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1. TOP NEWS

Constitutional amendments on decentralization pass first reading in parliament

Three National Guard officers were killed after a grenade was thrown from a crowd protesting against the changes to the constitution.

You can find more details in the section DOMESTIC POLITICAL.

Donetsk rebels replace "parliament speaker"

Media have reported that Russia might have changed its position on Donbass.

You can find more details in the section ARMED CONFLICT IN UKRAINE'S EAST.

Conflict breaks out between premier, Odesa governor

Prime Minister **Arseniy Yatsenyuk** and Odesa Region governor **Mikheil Saakashvili** have exchanged critical statements.

You can find more details in the section DOMESTIC POLITICAL.

2. ARMED CONFLICT IN UKRAINE'S EAST

Donetsk rebels dismiss "parliament speaker"

Members of the so-called "people's council" of the self-proclaimed "Donetsk People's Republic" (DPR) have voted to remove "parliament speaker" **Andriy Purhin** and appointed **Denys Pushylin** as acting "parliament speaker".

Russian news agency RIA Novosti, referring to its sources, reported that the head of the "DPR parliament" was replaced allegedly due to problems with the "parliament's" chief of staff, **Oleksiy Oleksandrov**, who is a close ally of Purhin.

Experts point out that the new "speaker" of the DPR, Pusyilin, has regular contacts with **Vladislav Surkov**, aide to the Russian president, while Purhin was a representative of **Vyacheslav Volodin**, first deputy head of the Russian president's administration. Experts also do not rule out that these changes might signal that Russia has somewhat softened its position towards the Donetsk and Luhansk "people's republics".

It should be noted that Russian bloggers and experts discuss a plan for the transfer by Russia of the DPR and LPR under the control of Ukrainian tycoon **Rinat Akhmetov** and his associates.

Donbass rebels switch to Russian ruble

The self-proclaimed "governments" of the so-called Donetsk and Luhansk "people's republics" have ordered to start using the Russian ruble in all financial transactions in the occupied territories, Ukrainian news agency UNIAN has reported.

According to MP **Anton Herashchenko** of the People's Front party, Russian currency and blank Russian passports arrived in Donbass.

Militants plan to destabilize situation in Zaporizhzhya Region

Pro-Russian militants are using the cease-fire to prepare destabilization of the situation in south-eastern regions of Ukraine, the antiterrorist operation headquarters have reported.

In particular, a group of separatists who are natives of Zaporizhzhya Region intend to hold a "congress of Zaporizhzhya fellowmen" in the so-called "Donetsk People's Republic" and then launch their activities in the region.

EU, USA may impose new sanctions against Russia

The European Union and the United States may impose new sanctions against Russia if the so-called Donetsk and Luhansk "people's republics" (DPR and LPR respectively) refuse to hold local elections on 25 October, when Ukraine holds such elections on its territory, and hold their own polls.

At the moment, the elections are scheduled for 18 October in the DPR and 1 November in the LPR.

Germany urges to intensify Donbass settlement talks

German Foreign Minister **Frank-Walter Steinmeier** has called on the sides of the conflict in Ukraine's Donbass to accelerate the negotiation process. He stressed that it is necessary to finish the talks on the withdrawal of weapons while the truce is observed.

3. INTERNATIONAL POLITICAL

UKRAINE-RUSSIA

Security council adopts military doctrine naming Russia as Ukraine's adversary

On 2 September 2015, the National Security and Defence Council adopted a new military doctrine identifying the Russian Federation as Ukraine's military adversary.

The doctrine builds on the high probability of a large-scale use of armed force against Ukraine as the key threat to national security. The document defines the signs of the emergence of armed conflicts inside Ukraine, including those instigated by foreign states.

The doctrine confirms that Ukraine has dropped its non-aligned status and is restoring its strategic course for Euro-Atlantic integration.

President **Petro Poroshenko** has set the task to ensure that the Ukrainian armed forces become fully compatible with those of NATO member states by 2020.

Security council endorses sanctions against Russia

On 2 September 2015, the National Security and Defence Council of Ukraine endorsed the government-drafted list of sanctions against 1,120 Russian nationals and 156 companies, the news and analysis website LB.ua has said.

The same day, the Committee of Permanent Representatives in the EU (COREPER) agreed to prolong the sanctions against 150 individuals and 37 legal entities of the Russian Federation and pro-Russian separatists due to the aggression against Ukraine. Final decision will be taken by the Council of the EU.

Russia says its "universal jurisdiction" covers Ukraine

The head of the Russian Investigations Committee, **Aleksandr Bastrykin**, has said that Russia has extended "its universal jurisdiction" to try Ukraine's senior political and military leadership.

The Ukrainian Foreign Ministry said that Russia had no right to apply its jurisdiction on the territory of Ukraine.

In 2014, the Russian Investigations Committee opened criminal cases against several Ukrainian politicians, government officials and public organizations.

Eight countries urge Russia to release Savchenko, Sentsov

The foreign ministers of Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden have called on Russia to release Ukrainian nationals **Nadiya Savchenko**, **Oleh Sentsov** and **Oleksandr Kolchenko**. The ministers said this in a statement issued in the wake of their 3 September meeting in Copenhagen.

Sentsov's defence appeals against conviction

The defence lawyers of Ukrainian film director **Oleh Sentsov**, who was sentenced to 20 years in a Russian penal colony, have filed an appeal against the conviction. It will not be heard until October.

Russian justice minister does not rule out Savchenko's exchange

Russian Justice Minister **Aleksandr Kononov** does not rule out that Ukrainian pilot **Nadiya Savchenko** can be exchanged for Russian nationals detained in Donbas. He added that such issues usually get settled through diplomatic channels, based on existing conventions or bilateral relations.

Earlier, the head of the Security Service of Ukraine (SBU), **Vasyl Hrytsak**, said that arrested Russian servicemen **Aleksandr Aleksandrov** and **Yevgeniy Yerofeyev** can be exchanged for the Ukrainians held in custody in Russia.

Russia impounds Ukrainian tycoon's property in Crimea

A Russian court has impounded all 71 items of immovable property of Ukrainian tycoon **Ihor Kolomoyskyy** located in annexed Crimea.

UKRAINE-USA

Sea Breeze drill starts in Ukraine

The Ukrainian-US joint military exercise Sea Breeze has started in Odessa and Mykolayiv regions, the news and analysis website LB.ua has said.

It involves up to 2,500 Ukrainian servicemen. The USA is represented by 1,000 troops, five ships and two submarines.

USA launching campaign to free Savchenko

The US Department of State has announced the start of the FreeThe20 campaign to free women political prisoners and other prisoners of concern. Ukrainian **Nadiya Savchenko** jailed in Russia is on the list.

UKRAINE-BELARUS

Belarus tightens control over Ukrainian border

Belarusian border guards are tightening control over the state border with Ukraine, the head of the State Border Committee of Belarus, **Leanid Maltsov**, has said.

He announced setting up new border outposts and checkpoints and equipping the border with modern hardware, including drones.

In his words, outposts on the Ukrainian border have changed the status from patrolling to quick reaction.

UKRAINE-UN

UN lacks funds to help Ukraine

Ukraine is among the countries for which there is not enough financial support to ensure humanitarian aid, the UN Office for the Coordination of Humanitarian Affairs has said.

It added that the UN donors had allocated only 34 percent out of the requested 316m dollars to help Ukraine.

4. DOMESTIC POLITICAL

Ukrainian parliament passes constitutional changes on decentralization in first reading

On 31 August 2015, the Ukrainian parliament adopted in the first reading the bill on changes to the constitution with regard to decentralization.

The bill says that self-government in certain areas of Donbas is subject to a separate law.

The bill was approved by 265 MPs, with the required minimum of 226. The parliamentary factions of the Petro Poroshenko Bloc, the People's Front, the Opposition Bloc, along with the People's Will and Revival groups voted for, while the factions of Fatherland, Self-Help and the Radical Party voted against the changes.

President **Petro Poroshenko** expects the decentralization bill to be adopted as a whole towards the end of 2015. The head of the Petro Poroshenko Bloc faction, **Yuriy Lutsenko**, suggested that the text of the bill could be amended.

High Representative of the European Union for Foreign Affairs and Security Policy **Federica Mogherini** said that the EU welcomed the adoption of the constitutional changes with regard to decentralization. Representatives of the self-proclaimed Donetsk and Luhansk people's republics said the decentralization "has nothing in common with the Minsk agreements".

Ukraine's minor coalition party pulls out

Radical Party leader **Oleh Lyashko** has said that his parliamentary faction is leaving the coalition and going into opposition. He said the decision was taken after the changes to the constitution were supported by the Opposition Bloc.

Ukrainian Deputy Prime Minister **Valeriy Voshchevskyy**, who was nominated to the coalition government by the Radical Party, announced that he was stepping down. The heads of the parliamentary committees for industrial policy and entrepreneurship, financial policy and banking, and for construction, urban development and utilities, which were nominated by the faction, will also resign.

The factions of Fatherland and Self-Help, which also voted against amending the constitution, said that they were not going to leave the parliamentary coalition. Thus the Radical Party's demarche will not affect the coalition because it still holds the majority of over 280 votes, with the required minimum of 226.

Self-Help faction expels five MPs

Self-Help parliamentary faction has expelled five MPs who supported the so-called decentralization bill in the first reading despite the faction's decision to vote against it.

The faction currently includes 26 MPs.

Clashes between decentralization bill opponents, police leave three law enforcers dead

Clashes broke out between the opponents of the constitutional changes and police outside the Ukrainian parliament on 31 August 2015. One of the protesters threw a grenade at law enforcers, which mortally wounded three. Overall, 141 law enforcers were hospitalized after the clashes.

A Sich volunteer battalion fighter and far-right Freedom party supporter, **Ihor Humenyuk**, is suspected of throwing the grenade. He was served a notice of suspicion of infringement on the life of a law enforcer and establishment of a terror organization.

As many as 31 people were detained over the riots outside the parliament building.

President **Petro Poroshenko** blamed the deaths of the law enforcers during the riots outside parliament on the Russian Federation, having accused it of continuing a "campaign to destabilize" the situation in Ukraine.

Vadym Omelchenko, president of the Gorshenin Institute, described the events outside the Ukrainian parliament, in particular the grenade incident, as extremism which cannot be justified with patriotism. "On the scale of threats to Ukrainian statehood, extremism sits firmly close to war and corruption," he said.

"One should check if the announced changes to the constitution are necessary. One should think but not throw the grenades from behind a crowd. One should put emotions aside. The war with Russia is far from being over," the expert said.

Ukrainian far-right party leaders suspected of organizing mass riots

The Prosecutor-General's Office has served members of the far-right Freedom party with the notices of suspicion of organizing mass riots and filed for the arrest of former Agrarian Policy Minister **Ihor Shvayka** and former MPs **Yuriy Syrotyuk** and **Eduard Leonov**, all from the Freedom party.

Freedom leader **Oleh Tyahnybok** was questioned as a witness. He said that **Ihor Humenyuk**, who is suspected of throwing a grenade during the protests outside parliament, did not have a party card but was its supporter.

Interior Minister **Arsen Avakov** accused the Freedom party and Tyahnybok of the bloody incident outside parliament.

Saakashvili accuses Ukrainian government of sabotaging reforms

The head of the Odessa regional state administration, **Mikheil Saakashvili**, has said that the Ukrainian government is controlled by oligarchs, hence the lack of true reforms.

He said that state-owned companies incurred the losses of 100bn hryvnias (4.3bn dollars) because the Cabinet of Ministers had been pandering to oligarchs.

Saakashvili accused the government of sabotaging the appointment of district heads of Odessa Region.

Prime Minister **Arseniy Yatsenyuk** dismissed Saakashvili's allegations as overly emotional and playing into the hands of the opponents of reforms.

Some media reported that Saakashvili was eyeing the post of prime minister, however he denied this.

Head of State Aviation Service of Ukraine dismissed

The Cabinet of Ministers has dismissed the head of the State Aviation Service, **Denys Antonyuk**. Antonyuk was suspended after the head of the Odessa regional state administration and ex-president of Georgia, Mikheil Saakashvili, accused him of lobbying the interests of airlines owned by tycoon **Ihor Kolomoyskyy**.

Prosecutor-General's Office sets up department to probe crimes against peace and security of humankind

The Prosecutor-General's Office of Ukraine has set up a department for investigation into crimes against peace, security of the humankind and order under the auspices of the Main Military Prosecutor's Office.

It will deal with criminal proceedings on Russia waging war in Ukraine and abetting terrorism.

Cabinet initiates special confiscation of property of Ukrainian ex-president's entourage

The Cabinet of Ministers has developed changes to the Criminal Procedure Code, introducing a separate procedure for special confiscation of arrested property once owned by the entourage of former President **Viktor Yanukovych**. A bill to this effect, which was registered with the Ukrainian parliament on 3 September 2015, allows such property to be confiscated without a court ruling.

The law will apply to people included in the sanction lists and those who help the so-called Family (associated with Viktor Yanukovych) generate the income.

E-petitions officially launched in Ukraine

The presidential administration website now has a new section, E-Petitions.

Over 1,000 petitions have been registered by 1 September.

President **Petro Poroshenko** earlier signed a decree endorsing the regulations on considering e-petitions.

5. ECONOMY**Foreign exchange reserves grow to 12.6bn dollars**

The foreign exchange reserves of Ukraine's National Bank in August increased by 21.6 percent to 12.6bn dollars.

Such growth in the foreign exchange reserves occurred thanks to another tranche from the IMF and funds from other international creditors, as well as due to foreign exchange transactions by the regulator.

Treasury blocks VAT refunds to Ukrainian tycoon

The State Treasury Service has suspended the reimbursement of value added tax (VAT) to three companies owned by **Rinat Akhmetov** – Metinvest Ukraine, Khartsyzsk Pipe Plant and Yenakiyev Steel Plant.

According to the treasury, these business entities applied for VAT refunds despite the fact that their legal and actual addresses, as well as manufacturing facilities, are registered in the territories "temporarily controlled by the terrorist organization Donetsk people's republic".

Norway to give Ukraine 21m-euro aid for reforms

Norway will provide financial assistance of 200m kroner (21m euros) for Ukraine to carry out reforms, Norway's Foreign Ministry has reported.

6. ENERGY**Ukraine-EU-Russia gas talks may be held in late September**

Trilateral talks on natural gas issues between Ukraine, the European Union and Russia may be held in late September, according to Russian Energy Minister **Aleksandr Novak**.

According to him, the meeting will take place if the parties agree all the conditions necessary for holding such a meeting.

Novak also confirmed a bilateral meeting on gas issues with **Maros Sefcovic**, Vice-President of the European Commission for Energy Union to be held on 11 September.

Ukraine raises electricity rates

Starting from 1 September, electricity tariffs in Ukraine increased by an average of 25 percent.

On 1 March 2016, electricity tariffs are expected to grow by another 25 percent.

Increasing utility tariffs to economically feasible levels is among requirements of the IMF to continue its lending programme.

Ukraine resumes coal imports from Russia

Ukrainian Energy Minister **Volodymyr Demchyshyn** has said that Ukraine has imported the first 30,000 tonnes of coal from the Russian Federation.

It was expected that Ukraine should receive 200,000 tonnes of coal by the end of August.

According to the Zerkalo Nedeli weekly, Ukraine is facing difficulties with accumulating coal ahead of the winter season. The situation is especially critical with anthracite coal, which is mined mainly in the territory controlled by the self-proclaimed Donetsk and Luhansk people's republics. Therefore, Ukraine has to purchase some coal from the Russian Federation. At the same time, Russia limits coal supplies to Ukraine.

Today, with the required reserves of anthracite estimated at 1.5m tonnes, Ukraine has only about 600,000 tonnes. Moreover, around 70,000 tonnes of coal are stored at the front-line Luhansk thermal power plant, which is cut off from Ukraine's power grids, as many power lines were damaged or go through the occupied territories.

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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