

Pax Europeana Part 4

Towards a comprehensive Peace Settlement in Europe - NATO 42 and EU 36 and EFTA 6

June 2018 – European Peace Conference

In June 2018, the European Council and NATO Council should meet jointly to send a powerful signal of Western Unity and re-arrange the European security architecture and find a new understanding with the Russian Federation. The underlying deal shall be to give Ukraine a MAP for NATO and the status of Potential Candidate for EU membership and to end Western sanctions against Russia, imposed to sanction the Crimea annexation and the aggression against Ukraine in Donbas. It means making a deal - not with Russia - but inside Europe across the pro Ukrainian and Pro-Russian camps who have blocked each other in the last four years of the ongoing war – already lasting as long as the WW1.

It is time to make peace now and end the potential for further escalation with the Russian Federation during Putin's potential 4th term and come to a new arrangement - while not sacrificing international law, western values and principles.

Such a deal will and cannot include recognizing annexation nor aggression – never this can nor will be done. But ending the sanctions imposed under Minks 1 and 2 can be done - as painful a price it is ...if it has to be done to achieve consent for the Ukrainian MAP for NATO and the Potential EU Candidate Status from the pro-Russian EU and NATO Member States then it is worth to exchange it.

We have learnt to live and outlived the Soviet Union and we can do the same during Cold War 2.0 with the Russian Federation under Putin and wait out his time. It took 34 years from 1955 to 1989 to wait for German unity inside NATO and EU and as tragic as it is if we might have to wait 34 years for Crimea and the Russian occupied parts of Donbas to join Ukraine again – EU and NATO Member Ukraine than – we might just have to do that.

We cannot win by force and as well the sanctions will not change Russian policy towards Crimea and Donbas, this would need a much more comprehensive effort including a boycott in many aspects for which there is no political backing and even such an effort might not change Russian policy with all its internal available natural resources possible the only potential autarkic region of the World.

But the sanctions are effective and painfully well targeted to the Russian elite and vested interest in concrete financial measure which the key players in Russia are keen to remove. And many in Russia have understood that more territorial gains might come at much higher price and lead to a full escalation with the West and have understood as painful as it is for them that they have lost most of Ukrainians heart and souls at the battlefield of the Donbas for many generations.

And again, the deal is not with Russia but inside the EU and the European Pillar of NATO. It is for us to offer and decide who joins EU and NATO and Ukraine wants, this matters and it is for us to offer it. And it is our sanctions which we imposed and for none of this Russian consent is needed. We can sweeten the deal further for the friends of Russia in the EU with an offer to Russia to join the Eastern Partnership and with attached funding and standing and there might be other aspects added.

Sure, such peace conference – jointly between NATO and EU should be more comprehensive than just this central deal but included a Balkan package for speeding up EU accession of all NATO members first and offering NATO and EU membership during the next

decade to all Balkan states. It should be clear communicated to Serbia that joining NATO is on the agenda and staying observer member of CSTO and having a FTA with Russia is not compatible and the choice is theirs but clear. A peace deal between Serbia and the Republic of Kosovo is easier during join NATO and EU accession during the next decade leading to 2029 target date for both jointly. Faster progress for Serbia can only happen within a peace treaty securing Kosovo recognition and consent for EU membership of the Republic of Kosovo. We need to be clear and stop fostering illusions of equal-distance between European and the US and Russia which some in Serbia consider realistic. It is not and never will and European diplomats and politicians fostering such illusions are not doing the Serbs any favors.

Russia is not, will not and has never been a viable alternative to European integration and American backed European security and even the Russians know they have not power nor business to offer in the Western Balkans since the Eastern Balkans joined NATO and EU more than a decade ago. It is not only about geography but it matters still. They can still spoil the future of Serbia, a bit - if we allow it but have nothing to offer in terms of development, investment, integration or prosperity now or even in future.

But some Serbs, as some in Bosnia and some in Ukraine have one sad role model in Neutral European Union members most relevant the sad case of Austria. Based on a blackmail deal with the Soviet Union Austria achieved unity as price of neutrality in 1955 and turned it into a myth of bridging east and west and continues to promote it and there are some takers from Serbia to Ukraine and Russia.

This has to end and fast and best in a package with fostering NATO membership of all European neutrals inside the EU and all European periphery from Ireland to Sweden and Finland, Malta and Cyprus and the former European periphery - Austria now safe and secure by NATO members around it.

Sure, nobody can be forced to join an alliance but European security is based on NATO and who is in the EU cannot stay on the sidelines, underspend on defense and limit the partnership of the West towards EU funds and shout fool when the UK leaves the EU but is not ready to be partner and ally with the US and UK in NATO. There is no logic in this and only sad historic packages of Irish civil war and the cold war and colonial past and we have to overcome this – we are already in 2018!

This will strengthen NATO, the EU and the West and not allow Austrian neutrality to be abused by the enemies of the West in Serbia, Ukraine or Russia as a model. It is not and ever being. We signed under duress and were always part of West as much as we could back then and joined EU as fast as possible once the Soviet Union was gone and since then not joining NATO is convenient to save defense budgets and avoid treaty obligation and play to Anti American sentiments hidden in the heart of Europe but NATO is not about the USA - the USA is save anyhow, secure by the seas, the nukes and the most powerful army of the world. NATO is about European security and defense and why should the European periphery in West North and South and Austria and potentially Serbia and Ukraine not share in the defense costs and structure that are very much for them?

War in Europe will be first at the periphery and they should be the first to consider NATO membership and we have to keep the ball rolling and united in NATO, Europe will be save from Russian aggression and no lines will be crossed again ever.

ETR has already outlined in details how to support transition of Russia and how to support Ukraine during its accession process to the EU. But let us be just clear in the basics now.

The BRD could join NATO and the West has recognized the DDR for many decades and once the BRD did that in 1972 it was already secure in NATO and the same model and process can be applied for Ukraine now in 2018. Sure, during accession it must be clear that the NATO defense obligation does not include the occupied territories but further aggression than the current lines of Minsk and the Crimea Ukraine border would result in an Article 5 case and nobody will dare to cross such lines. And the same and similar principles can be applied to Moldova and Georgia who jointly with Ukraine and the Balkan 6 should be getting the NATO and EU accession perspective which sadly was kept from them now in the last decade since the financial crisis has paralyzed EU decision making for a decade. But we grow with the challenges and in many ways without 2014 there would be no option for such a peace deal paving the way – firmly promised and imbedded in EU and NATO decision - Ukraine, Moldova and Georgia in the EU and NATO starting from June 2018 jointly with the Balkans already firmly on the way and improving EU and NATO convergence by ever increasing joint membership.

There are some proposals for a Paris 1919 style conference floating which might be a good idea for making good what went wrong in the Middle East back then in Paris but that should be a separate process. We in Europe, backed by the USA but mainly it is our task to secure peace and organize the member state in the Southern and Eastern Periphery and we do not to complicate things and invent formats when we have it all ready. Just a joint format maybe in a week mid-June format to have to be secured inside the working top level decision making formats of NATO and EU and for most it is a process inside the EU member state alone. The USA even under Trump will not oppose EU nor NATO enlargement on the contrary it means sharing the defense contribution with the European members more evenly as the US is anyhow committed and responsible for security in the Balkans and Ukraine already and for the rest of the neutrals and obviously for the European NATO members. And for the costs of enlargement of the EU including Ukraine and the Balkans and Georgia and Moldova in the MFF from 2020 fully as IPA recipients and partly as EFSI members and as recommended by ETR as Eurozone members these costs could be balanced by the NATO 2% defense spending target which will be without alternative if the current war with Russia is allowed to continue, possibly increasing in volume and involving other areas of Europe as well. Who can want this? And is not much more reasonable to invest European taxpayer's moneys in regional development, good governance and infrastructure from Ukraine to the Balkans than in defense and military hardware we hopefully will never use and surely have no strong recent background of using and we as well should not aspire to militarize the European continent again in a confrontation with Russia possible lasting decade and at what staggering costs.

Can Ukraine accept such a EU and NATO perspective based on the BRD model and leaving Crimea and Donbas behind – occupied and poor? And can any government in Kyiv survive such an end of the sanction and stopping the illusion of reconquest and reintegration both domestically and at the front line?

Certainly, there can be claims for appeasement, treason and worse but let us face the facts. Ukraine and the West cannot access Crimea and occupied Donbas without consent of Russia and as well the idea of UN peacekeeping mission depends on Moscow consent and it is not forthcoming and all ideas of Austrian style neutrality for unity or concessions models like in Hong Kong are made without the decision maker and so we have to help Ukraine and the Ukrainians and not propose solution to a Russian side not interested to negotiate and us

missing the tool or will to force the issue. Certainly, it would be better to give Ukraine the EU and NATO perspective without having to sacrifice the sanctions against Russia but this Ukraine tried since 2014 and partly before and did not get for a reason. The influence of Russia inside the EU based partly on fear or respect or other tools of influence was and is too high.

But now the time might have come when ending sanctions and going back to business is stronger than the rejection power of Ukraine westwards integration now that the advance of Russia is stuck in the Ukrainian mud and all sides wonder how to go on.

Of course, Moscow will not appreciate to have Ukraine lost forever – firmly based in EU and NATO but is it willing to go to full scale war to stop it? And is an end of the sanction not a better deal at the start of Putin's 4th terms to secure him the support of Russian elite during the essential period of securing a succession for the post 2024 future? And anyhow should we as EU and NATO allow a foreign and currently hostile power having a veto on who is with us and who has to stay out of EU and NATO?

Once these are European democracies, market economies based on Western values and requesting such membership is it fair and just to reject them? Or to delay them forever because of the wish of foreign powers or our own prejudices or lack of knowledge or fear of sharing our common project of freedom and prosperity with the poorer European periphery less unfortunate by history and geography? It is this periphery eager to learn and join the West and its great twin structures NATO and the EU and we have the moral obligation to allow them in. And framing this is a discourse of peace in Europe, a new partnership with the Russian Federation and clarity on our partnership and who is with who and where are the borders of Europe and how to secure them.

And it was the Ukrainians to decide for the West and it was the Russian leadership to galvanize the Ukrainian commitment by starting the Donbas war and waging it so brutally and it is our responsibility as the West to find a working way to avoid further escalation and ensure a lasting framework to provide the stability for the development of the European periphery from Ukraine demarcation line to the Adriatic and Baltic and Black Sea and we have it with NATO and EU we just have to allow them in and it will work like it worked in CEE and SEE in last 20 years to amazing results and we have to offer a new partnership for Russia based on our understanding of their danger and aggressiveness but if we could avoid war in Europe from 1955 to 1989 with the powerful Soviet Union we should be able to find such a modus vivendi with the Russian federation of 2018. And for sure there will be moment for justice and freedom for Donbas and Crimea and for unity of Ukraine like it came for Germany but inside the EU and NATO at a time Russia is consent in good will or so weak to lack the ability to stop it. We for this we need patience and success in the European periphery from Ukraine to Albania and this success is secured inside the EU and NATO.

Will the Western public accept it? Let us assume the popularity of Germany in 1955 let us say in France and the UK or the Netherlands and the amount of leadership it required to convince the elites of these countries that Germany NATO membership, EC membership and rearmament is necessary and for sure Ukraine has not and has never committed anything comparable to Germany in its darker days. And the reputation of Ukraine and its leaders in the Western public depends very much on the interpretation of the Western leadership and portraying President Poroshenko with Konrad Adenauer might be the right way for starting an interpretation and ending the discourse of Ukraine and the Balkans as most corrupt ever when in reality they are at the least level of corruption in their entire

history and sure work is required but it is happening every single day and compared to Russia Ukraine and the Balkans are just small fry as well sides understand very well. And the EU has proven in its 13-recent accession that even the worst structural deficiencies can be tackled successfully even when it is never easy but what is 10 years in such an epic struggle after a lost millennium? So we have to start to talk better and focus on the success factors which there are plenty as well and the European public will be not opposed as from the start all sides know that all European countries can and will join as foreseen in the treaties and that we are so fast so successful and so attractive that even Ukraine and Georgia and the Balkans want and can and will would possible surprise even the founding fathers of European Union but it would surprise the Monnet's and Schuman's positively that their grandchildren generation is achieving such a powerful and successful European unification project which we have inherited and have to developed and extend it to deserve it to quote Goethe freely.

And this is not against anybody and nobody owns his neighbors and whatever was promised under duress towards a totalitarian power like the Soviet Union was never valid if it was ever. Neither the Austrian eternal neutrality nor the limit to NATO and EU expansion these were only given to a Soviet leadership no matter at height or low ebb of its power ready to Sovietize the rest of Europe from 1920 to 1991 and such powers shall not be respected and so Russia seem to fancy these traditions again there is no way we can reject European nations requesting membership in NATO and EU anyhow. We can just postpone them and sacrifice our values and the fundament of our Western structure by doing so and this has to stop now and forever.

And if the pro-Russian side of the EU member state political elite is not ready for a such a deal to end the sanctions against EU and NATO perspective in 2018 than we as the pro Ukraine and pro Balkan in EU and NATO side have to simple intensify our effort to get such a MAP and potential EU Candidate Status for Ukraine, Moldova and Georgia and a speed up of Balkan EU and NATO accession and a wave of European neutrals to join NATO without giving up the sanctions and as it is the right thing to do let us work intensively and united to achieve it and if it takes a bit longer good then we have to work harder until we reach it but we are on the basis of the European contracts and values and the spirit of the founding fathers of a united Europe.

And the pro-Russian business lobbies and the European political leaders paid by Putin or paralyzed by fear of Russia or blinded by past gold and glory of Russia or simple so Anti American that they prefer a Russian dominated Europe as alternative for NATO or simple happy to find their niche in treason of Europe and their state yes treason...is working with hostile powers for money... yes, we have to work hard against just elites as they are should not be elites at all. And the higher the escalation Russia will go the clearer the yes or no to Russia will be and it will need to a clarity in the American and European join response. Now there is still time to de-escalate as ETR has outlined with such a major comprise between the pro Ukrainians and the pro Russians in the EU but the longer this goes there will be less center ground possible in a highly likely escalation spiral in the second part of 2018 and who really wants that? So, the proposed settlement is far from perfect by far the best possible road map for peace in Europe for the coming decades. It is time for peace in Europe and for an enlarged EU and NATO and June 2018 is the window of opportunity for opening the way for Ukraine inside NATO and EU.

NATO 42 by 2020

Towards a NATO alliance of 42 Member States including all EU and future EU Countries

The 3rd pillar of the European peace proposal for Joint EU & NATO European Peace Summit June 2018 is clear. Paving the way for an Enlarged European Pillar of NATO. The basic deal to trade the end of EU sanctions against Russia with a MAP for Ukraine in NATO and the Status of Ukraine as a potential EU Candidate including IPA funding in the MFF 2020 with a EU Membership perspective by 2029.

The advantage for Russia and the pro-Russian appeasement camp in the EU is clear – ending the sanctions Minsk 1 and Minsk 2 even when Russia stays in Crimea and Donbas. Sadly, so we hard to change without Russian consent and it seem not in the offing. Ending sanction will not result in recognition – that will never happen, but in de-escalation and learning to live with Putin Russia, Empire 2.0 like we lived and survived its role model, the Soviet Union. Sure, Russia and their lobby in the EU will not be pleased with EU and NATO membership perspective of Ukraine but most have understood Ukraine westwards integration is irreversible and Ukraine is lost for Russia after the 10.000 killed in Donbas. And the key task the pro-Russian lobby has now is to end the damage the sanction has on the Russian economy which is now at 2008 levels again and so has lost a full decade of development similar like Greece. So much to sanction do not work. They work and hurt Russia a lot. But a country and elite so rich and in-accountable as Russia can afford the costs in welfare without changing its aggressive behavior for a long time. And they hurt, a bit as well European corporate interest.

And in that the pro-Russian have a coalition with powerful business groups and the populist right and left financed by Russia and as well a strong segment of popular support eager for peace or afraid of Russia. 2018 will seem these sentiments grow and the proposal of ETR is to use this momentum for a long-term benefit of Ukraine to trade it in by making EU and NATO membership reality. Without such a deal, it might be decades away with all the attached risk of political change in Ukraine in case EU and NATO perspective is losing complete credibility.

The advantage for the pro Ukraine and Ukraine is clear as well. Ukraine hope is membership and repeating the Romania and Polish success stories of the last decades. And the resistance of the European partners can only be overcome in such a deal. And Ukraine will only be successful inside EU and NATO otherwise it will fail.

But why should the USA agree to such an agreement?

Possible the current President would anyhow but no support would be there for such a deal from Congress for all such deals possible receiving significant opposition and easy to be named appeasement and easy to fail without at least USA consent.

To convince the USA congress leadership that this is not appeasement but a serious consensus inside the EU for de-escalation with the Russian Federation while strongly supporting Ukraine and firmly being based on Western values and principles is that the EU is making clear to its north American partners and friends and allies and to its neutral members that the EU is the Pillar of the West and there is a match with EU and NATO membership on the European continent and there is no division of the West but unity of the West against aggression and invasion of Ukraine. And that we basically want to help Ukraine more effectively and faster inside the EU and NATO and we need to end sanction to get consent from the EU countries afraid of - or close to the current Russian regime, which sadly some are.

To convince the USA that the EU is serious in defense all current EU members should be members of NATO and all future EU members for sure as well first join NATO and then the EU. Most have anyhow until now with only Cyprus and Malta opting to stay on the sidelines due to specific issues and of course the 1995 group of neutrals slipped in without it back then. But now the issue of Serbia and Bosnia is coming up and of course of Ukraine, Georgia and Moldova and for making the case clear for the new countries we have to clean up the southern and northern situation and of course debunk the myth of Austrian reality and discuss the Irish case new in the light of Brexit.

But the basic idea is simple and clear. All EU members should be member of NATO. NATO is about European security mainly. The USA is secure. Europe is not. NATO is about Europe. So why should some be in and some not. Imagine a European Council after an attack on Estonia is and the Austrian PM expressing his regret for the invasion and then asking for support of Estonia for a EU Water directive and the protection of Alpine water purity while half of Estonia in flames under Russian tanks. In case of attack the EU must be jointly reattacking otherwise the idea of a political union is anyhow without basis and so is the idea of common foreign policy in such a case. The current status quo of EU Neutrals is only justified in historic terms of a sad colonial past and the cold war and only Sweden has a long-standing history of neutrality. Ireland, Malta and Cyprus were UK colonies and Finland a Russian one and Austria trade its unity for neutrality to get the Soviets out in 1955 and true all had a case but is this still justified in EU 2018 or is most convenient dogging the cost and responsibilities of NATO while having all the security of the alliance which cannot allow a EU member state be attacked anyhow. Could NATO accept an attack on Finland or Cyprus and look the other way and stay credible when all major powers are in both EU and NATO?

With the 6 EU Neutrals in and the 4 Balkans on the way and the 3 Black Sea countries trying it would be then 42 from the present 29 and it would include key assets in Med and Baltics and at the Black Sea and there would a direct border with Russian from the Arctic to the Black Sea. And there would be an end of the confusing EU NATO confusing because there is Western unity and clarity. And there would be added economic weight and possible the target of defense spending in NATO EU pillar could be reduced to 1,5% for the next decade and the 0,5% spend on EU budget increase and paying for enlargement of EU to 37 minus the UK and so covering the same countries but Turkey and the 5 Atlantic partners UK, Norway, Iceland, Canada and the USA. EU 36 and NATO 42 and Europe is save and united with the Atlantic nations.

This clarity and expression of Western Unity would allow the USA to accept the end of EU sanctions against Russia while including Ukraine, still partly occupied firmly and clearly as fast track member in EU until 2029 and NATO in 2020 based on the BRD precedence. The clarity in will by welcoming NATO membership by the EU Neutrals will already make a major impact on the USA during 2018 and a MAP for all neutrals should be discussed in open terms with the 6 neutrals already from the start of 2018.

Sure, nobody can or should be bullied in an alliance. And who really does not want shall stay on the sidelines. But we should openly expose such sad peculiarities and the sad effect that has on the EU and the West. European neutrals are often making EU NATO relations complicated. And why are they neutral? Because of the Irish Civil war a century ago? Because of Austrian unity in 1955? Because of the cold war and a sad policy of Finlandizing, still a word with sad and bad connotation of appeasement in Finland explainable only with a colonial past, a long border with Russia and the real power of the Soviet Union compared with the relative force of Imperial Russia 2018, dangerous but far from a Soviet threat in all

terms financially, economically, military and as well in technology terms more able to spoil and annoy than really challenge the West in strategic terms. And for all these historic reasons we make our life in EU NATO relation complicated and we militarize the EU structures because of consideration of the EU neutrals? And we blame the UK for leaving and really that is sad but at least the UK is a pillar of Western defense in NATO and Ireland is not even considering PESCO because of fear to be united in the West inside NATO. How solidary is that? How serious is that? In fact, how sad is that and how serious are the Austrians, Maltese, Finish and Irish in their concerns and tradition and reason to stay neutral in the safety provided by most of their fellow Europeans fully inside NATO. And true some NATO member are not in NATO but most are and with Canada we have CETA, with the USA hopefully TTIP soon when reason prevails and with Norway and Iceland the powerful and strong link of EFTA and the same linked we should have with Turkey and the UK post Brexit if that can really not be avoided. It could as ETR has outlined with a new offer for the UK but if it really happens EFTA is there for the UK and Turkey and so the sad effects of the sad year 2016 with its terrible effects from the UK, Turkey to the USA and the role Russia played in that year can be remedied inside the trainable NATO, EU, EFTA and we are possible better positioned than before. And will not allow us to be divided in similar manner hopefully for a long time.

Why we should start this debate in 2018 simultaneously in all EU Neutrals in the format of preparing such a join EU & NATO European Peace Conference in June 2018?

The sad reality is that the 6 European neutrals have a strong encouraging role model effect for all the wrong segments of the Ukrainian, Serbian and Bosnian societies backed by pro-Russian sentiment and political support. While in the Republic of Kosovo and the Republic of (New or Northern) Macedonia there is almost everybody for NATO membership and a majority is in Ukraine, Moldova and Georgia there are segments of pro-Russian and Anti Nato sentiment and the key country in this is Serbia which official does not want to join NATO with the memory of the 1999 Kosovo liberation war still recent and the Austrian alternative model of EU Membership without NATO integration visible and attractive and even more present given the close political, economic and society links between Vienna and Belgrade just 6 hours driving distance and with significant segments of Serbs now living in Austria and have a political representation in EU in the now Governing party of the Austrian populists FPÖ which for a decade has developed this relation based on the myth of Austrian neutrality as the bases of Austrian prosperity outside NATO – in fact far from the truth of a Austria living since 1955 under US protection and being in the EU but secured by NATO all around and enjoying this privileges backed by the Austria State Treaty of 1955 securing the support of the USA, the UK and France for the Austrian neutrality as situation Serbia does not enjoy. And anyhow it is time to annual the Austria State Treaty by the Western allies because why should they secure and so subsidies Austrian neutrality against their own national interest of a strong NATO when Austria does free ride with a 0,67 % defense budget and grand stand in Serbia and Ukraine as model of EU integration without NATO membership which in reality has not been on offer until now and will not be in the future despite official diplomatic statements of NATO membership being no condition for EU membership. It is not officially but which state has join since 1995 without it? And Malta and Cyprus are special cases of Island in the Med secured by the US 6th fleet anyhow and specific political circumstances. Of the other 11 of Central, Eastern and SEE Europe all are in NATO first and then the EU and everybody would be very well advised to continue this practice or can we really accept Serbia in EU while being an observer member at Russian

CSTO or having a FTA with Russia and what kind of political union we want to be with a member openly siding with a country aggressing a European country and occupied parts of it and despite sanctions has no intention for peace in Europe. Can we have a member state in the political, economic union of the EU which is openly siding with the opponent or to say it clear with the enemy? What kind of CFSP will we have then? Or is the EU really only an economic area and even than it the EU is only a FTA, which is not, will not and was not and should not – can one member of a Customs Union have a FTA with e.g. Russia and the rest accepts this? Obviously, it does not take a rocket scientist to understand that it simple impossible. But telling these facts to the Serbs without showing that as well the Austrian, Irish, Fins and Swedes, Cypriots and Maltese are ready for joint defense and responsibility of membership of the alliance will only lead to Belgrade crying injustice and supporting the pro-Russian segment in Belgrade shouting fool and claiming Austrian neutrality for them as well inside the EU. So a systematic and serious approach to re-arranging EU and NATO cooperation and bringing peace and security top the vital region between the EU and Russia requires the membership of the EU neutrals in NATO, strong US, UK and French-German leadership and clarity in this issue and fast accession of all countries ready like first of all Macedonia and Kosovo and secondly clarity to all EU candidate that NATO first is required and to include all countries in a similar successful manner like Romani and Bulgaria and jointly reform faster with a credible EU and NATO accession process leading to the EU of 36 and EFTA 6 and a NATO of 42 member states during the 2020ies and the fast the better. Then Europe is save and we are well organized to live through the Cold War 2.0 and wait our time to win this the same way like we won the Cold War 1.0, based on Mutual Assured Destruction based on NATO and US nuclear power, a powerful NATO alliance based on principle and western values, overwhelming economic prosperity and patience. And yes, it is sad for the occupied Donbas and the Crimea but time will come for freedom for Donbas and Crimea as it came for the eastern Germans and for Eastern Europe. Aggression will never pay off and force and violence are not a long term cohesive policy for Russia but for now we have to focus on the success and prosperity of Free Pro-Western Ukraine and the Balkans and this will be only successful inside the EU and NATO. Therefor it is time for such a comprehensive new wave of NATO enlargement to 42 starting now in 2018 until 2020.

Towards a BRD Future of Ukraine

Is Poroshenko the Adenauer of Ukraine?

Can the German Westward integration post WW2 serve a role model for Ukraine in 2018? Germany – The BRD – The Federal Republic of Germany – Western Germany, as model for the Ukraine? The parallels are striking. At the height of the First Cold War the BRD was integrated in NATO and the EC – the predecessor of the EU - and Eastern Germany stayed with the Soviets who occupied the eastern provinces of Germany after the allied victory turning with lightening speed into the Cold War and the Communists took power in Eastern Germany and all over Eastern Europe.

The BRD was born, saved and secured by the West and it was an instant success and with it Western Europe turned into the peaceful and prosperous pillar of the West, in partnership and protected by the USA.

Can the Ukraine crisis 2018 be solved in similar manner?

Integrate Ukraine in EU and NATO despite two integral parts of Ukraine being occupied by the Russia Federation? Would it be possible to find a consensus inside the West and in

Ukraine and would Russia agree or does Russia have to agree? Or is there a way Russia could it block such a development? A possible way forwards is to adopt the BRD model for Ukraine. Not to recognize partition to be clear - but to accept it for the time being as fact and stabilize it and let Ukraine head towards the EU and NATO and reluctantly accept the reality of Russian occupation and - while never recognizing the border change - still normalizing the situation at the border and with the occupied regions and the occupier.

Can the mechanisms and solutions which worked during the First Cold War work as well during the Second Cold War?

The second Cold war in which we are now - since 2007 and which has escalated with the 2014 invasion of Russia in Crimea and Donbas – in this new cold war - can we find a modus vivendi to ensure prosperity and freedom for the people aspiring to live with the Western World while avoiding further confrontation with Russia – and to end war at least on the European continent. War on the European continent at the European – Russia border land has always the potential to escalate and the stakes are significant and so to contain or better stop it is an objective in itself.

Clearly, this was a hard decision for the US authorities not to support Eastern German workers in 1953 or the Hungarian revolution in 1956 but for the sake for avoiding a full scale nuclear confrontation and the lack of decent alternatives there was no help for them from the West back then and the people of Eastern Europe had to wait for 1989 and 1991 to wait for freedom. But it came. But only by petering out Soviet power lost the systemic competition in financial and economic terms. And this allowed for an end of the division of Europe and the World. And such a moment might come again but not now and we will have to wait patiently for the right moment again.

Adopting the same principles for Ukraine in 2018 might proof similar successful in long term and avoid a potential major war and end the current border war in Donbas.

And for all this the West and Ukraine do not need the consent from Russia. It is basically within our own decision making power within the NATO and EU systems to decide. And this is a major advantage – maybe the key advantage compared to the proposed UNO Mission for Donbas and Crimea which by the very nature requires consent of the UN Security Council and despite being the best solutions that will only happen once Russia consents.

Will Russia consent under President Putin? Such a scenario is only possible if Ukraine trades in its westwards integration perspective with a deal for unity similar like Austria has done with its state treaty in 1955 in that decisive year Germany joined NATO. But such a deal is not on offer by Russia under Putin and given the stakes and the significance of Ukraine will the West consent or should it consent to Neutral Ukraine in the heart of Europe and is it in the Ukrainians interest to accept such an Austrian solution in case it might be on offer? Clearly no. A neutral Ukraine – like a giant pendulum crashing swinging every 8 years between EU and Russia and creating major geostrategic imbalances – is such a Ukraine in anybody interest? This can even not be in the interest of Russia main stream geostrategic national interest. Anchoring Ukraine in the West will allow reasonable cooperation between Ukraine and Russia again and Ukraine can serve a platform for economic cooperation and potential political reform of the Russian Federation in the coming decades.

Does should a scenario require to give up Crimea and the occupied parts of Donetsk and Lugansk? First of all, Ukraine does not have any access nor control right now and will not have in future until Russia consents due to the military might of Russia. No military reconquest is feasible. No UNMIK style UNO Mission is possible as well as long Russia does

not consent. And again, see the German post war experience – Eastern Germany was not recognized by the BRD until the 1972 Basic Treaty. And at this time the BRD was many decades in NATO and EC and a very successful, prosperous and free. Sad for the Eastern Germans for sure, but it was not in the power of the West to change their destiny given the Soviet Union military power at that point of time.

Now we face a resurgent Russia at the height of the Second Cold War and Russia has the Crimea and the occupied Donbas firmly under control and why not learn from the past? We learnt to live with the Soviet Union always fearing its aggression and threat of nuclear war but the cold war was stable in Europe and there was business done with the Soviet bloc in many aspects.

So why do we not treat Russia in 2018 similar like the Soviet Union. We learn to live with Russia during the 2nd Cold War –contain and deescalate where possible and try to minimize bloodshed, show we are ready for defense and wait for the end of the aggression and winning by simple being much more successful, prosperous and peaceful.

The key to that is Ukraine and a future of Ukraine in the EU and NATO similar like the BRD was successfully part from the start of NATO and the EC. And no, it is not needed to recognize the LNK or DNK or the annexation of Crimea and we never should nor will we. There is no way the West or Ukraine could or should do that. But we could find a new real armistice along an agreed upon demarcation line and keep it and yes there could and should be international possible UN soldiers to support the OSCE in it and yes at both borders to the Donbas and to Crimea such a new border should replace the current front line and no soldier should die neither on the Ukraine or on the Russian side anymore. For such an acceptance of the reality and the status quo on its border and of its division for the long-term Ukraine and its political leaders and elite require significant support. Similar like Konrad Adenauer in the 1950ies in Germany the West needs to back Ukraine and its leaders and in this case its President to empower him to accept such a reality against internal opposition. This will require significant political, financial and military support in a very visible manner. Like it was granted to Adenauer when he rejected the Soviet offer of Germany unity for neutrality in the 1954 when Austria accepted it and Chancellor Adenauer rejected it.

Certainly, a significant part of the Germany elite and public preferred unity of Germany to unity with the West who has just liberated or occupied depending on perspective but certainly defeated it but Adenauer and his western backers know that Germany neutrality will result in a Soviet dominated European continent and so the stakes were high and the decision clear. And so, they should be today in the Cold War 2.0 we face now with a less dangerous but smarter opponent having significant public and political support in the West which we have to address, convince and take along. Without a new public consensus for Ukraine integration in the EU and NATO European leaders will be reluctant to welcome Ukraine in the Western value community and they will face stiff opposition within their electorates. So, what could change the game to make a BRD solution for Ukraine possible meaning NATO and EU Members – first as MAP for NATO and a Potential EU Candidate Status for Ukraine and both by June 2018? Ukraine and the part of the Western leaders promoting such a solution might have to sacrifice the 2014 sanction regime against Russia which is deeply unpopular in Western business and Western pro Putin circles.

The deal with our own internal opposition to trade off the EU and NATO perspective and future membership of Ukraine with the current sanction regime is contentious but possible the best scenario for peace in Europe we have. For this we need remarkable little consent

from Moscow. Obviously, we should not start to deliver military technology to Russia and we should as have continue to reduce our energy independence from Russia significantly. But the end of the sanction regime would buy in the pro-Russia camp in the EU for the EU and NATO perspective of Ukraine and so stabilize and anchor Ukraine in the EU and NATO and allow Ukraine and Ukrainians a new prosperity trajectory similar to Poland or Croatia recently or Germany post war. And Ukraine does not lose any soldiers any more or any additional territory it has not lost already and would win a better future. And once a 1991 moment comes in Russia there might be an option of unity of Ukraine in the West but it will be a rich and free Ukraine inside the EU which the breakaway regions of Crimea and Donbas will find attractive to join once there are ready and once they are free to make their own choice. And one day they will and the choice will be clear. European prosperity, rights and freedoms will be the only attractive options for this regions under this scenario.

But for this there is the need for an Adventure for Ukraine ready to lead the country with unpopular decisions and choice and ready to negotiate such a deal.

But the outcome of a heavy fortified Ukrainian – Donbas and Ukrainian Crimea border – heavily fortified but not at constant war and along a clear line and geared by UN and Western arms and with no casualties anymore and with no sanctions against Russia but no recognition of Crimea or Donbas –neither as Russian nor as in any other form and the burden for of welfare and reconstruction and development of Crimea and Donbas fully on the Russian side and what matters most Ukraine and most of its territory and people firmly inside NATO and the EU and a Ukrainian post war economic miracle similar like the Germany one and a new relation with Russia under the 4th Putin term – clearly as the opponent and aggressor but knowing who we deal with during the second cold war we at least can prepare defense, economic system and stabilizes and integrate Ukraine in EU and NATO and stop the bloodshed in Eastern Ukraine and come to a modus vivendi with a new Imperial Russia 2.0 where they have illegally gained Crimea and parts of Donbas and the West can welcome 40 Million Ukrainians in our community of values, rights and freedoms on their free will and clear consent inside our common European house and family and the powerful and successful institutions we build to contain Soviet Aggression against Western European from 1946 downwards and in which we could welcome Eastern and South Eastern Europe after the end of Communism and now we could welcome Ukraine and the Ukrainians and stabilize the relations with successor of the Soviet Union and self-chosen aggressor of today and contain it in similar fashion like we contained the Soviet Union and wait for another 1991 moment later in history but help in concrete terms 40 Million Ukrainians right now in 2018 with a common future inside the security and rights framework of EU and NATO.

For this to happen we would need an Adenauer in Kyiv and clarity of will and consensus in the West. To be clear what the deal is- the pro Ukrainians in the EU offer the Anti Ukrainians the end of sanctions against Russia as price for their support for a EU and NATO future of Ukraine and the Ukrainian leaders focus on a European future of Ukraine, Free Ukraine in the EU and NATO and accept not recognize the division of Ukraine for the time being as a price for convincing the Ukrainian sceptics inside the EU that Ukrainian membership in EU and NATO is the only way to end the sanctions regime against Russia and a best way towards normal business relations with Russia and a kind of cold peace with Russia for the time being.

And to be sure this is not perfect but the best scenario for 2018 and it is not without coincidence that June 2018 is the next possible EU and NATO summits for decide for MAP

and Potential EU Candidate Status and as well the end of sanctions against Russia. And we learned to live with the Soviet Union during the cold war – never happy but stable for a long period and so we have to learn to live with Imperial Russia 2.0 and we will win as well but only by time and better to include the Ukrainians inside than continuing the war in Eastern Ukraine now soon it its 4th war in this magnitude, violence and with all its potential for escalation. Let us repeat the post war German miracle in and for Ukraine based on clarity in the center of Europe firmly inside a stable and secure frame of the EU and NATO and if we have to leave behind the citizens of occupied Donbas and annexed Crimea for the time being it is sad, regretful but not changeable right now and can we justify to slow the European future of Free Ukraine 40 Million people for a dream of unity without any means to realize it?

Can it be achieved and is it the right future for Ukraine and for Europe and will we have to consult Russia for a decision on who can join? And did we consult the Soviet Union for the BRD membership in NATO and the EC in the 1950ies? What we need is Western Unity and resolve and stop excusing us for our drive for freedom, human rights and prosperity on the European continent. 2019 will mark the 20ieth anniversary of the fall of the Berlin Wall and we should be ready to include and united all European people inside the EU if the generation of Adenauer was ready to unite Europe when the level of poverty and the threat of the Soviet Union was incredible more significant than the opponent we face in the remake of the Cold War. While dangerous the differential between the West and the Russia in 2018 is possible 20 times bigger in 2018 than in 1955 between the war shattered, Europe backed by a reluctant USA and the much bigger and fully armed Soviet Union at that time including Ukraine with all its potential and assets and industrious and capable people. And this Ukraine and these Ukrainians have now decided for the West and we should be grateful every single day and welcome them to the West and support their fight against their past colonial master and reject Russian power projection into Europe, together and untied. We have the BRD model to offer and it worked and will work for Ukraine. We just have to be a bit more ambitious, accelerate reforms and be crystal clear in what can be achieved and what not and in what time frame. And for now, in 2018 the priority is to get the NATO MAP and the EU Potential Candidate Status for Ukraine. Once this is achieved and Ukraine save and secure in the West the long-term struggle for unity and freedom of Crimea and Donbas will be led as long as necessary for achieve Ukraine unity similar as Germany unity was achieved inside NATO and EU. For this Ukraine needs a Konrad Adenauer style leader and a West backing him and the question is will Petro Poroshenko live up to this expectation but as well if there an alternative and as well is the a more noble role model than Konrad Adenauer to inspire leadership, courage and good governance to achieve what Konrad Adenauer has achieved for Germany and Western Europe – a firm framework and fundament for decades of peace, security and prosperity. 2018 will show if Petro Poroshenko is able to bring Ukraine on a similar European trajectory like Adenauer did for Germany in the year 1955.

A Federal Ukraine in a Federal Europe – For Ukraine in EU

No matter how controversial this might sound, no matter who used the term before, no matter if this is popular or easy to communicate – Federalism in Ukraine and Integration of Ukraine in the EU - a Union of States devoted to a ever closer cooperation in many ways ever more

similar to the most important role model of all Federations - the USA - this is the best way forward for Ukraine. Germany more and Austria to some degree as role models for Federal Republics in the EU and for a Federal Republic of Ukraine reformed along similar American, German, Austria or Canadian or to some extent Polish or Spanish role models is the best way forwards. Devolving power and not only administration and finances but political authority to the regional of Ukraine and so increasing political buy-in, building stronger allegiance and loyalty and a more equitable regional development and based on more consent from the government and finally departing from the centralist past as well in political terms that is clearly the European model of subsidiary and federalism for Ukraine firmly on its way to the European Union as a Federal Republic of Ukraine in a Federal Europe. In this text ETR will now address all the fears and issues facing the term federal and federalism in the Ukrainian debate and make a case for a positive usage of the term and the concept as the 4th transformation leverage of accelerating Ukraine reforms to achieve a clear EU perspective in June 2018. Please see the Agenda 18, the European SME Policy and the Ukraine in SEE – Partnership of European Ukraine with the European Balkans for the other 3 pillars.

A Federal Ukraine in a Federal Europe – Towards a Federal Republic of Ukraine of 28 Regions

Accelerating EU Accession requires to adopt Ukraine State institution and Ukraine constitution and regional political structure to the European reality of a ever closer union and on the EU principle of subsidiary part of the central element of the European Union that power, finances and decision making should be as close to the people, consumers, voters and SMEs as possible and at the best possible level of authority to solve specific citizens requirements for public services, public order and political representation. Federalism and subsidiary is just starting in Ukraine with a very powerful centralist past to enter the debate and reality with administrative and fiscal decentralization but the next steps has to be political power to municipalities and regions. As always in Central and Eastern Europe fragile states mostly new - maximum a century old - are afraid of loosing regions but in Federal States this is not happening because the costs of leaving are much higher and the benefits of membership considerable. And there will be no new states inside the European Union – challenges like in Spain and Belgium will be answered by more devolution and will not lead to new states inside the EU and will as well not within new Member States. The state building process in Europe is now concluded and open issues of regional representation will be solved inside a Federal European Union.

Federalism – Power to Citizens, consumers, voters and SME and Regions and the EU

Federalism is a very positive term. It is empowering people, consumers, voters and SME and regions and local authorities and as well the national level and the supranational European level – all on the sectors and areas where they are relevant and their utility for the citizens and the common interest is at its most useful. A Federal Ukraine in a Federal Europe is not very popular term in Ukraine because there is a fear attached to the term federal from Soviet times. But the USA, the EU and Germany and many others are Federal Unions or Federal States in Federal Unions and that is the reality of the EU and if Ukraine wants to be part of a ever deeper integrating and ever closer European Union than as well a transfer not just of administration and finance but as well of political power towards regions is a essential step towards European level of Governance. This will set the basis as well for the re-integration of Crimea and the Russian occupied Donbas inside a Federal Ukraine inside a Federal European Union and a prosperity and freedom level of such proposal will be the most powerful magnet for unity of Ukraine and membership as well of Crimea and Donbas inside the European Union as part of a Federal State of Ukraine inside the EU.

Federalism - Frontloading Sovereignty Sharing in a supranational EU - the way for accelerating EU perspective

But this means as well if Ukraine wants to join faster than other it has to anticipate to front load the sharing of sovereignty with the EU as this is what membership of the EU is very much about, Supremacy of EU law, and the Court of Justice, the GD Competition and the Euro and actually all of the EU is about sharing and pooling sovereignty and accelerating accession can only work if Ukraine is pooling, sharing and adopting key issues of sovereignty early then other as it is the late in applying and to recover lost time the only way is to reform faster meaning adopting reforms which are part of the membership process in a early asymmetric manner. ETR has outlined that in Agenda 2018.

A Federal EU of 37 Member States – Ukraine will change the EU

It is important to see things from the EU perspective. It is not just Ukraine that wants to join. We have 28 Member now – one less most likely from 2019 onwards with the UK downgrading itself from full member to most like EFTA or EU Customs Union member and so moving down one step of the integration agenda but we have 6 SEE – Western Balkans country in the pipeline and Ukraine, Moldova and Georgia who want to join and Turkey a EU Candidate well advanced technical but with a most unlikely perspective for political integration. So we could be 36 to 37 with these candidates in a decade maybe by 2029 or 2034. This will change the EU.

Towards a EU – and the EU has to change to integrate Ukraine and the 8 friends and partners of Ukraine in EU 37

And Ukraine in June 2018 receiving a Potential EU Candidate Status of the European Union of 28 MS leading to a future European Union of 37 MS is the strategic objective of the Ukrainian Government. To achieve this ETR is recommending building a pre-accession alliance with the other 8 on the way to Membership Albania, Serbia, Kosovo, Bosnia, Macedonia, Moldova and Georgia as ETR has outlined in 2017 in the European Ukraine Accelerate Reforms in Partnership with European Balkans. This will change Ukraine but it will change the EU as well from 28 to 37 and possible 36 without the UK but maybe there will be others to join from EaP or EFTA by this time.

Ukraine membership perspective requires EU institutional mechanism to adopt towards a more federal system

But Ukraine with its size and significance will have most impact in financial terms meaning a significant higher transfer level from Western Europe to Eastern Europe but as well the fact that the EU was just 15 MS until 2004 and then possible 2029 or 2039 or whenever will have close to the numbers of States the USA as has with 50 and the EU will have 36 and growing and so the mechanism of decision making have to evolve as well and this takes carefully consideration and will have a effect on the power triangle Parliament, Commission Council and the way decision are taken in the Council and gradually it might be the development of the Council turning into a body more and more looking similar to the US Senate who as well looks back to the similar start like the European Council and with 37 Member States there a more Parliamentary approach than a present intergovernmental manner will be more and more the way forwards. Ukraine is not fully aware of these debate as it is not fully aware of the supranational nature of the EU and what that means for Ukraine and the power sharing in Ukraine between regions and center and the center and Brussels in many essential ways but the debate is ongoing and Ukraine can only foster its EU perspective by fully understanding this debate and the effects of Ukraine wish to join and the significant consequences this will have for the inner European power balance and institutional framework and for the budgetary consequences of a eventually membership and the better Ukraine is understanding this and shaping the debate and preparing its own structures and mechanisms to fit with the EU framework the faster Ukraine can join. And yes Ukraine will change Europe but first of all it is Ukraine that wants to join a Union with existing rules and structure so first of all it is form Ukraine to show it readiness and willingness and understand and its capacity to be part of the Union. And please understand the with being 37 and with Ukraine and the 8 in line adding

another 70 Million to the EU population and with the resulting changes it is the very application of Ukraine which requires significant changes towards a more Federal Europe able to adopt 9 more countries with all its diversity and significance and challenges attached and so we will change to a Federal EU united and together or the whole task might be not successful given that we have as well significant opposition from Russian and others and all active as well in Ukraine and in the EU to oppose such a development which will create the most successful and shining city on the hill.

Ukraine EU membership will be very expensive

But Ukraine will be anyhow expensive so better turn the investment after 2014 and the future investment in Ukraine into a successful and sustainable framework by giving Ukraine the EU membership perspective. But still it is good to see that EU Membership would increase transfers significantly. It is hard to assess the difference but let us start from the fact that EU Candidate Turkey is budgeted with ca 5 Billion Euro for this EU Budget MFF 2014 to 2020 as pre Accession Assistance. As Ukraine is about the same size, half the population but 5 times poorer than Ukraine significant more resources might be budgets to achieve similar IPA standards in the EU MFF from 2020. And this should be the target with the June 2018 decision for a EU perspective to be included in the MFF starting from 2020. Another key benchmark figure to assess the requirement of Ukraine might be the current budget of Ukraine per capita where Ukraine has only about 700 Euro budget available and Kosovo as 1000 Euro per capita. And the EU is not a golf club. It is a supranational – federal Union with major solidarity function so the task is to get countries on similar levels of welfare and prosperity. We have achieved a lot in such 13 years of integrating the Center and SEE of Europe with 13 new countries and even the poorest Bulgaria now 3 times richer than Ukraine. And Poland has received about 82 Billion in EU transfers net since EU accession. Ukraine has about the size of population, double the size in km² and Poland is now 6 time richer now so what would be the transfers during the first decade of EU membership for Ukraine. Despite that it is hard to assess in details a rough estimate based on the facts above the EU would have to budget about 2 Billion per year during from 2020 during the pre Accession period from 2020 to 2029 and 20 Billion every year during the first decade of EU accession without the reconstruction costs of Donbas and Crimea once there is access to them which will be in a separate budget line as support to the UNO Missions to be established. This does not include loans from EU IFI but just IPA and EU Membership related transfers. Concrete figures will have to be discussed between the EU and Ukraine if that ever come to that but ETR wants to show that it is

first worth working harder for Ukraine to get this status – it brings concrete results as well in financial benefits, it is worth for the EU taxpayers as it results in turning Ukraine in a similar success story like Poland, it is work to understand the magnitude of what we are talking of transfers of 20 Billion in the next decade and 200 Billion in the 2030ies and to prepare all sides for that and to explain why this is the right decision for the European taxpayers to invest in the transformation of Ukraine into a EU member state. And that Ukraine is well advised to accelerate reforms now to achieve this status and as well despite the budgets required the stability and development of Ukraine is worth the investment of the EU taxpayers in this line and dimension as contrary to now giving as well Billions but without EU perspective is a much more risky way to spend billions on a much more unstable fundament. Better to spend more on saver grounds for a Ukraine firmly on the way to the EU and calculating the budget now and having security in investment in Ukraine and for the EU taxpayers than stumbling from Ukrainian crisis to Ukrainian crisis every some years and money being lost in translation, confusion and corruption. We have to get this right now. And for European taxpayer to be very clear that this is a better investment than massive re-armament of Europe backed by NATO and for the Ukrainian side this is hopefully a appealing offer which allow to form a European consensus here for accelerating reforms. Again a serious new effort for a European future of Ukraine based on the success of CEE and SEE integration requires serious European funding and serious Ukrainian reforms and it is very much worth the common effort but this is a bit a different effort than what we have send since mid 2014 to now and given the stake a kind of accerlated and European Ukraine 2.0 and a more serious approach from the EU would be needed otherwise it is a stranded investment the effort here and will only result in higher prices for Mediterranean real estate where the elites will invest their revenues.

For more on EU budget please see <http://www.money-go-round.eu/> and the http://ec.europa.eu/budget/mff/figures/index_en.cfm and of course https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en

Is a Federal Republic of Ukraine a danger for the integrity of Ukraine?

After the annexation of Crimea and Sevastopol and the war in Donbas it is clear that Ukraine leaders and electorate are anxious to devolve power for of fostering separatism or being perceived weak. But both annexation and aggression were instigated by Russia and not by local separatists and no other region in Ukraine will start running way and nobody will claim any part of Ukraine and nobody will ever accept it. We are the EU and NATO partners from Romania to Poland and whatever nationalist folly there might be with some lunatic fringe there is no basis for any such fears – they are only Russian myths to cover their crimes in

Donbas and Crimea and claim others want their share to be brothers in arms with aggressive Russia – it is preposterous. And yes if border region cooperate as part of normal European regional cooperation that is something great and the EU is supporting such efforts everywhere as part of regional development and cross border cooperation and that is just fine. In real terms devolving power is reducing separatist tendencies as the claim to somehow be exploited by a distant center is losing credibility and legitimacy and the local buy in and the consent by the governed is increasing by devolving power and the attached rise in regional self government and prosperity and the clear perspective of a future in the EU where borders matter less as practical obstacles for daily life. We have in the EU many successful example of regional minorities in border issues with a highly contentious history now fully successful integrated from South Tyrol to Alsace to Swedes in Finland and Danish in Germany and the Basque and Irish and the Germans in Belgium and the Slovenian in Austria and all were very problematic at one stage and now all these major conflicts are solved due the healing mechanism of the European Union. It is not magic but good politics and hard work and investment but given the European past this a major achievement and the same principles are now healing many still open wounds in the war torn Balkans now successful moving to the EU and will do their magic in Ukraine and in fact the Federal policy will speed up the healing process and the Ukraine will be a much stronger and much more united country as a Federal Republic inside the EU. And for the 4 regions currently now under Ukraine control this is the right offer to join the train to the EU together and inside the Federal Republic of Ukraine on the way to the EU.

How about Catalonia and Scotland and Kosovo and Montenegro?

There will be no new states within the EU. I understand the Catalan crisis was exiting but it was never going to happen in terms of full independence and that a lot of people are unhappy with the constitutional reality or the reality of Madrid governance good that needs to be address with better Federal arrangement but not with independence and it will never be and nor will Scotland. Simple the costs of separation are too high and the benefits of new states are too little once you are already as free and prosperous market economy based on full human and political rights in EU and at such a prosperity level which nobody wants to leave or risk when there are all rights protected and just for historic dreams of a few to give up prosperity for most and rights for all it is not happening in the EU. Different it is with the SU or YU in case of totalitarian state just calling themselves unions or federations ruled by one group exploiting and suppressing the other. There it can, and has and might again happen but Ukraine is not part of

that group and never was since 1992 and never will and never forget there was no human rights abuse in Crimean and Donbas before March 2014 and now there are many every day. So do not let yourself get confused by powerful communicators from the east twisting the what about lines and comparing what can not be compared and betting on that the public does not know and something might always sound true and playing the fears of break up present in all from SU countries who have gone through it. No it will not happen not in EU and not in Ukraine and simple because we have responsive political systems listening and caring for the people based on human rights and the rule of law and we are getting more responsive and prosperous every day because of that and who wants to challenge that please see the Catalan nationalist is simple breaking the law and by that fact transforming themselves from a political actor gradually in a criminal case for the rule of law institutions. But all this debate should not allow us, EU and Ukraine, to be paralyzed with institutional reform and responsive and federal focused reforms bringing decision making and representative government closer to the people – that mean federalism and handing authority where it makes sense in regions, nations, supranational level like EU but we simple should improve the representativity and responsiveness of governance and build so a ever closer bond of support based on free consent by the citizens and that is the most powerful bond and base any state can have.

Re-conquering an important European political term from Putin Propaganda machine.

True that is hard and Putin is possible the most powerful communicator in Russia, Ukraine and possible in European media but should we accepted that and should be give up good idea and concepts and all terms describing them because Mr. Putin used them or Mr. Putin could abuse them or could be angry or could be saying something about it? Please that is too much political and communication space for him and the terms federal is first of all a American one and secondly who we organize Europe post WW2 and it is a very good one and let us all communicate better and explain better that we mean and win the minds and hearts of our own people and not loose them definition power of political terms to the master of the dark art of polit-technology.

Asymmetric or symmetric federalism

Symmetric federalism is fair and treats each member region equal and so we have good results in the USA, Germany, Austria and others. Asymmetric federalism like in Spain and the UK creates always major room for envy and the feeling of unfair realities easy to be exploited by regional populist but it is recommend to treat all regions the same. Having said that there can be as well justified exception on temporary

basis or as well in case there are wide differences in cultural, ethnic or language or religious divide to bridge. And the rule should be it is better to have unity even if it starts loose and soft and gradually remove inequalities between regions than to not being able to integrate regions at all or possible losing them. In concrete terms to have Crimea and Donbas after the UNO mission to return there might be the need for further going arrangement for certain periods but they should be limited on cultural and education area and the fiscal and economic aspects as we outline later, must be justified on ground well documents and agreed and based on international agreements but should be done in a way to have fairness and equality of member states as far as possible considered and all difference must be explained and justified. To find the right balance here that are difficult political processes different in very political situation but best is a symmetric federalism with reasonable case-to-case adjustments.

Competitive and solidarity focused Federalism - federalism based on better results for citizens

Such a federal system should be though both competitive – releasing the positive energy of regional competition for growth, investment, public and European funds and people and companies and attention and reputation between the regions to improve service, welfare and economic and infrastructure development and reduce unemployment and foster the spirit of regional identity and pride of being part of a nation in Europe but firmly based in one region. That is very positive spirit and should be fostered by such positive regional competition spirit. But at the same time there should be as well the very instrument of regional solidarity and mechanism like in Germany or EU of inter-regional solidarity between the regions to transfer via the federal level from the successful center and richer region towards the less developed periphery or ensure good live hood everywhere and avoid everybody flocking in the metropolis and provide equitable growth nationwide. A federations have these mix of competitive and solidarity mechanisms and for a good reason to bring good governance and good public service to the whole nation wherever the citizens live or want to live.

Why a new constitutional offer to the separatist and annexed regions is necessary?

It might come the point where there is more escalation with Russia but Russia might choice or more concretely Putin might choice as well to offer unity for neutrality and ending the NATO and EU accession as offer for leaving Crimea and Donbas and what then? A kind of Austria and German deal of 1955 which Austria accepts and Germany declined. What will be Ukraine position and offer to the regions and how will Ukraine act? Like Germany or like Austria once such an offer is on the

table? And the other debate is how after now soon 4 years of war and everything that happened there is the population there ready for simple starting new live easily under Ukrainian authorities even when today Russia would leave, if ever? Just like that and all would be happiness? And how about the costs of reconstruction? And the effort of reconciliation, will that work easily? A lot has happened and will not easily be forgiven nor forgotten. So offering the 4 regions – we will outline the 4 in details below but the proposal is to accept the division of Donbas and Lugansk and offer them a separate place in the Federal Republic of Ukraine after the UN Missions and as part of a future settlement and status clarification in the coming decade after the UNO Mission. But to make this clear already now to first ensure that as a basis for the Russian withdrawal and the UNO Mission taking control of the 4 accustomed regions in 2018 and making this proposals as a part of the Agenda 18 to get the clear backing of the EU with a clear new status for Ukraine to have a Potential Candidate Status for the EU and in the process Ukraine will have to answer what the future of the occupied territories will be and it is simple. They will be Member States of the Federal Republic of Ukraine inside the European Union and it might take time and first there will be a Russian withdrawal and a UNO Mission and then a status decision based on the will of the people there but as the international law and community will anyhow never allow annexation the clarity and attractiveness in the offer of joining the EU by opting to joining the Federal Republic of Ukraine will be hard to dismiss once the question arises and what matters now in 2018 is that Ukraine has a perfect and reasonable and communicate able answer for the 4 occupied regions and the current and future status which makes absolute sense for all European and International friends and supporters of Ukraine allowing them to say yes to a Potential EU Candidate Status for Ukraine and that in turn turning Ukraine in such a attractive offer that the citizens of the region will be hard to reject once free and will signal to Putin and the Russian aggressor that the whole strategy of creating this and the Georgian and Moldavian conflict has not worked. As it was all based on making the EU and NATO future impossible and it failed and so the whole costs for Russia make no sense anymore.

Will the proposed UNO Missions cover all of the 4 existing occupied regions?

First of all as ETR has outlined it should be as well for Crimea a mission form the UNO. The current debate is very much about Donbas. While there is more urgency for the war for sure there are as well major human rights abuses in Crimea and to focus the mission debate on Donbas is somehow given the impression anybody might have accepted the occupation of Crimea and nobody has and Russia has to hand Crimea

to the UNO and than a status settlement will be done later under UNO mandate. So first of all there should be UNO Missions for all occupied regions, best 2 separated ones one for Crimea UNMIC and one for UNMIDL but and this matter UNMIDL should not cover the whole of Donbas Oblast and the whole of Lugansk Oblast but only the occupied parts of the 2 Oblast because why in a way give the UNO the whole task, and costs and risk of running the Ukrainian part of Donbas and Lugansk and with that as well connect the fate of the Ukrainian parts now under full Ukrainian control with the fate of the occupied parts who will possible stay a long time under UN Mandate? Decades are possible see Northern Cyprus. As it is much better to design new separate regions Western Donetsk and Western Lugansk and their Eastern Occupied counterparts and let the Ukrainian regions develop from now on in light-towers of European and Western development and support to shy across the demarcation line as Western Germany shone over the iron curtain to Eastern Germany envy and desire for reunification. And this is also the right move the show the world that Ukraine understand that after 4 years of war and plus the ones possible now following there will be difference and Ukraine does not want to reoccupy these territories but to gradually reintegrate on the basis of accepting past wound and graveness. A lot of blood has been shed and there will be issue of accountability from crimes and damages and ownership and compensation and for all this there are good and bad expiable from Ex Yugoslavia to study, learn and adopt but what matter most is to show the world that Ukraine is fully capable and ready for manage this situation in adult and mature and responsible manner.

Why to create 2 new Member Regions – Eastern Lugansk and Eastern Donetsk now?

Look the war take its toll and changes reality, it always does and far from accepting their claim to be different - still after many bitter years of war the situation will not be like in 2013, never again. And so we have to accommodate and make a offer based on the 4 occupied regions to feel that the fastest way to Europe and European prosperity is to join Ukraine and Ukraine joining the EU and that Russia has nothing to offer but centralism and decline.

And having two new regions for the war torn east to focus on their specific needs and requirement and not keep the illusion of unity of Donetsk and Lugansk and offer them a distinct political organization inside Ukraine is the best way forward to reconciliation and reintegration. Certainly some will cry this means recognizing the DNR and LNR but it is not the case. It is simple better to accept the division now, ensure the LNR and DNR are dissolved the moment the UN Mission take full control and offer them being part of the Federal Republic once the status

decision will be on agenda best after a decade. Certainly reconciliation and reintegration will take time and take effort but with expecting only minimal compliance and have a accommodating political offer and a generous development proposal and a prospect of a joint future in the EU this will be certainly very attractive and please in meantime it is essential to ensure the development of Free or Western Donetsk and Western Lugansk to turn them into light-towers of Ukrainian success on the way to the EU and so to have them able to move on it is better to have distinct political regional bodies with the Free Ukrainian moving forwards faster unhindered from the sad fate of their eastern occupied twins.

A strategy for re-integration of the 4 occupied regions of Ukraine

Unity and EU future are the overriding objective of Ukraine and on that bases Ukraine has to first ensure a EU future and turn itself into a attractive proposition and the unity will come by the success of Ukraine in the EU the same way as it came for Germany. But in the case of Ukraine, we the West and Ukraine are facing stronger and active opposition ready to use force and having used it twice and indeed every day in Crimea and in the Donbas. So we have to be a bit smarter and prepare the structural offer better and first make EU accession irreversible – ETR has written a lot about that in 2017 - and we have to make the offer of joining a Federal Ukraine irresistible and please let us discuss this a bit more in details. Especially for the 4 regions now occupied we need to offer more and more concrete and more visible attractive reason to join best now, possible after the Russians left but for sure once a UNO Mission is ready to call for a referendum about the status once the condition are there for that which might take a decade but as well Ukraine and the EU will need to time to develop the condition of being a irresistible proposition for the voters in the 4 regions. And here is the road to achieve that. All 4 regions currently occupied will be recognized as new Member States in a Federal Ukraine firmly on the way to the EU. And as well Ukraine will add some territory to them in Free Ukraine which will be carved from the neighboring Regions and will be added to the 4 regions and will host their temporary provisional capital and will be a kind of Free Ukrainian Nucleus for these 4 occupied regions. These 4 Free Ukrainian Regions will have all institutions of a region and free elections and a governor elected by the people as in all regions of Ukraine and the voting register will consist of the Free Region inhabitants and all the voters of the occupied regions as on the voting register of 1.1.2014 no matter where the people live now in Ukraine, the occupied regions or in EU or elsewhere. Only what was the pre occupation status quo ante is valid and new immigration from Russian newcomers is not accepted for the roll call.

How will these 4 Free Ukrainian Nucleuses Regions look like and where are they based?

During the reform of the constitution of Ukraine the harbor town Skadovsk <https://en.wikipedia.org/wiki/Skadovsk> and district around it will be turned into the Federal Region of Ukraine called the Free Ukrainian Region of Sevastopol and Skadovsk and the city of Genichesk <https://en.wikipedia.org/wiki/Henichesk> and the 4 Ukrainian districts north of the Pereskop will be turned into the Free Ukrainian Region of Crimea with Genichesk as capital and the city of Mariupol <https://en.wikipedia.org/wiki/Mariupol> and the district around it will be turned into the Free Ukrainian region of Eastern Donetsk and the city of <https://en.wikipedia.org/wiki/Berdiansk> Berdiansk and the district around it will be turned into the Free Ukrainian Region of Eastern Lugansk. And in all these 4 Free Ukrainian Regions all the residents of the 4 occupied regions have all rights and obligations they had by 1.1.2014 and as well their descendants meaning their children if they have reached voting age can vote there and this included pension and social welfare and voting and draft obligation and simple all legal status pre occupation and there will be build legitimate representative government of these regions and later once the conditions are ready they will be reunited with the currently sadly occupied regions of Ukraine.

Towards 4 new Special Economic Development Zones at the Black Sea – Shenzhen Style

These 4 Free Ukrainian Regions will receive a special status under the Ukrainian constitutions allowing them to be governed in customs, tax, legal and economic aspects like Free Economic Zone to accelerate investment and develop them into Shenzhen Style economic zone to fast track development and turn them into attractive offers for re-unification. And as well create the conditions for general faster development of the strategic Black Sea coast as well supported with better railway, highway and waterway infrastructure from the EU and Ukrainian authorities.

4 new SEZ A Black Sea - the nucleus for re-integration of the occupied regions

Such zone require a special tax system, incentives to invest, a special customs status and a special legal arbitration and investment protection status under spate law and good infrastructure connection and investment in basic infrastcrure like water and electricity from the Central Government and the donor community to turn them into light towers of European Ukrainian development.

Towards a new European Ukrainian Partnership Agenda 2020

ETR will in the coming weeks outline this in detail but the basic idea is that Ukraine has to engage systematic all MS of the EU and a partnership between each Oblast of Ukraine 25 and the EU 28 - Including the UK is the best model for assisting the efforts of the MFA and making the regions of Ukraine more connected to the EU and communicating one clear message of unity of Ukraine and a future of Ukraine in the EU.

So what ETR is proposing from 2018 to build a European Regional Partnership Agenda with the 28 Member States of the EU supporting each one of 28 Regions of the Federal Republic of Ukraine on the way to membership in the European Union and to engage fully and directly with the 28 Regions of Ukraine and foster their development, economic prosperity and governance in direct engagement. Which MS of the EU should engage with Ukrainian regions? Let us start with the from the East with Germany partnering with Western Donetsk and France with Western Lugansk and Poland with Kharkov and these are already 3 heavyweights engaged where it matters to build a shining light tower of European development in contrast to the occupied east. For Eastern Donetsk the Republic of Ireland and for Eastern Lugansk the Republic of Croatia are the best model in the EU how we overcame war and destruction by successful integration in the European Union. So 5 Euro-Ukrainian Regional Partnerships in the East of Ukraine and 5 now in the South of Ukraine with Spain and Odessa, Portugal and Mykolaev and Italia and Kherson and Greece and Crimea and Malta and Sevastopol. So we are at 10 Euro-Ukrainian Partnership. In Central Europe we propose Austria and Zaporizza and Hungary and Dnipro and so to bring the 2 great Danube Cities close to their peers on the Dnipro and Slovak Republic and Poltava and Czech Republic and Cherkassy and Slovenia with Kirovograd and we are at 15 and for Northern Ukraine ETR proposes Denmark and Zytomyr, UK and Kiev City and Oblast and Sweden and Chernigov and Finland and Sumi and we are at 19 and then in South Western Ukraine Cyprus with Cernivci, Bulgaria with Khmelnitsky and Romania with Vinnitsa and we are at 22 in the Western Ukraine and Baltic Benelux 6 and we are at 28 with Estonia and Rivne, Ternopol and Latvia and Lithuania and Ivano Frankish and NL and Kobel, Lviv and Belgium and Luxemburg and Ushgorod. It is a bit much geography and we are 28 and Ukraine is 28 and confident that we will be united and the need for the Ukrainian more equitable development and the direct access to the whole of Europe will avoid bottleneck in access to the regions and foster faster development towards European development.

And for this a partnership agenda is the most powerful tool and leverage Europe can have and it is essential to make European Ukraine not a EU

level project but engage all EU Member States and the population and electorate and taxpayer with Ukraine in positive and sustainable manner. And as well such a partnership agenda will engage all the MS as well the ones who are more pro Russian which in reality if engaged by Ukraine they will be very much less very soon but when left alone they fall into this old patterns and so major engagement with all MS and all regions is vital for the success of Ukraine in EU. Ukraine is still relative unknown in the EU and this has to change to gain the political backing for Membership.

Why to support 4 Member Regions without access to them?

Eastern Lugansk, Eastern Donetsk and Crimea and Sevastopol neither Ukraine nor the West has any access and if ever Russia will consent to the UN Mission we have discussed in the Pax European 2 – Towards a New Partnership with a new Russian Federation of 28 Member States but for now what we propose is to base the 4 missions where there is no access now in the Free Ukrainian Regions as outlined above but in close partnership between their twin regions. So the Eastern Lugansk and Croatia will be based in Berdiansk and the partnership Eastern Donetsk and Ireland in Mariupol and the partnership Crimea and Greece in Genichuk and the Malta Sevastopol Partnership in Skerdosvk.

And to make it sure and be clear this will be the toll of reintegration of the 4 regions in a federal Ukraine firmly on the way to a Federal Europe – the EU.

Towards a new Constitutions for the Federal Republic of Ukraine as a basis for membership in the Federal Europe – YES TO UKRAINE IN EU

Germany is a Federal Republic, Austria as well and other EU member states and the EU is a Federation of MSs, the USA, Canada and in theory Russia – many of them as well Federations of Regions, some less centralized some more – with the more decentralized the more successful and prosperous Member States of the EU. And Ukraine will be more successful as a Federal Republic of Ukraine. But it is a challenges and to achieve such a transformation Ukraine will require a new constitution and that will be most likely for the next Presidential Mandate and next Parliament Mandate from 2019 onwards. But the debate should be part of the accession lobbying now to convince Europe that Ukraine is ready and is changing and the lead the campaign of 2019 on a new constitutional consensus and than draft it during the new mandate and then adopt it quasi with the application for EU Candidate Status possible in 2022. And have a this achieved the new constitution and the EU Candidate Status go into the 2024 electoral year with decent track record of success and this will be as well the last year f Putins 4th Presidency and maybe a new situation will emerge by then. But for all

this to happen now the draft elements and pillars have to be discussed and prepared by the body politics of Ukraine. And in principal agreed between the major stakeholders in a European Consensus of the main political parties on the future of Ukraine.

The same principle Federalism in a Federal Europe for Moldova and Georgia – the other 2 pro European nations victimized by Russian aggression

The same what ETR is proposing for Ukraine - a Federal Ukraine in a Federal Europe applies for a Federal Georgia in a Federal Europe and for a Federal Moldova in a Federal Europe and there Russian backed break away republics should receive a similar offer and Georgia and Moldova should follow the Ukraine model and trajectory to EU Membership and boost their chances by transformation into modern European Federal States.

Federalism 2.0 in Ukraine

If we are allowed to dream why not continue the federal trajectory and promote the idea of Federal Institutions like Ministries or Agencies being re-locating in Regional Capitals of Ukraine and why not? The EU does it with many new agencies; Germany does it with many of its state institutions and its helps to spread the good jobs widely, and brings a powerful symbol of statehood to the regions. Why not have all Federal level courts based in Liviv and the Parliament moved to Kharkov? And the Military Headquarter to Vinnitsa? This might seem utopist in Ukraine but when you start some a process why not follow what the EU and many MS are doing right now and especially the more successful ones? We have this debate in Austria, it is reality in Germany a similar size country like Ukraine and certainly there are many examples in Europe to follow. Good jobs for all regions, and a new feeling as a nation not rule by Kiev but government by a national level federal government equal for all regions and people and voters and consumer no matter where they live or want to work. Such relocations are as well great moments for reorganizations and to break the ex Soviet culture and past of some institution and start a new form with partly new staff and new working methods and break with a corrupt past and start from scratch with European trajectory and lift Ukraine faster than anybody expects to European level of prosperity and a rightful place of Federal Ukraine in a Federal Europe.

Federalism – power for elected Governors – responsible to elected regional assemblies

Which model of the many federal system Ukraine is preferring remains to be seen but one thing it sure. Governor should not be appointed but should be elected by the regional assemblies or in direct elections. And

there should be budget and elections process in the regional level and fully accountable public elected Governors for that region.

Towards a 2 Chamber Parliamentary System for Ukraine

Most Federations have a 2 Chamber Parliament and Ukraine should as well consider reducing the size of the Rada and have one Parliament for Regional Representative – the model of the US Senate or a Council of the State Governors the model of the European Council. Whatever choice the current mixed system is not producing the results and it is recommend to include such a bi-Chamber model in the new Constitution of the Federal Republic of Ukraine.

End the vertical of power – as a role model for Russia as a Federation of 28 Member States

As outlined in the 2nd part of Pax European – Towards a Russian Federation of 28 Member States in great details ETR considers this as a part of the preparation for supporting and assisting the transformation of Russia into a real European style federation in partnership with the EU of 28 now and 37 then and it is basically the dry run for what we all have to prepare for – avoiding the break up of Russia and reducing the Western paralysis by fear of such a break up by developing a working concept for the future of Russia as a European style Federation of 28 Member States and working along European Federal Principle and in partnership with the EU 37.

A proud new name for Ukraine - Federal Republic of Ukraine

Ukraine means borderland and Ukraine has been depending on perspective the borderland of Europe or the borderland of Russia and has only a short history of independence and identity issue are still to be formed and fostered. A similar case we have in SEE with the newest European country Kosovo often regarded negative the Russian trolls and as well lacking identity and image and so often in English and German media called this or that Kosovo somehow not fully regards as a proud nation and a future EU Member States as it is. And so we gradually as friends of Kosovo started to use The Republic of Kosovo always in all statements and speeches and articles and the same should be done with Ukraine, it is not just Ukraine, not just the land and state of Ukraine but the proud Federal Republic of Ukraine, a proud Republic on the way to EU and NATO transforming it self to a new level of governance and prosperity for its citizens and a bit reinventing itself as the federal Republic of Ukraine.

The Federal Republic of Ukraine in the EU – Agenda 2018

The vertical of power – or power to the people –transforming Ukraine into a European Member State – Based on sharing sovereignty in the European Union based on Federal principles is a mind challenging task and will take decades in Ukraine and the only way to accelerate it faster

sharing of sovereignty and federal reform as outlined in all the concepts ETR has now developed in the last year. European SME policy for Ukraine, Austrian Ukrainian YES TO UKRAINE in EU-Discovering our common past to be ready for the Common Future in EU, Accelerate Reforms, European Ukraine in Partnership with European Balkans, How joining SEE can speed up Ukraine EU accession, Towards a Russian Federation of 28 Member States in partnership with the EU, how to transform Russia into a better neighbor for Europe and Ukraine, And the present campaign Agenda 18 – What now European Ukraine at end of 2017 to prepare for the decisive year 2018 and outline 10 policy options for Ukraine to obtain the green light for EU membership and the Potential EU Candidate Status in June 2018.

Agenda 18

What now, European Ukraine?

A ten step policy agenda for turning Ukraine into a Potential EU Candidate Country by June 2018 - making westward integration irreversible and setting Ukraine on a no prosperity trajectory based on CEE and SEE EU transformation.

So what can be done to achieve such a European Pledge- a Thessaloniki style political decision of a future of Ukraine inside the EU by summer 2018 and build a national consensus for European Integration leading to significant reduction of Corruption by adopting European Standards of Regulation of the Labor, Capital and Land Markets, reforming the Customs and Tax Services and integrating Ukraine in all SEE reform structures in order to build a strong pre-accession alliance. All this ETR has outlined in great details in the European SME Strategy for Ukraine from March 2017, the European Ukraine Accelerate Reforms in Partnership with European Balkans and the Open Letter to the President of Ukraine from June 2017 and the 10 Points Accelerate Agenda from October 2017 and now the 10 Points of the Agenda 18.

1. Build a Task Force for the Bulgarian EU Presidency now in first part of 2018.

There are a lot of links to Bulgaria in Ukraine and now it is time to call on all who have links to Bulgaria to focus and mobilize them. Bulgaria is celebrating 10 years and is success model and now in charge of EU Presidency and has a Center right wing pro Europe and pro Ukrainian PM and there is ample scope for support. They have promised to do a lot for the Balkans in EU during their Presidency and it is essential to bring Ukraine on the map. Bulgaria is as well at Black Sea and if Ukraine would have taken up ETR proposals of the Odessa Dialogue Balkan Black Sea we would have been already further but anyhow there is significant good will in the Bulgarian Center Right wing for Ukraine and all want to help and now all this must be mobilized with a powerful coordinator close to President and PM to get them access and coordinate events and inputs and a lot can be achieved in just 6 months and as I assess nothing will be achieved for Ukraine when Austria take over this is really the opportunity not too miss. ETR is mobilizing all the Bulgarians pro Ukrainians but a Governmental effort by Ukraine could make all the difference. There is certain arrogance against Bulgaria in Ukraine as for all big countries towards smaller countries but this is based on the ignorance that if you talk to one EU MS you in a way talk to all of them and Bulgaria is now 3 times Ukraine GDP per capita and has the flat tax 10%, low debt and is in any measure a amazing success and a powerful ally in EU for Ukraine and possible the decisive one for the next 7 months. Such a effort should foster in all aspects with the economic, social, cultural and political links but as well civil society and be massive and widely communicated. Bulgaria is ready for that but is Ukraine?

2. Offer to enlarge the Mandate of EUAM towards EULEX Ukraine with executive powers

Since 1 of December there is a EU Advisory Mission in Ukraine providing European advice to Ukraine. But still the issue of Corruption in the Rule of Law sector is a major impediment of progress and Ukraine Rule of Law sector is perceived as old fashioned and despite major reforms this is a major topic in all reports and international media. As ETR has already outlined Ukraine should join RAI <http://rai-see.org/> but that will only be medium term effective and as well Ukraine has not taken up this recommendation in the last 6 months. Now what could be the game changing proposition for Ukraine to advance? The EU is insisting on an independent Anti Corruption Court and that might be a great step but why has Ukraine not delivered up to now? In line with the ETR recommendation to apply the SEE success models in Ukraine to advance Ukraine into one league with the EU accession countries of SEE and receive the Status of the Potential EU Candidate in June 2018 ETR is proposing to move EUAM towards a executive mandate and include the very same powers like EULEX <http://www.euam-ukraine.eu/our-mission/about-us/> Certainly, this is a big step to concede powers of the judiciary towards a International body and will be attacked by many but it has worked very well in the 10 years in Kosovo and as the General Prosecutor and the Rule of Law and Corruption is perceived as the main issue by the EU then why not offer the same EU methods that have worked and at least show you are ready. The mission in Kosovo is at end of life time, 250 Million budget and a lot of experience can be shifted to Ukraine and yes it would be a crash course but what other more powerful signal that you are ready for EU Rule of Law? There is a lot of experience and results in fighting corruption in EULEX and especially in police and customs the results are excellent. To extent the mandate to include executive powers not all in EU will be ready but alone proposing it will show that Ukraine is ready for major steps and for the 2018 EU Accession pledge such game changers are necessary. <http://www.eulex-kosovo.eu/?page=2,2> The budget for this can be simple shifted from Kosovo to Ukraine and the Kosovo EULEX can be shifted downwards in a 2 years corridor to 2020 when it should close and when the EUAM- EULEX Ukraine should be in maximum capacity to bring the whole Rule of Law sector to European Standards in Ukraine.

3. Joining the European Customs Union – Start with Demilitarizing the EU Ukraine border

The EaP Summit 2017 has envisaged that Ukraine can join the EU Customs Union. Fully joining it though is about as far away as EU membership. And do you want a future like Turkey? Turkey is in NATO and EU Customs Union and so in economic and defense inside Europe but never inside the Political Union, do you want that as well for Ukraine? ETR considers full membership of the EU in all terms the better future for Ukraine and Europe. So what can be done in 2018 is to change the reality and perception at the EU Ukrainian border points. Full customs union that will not be but why not be ambitious and unilateral end Customs and Border controls at EU Ukraine check point and let the EU monitor their border alone? If that seems to radical why not simple to use what the EU is doing in Balkans and unifying the Border Check Points EU Ukraine to have only One stop and a mutual check point as it is done between Montenegro and Albania? And why not end the double checks from Customs and Military Police, which can be only understood as insult towards the EU citizens and EU border police? Why do you have to check the EU Ukrainian border with Ukrainian military police soldiers from us same style like the Ukraine Belarus border? Because we cannot check who is moving or you do not trust your customs and FRONTEX? Really this is a shocking picture for anybody crossing a EU Ukrainian land border - welcome to war it say and feels and please it has to stop now and bring these soldiers to the Demarcation line and not to the EU border. And many more issues can be done with customs facilitation and border area expansion to enlarge the physical waiting area to end the impression that one is crossing a civilization dividing line when crossing from Poland to Ukraine or Ukraine to Hungary. Really talking about the Customs Union in TV and EaP and feeling the reality at the borders to EU results in a credibility gap that is hard to understand and that is hurting the credibility of the whole European Ukrainian project and it is very easy to change. Take the military from the EU borders now. Invest in the facilities - build more waiting lines and integrate the customs with EU and build common EU check points - EULEX has done that even at the Kosovo-Serbian border and many SEE border stations have it and it does not take a lot and part of the accelerating strategy can be to remove the Customs control from your side at the EU border or simple suspend the check from the 1. January 2018. The revenue loss will not be so significant to have a major impact and the message and signal will be clear. You are not afraid of Europe and the future is Europe and Ukraine European border shall be a border like France and Germany. It is there and will be there but nobody can see or feel it and the Ukrainian land border with Poland, Slovakia, Hungary and Romania should feel the same. And when the future is a Customs Union and as well to join the Schengen Area without being political in the EU why not dramatically speed up effort to simple declare EU Customs procedures valid in Ukraine and so fast track streamlining in EU Ukraine contentious cases and adopt

of DCFTA related customs issues now still in December and basically unilateral join the Customs Union in everything but the name? It would be as well a major step forwards to fight corruption and smuggling in Ukraine as certainly the differential in rates and procedures and the long waiting lines and the ever deepening trade ties invite a lot of negative aspects along the EU Ukrainian border which can be fully avoided by less people checking, less differentials in rates and procedures and relying on European controls in partnership with Frontex and the EU MS customs services. That the EU Ukrainian border is 2017 – 4 years after the Revolution of Dignity and with major TA provided is still in such conditions and at the same time membership of the Customs Union is promised means inviting justified criticism from business, consumers, tourist and neighbors and it is to change now with lasting impact and given the Ukrainian IT capacities and high level of reform capacities there can be no excuse on this key factor for European Ukraine.

4. Towards a Game Changing European Ukrainian Energy Union

The energy area is possible the most successful of the main reforms – the real reforms since Euromaidan and the applause should go very much to the decision makers who have ensured that Ukraine is part of the SEE reform structure – the Energy Community for SEE <https://www.energy-community.org/news/Energy-Community-News/2017/011/01.html!#>

Sure it was a result to be applauded that the EaP envisaged Ukraine membership of the European Energy Union but sadly Europe has not completed this Union and so why not focus on fulfilling all Ukrainian contractual obligation from the membership of the European Energy Community of SEE in which you are already full contracting party. <https://www.energy-community.org/aboutus/whoweare.html>

Is the energy market already fully liberalized in Ukraine as committed by all members? Is Ukraine fully adopting all standards and integrated in all regional networks? Good, being against North Stream 2 is the right policy but it would be more credible if Ukraine would be the master student of the Energy Community and it is not. But ETR does not want to present a detailed energy reform package ETR has attached some proposals and anyhow simple following the Energy Community and DG <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/building-energy-union>

ETR would like to raise the profile of game changing proposals for Ukraine to make to the EU now in 2018 to achieve the Status of a potential EU Candidate Country in June 2018.

Ukraine should make the European Union a shareholder – not only a stakeholder and partner but a shareholder in the major utilities of Ukraine by offering debt equity swaps to European Member States who own most of them significant share in their energy companies and by offering to swap debts with equity a fast track deepening of European MS ownership in Ukrainian energy sector and the attached integration effect will be the only way to improve the ownership structure in 2018 and the degree of EU Ukrainian cross shareholding. Privatization will only work long term - debt equity swap can be done in reasonable time frame. The main asset in question is NAFTOGAZ seemingly owned 100% by the GoU Please find the website <http://www.naftogaz.com/> and the general ranking of Ukraine resource management online at <http://www.resourcegovernanceindex.org/country-profiles/UKR/oil-gas>

Until such swaps are done the Government of Ukraine could pledge the shares of NAFTOGAZ to the EIB as security for further loans allowing the EIB to lend Ukraine in much more significant and secure basis and assist the debt to equity swap with the European Union Member States energy companies. <http://www.eib.org/efsi/index.htm>

Such a cross shareholding would first be a firm fundament of aligning the EU MS and Ukraine in term of energy market and economic and investment interest and serve a more powerful leverage against North Stream 2 than simple calling for it not to happen.

Pledging a 8 Billion Euro Turnover with significant assets towards the EIB would be a major step towards European taxpayers and allow much more significant commitment from both sides and as the EIB would assist in the debt to equity swap with the EU MS Energy companies or assist to float NAFTOGAZ on EU Stock exchanges the result of a new cross shareholding would significantly deepen the mutual economic integration of Ukraine and EU and lead very fast to a European Ukrainian Energy Market driving by the common commercial interest. Certainly, there will be resistance and populist will shout foul in a country even not ready for a land market for agricultural land but please see that European public funds are paid by taxpayers, European taxpayers and why should they finance Marshall plans and spend Billion possible on the weak promise of reform and European standards when there are clear securities to ask and access and based on them much deeper integration between Ukraine and the EU and its Member States is possible in the coming years and the basic principle for debt for equity and pledge shares of state owned companies to EIB

to fast further release significant funds for the Ukrainian fast track reform ETR will further outline in next chapter. There is a lot of expertise on energy out there please find the links below.

http://old.razumkov.org.ua/eng/upload/Final%20Report%20Institutional%20Reform%20Ukraine's%20Energy%20Sector00_ENG.pdf <https://www.wilsoncenter.org/blog-post/why-energy-reform-ukraine-matters-for-european-regional-security> and for all further facts and figures <https://www.energy-community.org/implementation/Ukraine.html> and http://www.naftogaz.com/files/Zvity/Anual_report_eng_170608.pdf

5. Ukrainian Debt Assets Swap with EIB in Industrial, Infrastructure, Banking and Land

The same principle applies to the major stakes the Ukrainian Government still owes in Industrial, Infrastructure and Banking and Land assets. Swapping them with EU debt is making the EU MS and EU IFIs much closer involved in Ukrainian corporate world and turn European from a stakeholder and partner into a shareholder of the future Member State Ukraine. The objective is to involve all European Member states financially and with shareholding in the Ukraine economy with their financial and political standing and get Ukrainian political influence reduced. And is the best way to get new funding by turning old debt in equity. This needs a taker as well and there will be reluctance but it changes the debate, puts Ukraine in the position of offering assets and not asking for support. And it shows that there is serious commitment to a common future. Private sector investment will come gradually in a later stage during IPO now it is essential to justify more public funds. There will be no further lending in significant size in coming years and there will be no Marshall Fund as we will outline below and so the propose Debt Equity Swap is the best way forwards. The structure is simple in a first stage Ukraine pledges the main corporate assets to the EIB and so allowing the double digit billion lending required to turn the Ukrainian economy around. In the second stage the company are co-managed by the Ukrainian State as shareholder and the EIB as lender and prepared for debt equity swaps or floated on European stock exchanges. Ukraine has now started with privatization please see the Ukrainian State Property Fund at <http://www.spfu.gov.ua/en> and this is the right method for small to medium scale privatization. Based on the Greek experience and that is the only and main relevant example please see the link <http://www.hradf.com/en/> given the size of the challenge the task can not be done fast and requires patience and expertise and so in Ukraine case the EIB pledging and the co decision with the EIB is the best alternative to raise significant funding and run the assets in line with European corporate governance and regulation and so integrate Ukraine irreversible in EU and reduce corruption and improve service for the Ukrainian consumers. In the financial sector it is the main asset the 2016 nationalized Privat Bank. <https://en.privatbank.ua/> Then the major asset of the Ukrainian Railway <http://www.uz.gov.ua/en/> The Ukrainian Highway Authority <http://ukravtodor.gov.ua/> The Ukrainian Nuclear Energy Producer <http://www.energoatom.kiev.ua/en/> the Ukrainian National Electricity Company <https://ua.energy/about-en/> The Ukrainian Hydro Energy Holding <http://uge.gov.ua/> And the Ukrainian Defense Industry Holding with the Aviation Industry Antonov <http://ukroboronprom.com.ua/en/category/struktura> and the Airport here the link for the main Kyiv International one <https://kbp.aero/en/airport/about/> and the Ukrainian Port Holding <http://www.uspa.gov.ua/en/> Based on the Greek model but frontloaded by the EIB with pledging the assets of the main Ukrainian State Companies in exchange for a new major funding wave allowing a major investment drive and gradually reducing the Ukrainian debt level by debt asset swaps and gradually increase cross shareholdings between European and Ukrainian companies and privatizing all these assets and so raising funds for debt reduction of the Ukraine State to finance a major investment drive, reduce the debt level, contribute to economic development, finance the transfer to a funded pension system like in Kosovo www.trusti.org and finance the transformation of the Ukrainian state to European standards of governance and of course ensure significant funding for the Ukrainian defense sector – please see for point 7 of the Agenda 18 for European Ukraine. This is the fastest and more realistic way despite the possible populist backlash against privatization but given the success of the Greek experience and the Greek economy and that in Greece and in Ukraine this should have been done already in the 1990ies resistance has to be overcome. Why should European taxpayer add Billions to Ukraine rescue with no securities when there are real assets who with better management and integrated in European economy will be pillars of Ukraine and European joint success? And only such a manner can result into fast and deep integration between the European and Ukrainian economy in the timeframe 2018 to 2020 and being a firm fundament of Ukraine in the EU.

6. Digital Union - cancel EU Ukrainian Roaming Fees

The EAP 2017 summit has as well promised Ukraine can join but that Single Market is not ready in EU. <https://ec.europa.eu/digital-single-market/en/news/digital-single-market-mid-term-review> While aspiring to join it and contribute with the considerable possibilities of Ukraine in Cyber Security is very

positive this is a medium term task. But what is real and what can be done by summer 2018 is the end of roaming between Ukraine and the EU and that is a real result for consumer. Most the legal and contract work has to be done in Ukraine and why do you not simple do it and end roaming for the summer season 2018 and so do something really popular of European Ukraine? After the Visa Free Travel ready for the summer season 2017 now the roaming free travel to EU and from the EU to Union and btw all Balkans as well and so lay the ground for a United Europe with Ukraine inside the Digital Market as one of the pillars of the EU 2020 strategy. And of course as ETR has argued already to further the progress towards the EU with E-SME and E-Government and E-Skills and continue the successful effort here in Ukraine and the trajectory of the Estonian EU Presidency- there is good momentum in this Chapter of Digital Transformation and Ukraine can leapfrog forwards but let us try to focus on removing roaming fast by summer 2018 and promoting e-Payment nationwide, e-commerce and e-SMEs and e-Government and a lot of concrete life improvement and improvement of business environment will be the result during 2018.

7. Apply for PESCO – and integrate Ukroboronprom in the European Defense Industry

Membership of NATO must stay the objective and 2020 might see major progress but changing the game now with asking for PESCO membership is the recommendation of ETR part of Agenda 18. Ukraine is more industrial military capacity than most EU MS and you could make a major contribution so it is well understood that you want to be in NATO but why not loud asking for PESCO membership? Obviously this is for EU MS states but it is a new format now from November 2017 and still in formation and why not have observers or associated membership in PESCO when anyhow all defense in Europe is now about Ukraine and the Russian aggression against Ukraine since 2014. Most European has no idea of the significance of the Ukrainian State Defense Industry Sector. It is useful to see the website of the companies held by <http://ukroboronprom.com.ua/en/category/struktura> As outlined to raise massive further European funding these asset should be pledged to the EIB and by a debt asset swap integrated with the key European defense operators. As well under Ukrainian costs European rearmament in terms of hardware can be procured much cheaper than under Western European production terms and if we have to finance such a major rearmament and want to lift the potential of joint European armament procurement let us please include the Ukraine industrial defense industry from the start and so as well contribute to the development of Ukraine and as Ukraine is anyhow and will be the pivotal European front line state to the Russian Federation it is better value for European taxpayers to upgrade and extend the European Defense industry here in Ukraine than in France or Germany. In the short term now for June 18 the main target should be to officially apply for PESCO promote the Common European Defense Procurement Market and Standards to include Ukraine and pledge the assets to the EIB and insist on Ukraine future in NATO and receiving a MAP at NATO summit in 2018.

8. Grant the DG Competition full jurisdiction, full and direct enforcement authority in Ukraine

Ukraine and the EU have agreed on far reaching cooperation in the area of competition with the DCFTA http://ec.europa.eu/competition/international/bilateral/ukraine_eu_2014.pdf. And there is significant progress as well international recognized <http://globalcompetitionreview.com/insight/the-european-middle-eastern-and-african-antitrust-review-2017/1067868/ukraine-merger-control> and in general the progress of the capacity of the Ukrainian Authority for Competition given the circumstances can be consider positive <http://www.amc.gov.ua/> But no transition country can reign in its oligarchic class easily and it is one of the realities of Ukraine that for historic reason Ukraine has a very strong oligarchic class and a rather weak administration culture in the key sector for a functioning market economy – competition and anti state subsidy and anti monopoly law. Ukraine has inherited major industrial, energy and agriculture assets from the Soviet Union, than a shady privatization process and the constant balancing act between the EU and the RF with the oligarchic class active in all 3 jurisdiction and this aspects of the public administration has been purposefully neglected by a political elite learning capitalism from communist teaching and American movies. And now with the powerful oligarchic sector being a major obstacle for European SME style development and their interest now entrenched and vested in political power without supranational authority strengthening the Ukrainian authorities of completion this can not work as the agency staff and CEO are part of the political, economic and oligarchic system and how can they resist temptation or fearless clean up anti market behavior without the EU Competition Authority insisting and enforcing it. So letting things, as they are progress will be on 20 to 30 years trajectory. Ensuring faster change require a new legal arrangement where the DG Competition of the EU is granted full jurisdiction in Ukraine and authority over the AMC Ukraine and so perfectly integrate Ukraine into the Eu competition zone. This will strengthen the AMC and provide the backbone in authority, and independence and will make all the difference. And the same should be done for the SEE Candidate Countries. This will be another union the EaP might not have offered but which makes in the Ukrainian context a lot of sense and would

have the most significant impact on doing business and increasing investment domestic and foreign in Ukraine as than fair and reasonable market and investment condition would be clear and convincing and enforceable and this would be the key reform for SME, European SME and Ukrainian SME and for a real fair and open market economy for Ukraine.

9. Towards a Konrad Adenauer Plan for Europe – Including Ukraine and Balkan 6 in the ESM and EFSI

There is great enthusiasm in Ukraine for a new European Marshall Plan for Ukraine and there is some support for it in some member states supporting Ukraine in the EU, first of all Lithuania possible the closest and strongest ally of Ukraine in EU. While it is true that Ukraine requires significant additional funds some estimate 40 Billion Euros over the next EU budget cycle starting from 2020 there are several questions and issues, which have to discuss.

The Marshall Fund was a specific initiative of the USA after World War 2 and is a new Marshall Fund the best title when you call for massive European taxpayers funds? Why not better call it a Konrad Adenauer Fund for Europe. Adenauer was the key German leader to safely bring Western Germany to EU and NATO and establish trust in Washington and Paris in Germany and its westwards integration and peaceful future. Adenauer is a good symbol as close to half of such funding will anyhow come from German taxpayers and not US taxpayers. Adenauer is as well a good symbol because in the difficult choice between unity and neutrality he choice EU and NATO and Westwards integration for his Western Germany and such a moment might come for Ukraine as well in the future and so to connect Ukraine with Adenauers Choice of Divided Germany in NATO might be a very good symbol for the difficult choice ahead.

An Adenauer Plan for Europe should as well be significant in size and for all Europe and all EU accession countries and Ukraine should put its weight and support network into such an endeavor and regain the moral high ground of proposing something for all Europe and leading the EU accession group of countries in making such a proposal and not to a Marshall Plan for Ukraine alone which sound nice but will never materialize because there is a lack of trust in the EU in the long term certainty of Westwards integration of Ukraine and why to risk such major sums on such a unclear bet and why not for the Balkans more and why not spend more on Africa or the Middle East or for the EU itself? These questions are asked already and as the debate on the future structure of Europe ahead of the 2019 European Election is basically opened such a proposal will show your contribution to the European debate, set you on the moral side of a country that not only proposes more European funds for its own requirement but see the larger European responsibility and wants to anchor itself firmly inside the European mechanism of ESM an EFSI and anyhow all sides understand that massive transfers will be required to Ukraine but in such a way via the ESM and EFSI and via the EIB pledge they are better invested, saver, more justifiable and more explainable to European taxpayers. And that matters. And the more European funds cover major infrastructure projects and secure the macroeconomic stability the better the investment climate and there will be more fiscal space for defense in the Ukrainian budget.

For the short term financing ETR has already outlined the EIB Asset pledging as basis for a debt for equity swap, which should rise enough short and medium term financing for Ukraine. And so the long-term security the strategic objective of Ukraine should be included in the ESM and EFSI and so be much saver and have the access to the almost unlimited safety net of the powerful ESM <https://www.esm.europa.eu/> which will be the IMF of Europe and we should be able to secure financial stability in all EU, EFTA, EaP and RCC countries anyhow if we want to be serious and the major infrastructure funding of the EFSI. <http://www.eib.org/efsi/> These are the right instruments for financial stability and infrastructure funding and not ad hoc EU budget for specific countries and with the membership and being under the ESM and EFSI umbrella as well the medium to long term EU accession will be facilitated. These actually should be the real deliverables from the EaP summit 2017 but good things might take until 2019 but these are the real targets for Ukraine, the Balkans and all who want to join the EU to be included in these major new instruments created under the Juncker Commission.

This Adenauer Plan for all Europe how should that look like?

Think big. And we have to get it right. There is now a European debate started by the President of the European Parliament to add another 1% of European GDP to the EU budget which will run in major public resistance if not well explained but in principle the requirement and necessity is there and can be well communicated to European taxpayers and consumers. Defense, Development, Financial Stability and Infrastructure should be the 4 pillars each at 0.25% of EU GDP of such a plan to finance an Adenauer Plan for Europe. And as ETR has elaborated the best argument is spending less on the 2% of NATO defense and devoting more on an Adenauer Fund for Europe. The European NATO partners and so most EU countries have committed to 2% but that will be meaningless as it be mainly

a industrial subsidy as European NATO will only use this in defense case for themselves and not for Ukraine and as the full scale attack is hopefully unrealistic such an additional 100 Billion Euros in Defense spending is not well used for tax payers in Europe. And as this debate is very much central about the German budget on defense this matters as such a plan should as well be the German taxpayer contribution to European Development instead of spending an additional 40 Billion on Defense from German taxpayers which will be hardly effective and despite American instance on the contrary this funds are much better used to build infrastructure via the EFSI, stabilize macroeconomic situation via the ESM and support PESCO which anyhow is defense but on Europe level and add it to the EU development and emergency budget. And spending more of Development and Infrastructure in Ukraine and the SEE and turning Ukraine and the Balkans into a more developed European accession countries with such a tool is good for European defense, business and investment in Ukraine, SEE and EU, and turns Ukraine and SEE into the light tower of European success as a counter model for the sad economic and political decline of the Russian Federation. Ask for Adeneuer Fund for Europe at 1% for the European Institutions and for Ukraine and SEE and Georgia and Moldova and all 9 future members to join the ESM and ESFI and explain it like that and Europe will be listening.

10. Fight Corruption – by accelerating reform of land, labor, and capital markets and tax and customs agencies and join the international organization supporting Ukraine

Corruption seems to be the main topic of everybody in Ukraine. Certainly it is bad and more has to be done but hysteria and hyperbole will lead nowhere. First of all a systematic effort should be taken with making the Global Day of Anticorruption a official festivity on a yearly national focus event all over Ukraine and work along the success stories now widely available <http://www.anticorruptionday.org/> and to make it a national task to increase the performance in TI ranking every year <https://www.transparency.org/> And to celebrate the great progress in transparency in public procurement which is widely recognized <https://prozorro.gov.ua/en> With corruption in public procurement significantly reduced while there is work in defense <http://government.defenceindex.org/countries/ukraine/> and progress in public finance <https://www.internationalbudget.org/> and good progress in Openness with Government Data <https://www.opengovpartnership.org/countries/ukraine> and now reform in health and education already passed now the main driver to corruption are the labor, land and capital market and the tax agency and the customs system and who not fix one by one? Together with a major drive for reducing informality and promoting e-payment and improving banking service great progress will be achieved in medium term. Corruption is obviously money driven crime and so focusing on where the money is and making these transaction better traceable, transparent and accountable is the better leverage to reduce shortcuts, favor selling and insider trading from the start by organizing the land sales different, the construction permit process <http://www.doingbusiness.org/data/exploreeconomies/macedonia-fyr> and the reducing the informality and cash culture in contraction from employment to purchasing and a major sector is cleaned up. Please see for this and more <http://corruptionresearchnetwork.org/> Same process for e-payment in retail with new technology from m-and e-payment and making the use of cash single less modern, a bit more costly and promote use of cards and together with adopting better accounting standards and better tax controls less based on punishment but on partnership between the tax agency and the SME sector towards compliance over time by a tutoring and guidance system is much more effective then punishment leading to informality and a culture of secrecy. Why is Ukraine not member of www.betterthancash.org Same is true for the labor market to get rid of envelope side payment to avoid tax and labor security contribution result in cash loose available and unaccounted and therefore fueling informality and similar if not bigger mechanism are happening in the capital market and in all 3 major markets and obviously in the key Government – Business financial transaction of tax and customs here is the potential to reduce corruption and for the bigger items in juridical and political system the same applies. It is much better to reform the mechanism leading to corruption with the help of the EU and EU MS authorities having done similar reforms than bashing the highest court of setting all hope in the courts of last instances at the end of the decision making chain. All this the EU and the Member States have done now for 20 years in Romania and Bulgaria now after a rough start very successfully and we are doing in the Balkans with gradually increasing success and why is Ukraine not joining the network of Anti-Corruption agencies of SEE . <http://rai-see.org/> And please see that such a cooperation could result in much better global rankings <http://data.worldjusticeproject.org/#/groups/UKR> and a EU Mission with a executive mandate and staffed by EU Expert could do a lot for Ukraine on way to such standards <https://e-justice.europa.eu/home.do> and global benchmarking helps for sure

<https://www.acauthorities.org/content/about-aca> as would joining ACA and implementing the OECD guidelines <https://www.oecd.org/corruption/acn/> and the Council of Europe <https://www.coe.int/en/web/corruption/home> is doing great work on economic crime to follow and as well the training academy would be useful for Ukraine. <http://www.iaca.int/>

Dr Busek and the ETR Chairman have kindly suggested this in calmer October 2017 <http://euromaidanpress.com/2017/10/03/for-sustainable-effect-ukraine-should-join-the-regional-anti-corruption-initiative/>

As ETR has outlined in Point 2 of Agenda 18 transforming the judiciary is a long term task only possible with massive international support and best co-decision or a executive mandate but rooting out the cause of corruption with land, labor and capital market reform and reforming customs and tax system with adopting EU standards and regulation can be done in medium term and joining all the existing regional and global institutions can be done very fast and within the EU trajectory Ukraine can improve to Romanian standards within a decade and to Polish within 2 and with strong political will all instruments are there to achieve progress faster but this requires a national consensus, strong political leadership and massive international support but it is perfectly doable. Nobody can be satisfied with a sad 131/ of 176 countries covered in the Global Transparency International Corruption Perception Index.

ETR will develop this reform agenda and develop the 2nd Open Letter to HE President Poroshenko next week and we trust in your leadership and please allow me to express my congratulation for what was achieved in 2017 with Visa and DCFTA but there is no doubt we have to accelerate reforms in Ukraine for achieve a June 2018 EU Accession pledge and join EU in partnership with European Balkans and Bulgaria is now the central partner for that.