



# Gorshenin *Weekly*

**ISSUE 81 (244) 11/16/2015**

## CONTENTS

### 1. TOP STORIES...page 4

#### 2. ARMED CONFLICT IN EAST UKRAINE...page 4

Militants in Donbas continue shelling Ukrainian army positions

President says Ukraine on combat alert

OSCE completes verification of arms withdrawal in Donbas

OSCE calls on Russia to stop sending "humanitarian convoys" to Donbas

Over 140 Ukrainians still in militants' captivity

Law on special status of Donbas must come into effect on election day - Steinmeier

Ukrainian president: commissioner confirms EU firm on sanctions against Russia

#### 3. CRIMEAN ISSUE...page 5

Ukrainian parliament recognizes 1944 deportation of Crimea Tatars as genocide

Annexed Crimea mulls Ukrainians' headcount

Russian banks refuse to credit Crimea because of sanctions

Russian Central Bank announces issue of notes celebrating Crimea's annexation

#### 4. INTERNATIONAL POLITICAL...page 6

##### UKRAINE-RUSSIA

Putin suggests Ukraine pay 1bn dollars of "Yanukovich's loan" off annually

##### UKRAINE-USA

US Senate approves defence budget providing 300m dollars in military aid to Ukraine

##### UKRAINE-NATO

NATO experts visit Ukraine

#### 5. DOMESTIC POLITICAL...page 7

Ukraine's cities hold mayoral runoffs

Ukrainian parliament schedules election in Mariupol, Krasnoarmiysk for 29 November

Ukrainian parliament passes several bills for visa liberalization with EU

Ukrainian parliament extends moratorium on sale of farmland

Pro-presidential party says premier's resignation possible

New group created in parliament

Radical Party member vacates seat in parliament

Far-right party leader resigns

Court removes electronic tag from former Regions Party leader

Prosecutor's office appeals house arrest of tycoon's ally

Odessa Region governor notified of impending withdrawal of Georgian citizenship

Parliament rejects proposal to suspend embattled MP from duty

Prosecutor's office calls in justice minister for questioning

Parliament dismisses 245 judges

## **6. ECONOMY...page 10**

IMF mission arrives in Kiev

Ukraine starts selling Eurobonds under restructuring programme

Inflation of 0.8 percent recorded in October

## **7. ENERGY...page 10**

Naftohaz to pay for Russian gas as needed – official

Ukraine to increase use of US nuclear fuel at power plants

Ukrnafta fined for non-payment of dividends

Court declares decision to raise gas prices for households illegal

Ukraine stops electricity imports from Russia on 13 November

## 1. TOP STORIES

### **Pro-Russian militants continue breaching cease-fire**

Ukraine on high combat alert

*Read more in ARMED CONFLICT IN EAST UKRAINE*

### **Ukrainian parliament recognizes 1944 deportation of Crimean Tatars as genocide**

Genocide victims to be commemorated on 18 May annually

*Read more in CRIMEAN ISSUE*

### **Ukraine's cities hold mayoral runoffs**

### **Ukrainian parliament passes several bills for visa liberalization with EU**

*Read more in DOMESTIC POLITICAL*

## 2. ARMED CONFLICT IN EAST UKRAINE

### **Militants in Donbas continue shelling Ukrainian army positions**

Last week pro-Russian militants continued firing at the positions of the antiterrorist operation (ATO) troops in all sectors of Donbas, the Ukrainian General Staff has said.

According to Foreign Minister **Pavlo Klimkin**, there has been no sustainable cease-fire in east Ukraine, which puts the Minsk process under threat.

### **President says Ukraine on combat alert**

Ukrainian President **Petro Poroshenko** has said that due to the escalation of the conflict in Donbas, Ukraine is now on high combat alert and will take certain steps to protect its territory.

The head of state also said that he had ordered the antiterrorist operation troops to return fire if enemy shooting threatens their lives.

### **OSCE completes verification of arms withdrawal in Donbas**

The OSCE special monitoring mission completed the verification of arms withdrawal on 12 November 2015, a spokesman for the antiterrorist operation, **Leonid Matyukhin**, has said.

On 9 November, Ukraine completed the withdrawal of arms of all types smaller than 100 mm in calibre from the line of contact in all sectors of the antiterrorist operation area.

## **OSCE calls on Russia to stop sending "humanitarian convoys" to Donbas**

The OSCE has called on Russia to stop sending so-called "humanitarian convoys" to Donbas without the consent of the Ukrainian authorities, it has said in a statement.

Russia does not allow either Ukrainian border guards and customs officers or the Red Cross Committee to register and check the cargo brought in by the convoys.

The 44th "humanitarian convoy" entered Donbas on 12 November 2015.

## **Over 140 Ukrainians still in militants' captivity**

There are 142 Ukrainians being held captive by pro-Russian separatists, **Iryna Herashchenko**, Kiev's representative in the subgroup for humanitarian issues of the trilateral contact group on Donbas, has said.

Two employees of the State Emergencies Service were released from the separatists' captivity on 15 November 2015.

## **Law on special status of Donbas must come into effect on election day - Steinmeier**

German Foreign Minister **Frank-Walter Steinmeier** has said that as agreed by the Normandy Four during their recent meeting in Paris, the law on the special status of Donbas must enter into force on a preliminary basis on the day of local elections in the region, and if the OSCE confirms the legitimacy of elections, it must be enforced on a permanent basis.

## **Ukrainian president: commissioner confirms EU firm on sanctions against Russia**

On 9 November 2015, EU High Representative for Foreign Affairs and Security Policy **Federica Mogherini** reiterated that the EU sanctions against Russia are dependent on the implementation of the Minsk agreements, Ukrainian President **Petro Poroshenko** has said.

According to some media reports, the EU heads of government intend to prolong the sanctions for another six months.

### **3. CRIMEAN ISSUE**

## **Ukrainian parliament recognizes 1944 deportation of Crimea Tatars as genocide**

On 12 November 2015, the Ukrainian parliament passed a resolution recognizing the 1944 deportation of Crimean Tatars from the peninsula as the act of genocide against the Crimean Tatar people and pronounced 18 May as Genocide Victims Remembrance Day.

## **Annexed Crimea mulls Ukrainians' headcount**

The authorities of Crimea annexed by Russia are planning to hold a census of Ukrainian nationals, its self-proclaimed leader **Sergey Aksenov** has said.

In his opinion, Ukrainians are an additional burden on the infrastructure, health and educational institutions of the peninsula.

As of 1 January 2016, Crimean residents must report to local offices of the Russian Federal Migration Service if they hold second citizenship.

## **Russian banks refuse to credit Crimea because of sanctions**

Fearing Western sanctions, Russian banks hardly issue loans to Crimean agrarians nowadays, the so-called first deputy agricultural minister of annexed Crimea, **Nikolay Polyushkin**, has said.

## **Russian Central Bank announces issue of notes celebrating Crimea's annexation**

The Russian Central Bank has said that 100-rouble notes celebrating Crimea will be in circulation in Russia as of December 2015.

## **4. INTERNATIONAL POLITICAL**

### **UKRAINE-RUSSIA**

#### **Putin suggests Ukraine pay 1bn dollars of "Yanukovych's loan" off annually**

Russia is ready to restructure Ukraine's Eurobonds worth 3bn dollars so that it pays 1bn dollars per year from 2016 to 2018, Russian President **Vladimir Putin** has said.

He added that Russia demanded US or EU guarantees for Ukraine's debt.

Russia said that it was going to give Ukraine 15bn dollars in financial aid in December 2013 after then President **Viktor Yanukovych** refused to sign the association agreement with the EU. Moscow bought Ukraine's Eurobonds worth 3bn dollars with maturity in December 2015.

### **UKRAINE-USA**

#### **US Senate approves defence budget providing 300m dollars in military aid to Ukraine**

On 10 November 2015, the US Senate passed a revised National Defence Authorization Act, having reserved 300m dollars in aid for Ukraine.

The USA has already allocated 265m dollars to Ukraine to equip and train "Ukrainian security and border services".

**UKRAINE-NATO****NATO experts visit Ukraine**

A group of NATO experts came to Ukraine on a three-day visit on 10 November 2015, the Defence Ministry's press service has said. The delegation was headed by a representative of NATO's Communications and Information Agency, Rene van der Heiden.

NATO experts arrived in Ukraine to hold consultations on a feasibility study within the framework of NATO's Regional Airspace Security Programme.

**5. DOMESTIC POLITICAL****Ukraine's cities hold mayoral runoffs**

Large cities in Ukraine held mayoral runoffs on 15 October 2015. According to the Central Electoral Commission, voter turnout was 34.08 percent, whereas during the first round it was 46.6 percent.

**Vitaliy Klitschko** from Petro Poroshenko Bloc-Solidarity was officially declared winner in Kiev, **Andriy Sadovyy** from Self-Help in Lviv, **Borys Filatov** from Ukrop in Dnipropetrovsk and independent **Volodymyr Buryak** in Zaporizhzhya.

**Tana de Zulueta**, head of the OSCE ODIHR election observation mission, said the runoffs in the mayoral election in Ukraine were held at a good organizational level.

**Ukrainian parliament schedules election in Mariupol, Krasnoarmiysk for 29 November**

The Ukrainian parliament upheld the bill sponsored by unaffiliated MP **Serhiy Taruta** to schedule local elections in Krasnoarmiysk and Mariupol for 29 November 2015.

The 25 October elections did not take place there after city electoral commissions had failed to provide polling station commissions with election ballots.

**Ukrainian parliament passes several bills for visa liberalization with EU**

The Ukrainian parliament passed several bills for visa liberalization with the EU on 10 November 2015.

In particular, MPs adopted the bill allowing an arrest of property which could be used as a tool or proof of crime, or which was criminally acquired.

Parliament also adopted the bill advancing the institutions of special confiscation to eliminate the risk of corruption.

MPs voted in favour of establishing an agency on the return and management of illegally acquired assets.

Also, parliament adopted the bill distributing criminal investigations among various

law-enforcement agencies, which curtails the Security Service of Ukraine's (SBU) authority.

Parliament also amended the Labour Code by banning employment discrimination on sexual or gender grounds. The bill appeared to be a highly contentious issue among MPs.

### **Ukrainian parliament extends moratorium on sale of farmland**

The Ukrainian parliament has extended the moratorium on the sale of farmland until 1 January 2017.

### **Pro-presidential party says premier's resignation possible**

The leader of the Petro Poroshenko Bloc's parliamentary faction, **Yuriy Lutsenko**, does not rule out that the government may be dismissed under certain circumstances.

According to Lutsenko, in the event that the number of those seeking radical changes in parliament reaches a critical point, Prime Minister **Arseny Yatsenyuk** may face a vote of no confidence.

It was reported that the prime minister is expected to report in parliament in December on the implementation of the government's annual programme.

### **New group created in parliament**

A new interfaction group called European Environmental Initiative has been established in the Ukrainian parliament.

Non-affiliated MP **Ostap Yednak** was elected as chairman of the group.

### **Radical Party member vacates seat in parliament**

MP **Zlata Ohnyevich** of the Radical Party on 10 November resigned as a member of the Ukrainian parliament, saying that it was impossible to work under current conditions in parliament.

It should be recalled that Ukrainian singer Ohnyevich ran for parliament as a candidate from Oleh Lyashko's Radical Party. In parliament, she chaired a subcommittee on arts and cultural and educational policy.

### **Far-right party leader resigns**

The head of the ultranationalist organization Right Sector, MP **Dmytro Yarosh**, has said that he steps down as the organization's leader.

Yarosh noted that radicals had come to power in Right Sector who called for the elimination of the incumbent government via a coup d'etat, but he disagreed with such methods.



Later it became known that Yarosh accepted the offer to head the headquarters of the Volunteer Ukrainian Corps, which is Right Sector's paramilitary wing.

### **Court removes electronic tag from former Regions Party leader**

The former leader of the Party of Regions faction in parliament, **Oleksandr Yefremov**, has confirmed that the court has removed the electronic tagging device from him and lifted restrictions on his travel within Kiev and Kiev Region.

At the same time, the Prosecutor-General's Office said on 9 November that former Justice Minister **Olena Lukash** was released from custody under house arrest and was put on an electronic tag.

### **Prosecutor's office appeals house arrest of tycoon's ally**

The Prosecutor-General's Office has appealed the decision by Kiev's Pechersky district court to put under house arrest **Hennadiy Korban**, leader of the Ukrop party and a close ally of Ukrainian businessman **Ihor Kolomoyskyy**.

### **Odessa Region governor notified of impending withdrawal of Georgian citizenship**

Georgian Justice Minister **Tea Tsulukiani** has said that the incumbent governor of Ukraine's Odessa Region and the former Georgian President, **Mikheil Saakashvili**, who was put on the wanted list under four articles of Georgia's Criminal Code, has been handed over a notice that he will be deprived of Georgian citizenship.

### **Parliament rejects proposal to suspend embattled MP from duty**

Ukrainian MPs have turned down the proposal by parliament speaker **Volodymyr Hroysman** to suspend the deputy head of the People's Front faction, **Andriy Teteruk**, from plenary sessions for five days.

It should be recalled that Teteruk, following the plenary session on 5 November, scuffled with MP **Oleksandra Kuzhel** of the Fatherland faction.

### **Prosecutor's office calls in justice minister for questioning**

Justice Minister **Pavlo Petrenko** has said that the Prosecutor-General's Office has summoned him for questioning under a criminal case over coercion of Constitutional Court judges during the consideration of the law on vetting.

It should be noted that the Prosecutor-General's Office also called in for questioning non-affiliated MP **Volodymyr Parasyuk** as a witness in three criminal proceedings.

### **Parliament dismisses 245 judges**

The Ukrainian parliament on 12 November dismissed 242 judges, including four judges who were dismissed in connection with the entry into force of guilty verdicts.

In addition, parliament dismissed three judges for violation of oath.

The Special Advisor to Council of Europe's Secretary General for Ukraine, **Christos Giakoumopoulos**, believes that the full replacement of judges in Ukraine is impossible. According to him, there is only a possibility for reorganization which includes the dismissal of judges on specific criteria and on the basis of individual assessment.

## 6. ECONOMY

### **IMF mission arrives in Kiev**

A mission of the International Monetary Fund arrived in Kiev on 12 November to assess progress under the Extended Fund Facility Arrangement.

IMF experts will stay in Ukraine until 21 November.

### **Ukraine starts selling Eurobonds under restructuring programme**

Ukraine on 12 November began selling 11.95bn-dollar Eurobonds maturing in 2019-27 and 2.9bn-dollar government derivatives as part of the restructuring programme.

It should be recalled that on 14 October the meeting of holders of Ukraine's government and government-guaranteed Eurobonds worth a total of 14.36bn dollars and 0.6bn euros (except for the Russian-held debt of 3bn dollars) passed a resolution approving the terms of restructuring.

### **Inflation of 0.8 percent recorded in October**

The State Statistics Service has reported that inflation in Ukraine in October 2015 amounted to 0.8 percent (3 percent in September and 0.2 percent in August).

It should be noted that inflation in Ukraine reached 33.3 percent over nine months.

## 7. ENERGY

### **Naftohaz to pay for Russian gas as needed – official**

The state-run energy company Naftohaz Ukrayiny is expecting a further decline in the price of natural gas, and therefore it will buy the fuel in the near future as may be necessary, company head **Andriy Kobolyev** has said.

### **Ukraine to increase use of US nuclear fuel at power plants**

Ukrainian Energy Minister **Volodymyr Demchyshyn** has said that Ukraine plans to use nuclear fuel supplied by US company Westinghouse at three out of its 15 nuclear power generating units in 2016. Currently, Westinghouse's nuclear fuel is used at one power unit of the Yuzhnoukrayinska nuclear power plant.

**Ukrnafta fined for non-payment of dividends**

Ukrnafta, the largest domestic oil producer, has been imposed a fine of 90.5m hryvnias (4m dollars) for late payment of dividends, according to a decision by Ukraine's Economy Ministry.

It should be recalled that in October Ukrnafta transferred to the state coffers 27.7m dollars in dividends for 2014. After that, the company's newly appointed chairman of the board, **Mark Rollins**, asked to postpone the payment of the remaining debt accumulated over the past years.

As of 22 October, Ukrnafta's tax liabilities totalled 419.9m dollars. In addition, the company owes the state more than 79m dollars in dividends for previous years.

**Court declares decision to raise gas prices for households illegal**

The Kiev district administrative court has invalidated the decision made by the National Energy Regulatory Commission on 3 March 2015 to set new retail natural gas prices for households.

The court established that, according to the law, there is no such position as acting head of the National Energy Regulatory Commission, in capacity of which **Dmytro Vovk** signed the abovementioned resolution.

**Ukraine stops electricity imports from Russia on 13 November**

The state-run energy company Ukrenerho has reported that Ukraine on 13 November stopped importing electric power from the Russian Federation.

**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.**

**Gorshenin Weekly is available in Russian and English.**

**Gorshenin Weekly has over 1000 subscribers in the EU, the USA, Russia, Ukraine and other countries. Its regular customers are representatives of the embassies, the European Commission, the European Parliament, the US Department of State, leading international analytical centres, Ukrainian and international mass media.**

**If you wish to subscribe to Gorshenin Weekly please send your request to the following e-mail address: [weekly@gorshenin.eu](mailto:weekly@gorshenin.eu).**

**Our contact information:**  
18b Mala Zhytomyrska st.,  
Kiev 01001, Ukraine  
+38 044 230 4962  
+38 044 230 4966 f



For more information please visit our website  
<http://gorshenin.eu/>