOC-MP should be approved by the ROC's council of bishops. Another innovation is that all the UOC temples are obliged to pray for patriarch **KIRILL**.

According to the head of the UOC of the Kyiv Patriarchate, **FILARET**, the ROC's formal decision to transfer the administration centre of the UOC-MP from Moscow to Kyiv was made because of concerns that the Ukrainian parliament may restrict the church's operations in Ukraine.

Filaret rules out Moscow's authority over Kyiv Patriarchate

The head of the Ukrainian Orthodox Church of the Kyiv Patriarchate (UOC-KP), metropolitan **FILARET**, has ruled out that the UOC-KP may return under Moscow's control. The patriarch noted that instead of reconciliation, the Russian Orthodox Church (ROC) is trying to bring back the UOC-KP under the Moscow Patriarchate. He noted that if Moscow refuses to negotiate the autocephaly of the UOC-KP, he would raise this issue with the Constantinople Patriarchate.

On 30 November, the press service of the Russian Orthodox Church published Filaret's letter to ROC head **KIRILL**. It noted that the ROC council of bishops "accepts with satisfaction this appeal as a step to overcoming the schism and restoring ties between the churches by those who once seceded from the canonical Ukrainian Orthodox Church". The council of bishops set up a commission for holding negotiations, which will be headed by the head of the synod department for external church relations, metropolitan **ILARION** of Volokolam.

Russian media reported that at a meeting in Moscow the council of bishops heard Filaret's appeal to be pardoned and admitted back into the canonical church.

The press service of the UOC-KP denied the reports that Filaret asked Kirill to lift the anathema, and published Filaret's letter. It noted that in his address, Filaret voiced the willingness to "restore the eucharistic and prayerful communion" between the ROC and the Kyiv Patriarchate. The UOC-KP stressed that the Ukrainian patriarch's letter was initiated by the Moscow side, and its purpose was to create prerequisites for the recognition of the autocephaly of the Ukrainian Church by the ROC.

Filaret was the metropolitan of Kyiv and All Ukraine until 1992, when he and his supporters formed the UOC-KP. The Moscow Patriarchate excommunicated Filaret and pronounced an anathema upon him as a "schismatic".

VIII National Expert Forum

"Ukraine: Seeking Balance»

Photo Report

The VIII National Expert Forum "Ukraine: Seeking Balance" organised by the Gorshenin Institute and the Friedrich Ebert Foundation in Ukraine and Belarus with the support of the National Committee for Industrial Development was held in Kyiv on 28 November.



The event was divided into three thematic panels. The first discussion panel - "Formula for Ukraine's security" - was devoted to the current situation in Donbas, key priorities of the national security policy in Donbas, using global experience in the field of security and reforming Ukraine's uniformed agencies and army.



The panel's speakers included Interior Minister Arsen Avakov, the head of NATO Representation to Ukraine, Alexander Vinnikov, the deputy secretary of the National Security and Defence Council, Oleksandr Lytvynenko, the deputy head of the Security Service of Ukraine, Viktor Kononenko, the US Special Representative for Ukraine, Kurt Volker (video interview). The panel moderator was Sonia Koshkina, chief editor of the LB.ua website.



Among the guests of the economic panel – "Strategy for industrial growth as the basis for economic growth" – were Infrastructure Minister Volodymyr Omelyan, the executive director of the National Committee for Industrial Development, MP Anatoliy Hirshfeld, and the CEO of the investment company Concorde Capital, Ihor Mazepa.



They discussed the main factors for recovery of Ukraine's economy, prospects for the development of processing industries and Ukraine's place in the global economy system, the ways for Ukraine to preserve its labour potential and the financial base for its economic growth. The panel was moderated by Oleksiy Leshchenko, vice-president of the Gorshenin Institute.



During the third discussion panel, "Ukraine's subjectness in Europe's new landscape", the speakers and forum participants discussed Ukraine's current place on the world map, foreign policy, prospects for developing ties with the EU, reforms needed for Ukraine's rapprochement with the EU and its relations with the countries of Eastern Europe.



The panel speakers included Ukrainian Foreign Minister Pavlo Klimkin, the director of the Friedrich Ebert Foundation Ukraine and Belarus, Marcel Roethig, the editor in chief of the Rzeczpospolita newspaper (Poland), Boguslaw Chrabota, the chairman of the civil society



organization For a Free Ukraine, Jason Smart. The panel was Dmytro Ostrooushko, director for international programmes of the Gorshenin Institute.

Founded in July 2010, Gorshenin Weekly is a weekly digest of expert analysis covering the most important political, social and economic events in Ukraine. It is the key source of information about opinion polls carried out by the Gorshenin Institute as well as the best professional commentaries on recent developments.

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