



New Ukraine
Institute for Strategic Studies

**Future of Donbas Conflict Areas after
Minsk Agreements-II: Range of Options**

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The February 12, 2015 Minsk Agreements on the peaceful settlement of the conflict in eastern Ukraine are recognized by all parties of the conflict and stakeholders of global politics. These agreements are taken for granted, which allows to decide on the further steps towards achieving peace, overcoming the threat of a large-scale war in Europe, implement measures on integration and revival of the territories.

The first Minsk agreements (September 2014) were perceived by all as temporary. Peace did not last long, resumption of hostilities was only a matter of time. But the February 12, 2015 Minsk Agreements have a higher level of commitment, as the situation has changed and there is reason to hope that there will be no large-scale hostilities. However, the probability of their resumption exists, and it can be estimated at either 50% or 90%. But there is none of the univocacy that was present after the Minsk-I, the range of options is much more diverse.

At the same time, adherence to the Minsk Agreements-II is the only way towards conflict deescalation.

Currently, Ukraine is in need of not only a political, but also a nation-wide dialogue on the fate of the conflict areas. It is important to know what phase we are in; make a consolidated prediction on the possible ways the situation may develop; determine which scenario is favorable for Ukraine; what is required for the implementation of any of the given scenarios.

1. Scenarios made available by the Minsk Agreement (February 2015)

1.1 Baseline scenario (decisions and actions taken by Ukrainian authorities after Minsk-II)

Events will develop along a relatively peaceful course, the "hot" phase of the conflict will end, heavy weapons will be withdrawn from the contact line. The formation of a boarder line should be perceived as a given. Such a line will be strengthened by defensive buildings on the Ukrainian side and it will have a special crossing regime. As of yet, Ukraine does not recognize it as a line of separation, which excludes part of the national territory. The seceded territory has no opportunities for independent economic existence. Industry and infrastructure have been destroyed, the population, of approximately 4 million people, has no means of subsistence, it needs social aid. The territories are dominated by disorder, a grave criminogenic situation. Basic human rights are constantly violated.

People are politically disoriented, which is caused by the cessation of support from Russia for the "Novorossiya" ("New Russia") project, unprofessional governments of DPR/LPR, presence of militant groups that do not support these governments. At the same time, most citizens are disloyal to the Ukrainian government and do not support the Ukrainian state project of development, which is based on the European integration vector. A large number of casualties on both sides, including civilians, significantly complicates the process of national reconciliation.

The decision of the Verkhovna Rada of Ukraine to implement the Minsk Agreements-II, unfortunately, does not provide for an internal national dialogue and restore the status quo, a return to the pre-war conditions. In effect, aggression against Ukraine has been recognized. Legislative and regulatory decisions of the Ukrainian government on special status of conflict territories regulate only the district level. This delays the issue of decentralization at the district administrative level.

The implementation of this scenario envisages significant support to Ukraine from the West - financial, military, geo-economic and geopolitical. The scenario is based on the assumption that Russia will renounce escalation of the armed conflict, it will gradually scale down its presence in Donbas (perhaps, in exchange for concessions in the Crimean matter, etc.). Based on these basic conditions, other likely scenarios may be implemented in Donbas.

At the same time, *the weak links* of this scenario are:

- lack of an effective formula to solve the fate of the region, which is currently split into four nonviable parts;
- ambitious plans of the RF;

- the limits of western support for Ukraine;
- lack of an internal political dialogue, *which was pointed out to the Ukrainian government by representatives of European and American political circles.*

1.2 Military victory and restoring the status quo

An important prerequisite for this scenario, which has already been formed, is the presence of consolidated sentiment of parliamentary forces, the coalition in support of further hostilities.

It is possible, if Ukrainian authorities stake on military liberation of territories. Probably, as a reaction to an expected military campaign of separatists, retaliation, or a preventive strike.

Aggravation of the conflict could occur if the DPR/LPR leadership seeks to disrupt the elections on Kyiv's terms, which would mean the failure of the Minsk Agreements. Separatists did not intend them to adhere to them adequately. Elections were expected to be held on their terms, which do not meet the requirements of democratic elections and have questionable legitimacy. DPR/LPR leadership believed that a special status would allow to maintain power, receive dividends in the form of payments from Ukraine on social issues, while obtaining funds from the RF.

But the only way to "put pressure" on Kyiv is through hostilities. Bidding on them is possible only if there is broad support from the RF. Recently, militants have been grossly violating the Minsk agreements, including the shelling of ATO troop positions from heavy weapons which have not been withdrawn along the contact line. The movement of OSCE observers is limited. According to Anti-Terrorist Operation Headquarters, separatists are accumulating forces and heavy weapons in the direction of Artemivsk, Mariupol and Luhansk. However, there are not enough forces for a successful continuation of the campaign. Donbas residents are evading mobilization to people's militia. Despite the difficult conditions and unemployment, militias are filled up by only 10-15% of the planned target. The Armed Forces of Ukraine are ready for a local conflict, so this scenario is unlikely to lead to the desired result.

In addition, the failure of the Minsk agreements will entail strengthening of sanctions against the RF, accelerate the decision on peacekeeping missions and accelerate the implementation of the "frozen conflict" scenario.

Conditions. Ukrainian authorities may decide to wage war until final victory in the event of serious military and financial support from the US and the EU. In particular, obtaining lethal weapons that could inflict heavy losses on the enemy and provide a strategic advantage. Such assistance may be provided in the event of

consensus of the leadership of western states on the acceptability of such a scenario, while taking into consideration the potential risks, both military and economic.

There is also a need of national agreement on the preservation of conflict areas within Ukraine, the willingness of Ukrainians to sacrifice their lives in a military campaign and bear the economic costs in order to revive the region. Obviously, if Donbas is preserved through military means its restoration will be funded through the budget of Ukraine, international financial aid and loans. Significant resources will be used to strengthen the Ukrainian-Russian border and increase control.

An important condition of this scenario is the tolerant perception of the central government's victory by the local population and the restoration of the pre-war order, reconciliation with the project of Ukraine's development, adapting to it. Under this condition, revenge of separatists will be made impossible. The region will develop within and under the same reforms on decentralization and development of local government as across Ukraine. There may be concessions to local elites through recognition of the special status of the region.

The RF has to come to terms with the victory, renouncing military revenge, nuclear threats, destabilizing scenarios in Europe and on the post-Soviet territory. Problems will arise with armed militants retreating to the territory of the RF, a significant number of refugees. This scenario is not acceptable to Russia.

Probability – 30%. The scenario is risky. In response to western aid in providing lethal weapons to Ukraine, Russia will build up military forces on the territory of hostilities. Aviation may be involved, which will make the course and outcome of the conflict more bloody and unpredictable. It is unlikely that these risks will suit the West.

There is a modest probability of the success of the "victorious scenario", in case of serious concessions in the "Crimea" issue, easing of economic sanctions, Ukraine's refusal to join NATO. Crimea's return to Ukraine or its existence as a separate independent territory is not possible, because the aggression in Donbas was to serve as a lever for the recognition of Crimea as part of Russia. Therefore, the international community and Ukraine will be forced to give guarantees on solving the "Crimean issue" in the interests of the RF to calm the aggressor.

1.3 Frozen conflict

DPR/LPR may, for some time, remain to be the *frozen conflict* territory. Laws passed by the Verkhovna Rada of Ukraine will not work. These territories will exist as two quasi-state formations – DPR and LPR, or even as a single unrecognized

republic "Novorossiia" ("New Russia"). This enclave will be under the control of separatists, with Russian military and financial support. The RF will use this territory for the preparation of training bases, storage of ammunition and equipment, repairs. Economic exploitation of the region is beneficial to both Russia and Ukraine. Minerals, metals, functioning equipment from mines and factories will be exported for next to nothing. Employees of the few enterprises that remain will work for low wages or food rations. Meanwhile, high prices on food and industrial goods will provide smugglers with excess profit.

Incapable of independent economic existence, unrecognized, this territory will largely depend on Russia. This state will be preserved until the RF abandons the project entirely. Troops will be withdrawn from the territory of Ukraine, steps will be taken to ensure that armed militants would be unable to cross the Russian border. Military and financial support will be suspended, and humanitarian aid to the region will be reduced.

The Russian government will gradually "dispose of" DPR/LPR as an economic burden and the center of instability on the border. There will be bargaining with Ukraine and the West about the conditions and concessions on other issues (Crimea, NATO, sanctions, energy resources, etc.).

The leadership of the republics will be forced to negotiate with Ukrainian authorities about the surrender terms.

The "frozen conflict" situation will be harsh on the population: emigration from the region will increase, especially among young people, because of growing economic, criminogenic, technological, environmental problems, lack of prospects.

Probability – 50%. The stated scenario is likely in the medium term, but for a short period. A territory can not exist in a frozen state for long. Its status will require to be defined: complete separation as a sovereign state (secession), recovery within Ukraine on terms of autonomy or accession to the RF.

The West will strongly contribute to the demise of the "frozen conflict" territory as a source of security threats and resolve the issues in the interests of security in Europe, adherence to the principles of international law.

1.4 Secession, exclusion

DPR and LPR become de jure independent formations, or a single territorial entity. A cooperation agreement or alliance with Russia is possible (on the model of South Ossetia, Abkhazia). Accession to the RF is less likely. In a way, it will solve a

number of acute problems of the Ukrainian development project and, possibly, suit the West. **Objective:** a new division of Ukraine's territory, exclusion of problem territories in exchange for guarantees of peace from Russia, preventing a full-scale war in Europe.

In the event of secession restoring destroyed civilian infrastructure, industrial capacity will largely be the responsibility of the initiator of the aggression (RF) and the forces of separatists. Ukraine will not invest resources in this territory.

Each year, Ukraine spent approximately USD 1 billion (UAH 35 billion) on social benefits and subsidies to Donbas enterprises. Unprofitable coal mines, the revenue of metallurgical enterprises is questionable for the state, as it required significant energy subsidies.

This scenario is possible and necessary, if the majority of the population of these territories do not accept the "Ukrainian project" and do not see their future in Ukraine. The presence of such a territory within Ukraine will hinder its development. Much of the Ukrainian population is gradually less in line with the idea of fighting and paying with their lives for a region, which is disloyal to the Ukrainian state project, is unprofitable and mentally hostile. A large number of casualties on both sides, which already makes up more than 6,000 people, further increases alienation.

The socially active and loyal to Ukraine local population has largely left the conflict area and settled down outside the region.

Conditions. The scenario is possible in the case of a consensual political decision by the authorities to withdraw from the conflict by paying the price of freezing it, in order to preserve statehood and create conditions for a peaceful development of Ukraine, an economic recovery.

Another condition of the scenario is the readiness of authorities to make serious concessions to Russia for the sake of peace and preventing a large-scale war in Europe with unpredictable consequences.

For example, a consent to supply the Crimea with energy, water, food on market conditions. Russia will then be able to give up the costly idea of building the Kerch bridge, alleviate conditions of migration to Ukraine for Crimean citizens, facilitate border crossing procedures with the Crimea during the holiday season and so on.

Ukraine's official refusal to join NATO may be another concession. Moreover, the Alliance is not ready to accept Ukraine.

Ukraine should demand an adequate compensation from the RF and aid from Western partners to recover its economy after the war. Since Ukraine has suffered losses due to non-compliance of Budapest Memorandum guarantors with their

obligations and it is doing everything to prevent a "great war", bears great human and economic losses the amount of aid must be significant.

Since 2010, Greece has received financial aid from the EU and IMF loans worth more than EUR 270 billion. Nevertheless, it continues to be a problem for the EU. Ukraine, for its contribution in curbing Russian aggression at the cost of lives of its citizens and territories, should receive adequate funds.

Ukraine should receive political preference in admission to the EU (the process should be accelerated), liberalization of the visa regime.

A national consensus is required on the issue of recognizing DPR/LPR as separate states, secession of their territories. Essence: *disclaim "problem" territories for a future successful development, the future prospects of Ukraine's existence as a sovereign European state*. Should there be a conflict over this issue, it will lie in the political sphere, not economic.

The issue will require compliance with a number of legal conditions, which is currently problematic due to the lack of procedure. This calls for a change in the Constitution, which does not foresee secession of territories, changes in the legislation on referendums. It is a referendum that will require significant organizational efforts and funds.

Implications. Economically unable to exist on their own and solve pressing social problems, the DRP/LPR quasistates will fully depend on the RF and Ukraine (including, food supply). There is a risk of them converting into a smuggler-criminal enclave. The RF is unlikely to invest in their development. Investments will be problematic. The new states will face the problem of developing statehood, viable institutions, curbing crime.

For Ukraine and the West recognition of DPR/LPR means a capitulation to Russia's aggressive policy, recognizing the success of Russia's formula of "redrawing borders" and using the right of strength, stating defeat and the inability to resolve a conflict through international institutions. However, this retreat can only be tactical. It is unlikely that Russia will be able to solve its problems through the creation and maintenance of new puppet state at its own expense.

Ukrainian authorities may suffer internal political losses of reputation, but will win in the foreign political and economic dimension.

This scenario will objectively accelerate the process of creating new security frameworks in Europe: rebooting the European security model, the system of international security institutions, the shaping of new borders. The scenario poses the threat of re-establishing the "block" division, a return to the Cold War and give

impetus to the implementation of the Kremlin's "New Yalta" plan – formalize the division of the spheres of influence on the continent and in the world.

The scenario is quite likely (40%), as it may be acceptable to all parties interested in resolving the conflict. However, Russia remains unpredictable and is unlikely to comply with its obligations. Destruction of Ukraine as a sovereign state and its transfer under the control of Russia continues to circulate in Russian politics. DPR/LPR territory, as well as the Crimea, could be used as a bridgehead for the implementation of the scenario on expanding the conflict zone.

1.5 Regional "reboot"

The scenario aims to preserve the areas of conflict within Ukraine, restore the Donetsk and Luhansk oblasts (regions) within administrative boundaries, but with an independent status. It is necessary to pursue targeted, active policies regarding these areas, which should be based on *a new vision of the region*. This vision includes: recognition of DPR/LPR leadership as a party in negotiations; willingness for a political dialogue; economic cooperation with the recognition of the DPR/LPR territory as a special economic zone; concessions in the status of the Russian language; recognition of the autonomy's rights to conduct individual policies (on issues of property, taxes, finance, land, etc.), except for justice, foreign policy and military spheres.

Conditions. A nationwide consensus on this issue can be achieved, if the autonomous status of the region allows to promote peace, revive the territory, reduce the problem of IDPs, overcome the subsidized state of the region.

The acceleration of *conflict settlement* can occur through unofficial means, on mutually beneficial terms. Public talks with the DPR/LPR leadership may be carried out from the Ukrainian side by a group of neutral negotiators, which will include respected, authoritative people of Donbas, who are not integrated into politics.

Kyiv's readiness to grant temporary concessions to the RF (Crimea's special status) and personal guarantees to the DPR/LPR leadership, who will have to either become part of the regional "reboot" project, or leave the Donbas territory. There will be a need to address the issue of disarmament of militants and return of "volunteers" to the RF.

The main prerequisite for the success of such negotiations should be the tolerant position of Moscow, its willingness to withdraw from the conflict with

minimal losses (secure Crimea). This may be preceded by the Ukrainian-Russian unofficial negotiations on the status of the DPR/LPR.

USA and EU support. Recognition of the negotiation results, legalize the agreements.

Probability – 20%. For the Ukrainian authorities there are clear risks of losing popularity as a result of separate negotiations. It is unlikely that Kyiv will decline to hold local elections on the basis of national legislation. In the legal and regulatory sense the problem will remain at the region level. Any agreement with separatist governments will be perceived as defeatist. The threat of instability, crime, terrorist acts spreading to the rest of the state will remain.

1.6 "Great Donbas"

This scenario is intended for peaceful development conditions. "Great Donbas" can become a powerful industrial region in the process of implementing targeted state policies to revive territories, the industrial potential of Donbas, the return of refugees, the influx of labor. For this purpose, a national or international project with attracting capital should be implemented. The region may have a special economic status. This project aims to - bridge the technological gap, create a new industrial structure for the needs of Ukraine's development. On the other hand, restore the region's ecology, overcome man-made threats, create comfortable living conditions for people and conditions for their harmonious development.

In perspective, "Great Donbas" can expand beyond the territory of modern Donetsk and Luhansk regions.

Conditions. The common interest of Ukraine, EU, the RF to participate in the project, invest. There must be a change of local elites, who should consist of professional managers, technocrats.

The main prerequisite - the state should have mature political and economic conditions for *new regionalistics (regional policies)*. In no small part it will be connected with the redistribution of ownership rights on large enterprises and mines. It should also be assumed that the current administrative-territorial division of Ukraine will eventually cease to meet the needs of the social development of territories, it will restrain them. New regions will form on the basis of economic interests, taking into account the development of industrial clusters. Regions will be geographically larger than oblasts, more autonomous and independent from the

center, competitive in domestic and international markets. Horizontal ties will be of more importance than vertical ones.

Probability – 10%. The ongoing military conflict, the destruction of the region, hostile sentiment of the population towards the Ukrainian state project are the reasons that postpone this project, make it more speculative than realistic.

Future of the conflict territories

Under any of the scenarios the reintegration period will be long, costly and contentious. The current demarcation line of conflict, that was formed as a result of hostilities and the Minsk agreements, isolates the territory of secession.

Until the conflict stops it is not appropriate to expand this territory to the administrative boundaries of the Donetsk and Luhansk regions (the zone of instability may expand). There is a possibility of reducing the territory, as a result of military or diplomatic achievements.

The main goal of Ukrainian authorities is to determine: which scenario of developing Donbas territories, that are currently in the conflict zone, meets national interests; implement targeted state policies to increase the probability of achieving it. In any case, such a scenario should not hinder the development project of Ukraine as a democratic European country.

2. Impact of the main participants of conflict on the implementation of scenarios

2.1 DPR/LPR. The DPR/LPR leadership is not interested in peace, as under peaceful conditions the current leaders of separatists will become unnecessary and even dangerous for future political games and bargains. Criminal actions with the intent of property seizure, robbery, making money from the war, as well as incompetence in the social construction sphere are in question. Peace means not only loss of earnings, but also the removal from power, possible loss of life.

That is why the DPR/LPR leadership and militants are running their own game, based on the interests of survival. The goal – continue to involve Russia into the large military conflict. For this reason, separatists imitate the withdrawal of heavy weapons, carry out provocations, trying to force the Russians to continue hostilities. Thus, according to the President of Ukraine, the Minsk Agreements-II are not working, separatists continue violating the truce.

Since the signing of the agreement 75 soldiers have died, more than 400 have been wounded. According to the UN, the death toll in Donbas has exceeded 6,000 people.

From the Ukrainian side the situation is that sometimes our soldiers use small firearms and large-calibre machine-guns in response. However, this can not be perceived as a violation on our part. As separatists are first in using weapons and the Ukrainian servicemen are forced to defend themselves.

2.2 The Russian Federation. It should be noted that, objectively, at present escalation of the conflict would not be profitable for the RF. Conflict build-up until the deployment of a full-scale war is a suicidal scenario. Sanctions will step up, Russia's economy might not sustain the losses, social tensions within the country will increase, opposition at the "top" will aggravate, which could lead to a rebellion. Russian political scientists single out several scenarios:

1) The Kremlin gradually changes its rhetoric, and propaganda is shifted from the Ukrainian conflict to the confrontation with the US and NATO. In this case, failure of the Kremlin's "Ukrainian" policies will not be visible, and the bluff will continue. Russia will be in a state of a "besieged fortress", that will preserve the appropriate foreign and domestic policy. Hysterical moods will be stirred up, various subversive activities will be carried out on enemy territory (Ukraine, the Baltic States, the EU), such as those that took place in Frankfurt, terrorist attacks are possible;

2) Continuation of war in Donbas (a limited territorial conflict) in order to expand the territory of DPR/LPR to the limits of territorial division. This scenario is supported by the separatists' leadership rhetoric regarding intentions "to destroy Ukraine";

3) Deployment of a full-scale war with Ukraine, which includes offensives on Kharkiv, Kyiv. Military capabilities of Russia, primarily "nuclear arguments", create the illusion of parity with the West. This is an area, where the Kremlin can compete fully. In the economic sphere Russia is losing. As the US and the EU are interested in transferring the conflict from the military sphere to the economic sphere, Putin's goal may be war, in order to upset these plans.

Current provocations in the conflict zone can be regarded as the development of a bridgehead for expanding aggression at the right moment in the future. The RF will take some time to set everything up for this convenient moment, increasing military potential in the direction of Mariupol, Luhansk, Kharkiv; keeping troops at

the border with Ukraine. Sabotage and reconnaissance groups, agents will be sent in. Processes intended to corrupt politicians and officials in Ukraine will continue, in order to weaken the central government and repeat the scheme that worked in February 2014. Then, the new government did not have enough time to establish itself and become stronger, which was used for the occupation of the Crimea and deployment of separatist activity in Donbas.

2.3 Actions of Ukrainian authorities. The visit of the President of Ukraine on March 16, 2015 and the visit of the Prime Minister on April 1, 2015 to Germany became significant events.

Ukrainian authorities confirmed that they are adhering to the provisions of the agreement regarding a ceasefire, withdrawal of heavy weapons, ensuring OSCE monitoring. Provisions, targeted at ensuring a separate special status to the areas of conflict, holding local elections, amendments to the Constitution that were favorable to the Kremlin, were subjected to some interpretation, that benefits Ukraine, but de jure does not violate the agreements. Thus, the President stated in Berlin that the special status of Donbas will be possible only after the local elections on condition of complying with Ukrainian legislation.

Conditions for recognition of elections: for the elections to be conducted properly, and for their results to be recognized it is necessary to reinstate Ukrainian laws, free political campaigning (to ensure freedom of choice), the activities of all parties, the broadcast of Ukrainian TV channels. The Ukrainian national flag should be hoisted on public institutions. The presence of armed formations of separatists, Russian volunteers can not ensure free expression of will. Therefore, a controlled disarmament of illegal armed groups of separatists should take place, Russian mercenaries and military formations must be withdrawn from the territory of Ukraine.

On March 17, 2015 the Verkhovna Rada adopted decrees and legislation on the special status of some Donbas areas, an act which formally implemented the agreements of Minsk II on favorable terms for the Ukrainian side.

These are decrees which define separate areas of the Donetsk and Luhansk regions, where a special local self-government order is introduced; recognizing separate districts, cities, townships and villages of the Donetsk and Luhansk regions as temporarily occupies territories; amending the Law of Ukraine "On the special order of local self-government in certain areas of the Donetsk and Luhansk regions", which was adopted after the first Minsk agreement.

The main content: the law on special status comes into effect only after the local election are held, in accordance with standards which satisfy Ukraine and the international community. Variants of the Crimean or Donbas "referendums" will not be recognized. Until the elections are held the territories will be considered occupied. This international-legal position negates attempts to put the burden of the social and economic problems of the region on the Ukrainian side. Articles 2-9 of the Law (amnesty for the separatists, a special economic regime, Russian language, local police, transboundary cooperation with the RF) come into force only after power is delegated to local bodies of self-government, elected in compliance with the current legislation of Ukraine.

This position of the President and the Verkhovan Rada of Ukraine was perceived by the Kremlin and the leadership of separatists as an ultimatum. The latter addressed the German Chancellor Angela Merkel with a demand to impose sanctions on Ukraine for violation of the agreements Minsk II, threats of a new war were voiced. As for Moscow, the Minister of Foreign Affairs of the Russian Federation Sergey Lavrov evaluated this position as a "sharp deviation from the Minsk Agreements and from the whole concept, which was laid down in Minsk on February 12."

Actions of Ukrainian authorities formally meet the spirit of the Minsk agreements 02/12/2015. They are targeted at the reintegration of conflict areas into the legal and economic field of Ukraine, while providing a special order of self-government. The terms for holding the election allow to recognize them as free, and their results - legitimate.

The position of Ukrainian authorities, voiced by Petro Poroshenko and later by Arseniy Yatsenyuk in Germany, the legislative documents adopted by the Verkhovna Rada of Ukraine suggest a principled policy of authorities regarding Donbas, a refusal to make concessions to the RF. Formally fulfilling the requirements of the Minsk agreements a government action plan has been created on areas of Donbas which are engulfed in conflict. Western partners were convinced of the propriety of this position, which ensured external support to Ukraine.

Minsk agreements - II allowed to use the truce to strengthen Ukraine's Armed Forces and build up forces. 17 agreements have been signed on the supply of weapons to Ukraine's Armed Forces; negotiations took place on an IMF loan. Thus, the pause after Minsk II was used quite efficiently.

However, these solutions did not provide a smooth transition from truce to peace. Separatists used this pause for rearmament, accumulation of equipment and ammunition. Powerful strike combat groups have been formed in the direction of Luhansk, Donetsk and Mariupol.

As a result, we are in a situation of anticipating new exacerbation of the situation in Donbas, the resumption of hostilities.

3. Geopolitical situation. The position of global players

The geopolitical context will have a significant impact on the development of the situation in Donbas and in Ukraine as a whole. The probability of a new escalation will be higher, as the bids are raised higher in the global confrontation of the West and Russia, which has recently been showing all the signs of massive exacerbation.

One of the characteristic features of the Ukrainian crisis was its rapid internationalization. Annexation of the Crimea by Russia and the beginning of the armed confrontation in the east of the country, with the active participation and support from the RF aroused a sharp reaction from western states. Political restrictive measures, that were introduced after the annexation of the Crimea, were later supplemented by significant economic sanctions and curtailment of cooperation between the RF and the West in most international formats. In addition, Ukraine received significant political support and economic aid.

In the first phase of the crisis a strong Western reaction to the development of events in Ukraine, the readiness for diplomatic mediation to stop fighting and seek a political way out of the conflict had a number of positive aspects. Above all, the active intervention of the EU and the US became an important lever of influence on the RF, in terms of preventing the direct use of Russia's armed forces in the military confrontation with Ukraine. The joint support for the territorial integrity of Ukraine and simultaneous political and diplomatic and economic pressure on the RF demonstrated the West's unwillingness and reluctance to recognize the legitimacy of RF's power attempts to change the borders. The price of subsequent aggression towards Ukraine increased substantially for the RF leadership. Also, economic aid enabled Ukrainian authorities to avert the socio-economic situation in the state from collapse. Diplomatic intervention of Germany and France leaders allowed to bring the conflict out of another phase of aggravation with the help of Minsk II.

It should be noted that during the year of conflict the view and positions of the countries involved in the situation have significantly changed. The Ukrainian crisis has acquired a new scale, and it carries new potential risks of deterioration.

The vast majority of western states perceived Russia's actions as the first act of revising the regional geopolitical order, that emerged after the Cold War and the collapse of the Warsaw Pact and the Soviet Union. RF's revisionist policy has led to the revision of military and political strategies of NATO. In particular, the intensification of US military presence in the states of Eastern Europe, the formation of rapid reaction forces, accelerated the establishment of a European missile defense system and involvement of new states.

At the same time, the Ukrainian crisis became a catalyst for processes within the EU. Against the backdrop of events in Ukraine, the sanctions imposed on Russia differences became evident in the vision of internal development tasks and the foreign policy of the Union. In internal policies issues arose on developing a common European energy policy, the need to form a common European army, review economic policies (accelerate the "levelling out" of the competitiveness of different member states). In the foreign policy plane it became necessary to develop new approaches to the EU strategy on relations with its neighbors (review of the Eastern Partnership policy), between the RF / Eurasian Union, in relations between the EU and the US.

Throughout this, despite the political and economic pressure from the West, Russia has shown no willingness to change its foreign policy course. Russia's policy is an aggressively revisionist one. RF leadership continues to insist on the legitimacy of its attempts to recover the lost "zones" of influence, explaining this desire by the injustice of the continental and world order that emerged after the Cold War. Meanwhile, the position of the US and the EU states is interpreted as a threatening desire for a definitive dismantling of Russia and completion of the final act of the Cold War.

By their actions, including in the military-political plane, the RF leadership has shows a readiness to raise the stakes to a major confrontation with the West, as evidenced by the large-scale military exercises from the Black Sea to the Arctic and Russia's final withdrawal from the Treaty on Conventional Armed Forces in Europe (CFE).

In addition, the "nuclear component" appears increasingly more often in the RF leaderships' rhetoric. In particular, the relevance of RF obligations under the Treaty

on "Intermediate- and shorter-range nuclear missiles" (INF) and the "strategic offensive arms" is questioned. Particularly alarming is the declared readiness of the RF leadership to resort to the use of nuclear weapons in case of a military conflict with NATO and testing this possibility during military exercises.

It is likely that Kremlin's ultimate goal is the establishment of Russia as a "pole of power" of Soviet times and the world's return to the Yalta-Potsdam format. If the use of force and nuclear blackmail prove to be effective, a new agreement between Russia, the US, the EU is to take place - "**Yalta-II**" on the "spheres of influence". Under this plan, the RF will be surrounded by buffer states, that would include post-Soviet countries, including Ukraine, which will remain in the sphere of Russian political interests.

By forcing the "Yalta-II" scenario the RF is trying to strengthen its position in other regions of the world (particularly in Latin America, the Middle East, South East Asia) and thus expand the theater of geopolitical confrontation. This forces the West, especially the USA, to respond turning to the "policy of containment". In particular, through a more active involvement in the Ukrainian conflict. In turn, this activity is used by the RF leadership to build up military preparations in the Ukrainian issue. In this respect, attention is drawn to the call of deputies of the State Duma of the Russian Federation to restore the RF President's right to use armed forces in the Ukrainian conflict.

The involvement of all participants in a long-term confrontation, expanding the geography and the extent of the "conflict of interest" transfers the Ukrainian conflict into a completely different plane. The formula of ending the Ukrainian crisis is becoming more dependent on the resolution of global confrontation involving global players, the positions of which can not be influenced by Ukraine. There is a risk of losing Ukraine's subjectivity and influence on the development of the situation, including the course of events in the conflict zone.

In view of the developments, the correlation between finding a peaceful solution to the conflict in eastern Ukraine and "rebooting" the security and cooperation on the continent is becoming obviously clear. And broader, developing a formula of long-term political and economic cooperation between the EU and the RF / EEA and transition to a "new European order."

The search for an optimal model of "new European order" is complicated by their own strategies of structuring Eurasia in the United States (Transatlantic partnership) and China (New Silk Road). Without consideration of the interests of

these participants achieving long-term and sustainable settlement is likely to be problematic.

Under these conditions, the challenge for Ukraine is to preserve its subjectivity in the processes around the crisis and the ability to influence the course of the conflict in order to prevent its escalation.

In this context, the most promising way seems to be the use of the "Normandy format" of negotiations to expand the boundaries of political consultations, put on the agenda the issue of political and economic cooperation within the EU-Ukraine-Russia triangle.

It is advisable to initiate the recovery of the Geneva consultations format, also with an expanded agenda and, perhaps, its members (including China). The aim of the new "Geneva meetings" could be the reform of the Security and Cooperation system in Europe, the relations between NATO, Ukraine and the RF. In particular, a new CFE Treaty, creating a system of military guarantees for European "neutrals" and the issue of Ukraine's participation or non-participation in NATO.

The idea of *a new Budapest format* is topical as well - talks including the guarantor-states of Ukraine's security (signatories of the Budapest Memorandum) and Ukraine, possibly involving the EU, UN and OSCE. The task of negotiations – guarantees of peace and security for Ukraine, in the context of preparing and implementing a new peace plan.

4. Some military aspects of the situation developing on the conflict areas after the Minsk Agreements – II

Military aspect

Despite mistakes and forced retreats Ukraine's military power gradually increased throughout the year. There has been armament of the army, it gained experience, received tremendous support from volunteers and volunteer fighters. Compared with the beginning of the antiterrorist operation in April 2014, by March 2015 the fighting capacity of the Armed Forces increased significantly. Not only experience was acquired - both positive and negative – but, generally, the state's system of national defense was restored, which now operates almost satisfactory. Obviously, the government will continue to invest resources, build a strong battle-worthy army in accordance with the current situation. Attention will be given to the establishment of a reliable military reserve, various in quality and quantity. This

means regular units, staffed exceptionally by professionals, capable of rapid mobilization in modern combat, additional training, recruitment, provision of weapons. It is known that large-scale conflicts begin with regular units, whereas ending them will be those, who will be mobilized later - battle-worthy reserve.

There is a need to quickly re-equip the army, which requires active development of relations with partners and allies, obtaining not only political and financial but military support as well. If the defense capability continues to be strengthened systematically, quickly, based on the Minsk agreements Russia will eventually face a dilemma: either a peaceful settlement of the conflict in Donbas (and it does not necessarily have to be a peacekeeping operation), or start an escalation with unpredictable implications and heavy losses for the aggressor.

Is the risk of a full-scale military invasion from Russia real enough? For the time being, the concentration of troops in the Rostov region of the RF and the consequent talks of a full-scale invasion are more of blackmail, a show of force, intimidation. It is evident that the outcome of such a military adventure for Russia will be incalculable. A year ago, the invasion of Russian troops in the Crimea was accompanied by patriotic euphoria ("Krumnash"/"The Crimea is ours", etc.). One year later the Crimean campaign ended with enormous economic and political losses for Russia. Today, Russian authorities realize that the price of a large-scale military offensive could significantly exceed initial expectations. Thus, at present, we can probably expect regular local provocations along the contact line, accompanied by sabotage and terrorist acts, as well as information and diplomatic campaigns.

It is more likely that the current aim of the Kremlin is not so much large-scale armed aggression in Ukraine, as the depletion of its resources, intimidation of Ukrainians, attempts to force Ukrainian authorities to agree to federalization, Ukraine's neutral status, coordination of Ukraine's foreign policy with the RF, and so on. At the same time, the possibility of Russia's open military aggression against Ukraine should not be ruled out, as there are direct signs of preparation for such actions (military exercises of troops near the borders of Ukraine, the concentration of troops in Donbas and the Crimea, activation of reconnaissance, provocative flights of aviation and the RF's UAVs, attacks on air defense objects, etc.). That is, there are plans under which these provocations occur.

Peacekeeping aspect

Despite the efforts and statements regarding peacekeeping operations, there is not much reason for optimism. If at least one country - a permanent member of the

UN Security Council is against the peacekeeping mission in Donbas, the decision will not be adopted. Russia is a member of the UN Security Council and will most likely use the "veto" right to block the Council's decision. The initiative of the Security Council regarding Ukraine is currently only symbolic in nature, a lot of diplomatic efforts are required for its implementation.

Details are essential. If, for the justification of the need in this mission, the Ukrainian side indicates only traditional military aspects for peacekeeping operations (i.e. disarmament of illegal formations or breaking up opposing sides), Russia will, naturally, block it. Russia is de facto a participant of the conflict, but it is pro-Russian separatists who are opposing the legitimate government of Ukraine. First of all, it is necessary to emphasize the humanitarian issues and propose an action program to solve them. Armed servicemen from third countries, who are not interested in the conflict, should be involved for the protection of humanitarian missions, which increases the likelihood of the mission's success.

Should the UN Security Council decide to introduce peacekeeping forces on the territory of Ukraine, the implementation of this decision may take several months, possibly more than six months. Until then, the Minsk arrangements, which still have not exhausted their potential, have to work.

Appendix: Memorandum by the Institute of Strategic Studies «New Ukraine» «Peace Plan: reboot», February 2015 (excerpts)

«The following steps are required to ensure new peace.

First. Create a new, «post-Minsk» negotiation format. The negotiators - authorized representatives of the President, Parliament and Government of Ukraine, the leadership of the Donetsk and Luhansk regions (public administration, local government), authorized representatives of the self-proclaimed DPR and LPR, diplomatic representatives of the RF and the EU, an authorized OSCE Mission, UN Special Representative. The task of the new negotiating team - develop a specific action plan for a cease fire, provide humanitarian truce, release of prisoners, approve the guaranteed boundary line. The action plan must also include measures to provide humanitarian support to the population, restoration of economic facilities and infrastructure, provide assistance and support to refugees. The plan should assume a transition period of at least three months.

The group's place of operation may be any settlement in Ukraine, which is recognized by the parties as safe and which is selected by mutual concession.

At the same time, to organize systematic work on areas affected by conflict, there is a need in a special committee of the Verkhovna Rada (Supreme Council) on the revival of areas affected by armed conflicts.

Second. An international negotiation format within Ukraine, the Guarantor States on Security Assurance (signatories of the Budapest Memorandum), the European Union and with the participation of international organizations - the UN and the OSCE. The objective of the negotiations - guarantee Ukraine's peace and security, in the context of the preparation and implementation of a new peace plan.

Third. Establish a Ukrainian-Russian Commission for the settlement of border issues, with the mediation of the OSCE. Under the terms of the new peace plan, the following must be ensured: control of the Ukraine-Russian border, measures to return Russian citizens, participating in the conflict in Donbas, back to Russia, cessation of supplies of military equipment and ammunition in the conflict zone.

Fourth. Hold an urgent session (meeting) of the OSCE, which should become the organizer and coordinator in implementing the peacekeeping mission in the conflict zone (boundary line, Ukraine-RF border line). OSCE members, among neutral and non-aligned countries, may be involved as direct participants.

To ensure such a mission, it is suggested to adopt an OSCE Policy Statement on the Ukrainian issue. This Statement should outline the new tasks of the OSCE Mission, as the only international organization on security in Europe, granted credence and which can form the basis of the renewed European security architecture.

Fifth. It is necessary to conduct a thorough international investigation of all the facts of war crimes against civilians in Donbas. For this purpose, a special commission of the Verkhovna Rada must be set up, which, in coordination with representatives of OSCE member-states, will ensure an objective and fair investigation of ALL war crimes.

Sixth. Along with the establishment of peace, it is necessary to create a broad **Council on Donbas**, which will include representatives of local government, NGOs and business associations, representatives of different factions in the Verkhovna Rada, moral authorities. The purpose of this Council – develop a long-term

development program of Donbas, organize a broad dialogue in the region, which was affected by the conflict, as well as between other regions of Ukraine.

Seventh. Upon achieving peace – hold a National Unity Forum, which will be attended by representatives of local governments from all regions of Ukraine, representatives of parliamentary factions, the Head of State. The purpose of the Forum – reach an agreement on the issues of reforming self-government and the administrative-territorial structure of Ukraine. The results of the Forum could be displayed in the **Constitutional Manifesto**, which would mark the beginning of a new constitutional process in Ukraine.

Eighth. The most important prerequisite for peace and security is the restoration of confidence and business relations between Ukraine, EU and RF. Removal of sanctions, normalization of economic relations, formation of a new contractual basis for relations require a new permanent Ukraine-EU-RF negotiation format. This format can be created as a permanent tripartite parliamentary committee, with the support of a tripartite expert group.

Dialogue on the future of Ukraine will be possible only if there is peace. These steps will allow us to stop the war, save thousands of lives among our fellow countrymen, restore peace in Ukraine and Europe, and start a serious dialogue on how to live in a united country».

Writing team: Andrii Yermolaiev, Oksana Markeyeva, Leonid Polyakov, Sviatoslav Denisenko.