

Executive Summary

Moldova, Georgia and Ukraine's scenarios are very fluid. In Chisinau a war between the parties forming the ruling coalition broke out. It was unexpected. The Parliament will vote a no confidence motion on 5 March. Likely, if the Government falls, the finalization of the Free Trade Agreement and the Association and Stabilization Agreement with the EU in November, during the Eastern Partnership¹ summit, will be postponed. This would have relevant economic and political consequences, as the agreements have become Moldova's foreign policy top priority in the last months.

The Ukrainian Government and the EU are negotiating on the finalization of the Free Trade Agreement and the Association and Stabilization Agreement as well. Brussels asked Ukraine's President Viktor Yanukovich to match the EU's conditions within May. The 27-bloc wants the release of Yulia Tymoshenko. Yanukovich is not oriented to satisfy Brussels' request.

As for Georgia, the new Prime Minister and the President, Bidzina Ivanishvili and Mikhail Saakashvili respectively, are still involved in a harsh political battle. The first wants to downsize the latter's influence and he is even using justice to make pressures on the President, whose top allies have been put on trial over the last months.

Situation Report

Moldova

The pro-EU Government led by Vladimir Filat is on the brink of collapse. On 5 March the Parliament will vote a no confidence motion that, if approved, could pave the way to early elections.

The crisis started in December 2012, when the general prosecutor Valeriu Zubco killed a businessman during a hunting trip. An inquiry was opened by the Prime Minister – also due to some external pressures made by the EU – and it drove to Zubco's dismissal. This angered the Democratic Party, which alongside the Liberal Party and the Liberal-Democratic Party (headed by Filat) is one of the three stakeholders of the Government. The Democrat Party, which controls the National Anti-Corruption Center, launched some investigations into members of the Filat's party as a countermeasure. Filat reacted by voting with the Communist Party – the biggest opposition force – the dismissal of the deputy chairman of the Parliament, Vlad Plahotniuc, who is also the richest man of the country and has a big political influence. This last step was too much for the Democratic Party as well as for the Liberal Party. Both asked Filat to leave. The Communist Party, which ruled until 2009, called the no confidence vote. It wants to gain from the growing rivalries that are emerging among the ruling parties.

¹ The Eastern Partnership is a European program aimed at fostering the dialogue between Brussels and countries once belonging to the USSR. The EU's purpose is to provide assistance in order to improve commerce and economic cooperation with all the partners of the program (Ukraine, Georgia, Moldova, Belarus, Armenia and Azerbaijan). Politically speaking, the European main goal is to contain Moscow's influence in the post-Soviet space.

Ukraine

The EU-Ukraine summit held in Brussels on 25 February was the major event of the month. The EU delivered Ukraine's President Viktor Yanukovich an ultimatum, by making clear that it will not sign the Free Trade Agreement and the Association and Stabilization Agreement with Kiev unless the post-Soviet country shows concrete progresses in the fields of justice and rule of law by early May 2013. In other words, the EU asks for the release of the former Prime Minister Yulia Tymoshenko and Yuri Lutsenko, who was the Minister of Interior in Tymoshenko's coalition. Both are currently detained. They underwent very questionable trials.

Back in Kiev, Yanukovich ordered the Government to do all the efforts to implement reforms required by the EU in order to sign the two significant agreements, firstly arranged in 2011. Tymoshenko's case brought the EU to freeze them. The President said he hopes to sign the agreements by late November, when the EU and members of the Eastern Partnership will gather in Vilnius. Media reported that Yanukovich is thinking of freeing Lutsenko in April, to show the EU his willingness to resume a high-profile dialogue with the 27-bloc.

As for Tymoshenko, her release seems more unlikely. The Ministry of Health announced on 22 February that the former Prime Minister can return to prison after she spent 11 months in a civilian hospital due to back pain. Yanukovich said that he might pardon her only if she compensates the State for the losses she caused in 2009 by stipulating a gas deal with Russia, which according to Yanukovich introduced too high gas prices (Ukraine's Government is trying to find alternative energy sources because gas deal with Russia is seen as financially unsustainable).

Georgia

The Prime Minister Bidzina Ivanishvili is using justice as a political tool to weaken the President, Mikhail Saakashvili. After Ivanishvili's coalition (the Georgian Dream) won election in October, the Prime Minister and his allies have carried out a vindictive policy towards Saakashvili and members of the United National Movement (UNM), the party of the President, which took power in 2003. The mayor of Tbilisi, Gigi Ugalava, is the last high profile Saakashvili's ally to be targeted by selective justice. Ugalava was charged with mispending state funds and money laundering.

Early in the month, Ivanishvili and Saakashvili clashed over Constitutional reforms. The Georgian Dream asks for removing the President's right to fire the Government, while Saakashvili is trying to resist pressures. On 8 February, Ivanishvili's allies even prevented the President to give the state of the nation speech in Kubaisi (the city where the Parliament is located), because he refuses to emend the law. Saakashvili decided to give the speech at the National Library in Tbilisi, on the same day. Yet protesters belonging to the Georgian Dream, as well as former political prisoners freed by Ivanishvili after October elections, went to the Library and battled with security forces. Then Saakashvili delivered the speech from the presidential palace.

Trends

Ongoing political troubles in Moldova and Georgia, as well as Ukraine's crystallization, suggest that the EU should downgrade its expectations for the Eastern Partnership summit, which will take

place in Riga in November. It will not be easy to bring these three countries closer to the EU by that date.

Moldova seemed the country that in theory has the most concrete chance to finalize the Free Trade Agreement and the Association and Stabilization Agreement with the EU, as well as visa partial liberalization. The President of the European Commission and the German Chancellor, José Manuel Barroso and Angela Merkel respectively, recently visited Chisinau and endorsed Filat, stressing his efforts to improve Moldova's democratic and legal frameworks. Yet a political crisis erupted, showing that the cohesion of the ruling coalition is much weaker than many observers thought. The ongoing fight between Filat's Liberal-Democratic party and the other two members of the coalition, the Democratic Party and the Liberal Party, in power since 2009, indicates that Moldova's pro-EU bloc could split in two different centers of power. This might lead to early elections, derail Moldova's European integration process and give the Communists a chance to take the power back.

The EU is carefully watching also Georgia's recent political developments. The post-electoral clash between Ivanishvili and Saakashvili and the political use of justice made by the new Prime Minister recalls somehow Ukraine's scenario in 2010. As a matter of fact Viktor Yanukovich orchestrated Tymoshenko's trial right after he won presidential elections. There's also another analogy between the two post-Soviet republics. Both Ivanishvili and Yanukovich launched a rapprochement policy with Russia after they won elections. Georgia is effectively trying to mend ties with Moscow. Diplomatic relations were broken off because of the Russian-Georgian war in August 2008. Yet Tbilisi rules out for the moment the recognition of Abkhazia and Southern Ossetia, the two former rebel provinces that gained independence after the conflict.

As for Ukraine, Yanukovich is trying to show the EU the commitment to improve bilateral relations. Yet it is very likely that he will not match the conditions established by the EU – basically the release of Yulia Tymoshenko – to give the green light to the finalization of the Free Trade Agreement and the Association and Stabilization Agreement.

Georgia's "Ukrainization", Ukraine's status quo and Moldova's current political chaos have a negative impact on the European strategy for the post-Soviet region, which mixes up the will of bringing these countries closer to the EU and containing Moscow's influence.

Nonetheless the Eastern Partnership should also be analyzed through other lenses. As a matter of fact it has posed a clear perspective of cooperation between Brussels and these countries. It brought Moldova to implement reforms, while Ukraine and Georgia started working to balance their ties with Russia (even stronger than Moldova's ones) and ambitions for a better relation with the EU. To them, the Eastern Partnership is an important card to limit Moscow's appetite.