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PRIORITIES AND EXPECTATIONS FROM UKRAINE AND GERMANY:

How to make bilateral relations more sustainable

New Europe Center (Ukraine)
and Institut für Europäische Politik (Germany)

June, 2020



This publication has been developed with the support of the Open Society Initiative for Europe in the framework of the “Europeanisation beyond Process” initiative jointly implemented by the New Europe Center and the Institut für Europäische Politik. The opinions expressed are those of the authors and do not necessarily reflect the views of the New Europe Center, the Institut für Europäische Politik, or the Open Society Foundations.



About **New Europe Center (NEC)**

New Europe Center (NEC) was founded in 2017 as an independent think tank. Despite the new brand, it is based on the experience of a team that has worked together since 2009 (formerly within the Institute of World Policy). The vision of the New Europe Center is as close as possible to the vision of the future of the Ukrainian state shared by the majority of its citizens: Ukraine should be integrated into the European Union and the NATO. We see integration as not specifically the formalized membership, but rather adopting the best standards and practices, so that Ukraine could earn a rightful place within the Euro-Atlantic value space.

About **Institut für Europäische Politik (IEP)**

Since its founding in 1959, the Institut für Europäische Politik (IEP) has been a non-profit organisation dedicated to the study of European integration. It is one of the leading foreign and European policy research centres in the Federal Republic of Germany and serves as a forum for exchange between academia, politics, administration and political education. The IEP's mission is to apply scholarly research to issues of European politics and integration, propose ways forward and promote the practical implementation of its research findings. The IEP is a founding member of the Trans-European Policy Studies Association (TEPSA) and has been a member of the German European Movement since 1962.

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1. INTRODUCTION

Cooperation between Germany and Ukraine has become more intensive since 2014¹, as evidenced by the establishment of new institutions fostering relations with Ukraine, including the Ukraine Task Force at the German Federal Foreign Office and the German-Ukrainian Chamber of Industry and Commerce (AHK Ukraine). Germany is the third largest donor to Ukraine after the European Union as a whole and the United States. In 2015 it adopted the Ukraine Action Plan², which provided for the allocation of about EUR 1.4 billion, and defined priorities for cooperation, including decentralization, the economy, energy, the fight against corruption, institution building and civil society exchanges.

Economic cooperation between the two countries has become increasingly

important. As data from the German statistics agency Destatis shows, in 2019 exports from Germany to Ukraine reached EUR 4.9bn, up from EUR 4.4bn in 2017. Imports from Ukraine saw similar growth with an increase from EUR 2.2bn in 2017 to EUR 2.9bn in 2019.³

The explicit promotion of Ukrainian civil society, particularly evident since 2014, also attests to an intensification of cooperative efforts. Thus, in 2014, a new program entitled «Enhancing Cooperation with Civil Society in the Eastern Partnership Countries and Russia» was launched to support civil society projects. Within this program, Ukraine was given priority in the allocation of funds for the period 2014-2017 and was explicitly mentioned as a priority country in the call for proposals.⁴

¹ *This policy paper has been jointly written by four authors: Alyona Getmanchuk (NEC) and Sergiy Solodkyy (NEC), who conducted the research and interviews in Ukraine, and Dr. Susan Stewart (SWP) and Ljudmyla Melnyk (IEP), who conducted the analysis on the German side. The authors would like to thank Belinda Nüssel, Research Assistant at the German Institute for International and Security Affairs (SWP), for her excellent research assistance and the Berlin Policy Hub for the editorial support.*

² *DBK (2015). Aktionsplan Ukraine. Retrieved May 7, 2020, from <https://kiew.diplo.de/ua-de/themen/politik/aktionsplan2015/1238568>*

³ *Destatis. (2019). Außenhandel. Retrieved May 7, 2020, from https://www.destatis.de/DE/Themen/Wirtschaft/Aussenhandel/Publikationen/Downloads-Aussenhandel/zusammenfassende-uebersichten-jahr-vorlaeufig-pdf-2070100.pdf?__blob=publicationFile*

⁴ *Worschech, S. (2020). Deutsch-ukrainische Kulturbeziehungen: Veränderungen nach dem Euromaidan. Retrieved May 7, 2020, from https://ifa-publikationen.de/out/wysiwyg/uploads/70edition/deutsch-ukrainische-kulturbez_worschech.pdf*

Furthermore, Germany plays a key role in EU solidarity when it comes to its sanctions policy. This strategic approach was shown not only through the initiation of strict measures but also through the strengthening of those measures in response to Moscow's numerous violations of international law. Of note is also Germany's role as a key actor in the talks within the Normandy Format, which aims to end the Russian-Ukrainian war and resolve other aspects of the conflict regarding the Donbas.

At the same time, the relationship has not been without tensions. In particular the Nord Stream 2 gas pipeline has been a bone of contention between the two countries since its initiation. More recently, the decision by the Parliamentary Assembly of the Council of Europe (PACE), supported by Germany, to readmit the Russian Federation to full membership privileges also created controversy in the German-Ukrainian relationship.

What is the state of cooperation between Germany and Ukraine following the first year of Volodymyr Zelensky's presidency? What has been the impact on bilateral relations of the shifts in the Ukrainian political landscape, which resulted in not only a new president but also a radically different parliament and two new governments? What are the current expectations and challenges for these relations and to what extent is the groundwork for future sustainable cooperation between Germany and Ukraine being created?

In order to answer all these questions the authors of this analysis conducted

interviews with German and Ukrainian political stakeholders during February and March 2020. Events which occurred after the interviews could for the most part not be taken into account in the analysis. Based on the interviews, the cooperation priorities, challenges and expectations on the part of both Ukraine and Germany were analysed. Since the interviews allowed for an inductive approach, it was possible to identify aspects of the relationship that were assessed differently by the two sides. A comparative analysis of the responses in combination with this approach made it possible to reveal insights and perspectives specific to each country. In particular, the approach permitted the authors to pinpoint the most important similarities and differences in perceptions regarding cooperation and to draw conclusions for future bilateral relations.

2. UKRAINIAN PRIORITIES AND PERCEPTIONS REGARDING COOPERATION WITH GERMANY ⁵

During Petro Poroshenko's presidency, Ukraine's top priority when it came to relations with Germany was Berlin's support for the containment of Russian aggression against Ukraine. Ukraine was interested in Germany as a country that, due to Chancellor Angela Merkel's personal leadership and commitment, could have an impact at three levels of deterrence.⁶ The first was the influence within Germany, primarily within the government coalition and among the business community, whose

President Vladimir Putin, by using a direct channel of communication between German and Russian leaders. The third level of influence was the impact on the member states of the European Union, primarily, in the context of maintaining the sanctions against Russia. During Barack Obama's presidency, there was a fourth level of Germany's influence that was also partially extended to the US. However, with the arrival of Donald Trump in the White House, this level of influence disappeared from Kyiv's radar (the Ukrainian president was even advised not to mention Merkel's name in the negotiations with Trump to avoid annoying him).⁷

With the election of Volodymyr Zelenskyy as president, Ukraine's foreign policy focus has shifted from the search for allies to the search for investors.

Thus, the key priority regarding Germany under Poroshenko's presidency was to turn Germany into an ally of Ukraine. With the election of Volodymyr Zelenskyy as president, Ukraine's foreign policy focus has shifted from the search for allies to the search for investors. Investments

representatives have questioned the feasibility of sanctions against Russia from the beginning. The second was the influence on Russia, namely

⁵ *The New Europe Center expresses its sincere gratitude to the representatives of the Ukrainian authorities who agreed to be interviewed during the preparation of this document, namely Dmytro Kuleba, Ihor Zhovkva, Oleksiy Reznikov, Taras Kachka, Vasyl Khymynets, Rostyslav Ohryzko, and Ruslan Kalinin.*

⁶ *Getmanchuk, A., Solodkyy, S., How to turn situational partnership into priority one. Foreign policy audit: Ukraine-Germany. New Europe Center, 2016. http://neweurope.org.ua/wp-content/uploads/2017/10/Aud_Ukr_Germ_01_40_eng-3.pdf*

⁷ *An interview conducted during the preparation of this research, February 13, 2020 (on an anonymous basis).*

and investors have been highlighted by several of our interlocutors in the executive branch of the Ukrainian leadership as the new priority in relations with Germany.

The new focus has already emerged quite clearly in the preparations for the visits of Ukrainian officials to Germany. While the very fact of such visits, so-called diplomacy of symbols, was important for Poroshenko's presidency, now officials involved in preparing such visits claim that there should be three to four practical results of each foreign visit by the president or other high-ranking Ukrainian officials. "There have been fewer requests for the participation of the president in events in Germany that have no practical added value. Every visit, every participation is viewed through a prism of what would this give us in a practical sense, what deals, what investments. There are very specific questions concerning our interests", noted our source in government circles.⁸ No wonder one of the major events planned for this year is the Ukrainian-German Economic Forum that the Ukrainian side proposed to host in June, first in Lviv (which did not find sufficient support among the German partners), and later in Kyiv.

The need to audit the German assistance poses a certain challenge today. This is primarily due to the fact that many initiatives were launched

Now officials involved in preparing visits to Germany claim that there should be three to four practical results of each foreign visit by the president or other high-ranking Ukrainian officials.

at a time when Ukraine was in an incredibly difficult situation, due to the illegal annexation of Crimea and the beginning of the war in Donbas. In the intervening six years, the situation has changed, and therefore, Kyiv would like to review the effectiveness of certain programs and initiatives from the German side. For example, the effectiveness of the traditional visits of the state secretaries of German ministries to Ukraine is being questioned.⁹

The highest-level dialogue between the two countries has significantly improved during the past six years. Ukrainian officials compare and argue that the dynamics of dialogue between the Ukrainian president and the German chancellor has not lessened and remains quite high. The difference now is that Zelenskyy, unlike Poroshenko, does not add an appropriate publicity support to every phone call with Merkel. Perhaps, this is why there is a widespread impression beyond the Office of the President, in particular in the government and in the parliament, that Merkel and Zelenskyy communicate very little.

⁸ An interview conducted during the preparation of this research, February 13, 2020 (on an anonymous basis).

⁹ An interview conducted during the preparation of this research, February 19, 2020 (on an anonymous basis).

Certain representatives of the Ukrainian government also point out that in the case of Poroshenko, there was also the factor of personal gratitude to Merkel: since the moment of his election as president (at the time, the German chancellor facilitated the presidential election to be internationally recognized) and later, throughout the term of his presidency, the German leader was on the side of Ukraine in the most critical moments.

In his actions, Zelenskyy focuses primarily on the reaction of Ukrainian society, not the position of the international community.

There is also reason to believe that for Poroshenko, Angela Merkel's position on certain issues pertaining to the situation within or around Ukraine was more important than for Zelenskyy. In his actions, Zelenskyy focuses primarily on the reaction of Ukrainian society, not the position of the international community. An example is the dismissal of Prosecutor General Ruslan Ryaboshapka despite the fact that the president knew that the G7 position was that he should be kept in this post.

There are, however, assurances that Germany's place on the scale of Ukraine's foreign policy priorities continues to be high. Germany is ranked within Ukraine's top-3 key partners

(along with the USA and Poland). "Nothing has changed at the working level", is perhaps the most popular diagnosis of the current state of Ukrainian-German relations by among the interviewed officials.¹⁰

At the same time, it is easy to discern a noticeable difference in the rhetoric towards Germany by the political "neophytes" who came to power with Zelenskyy, and the position of those officials who worked under previous presidents and are holders of the institutional memory when it comes to Ukrainian-German relations. The latter place greater emphasis on the security component and the importance of Germany in the context of sanctions. At the same time, the rhetoric of the former shows a more skeptical attitude towards the role of international partners, including Germany, in Ukrainian affairs.

Some of our interlocutors characterize communication between states as "insular", since there is a lack of a holistic, systematic approach. One of the explanations for this phenomenon, according to our interlocutors in Kyiv, is that in Germany, different institutions maintain a different profile when it comes to Ukraine. There is a separate one in the Chancellor's Office, and different ones in the Ministry for Economic Affairs and Energy, Federal Foreign Office, and Ministry of Labour and Social Affairs.

¹⁰ An interview conducted during the preparation of this research, February 10, 2020 (on an anonymous basis).

Another explanation is that, unlike the Ukrainians, the German partners are “very keen on details”.¹¹ “It is vital to work systematically; the accumulation of details leads to knowledge, and knowledge leads to breakthroughs, ideas, the emergence of new concepts. Therefore, we do not have to go to Berlin with big ambitious goals, like ‘we need the EU membership’, and then do nothing. First, we need to accumulate a mass of positive accomplishments that will organically transit into a new stage of cooperation”, one official notes.¹²

To sum up, the strongest point in Ukrainian-German relations, according to the view from the Ukrainian capital, is Berlin’s firm position, which maintains the EU’s unity on the issues related to deterring Russian aggression, namely the sanctions imposed against the Russian Federation, the “passportization”, the elections in Crimea, and the maintenance of sanctions against former President Viktor Yanukovich’s officials, all the areas where the Germans act “as a locomotive of the EU’s reaction.”¹³

There are two major downsides to the relationship, that were named by our interlocutors. The first is the restoration of the Russian delegation’s powers in the Council of Europe’s Parliamentary Assembly (PACE), which was supported by Germany. From the Ukrainian point of view, this is the first step towards

the collapse of the Western sanctions regime, since the Russian delegation was allowed to return in spite of the non-compliance of the Russian Federation with any of the Council of Europe resolutions. The second and key one is Nord Stream 2. The Ukrainian view, in particular, is that it is impossible to deter Russian aggression by indirectly financing it: some of the money earned from the sale of energy resources is then spent on financing wars in Ukraine, Syria and other regions of the world. Also, there are assurances from the Ukrainian capital that the German partners should not be offended by Ukraine’s support of the US sanctions against Nord Stream 2, because in this case, Ukraine is defending its national interests, not the US ones.

2.1. EXPECTATIONS FROM UKRAINE

Expectations about Germany in Ukraine vary depending on the profile of the particular institution and on the relevant partner in Germany. The main idea behind all the expectations is to have more Germany in Ukraine.

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¹¹ An interview conducted during the preparation of this research, February 10, 2020 (on an anonymous basis).

¹² An interview conducted during the preparation of this research, February 10, 2020 (on an anonymous basis).

¹³ An interview conducted during the preparation of this research, February 10, 2020 (on an anonymous basis).

What unites all Ukrainian stakeholders is the concern about future political changes in Germany. Ukraine is perhaps one of the countries in the world where Angela Merkel's eventual stepping down from power is seen as a highly negative scenario. Recently, for the first time in five years, Angela Merkel overtook Belarusian President Alexander Lukashenko when it came to ranking the popularity of foreign leaders among Ukrainians.¹⁴ There is a growing concern among the authorities over how the Ukraine-Germany dialogue will develop without Angela Merkel. That is why, in order to maintain a high level of political dialogue between the two countries, there is a unanimous expectation that the high-level intergovernmental consultations, which took place during the time of President Leonid Kuchma and Chancellor Gerhard Schroeder, will be restored. On the other hand, while these consultations were held once every two years during the Kuchma-Schroeder era, today, Ukraine would propose that they be restored on an annual basis. "It is necessary to keep a constant communication platform at

the highest level; that would emphasize the strategic nature of relations",¹⁵ our interlocutors in Ukraine's diplomatic circles argued regarding the need for this format.

Since 2013, there has also been no political consultation at the level of the MFAs of the two countries. In Ukraine, it is believed that they should be resumed so that dialogue between the two countries is not reduced to the Minsk Format, but provides another opportunity to discuss the broader agenda, including the EU, the UN, disarmament and other tracks.

The representatives of the Ukrainian government particularly emphasize the expectations related to Germany's six-month presidency of the EU. This is explained by the fact that the priority for the European Union when it comes to Ukraine this year is the signing of the ACAA agreement, often called "the industrial visa-free regime" with the European Union and Ukraine. "We expect a breakthrough in terms of the industrial visa-free regime from Germany. And we expect to sign the agreement at the Association Council during Germany's presidency", noted Dmytro Kuleba, now Foreign Minister of Ukraine and at the time of the interview Deputy Prime Minister for European and Euro-Atlantic Integration.¹⁶

In Kyiv, other representatives of the Ukrainian government also name the signing of the ACAA during Germany's

While the ACAA is a priority for 2020 in the context of the EU, when it comes to NATO, it is Kyiv's accession to the Enhanced Opportunities Partnership (EOP). In this context, Germany's position is also one of the key ones.

¹⁴ *Opinion poll conducted by the Rating Sociological Group, December 2019.*

¹⁵ *An interview conducted during the preparation of this research, February 19, 2020 (on an anonymous basis).*

¹⁶ *An interview with Dmytro Kuleba (who agreed to be quoted), February 5, 2020.*

EU presidency as a huge success. At the same time, there are concerns in Kyiv that in Germany, Ukraine might be perceived as a competitor rather than a partner in this matter. This is extremely important for Ukraine, as it would allow the implementation of the industrial integration of the two countries: when German companies will be actively represented in Ukraine, and Ukrainian ones in Germany. This topic resonates with President Zelenskyy's priority to see a more active presence of foreign investors.

There is also an expectation towards Germany regarding the main priority in Ukraine's Euro-Atlantic integration area for this year. While the ACAA is a priority for 2020 in the context of the EU, when it comes to NATO, it is Kyiv's accession to the Enhanced Opportunities Partnership (EOP)¹⁷. In this context, Germany's position is also one of the key ones.

The authorities in Ukraine specifically emphasize the expectations regarding Germany in the context of resolving the conflict in Donbas. Those expectations mainly relate to the support from the German side for several of Ukraine's key positions in the negotiations process, in particular the modernization of the Minsk Agreements.

The Ukrainian officials also expect the EU's Energy Efficiency Fund to

continue to operate in the country as a result of a proper analysis and reassessment of German assistance to Ukraine, and also that Germany will continue to be involved in the process of decentralization in Ukraine, in particular, through expanding the opportunities for visits of Ukrainian local officials to German federal states. There are also expectations regarding an increase in the number of projects that would be based on the German experience of vocational (or so-called dual) education.

2.2. DONBAS: 95% OF THE DIALOGUE

Despite the business focus of Zelenskyy's foreign policy, 95% of the dialogue with Germany at the highest level is focused on issues related to Donbas.¹⁸ However, as they note in Kyiv, Germany's support is not as solid as it used to be. In government offices, this is explained, first of all, by the fact that Germany has been plunged into its own internal political crisis due to the rather complicated process of the transition of power. Accordingly, foreign policy issues, in particular the ones related to Ukraine, have been sidelined. The situation surrounding the spread of COVID-19 has only exacerbated this shift in focus.

However, there are obviously other factors on the German side. According

¹⁷ On 12 June 2020, while this paper was being finalized, Ukraine was recognized by NATO as an Enhanced Opportunities Partner. See https://www.nato.int/cps/en/natohq/news_176327.htm

¹⁸ An interview conducted during the preparation of this research, February 13, 2020 (on an anonymous basis).

to our interlocutors who spoke on condition of anonymity, in the Ukrainian capital the lower level of Berlin's involvement is also linked to the fact that the Ukrainian side initially questioned the effectiveness of the Normandy Format and relied on bilateral agreements with the Russian side (dialogue on the Kozak-Yermak line), where the role of Germany is not always clearly articulated. Moreover, certain Ukrainian stakeholders share the opinion that Germany and Merkel have already done all they could have done over the last six years (including in the dialogue with Putin). Accordingly, there is a need for different approaches.

On the other hand, such skeptical sentiments did not prevent the Ukrainian side from initiating a process that would, in fact, enhance the presence of German (and French) partners in the Minsk negotiations. In particular, our interlocutors emphasized the fact that the idea on the establishment of the so-called Advisory Council within the framework of the political subgroup of the Minsk Process is also about the "introduction" of German and French negotiators into the Minsk Format. In other words, it is not about marginalization, but rather the extension and strengthening of the Minsk Format. In addition, by inviting German and French partners to negotiate in Minsk, Ukraine intended to lay a kind of bridge between the Normandy and Minsk formats. Since the idea of the Advisory Council was widely criticized within the country, the authorities decided to transform it. Therefore, in the beginning of

May the president signed a decree strengthening the Ukrainian negotiating team. It now consists of several officials representing both the government and the parliament.

In general, the expectations expressed in Kyiv in the context of the Donbas could be summarized with the following three points:

1. Defending the position regarding the Minsk Format's flexibility (especially given that Chancellor Merkel was the first leader in the Normandy Format to publicly announce the appropriateness of the "flexible Minsk"). The key point for Ukraine is border control with a foreign component before elections.
2. Access for humanitarian organizations (Red Cross) to the occupied territories, an agreement that was reached at the Normandy Format summit in Paris but never implemented.
3. Putting pressure on Putin in terms of facilitating the exchange of prisoners, the number one priority for Zelenskyy.

This is primarily about the political dialogue. With regard to the humanitarian dimension of the war in Donbas, in the relevant Ukrainian agencies, they pay tribute to the role played by Germany in the context of the settlement of the housing problem for displaced persons. "For us, Germany is today, perhaps, the leading international partner in addressing

housing issues for displaced persons”, one of our interlocutors said.¹⁹

The reasons for this assessment are obvious. The project implemented by the German development bank KfW with the participation of the Ukrainian Social Investment Fund has been a success. In particular, the bank has already provided two grants to reconstruct the facilities (primarily dormitories) and resettle a total of 1,400 displaced persons in five regions of Ukraine (Donetsk, Luhansk, Kharkiv, Dnipropetrovsk, and Zaporizhzhia). The Ukrainian agencies are pleased that the German partners themselves control the selection of applications and the use of funds. There is also an expectation that the funding for the third grant will be increased.

Another important aspect is the project that provides non-repayment assistance for housing loans to displaced persons (via UkrGasbank). The projected volume is 25.5 million euros that would “cover” 6-7% of the loans. At the time this research was being prepared, the final version of the agreement, which actually should have been signed two and a half years ago, was being prepared for signing. These are just several illustrative examples of how Germany is involved in addressing the most sensitive issues for displaced persons from Donbas. According to Ukrainian government estimates, 400,000 displaced persons are currently in need of housing. At least 50,000 are interested in obtaining loans. In total, today there are 158 places of compact

settlement of displaced persons in Ukraine, where 7,000 people reside.

In this context, today’s expectations towards Germany could be summarized as:

- increased grants for the reconstruction of housing facilities;
- retraining courses for displaced persons with mandatory monitoring of results;
- housing loans;
- funding of a comprehensive State Housing Program;
- assistance in Ukraine’s accession to the Council of Europe Development Bank on minimum payment terms;
- contribution of German experience towards the resolution of the issue of mines in Donetsk and Luhansk regions.

¹⁹ An interview conducted during the preparation of this research, March 3, 2020 (on an anonymous basis).

2.3. “GERMAN” AND “GERMAN-CENTRIC” REFORMS IN UKRAINE

Germany has been and continues to be involved in reforms in Ukraine on two levels. The first one is the level of the involvement of Germany itself as an EU member state. The second one is the level of its involvement via the European Union, where Germany is represented quite strongly and plays an important role, including when it comes to Ukraine.

One of the reforms chosen by Germany was the decentralization reform. A similar choice was made following Kyiv’s initiative that each of the G7 countries should assume supervisory authority for one of the reforms and moreover, propose a special representative, who would directly take responsibility for that reform, visiting Ukraine and developing recommendations for the Ukrainian authorities. Germany became the only country to do so, choosing the issue of decentralization and appointing the appropriate German government special representative, Georg Milbradt. An important aspect of this assignment in the context of Ukrainian-German relations is that Milbradt, as the former premier of an eastern German state, Saxony, could exemplify how former heads of Eastern German regions can share their experience of reforms with Ukraine.²⁰ Under certain conditions, this could also help bring

Ukraine closer to the eastern German states that today pose a challenge for the Ukrainian government due to their regular calls for the lifting of sanctions and their support for Vladimir Putin’s policies.

Decentralization was often referred to by the Ukrainian authorities as the most successful reform in which Germany was actively involved as an EU member state. However, for some time Georg Milbradt’s role was not fully understood by all Ukrainian officials and MPs, nor was the status of his recommendations. Obviously, this was the result of the large number of foreign advisers who appeared in Ukraine after the Revolution of Dignity and the illegal annexation of Crimea, but their added value is still sometimes questioned. Milbradt is just one example of how an advisor could effectively do his job once he had the support of the governments of the two countries, in this case Germany and Ukraine.

Our informed interlocutors in the Ukrainian capital called key reforms in Ukraine “German-centric” (due to the active involvement of officials of European institutions who were German). The judicial reform was named as the one that failed the most. Another not particularly successful reform, according to the Ukrainian officials, was the civil service reform. It is important to note that Ambassador of Germany to Ukraine, Anka Feldhusen, has recently named decentralization reform and

²⁰ *Foreign Policy Audit: Ukraine-Germany. New Europe Center* http://neweurope.org.ua/wp-content/uploads/2017/10/Aud_Ukr_Germ_01_40_ukr-1-1.pdf

judicial reform as the two priorities for Berlin in the context of reforms in Ukraine.²¹

The Ukrainian authorities generally welcomed the level of support that official Berlin provided to the Ukrainian transformation processes. It is not only about hundreds of millions of euros, but also about political support, or advisory assistance. For the most part, our interlocutors have not been able to single out any clear reform or concrete steps within a specific area for which Berlin should prioritize its future efforts. Sometimes, it might seem that Kyiv is not always ready to push the bilateral agenda beyond the resolution of the conflict in Donbas. However, this assessment may be due to the fact that our interlocutors were generally responsible for defining the strategic framework of the cooperation. The narrower the specialization of the interviewed official, the more specific their estimates and expectations were. In any case, the idea of auditing the available assistance and the possibility of its adjustment seems quite reasonable, given the changing realities and priorities in Ukraine, and obviously in Germany in the near future.

It is especially important to learn the positive lessons: why the reforms have been successful in certain areas, and not in the others. For instance, decentralization-related reforms are

unanimously recognized as successful both in Ukraine and in the EU (at least as of spring 2020). The combination of efforts and the political will of the European Union, other international partners, the German chancellor, the Ukrainian leadership, and the non-governmental sector have ensured the sustainability of this reform. Moreover, it is hard to call the decentralization process easy, the resistance has been and is being felt at different levels, as the central authorities do not want to finally say goodbye to significant control functions regarding the local levels of government. However, it is difficult to stop the process now, and official Kyiv is paying close attention to both local politicians and German partners when it comes to further progress in decentralization.

Ukrainian authorities would like to move to a different level of cooperation, in order to ensure that Ukraine is regarded not only as a springboard for future changes, but as an equal partner, cooperation with which can bring benefits today.

The Ukrainian authorities would like to develop the cooperation in the natural gas sector. For example, there was a proposal for the synchronization of Central European natural gas markets with the Ukrainian one.²² “The natural

²¹ *The Institut für Europäische Politik (Berlin) in cooperation with the New Europe Center (Kyiv) organized the first Germany Breakfast Debate in Kyiv, March 12, 2020 in the framework of the project „German Ukrainian Researchers Network“ (GURN) . The GURN is supported by the German Federal Foreign Office. <http://neweurope.org.ua/plechem-do-plecha-z-ukrayinoyu-nova-yevropa-provela-u-kyievi-pershij-nimetskyj-snidanok/>*

²² *An interview conducted during the preparation of this research, February 5, 2020 (on an anonymous basis).*

gas market reform is super successful! We have implemented the unbundling. Now the question is, could we become a super partner in the natural gas sector?” Such ideas are quite common among the Ukrainian officials.²³ However, at this stage, it is obviously more about intentions than specific projects.

The interviews indicated that the Ukrainian authorities would like to move to a different level of cooperation, in order to ensure that Ukraine is regarded not only as a springboard for future changes, but as an equal partner, cooperation with which can bring benefits today. Most often, in this context, officials talked about German investors who could make a profit by opening businesses in Ukraine. In this context, Kyiv generally

welcomed engaging another German consultant on privatization, Rainer Bomba (former state secretary at Germany’s Ministry of Transport and Digital Infrastructure).²⁴ In Kyiv, they hope that he could contribute to attracting foreign capital. In addition, extravagant ideas have been expressed: for example, about Ukraine as a kind of platform for cooperation between Germany and China.²⁵ Our interlocutors also stressed the value of Ukrainian citizens as a workforce for the German economy.²⁶ On the other hand, the idea of a “new labor deal” between Germany and Ukraine, which has been broached in the official circles, would not see German businesses focus on attracting Ukrainian workers to their enterprises in Germany. Instead it would be about creating more jobs and opening more German enterprises in Ukraine, especially in Central, Southern, Northern and Eastern parts of Ukraine, where today there is no such severe labor force shortage as in Western Ukraine.²⁷

Last year, in 2019, the trade turnover between the two countries reached 9.5 billion dollars. Ukraine would like this indicator to grow steadily, though

The idea of a “new labor deal” between Germany and Ukraine, which has been broached in the official circles, would not see German businesses focus on attracting Ukrainian workers to their enterprises in Germany. Instead it would be about creating more jobs and opening more German enterprises in Ukraine.

²³ An interview conducted during the preparation of this research, February 10, 2020 (on an anonymous basis).

²⁴ An interview conducted during the preparation of this research, February 22, 2020 (on an anonymous basis).

²⁵ An interview conducted during the preparation of this research, February 10, 2020 (on an anonymous basis).

²⁶ An interview conducted during the preparation of this research, February 13, 2020 (on an anonymous basis).

²⁷ The Institut für Europäische Politik (Berlin) in cooperation with the New Europe Center (Kyiv) organized the first Germany Breakfast Debate in Kyiv, March 12, 2020 in the framework of the project „German Ukrainian Researchers Network“ (GURN) . The GURN is supported by the German Federal Foreign Office. <http://neweurope.org.ua/plechem-do-plecha-z-ukrayinoyu-nova-yevropa-provela-u-kyjevi-pershij-nimetskyj-snidanok/>

it is likely that the global crisis will have an adverse effect on it. It should be noted that Germany was to be one of the first foreign visits by Ukraine's new Minister of Foreign Affairs, Dmytro Kuleba. Due to COVID-19, the ministers of the two countries negotiated in a video conference.²⁸ This example shows that if there is a political will to maintain dialogue and develop cooperation, there will always be opportunities. Thus, to summarize, the Ukrainian authorities are generally focused on deepening the cooperation with Germany and on reform-related issues. The current challenge is to identify and be able to implement the relevant projects and initiatives.

²⁸ *MFA of Ukraine. Kuleba and Maas held one-hour talks within the framework of their first virtual visit. March 24, 2020.* <https://mfa.gov.ua/news/kuleba-ta-maas-proveli-godinni-peremovini-u-ramkah-pershogo-virtualnogo-vizitu>

3. GERMAN PRIORITIES AND PERCEPTIONS REGARDING COOPERATION WITH UKRAINE

On the whole, our interlocutors in Germany divided the Ukraine portfolio into two sections: Donbas and the reform processes. Although some of those interviewed spent more time addressing the Donbas question than the issue of reforms, in general the latter were considered equally important.²⁹ Under reforms the following areas were given particular emphasis: Decentralization, the economy, energy, the judiciary and institution building, which seem to be the main focus of German support to Ukraine. This is evident based on the fact that, firstly, these reform areas were explicitly mentioned by most of our interlocutors. Secondly, German support involves not only concrete financial packages, but also specific initiatives in these areas and in some cases the appointment of high-ranking experts as advisors. In this context, the

active promotion of Ukrainian civil society since 2014 is also relevant. Thirdly, Germany is also pursuing its own interests to some extent, especially those that involve stabilizing Ukraine and facilitating economic growth, from which Germany, as one of the largest exporting countries, could also benefit. Germany is aiming for a long-term relationship that provides opportunities for institutional cooperation and requires a certain degree of predictability on the part of Ukraine. It is therefore no coincidence that our interlocutors mentioned such areas of cooperation as decentralization, the economy, energy, justice and institution building, as they are interlinked and the successful reform of these areas would indeed create a predictable environment for developing the relationship. The emphasis on these specific reform areas may also be due to the fact that in 2015 Germany adopted a Ukraine Action Plan,³⁰ which included inter alia these focal points. This points to an overall coherence in the German approach towards Ukraine.

Germany is aiming for a long-term relationship that provides opportunities for institutional cooperation and requires a certain degree of predictability on the part of Ukraine.

²⁹ A number of German politicians and officials responsible for various aspects of German policy towards Ukraine were interviewed in the course of the research for this paper. Their responses serve as the basis for the analysis in this chapter. However, since all interview partners were promised anonymity, no names have been provided.

³⁰ See footnote no 2

With regard to the reforms, the interviews also revealed that the transfer of power in Ukraine, which resulted in a new president, parliament and government, was not perceived as having a negative impact on cooperation. Most interviewees did not see the shift in the presidency from Petro Poroshenko to Volodymyr Zelenskyy as problematic. However, the fact that the government led by former Prime Minister Oleksiy Honcharuk was replaced in March and that some reforms are not progressing very well was seen more negatively. These views can be partly explained by the fact that Germany relies primarily on institutional cooperation and treats personal communication as secondary. The only exception here is the Donbas question, in which personal relations between Poroshenko and Chancellor Angela Merkel did play an important role. The relations at the highest level do not seem to be as decisive now. With regard to the Donbas, the election of the new president was associated with the hope that the dialogue between Russia and Ukraine would be resumed and would bring a renewed impetus for conflict resolution (see also the Donbas section below).

A common thread running through several interviews was the criticism of the implicit shift of power from the parliament to the new president. One interlocutor described the parliament as the “secretariat of the president”, which appears to be subordinate to President Zelenskyy and is marginalized in its role, even if this may be changing now. Some noted that the institutional restructuring of ministries under Zelenskyy and of

Germany relies primarily on institutional cooperation and treats personal communication as secondary.

individual working teams took a long time and that instead of dealing with reforms, the Ukrainian leadership devoted too much time to personnel changes. In this context, the departure of the Honcharuk government, whose work was described positively, was perceived as a negative signal because it reflected the fluctuation of personnel overall. This ongoing fluctuation is seen as contributing to the creation of an unstable political situation in which the necessary predictability for a well-functioning bilateral relationship is not necessarily present.

3.1. COMMUNICATION AND COORDINATION AS ONGOING CHALLENGES

Despite the fact that the interviews were conducted with stakeholders representing different areas of cooperation between Germany and Ukraine, the topic of communication and coordination played a role for almost all interlocutors, albeit in different ways. It became clear that the German side places a high priority on the role of institutions and formalized interactions in the bilateral cooperation. As a consequence, institutional coordination and formal rather than personal communication are regarded as paramount.

From a German perspective the Ukrainian side at times communicates on a more personal, less formal level rather than as representatives of the state and its institutions, leading to a casual style with which some interlocutors did not feel comfortable. In this context, they differentiated between the Zelenskyy and the Poroshenko presidencies. While diplomacy under Poroshenko was viewed as more traditional and professional, under Zelenskyy a less formal style is seen to predominate in some areas (this will be expanded upon in the Donbas section below). Another problem mentioned in regard to formal communication was an occasional asymmetry between German and Ukrainian delegations to official meetings. While the German side makes an effort to include all relevant officials, Ukrainian delegations sometimes consist of surprisingly few representatives. This creates the impression that the meetings are not sufficiently prepared for by the Ukrainian side, which is thus perceived as rather unprofessional.

From a German perspective, institutions and formalized communication formats are also important in order to enable a smooth coordination process. Numerous German interlocutors mentioned that a lack of coordination between individual Ukrainian ministries became evident

during official meetings. This relates primarily to the work in the areas of decentralization and the economy. Another point that was highlighted in regard to coordination is the role of (partially state-financed) German civil society organizations that are involved in institutional cooperation between the two countries. The inclusion of such institutions is perceived as particularly positive, and this applies to both German and Ukrainian interviews. This was especially made clear by examples in energy and business (see below) and can be explained by the fact that the German organizations handle most of the bureaucratic tasks and thus facilitate the work of German ministries. Ukrainian interlocutors confirmed that the Ukrainian side was pleased that “German partners themselves control the selection of applications and the use of funds.” We can therefore assume that German organizations help to use funds properly in this context.

The channels of communication seem to be very different. In some cases, communication takes place via the German and Ukrainian embassies and in other cases directly with Ukrainian counterparts in the ministries or the parliament. It is noticeable, however, that there is no sustainable, effective overall communication platform that would make it possible to maintain a close exchange on the general state of bilateral cooperation. In the Ukrainian interviews the wish to create such a format of cooperation was expressed, with special reference to the high-level intergovernmental consultations which took place under former President Leonid Kuchma and former Chancellor Gerhard Schröder, as well as at the level of the German and Ukrainian MFA.

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Another point in regard to communication raised during the interviews is the impression of some German interlocutors that the Ukrainian side does not sufficiently appreciate the support provided by Germany. However, some of them also pointed out that Germany needs to make a more concerted attempt to communicate its actions better, because the value placed on cooperation and the efforts made are not always adequately acknowledged.

3.2. DECENTRALIZATION AS A “FLAGSHIP” REFORM

One of the reform areas viewed as key in the Ukrainian context is decentralization. It is also one of those in which Germany has been most directly involved. This area of reform is seen by those interviewed as being largely a success, and also as being more or less irreversible. One interlocutor referred to it as a “flagship” reform and some of those interviewed emphasized the democratizing impact of the process: “The spirit of autonomy is out of the bottle. This is the most important success of decentralization.” Numerous interviewees mentioned specifically the contribution made by Georg Milbradt, Germany’s special representative for this area. He is believed to be both visible and influential with regard to this dossier.

The benefits of decentralization are perceived to be manifold, with the emphasis depending on the interlocutor. Economic dividends for the communities involved are regarded as being one of the main advantages. The

growing capacity of the communities to deal with their problems more efficiently and competently is also emphasized. There was originally some concern about the attempts by local oligarchs to benefit from the decentralization process, but currently there is a greater inclination to see the process as contributing to the fight against corruption, because more of the revenue raised locally stays local and can be more easily controlled or monitored by citizens. In addition, the benefits of decentralization are believed to serve as an incentive for German companies to expand their involvement in Ukraine, as they profit from the delegation of decisions to the local level, the reduction in corruption and the improvements in infrastructure that result from the reform.

The shift from the Poroshenko to the Zelenskyy presidency is not seen as significant with regard to the decentralization developments.

The shift from the Poroshenko to the Zelenskyy presidency is not seen as significant with regard to the decentralization developments. More importance is attached to the differences between the governments led by Arseniy Yatsenyuk and by Volodymyr Groysman. The former had major achievements in the decentralization field, while the latter was less productive in this area. One interlocutor also commented that it was in general easier to work with Yatsenyuk, because he spoke English well and was more inclined to explain his view of the situation and his motivations.

There is, however, also criticism of some aspects of the decentralization process. Those most familiar with it believe that the Ukrainian constitution needs to be changed in order to allow for more clarity with regard to the competences of the various levels. The initial situation with respect to the criteria for merging communities is not believed to have been sufficiently clear, nor were the deadlines for the mergers adequately set and communicated. There are also doubts about the idea of introducing prefects, which is seen as leading to a potentially dangerous vertical power channel. On the whole, decentralization is still seen as a work in progress rather than a completed reform. In this area, as elsewhere, the coordination across various ministries was characterized as poor to non-existent.

Finally, some of those interviewed believe the Ukrainian side could do a better job of communicating to those involved on the German side which type of expertise is needed in the realm of decentralization. Currently there is a sense among some German interlocutors that various actors on the Ukrainian side view the intervention of the EU and the member states with suspicion or even resentment. Others, however, stated that they did not share this view. One piece of advice from the German side with regard to decentralization would be to involve citizens in active discussions about

the process and its implications, in order to increase citizens' level of understanding about the reforms and their participation in them.

3.3. ECONOMY: THE "SEARCH FOR INVESTORS" APPROACH IS NOT WORKING WELL

Our interlocutors emphasized that economic cooperation between Ukraine and Germany has been steadily increasing since 2014. The reason given for this positive tendency was, first of all, the implementation of the EU-Ukraine Association Agreement, particularly the Deep and Comprehensive Free Trade Area (DCFTA). Other reasons, such as the reorientation of the Ukrainian economy towards the EU in the wake of the Russian aggression, also contributed significantly to the increased cooperation between Germany and Ukraine. Another important factor in this regard was the decentralization reform, which, according to our interview partners, reduced corruption and simplified procedures for German companies by no longer requiring a decision to be taken in Kyiv, but rather by addressing many problems at the local level. Decentralization reform was described as the "most positive development" and led German companies that have been operating in Ukraine for many years to expand and create new jobs.

The intensification of economic cooperation between Germany and Ukraine can be seen not only in the growth in bilateral trade, but

Decentralization reform was described as the "most positive development" and led German companies that have been operating in Ukraine for many years to expand and create new jobs.

also in the expansion of formats for cooperation. Firstly, they include new structures, such as the German-Ukrainian Chamber of Industry and Commerce (AHK Ukraine), which was founded in Kyiv in 2016. Secondly, high-ranking German advisors are also involved in this work, including Rainer Bomba, Special Representative of the Federal Government for Privatization, and experts from the German Economic Team, who analyze the economic situation in Ukraine on behalf of the German government and support reforms in Ukraine through their analyses. Individual targeted programs that are implemented by German organizations, including the German development agency GIZ, also build the capacities of Ukrainian businesses and support exchanges between German and Ukrainian companies.

Despite the positive developments, our interlocutors point out that there is no rush by new German companies to enter Ukraine. It seems that the shift in focus from “diplomacy of symbols” under Poroshenko to the “search for investors” under Zelenskyy, as it was described in Ukrainian interviews, is not working well. The dismissal of Ukrainian Finance Minister Oksana Makarova and the end of the Honcharuk government in March 2020, as well as the role of the oligarch Ihor Kolomoiskyi, who is believed to have gained more influence under President Zelenskyy, were seen as negative developments in this context.³¹ It was

also noted in some German interviews that a skeptical attitude in Ukraine towards the role of international partners, especially the IMF, was viewed critically and did not contribute to Ukraine’s image as a stable country that is looking for investors.

German interlocutors also noted that the absence of legal security, high production costs, a lack of qualified workers and compliance risks pose great challenges to doing business in Ukraine for German companies.

German interlocutors also noted that the absence of legal security, high production costs, a lack of qualified workers and compliance risks pose great challenges to doing business in Ukraine for German companies. In this context it was also mentioned that since 2018 Germany has not issued any investment guarantees for German enterprises in Ukraine as these are associated with too high a level of risk. At the same time, it is worth mentioning that the initiative of the Ukrainian president to organize an investment forum in Mariupol in October 2019 was perceived as very successful.

It was further emphasized that the institutional cooperation between Germany and Ukraine in the form of the “High Level Group for Economic Issues” – which is coordinated by the German Ministry of Economic Affairs and Energy (BMWi) and has been

³¹ As mentioned in the introduction, events which took place after the interviews could generally not be taken into account. This also applies to the passage of the so-called anti-Kolomoiskyi law on the re-privatization of nationalized banks.

active since 2005 – is regarded as relatively inefficient during both the Poroshenko and the Zelenskyy presidencies because of the continuing lack of coordination across Ukrainian ministries. Many interviewees have the impression that Ukraine does not attach much importance to cooperation in this group. Surprisingly, however, the cooperation within the framework of German-Ukrainian intergovernmental negotiations, coordinated by the German Ministry for Economic Cooperation and Development and focused on technical support, was perceived very positively. The reasons are first of all the clear interest from the Ukrainian side in cooperation in this group and secondly the fact that German organizations are involved in the cooperation and are responsible for the implementation of numerous projects in Ukraine.

Some interviewees emphasized that Ukraine as a state should cooperate much more closely with the Ukrainian business sector, and should promote industrial clusters, which in turn could support cooperation among universities, companies, and professional associations. It was also recommended that Ukrainian companies should be involved in communication about Ukraine abroad, so as to provide positive examples to

the outside world. Otherwise, in the context of Ukraine, one knows only “war and revolutions”, which do not provide a positive image of stability. Finally, the suggestion was made that Ukraine should attract investments which offer a higher added value.

3.4. COOPERATION IN THE ENERGY FIELD: VERY POSITIVE

The cooperation between Germany and Ukraine in the field of energy is perceived as “very positive”, and the change of president and government in Ukraine did not lead to any alterations in the form or quality of this cooperation. It was stressed that the former energy minister, Nataliya Boyko, was considered “very competent” and that the fact that “young and progressive people” are in power provides a rather positive impression.

In our interviews the following German priorities for cooperation were highlighted: increasing energy efficiency in both industry and residential buildings, and expanding renewable energy in Ukraine. With regard to industry, however, it was noted that increasing energy efficiency is not envisaged for companies under the control of oligarchs, which are seen as having sufficient resources to conduct such programs themselves. It was also pointed out that the cooperation aims to introduce new priorities, including the promotion of a phase-out of coal and improvements in the heating sector.

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Constructive cooperation is also made evident in the new initiatives that have emerged between the two countries with the aim of making energy cooperation more institutionalized. In 2019, for example, the decision was made to seek a German-Ukrainian energy partnership, which would contribute to deepening cooperation and pushing forward the modernization of the Ukrainian energy sector. The signing of the partnership was scheduled for spring 2020. The first German-Ukrainian Energy Days were also planned for 2020. In talks between the German and Ukrainian energy ministries, agreement was also reached on creating a new institution in Ukraine, which would be based at the Ukrainian Ministry of Energy and Environmental Policy and would foster energy cooperation between the two countries. However, in view of the COVID-19 crisis these measures have had to be postponed.

The outstandingly positive course of the cooperation in the field of energy can also be explained by the fact that most of the work is not carried out only via the two ministries, but rather through other institutions. These include the German Energy Agency (dena), the GIZ and Germany's development bank, the Kreditanstalt für Wiederaufbau (KfW). For example, dena has been commissioned to organize the Energy Days, while the issue of lending is handled by the KfW. The institutions involved in this process would appear to act as intermediaries and exert a positive influence on bilateral cooperation as was mentioned in the economic section above.

The bureaucracy at the Ukrainian Ministry of Energy was perceived as a challenge to establishing efficient cooperation in the sense that it slows down processes. It is therefore no coincidence that Germany in consultation with Ukrainian partners is seeking to create a new structure for coordinating cooperation.

Although our interview partners were certainly aware of the controversy surrounding the Nord Stream 2 pipeline, the issue was only raised by those working more or less directly on energy questions. This indicates that the ongoing construction of the pipeline is not perceived as a major hurdle to continuing and even intensifying cooperation with Ukraine. In those conversations where the Nord Stream 2 pipeline was mentioned, it was not described as a problem in relations between Germany and Ukraine, nor was it perceived as affecting cooperation. In this context, it was emphasized that Germany is very much in favor of gas transit via Ukraine and sees Nord Stream 2 primarily as an opportunity to reduce the price of gas in Europe. The Ukrainian side is expected to modernize power supplies and introduce an electricity stock exchange.

3.5. NATO: NOT A PRIORITY FOR COOPERATION

Overall our German interlocutors appear satisfied with the current level of NATO-Ukraine cooperation. However, those not directly involved with this area tend not to mention it, leading to

the conclusion that this dossier is not perceived as a priority area of the relationship.

German diplomats emphasize their appreciation for Ukraine's efforts with regard to the relationship with NATO. In this context they mention an offer made by Ukraine concerning involvement in the situation in Iraq as a non-NATO country, as well as Zelenskyy's first trip to Brussels, during which he met with not only EU but also NATO representatives. Thus, Ukraine is perceived as actively supporting its relationship with NATO on both the rhetorical and practical levels. No concerns were expressed about a lower level of commitment to NATO under the Zelenskyy presidency. The Hungarian efforts to block the relationship from going forward are generally seen as unhelpful.

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At the same time there are definitely areas in which Ukraine needs to improve, according to those interviewed. They stress that the requirements of NATO have remained the same over time. These include a reformed security sector, ensuring that it is based on meritocratic criteria and eschews nepotism and cronyism, a functioning administrative apparatus and justice system, and

effective parliamentary control. Ensuring democratic control over the armed forces was singled out as a key criterion.

From a German perspective, NATO has been extremely supportive of Ukraine, arguably more so than of any other non-NATO member. In this context the declaration of the NATO-Ukraine Commission on the Sea of Azov was mentioned, as was more broadly the package of measures adopted by NATO regarding the Black Sea.

For the future, the option of an Enhanced Opportunity Partnership³² is seen as an appropriate one for Ukraine, and one that Germany could support. Although it is uncertain which specific criteria would apply, since the countries with this status to date are very diverse and their situations are not necessarily comparable to the Ukrainian one, nonetheless the idea of pursuing this path is generally welcomed by the German side.

3.6. DONBAS: MAJOR HOPES ASSOCIATED WITH ZELENSKYY

The Donbas dossier is seen as one of the main priorities of the German government with regard to Ukraine. As pointed out above, our interlocutors divided the Ukraine portfolio into two sections: Donbas on the one hand and reform-related issues on the other. On the whole, both sections were

³² On 12 June 2020, while this paper was being finalized, Ukraine was recognized by NATO as an Enhanced Opportunities Partner. See https://www.nato.int/cps/en/natohq/news_176327.htm

considered to merit equal attention. Since the relationship with Ukraine is covered by numerous people sitting in different ministries, as well as in the Bundestag, the percentage of time and resources devoted to any one issue overall is difficult to assess. But it seems clear that apart from a few people whose efforts are primarily dedicated to this dossier, the majority of German civil servants dealing with Ukraine are tasked with addressing other issues.

The approach to the situation in the Donbas is seen by German decision-makers as an area in which major change has occurred in conjunction with the departure of Poroshenko as president and the arrival of Zelenskyy. Whereas negotiations eventually stalled under Poroshenko, in particular due to President Vladimir Putin's negative attitude toward him, there was a significant change in both the tone and content of this dossier once Zelenskyy came to power, according to our discussion partners.

First of all, Zelenskyy declared peace to be his first priority, even during his election campaign. Second, following his election, he introduced new momentum into the Minsk Process and the relationship with Russia, starting with a prisoner exchange and an agreement on reconstructing the bridge at the crossing point in Stanytsia Luhanska, among other measures. Third, he placed a high priority on holding a summit at the highest level in the Normandy Format, and took the necessary steps to make this possible. In particular, he agreed to the so-called Steinmeier Formula, which specified the relationship

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between holding local elections in the occupied territories and giving those areas a special status. Furthermore, he ensured that troop disengagement occurred at three places along the contact line, something that was agreed upon by the parties, even though this was very controversial in the Ukrainian context. Finally, he declared his desire to engage in bilateral conversations with Putin and took the initiative on this. These conversations started prior to the summit and continued during as well as after it. All of these steps were taken as generally positive signs by the German side. There was, however, some concern voiced about the fact that the Ukrainian side did not keep Germany informed of decisions taken in the course of the prisoner exchange, in particular the decision to include former members of the Berkut special police force. This was problematic because their transfer to the Russian side made it even more difficult to prosecute those responsible for suppressing the Maidan protests of 2014, as Berkut was directly involved in this suppression.

The Donbas dossier is of great importance to the German side because of German involvement in the drafting of the Minsk Agreements and the investment of significant political capital in the matter at the highest level from the very beginning. The

German side was thus very motivated by what they perceived as new momentum under Zelenskyy and tried to take full advantage of it. At the same time the Germans were somewhat concerned about the proposals introduced by the French president, Emmanuel Macron, regarding dialogue with Russia. However, in the end these proposals did not interfere with the work of the Normandy Format. Germany and France stayed on the same page and did not exert pressure on Ukraine to make additional concessions to Russia. On the whole, German diplomats were pleased that Zelenskyy and Putin were able to discuss questions relevant to the Donbas bilaterally, although the German side also saw a potential danger in this. The Germans furthermore hoped that the replacement of Vladislav Surkov by Dmitrii Kozak as Russia's chief Ukraine negotiator represented a sign that Putin might be willing to change his line on Ukraine to some extent.

Germany and France stayed on the same page and did not exert pressure on Ukraine to make additional concessions to Russia.

Some criticism was voiced by German interlocutors regarding the style of communication employed by the Ukrainian side in interactions concerning the Donbas dossier. There was a sense that the Ukrainian side was at times lacking in professionalism and that communication tended to be too informal and ad hoc, not adhering to the usual protocol or even to basic standards of politeness between people who do not yet know each other

particularly well. More generally, some of those interviewed interpreted the Ukrainian approach as a departure from traditional diplomacy to a more ad hoc, transactional style of getting things done, which was generally not seen in a favorable light. This also involved a more personalized approach, in which individuals were wholly responsible for certain aspects of policy, without any visible teams behind them for support and reinforcement.

Criticism was also expressed concerning Zelenskyy's behavior at the Normandy Format summit in Paris in December 2019. According to some of those involved in the preparations, Zelenskyy proposed introducing changes to a document that had already been finalized and accepted by all sides prior to the summit. This was seen as a further example of untraditional diplomatic methods. However, in general the German side was pleased that the summit was able to take place and overall was satisfied with its results. In the first weeks following the summit the German side was optimistic about the progress on the points agreed upon in Paris. However, over time concern grew that the points were not in fact being implemented as planned. After the beginning of the coronavirus crisis the German side wished to keep the momentum going and to not allow the pandemic to serve as a pretext for postponing the implementation of the agreed-upon measures. So, in cooperation with the French, the decision was taken to initiate a meeting of the foreign ministers in a video format on April 30 in Berlin. However, the German side clearly recognized that meetings held via virtual platforms can

in no way be as effective as personal encounters.

With regard to the creation of an Advisory Council consisting of representatives from both the Ukraine-controlled side of the Donbas and the occupied areas, the opinion was expressed that it would be useful to have such an entity in order to promote dialogue between the two societies. In general, Germany supports both the idea of a national dialogue and the inclusion of internally displaced persons (IDPs) in it. However, there was skepticism regarding the need to connect this dialogue in some way to existing formats within the Minsk Process, including the Trilateral Contact Group. Thus, the Ukrainian side's idea of creating a bridge between the TCG and the Normandy Format, by more explicitly involving Germany and France in the former, is apparently not shared by the German side, at least not at this stage of developments.

sufficient. Germany is very appreciative of the fact that Ukraine has produced concrete initiatives in the context of working toward a resolution. More generally, such initiatives in other fields are equally appreciated and from the perspective of the German side it would be positive if Ukraine could be more proactive about proposing them.

Some of those interviewed interpreted the Ukrainian approach as a departure from traditional diplomacy to a more ad hoc, transactional style of getting things done, which was generally not seen in a favorable light.

Overall, the interviews revealed that the German side views Russia as the aggressor in the conflict and thus as a party to it rather than as a mediator, even if this does not always come through clearly in diplomatic interactions. It is acknowledged that Russia also needs to take steps toward the implementation of the Minsk Agreements and that unilateral action by Ukraine in this respect will not be

4. CONCLUSIONS

It is clear that the German-Ukrainian relationship has deepened significantly since 2014. The primary impetus for this intensification of relations came from outside the two countries, from both the illegal Russian annexation of Crimea in 2014 and Russian aggression towards Ukraine regarding the Donbas. However, the Maidan protests, or Revolution of Dignity as they are known in Ukraine, also played a role because they demonstrated the desire of a large part of the Ukrainian population for major reforms, an end to high-level corruption and a clear commitment to EU integration. From these two very different types of developments emerged the principal foci of the German-Ukrainian relationship today: the reform agenda and the developments in and concerning the Donbas.

The relations between Germany and Ukraine between 2014 and 2019 were naturally shaped by the interactions between Chancellor Angela Merkel and President Petro Poroshenko, as well as by the actions taken by the governments of Arseniy Yatsenyuk and Volodymyr Groysman and the parliament that was in place during these years. Obviously 2019 brought about a major shift in the Ukrainian political environment. Not only was a political newcomer, Volodymyr Zelenskyy, elected president, but the

composition of the parliament changed dramatically, with over 75% of those elected being new to the institution. These changes also included the formation of a new government under Oleksiy Honcharuk, which was then replaced in March by one under the premiership of Denys Shmyhal.

These developments naturally raise questions about the evolution of the German-Ukrainian relationship in this new environment. We thus return here to the questions posed in the introduction regarding the current state of cooperation, the impact of the political shifts outlined above, and the expectations and challenges perceived by both sides with regard to the future. In this conclusion we offer the responses to these questions that were provided during the interviews conducted with officials in both the Ukrainian and the German contexts.



What is the state of cooperation between Germany and Ukraine after the first year of Volodymyr Zelenskyy's presidency?

According to Ukrainian officials, Germany remains very high on Ukraine's foreign policy priority list. At the moment, it is ranked among the top three strategic partners of Ukraine (along with the United States and Poland). The German side did not engage in any kind of ranking exercise but rather focused on the specifics of the development of the relationship with Ukraine, in which reforms and the situation concerning the Donbas are the clear priorities.

With regard to reforms, the German side emphasizes the need for a stable and predictable situation in terms of the economy and rule of law, which would allow for a deepening of the existing cooperation. Institutional and rather formalized cooperation is seen as key and takes clear precedence over personal relationships between officials. There is no particular reform that dominates the discourse. Rather, most German interlocutors emphasize the need for multiple interlocking reforms.

The Ukrainian side assesses Germany's contribution to the reform efforts positively on the whole. In particular, officials in Kyiv underlined Berlin's decisive steps in the area of decentralization. However, it is noticeable that President Zelenskyy does not rely on advice from external partners to the same extent that Petro Poroshenko did. Instead, he focuses primarily on the reactions of the

Ukrainian society, not the position of the international community. One example of this behavior is the dismissal of Prosecutor General Ruslan Ryaboshapka despite Zelenskyy's awareness of the G7 position in favor of keeping Ryaboshapka in the post.

In terms of the Donbas, Ukrainian decision-makers point to Berlin's firm position on the issues related to deterring Russian aggression (including sanctions) as the primary strong point in Ukrainian-German relations. At the same time, there is a sense among Ukrainian officials that this support is fading. The main concern in Kyiv is the future departure of Chancellor Merkel. This is one of various indications that the Ukrainian side places more emphasis on the role of specific persons and the quality of personal relationships than the German side does.

German officials are in general pleased with the development of the Donbas dossier. Even if they hoped to see more progress with regard to the implementation of the Minsk Agreements, particularly after the Normandy Format summit in Paris in December 2019, they recognize that this is not to be expected unless the Russian side changes its approach. They would, however, appreciate a more systematic, less ad hoc approach from the Ukrainian side and emphasize their desire to be kept informed of Ukrainian initiatives and intentions.

Both sides appreciate the role of civil society's contribution to the relationship, although this seemed to be somewhat more pronounced on the German side. This applies both

to the efforts towards strengthening civil society in Ukraine and to the involvement of German civil society organizations as intermediaries to implement German policies and projects regarding Ukraine.

There is no shared assessment of the problems in the relationship. Ukrainian decision-makers named two major failures in the relations. The first is the restoration of the Russian delegation's powers in the Parliamentary Assembly of the Council of Europe (PACE), which was supported by Berlin. The second and key one is German government support for the Nord Stream 2 project. German interlocutors, on the other hand, referred to internal Ukrainian issues as problematic. While aware of the Ukrainian opposition to Nord Stream 2 and Russia's PACE membership, they did not focus on these or even necessarily see them as obstacles to cooperation between Germany and Ukraine. Rather, they mentioned developments such as foot-dragging with regard to certain reforms and the lack of coordination across ministries.



What impact have the shifts in the Ukrainian political landscape, which resulted not only in a new president but also in a radically different parliament and two new governments, had on the bilateral relations?

With Volodymyr Zelenskyy's coming to power in Ukraine, the foreign policy focus has shifted to the search for investors. Investments and investors

were highlighted in the Ukrainian interviews as the new priority in relations with Germany. From a Ukrainian point of view, the focus of German business should not be on attracting Ukrainian workers to their companies in Germany, but on creating more jobs and opening more German companies in Ukraine. From a German perspective such an approach cannot function well yet due to a lack of concrete reform measures in certain areas, especially in the fight against corruption.

The majority of officials on the German side did not see any major changes in cooperation as a result of the political shifts in Ukraine. From their perspective, the institutional cooperation has been able to continue largely as before. This indicates a potential opportunity for Ukraine. Instead of focusing on specific political figures such as Chancellor Merkel, it would be more productive for the Ukrainian side to work on strengthening institutional connections in order to ensure that cooperation can continue more or less uninterrupted independent of political changes in either of the countries. In this context Ukraine could make better use of existing platforms such as the "High Level Group for Economic Issues" coordinated by the German Ministry of Economic Affairs and Energy (BMWi).

Where Germany does see a significant shift starting in 2019 is in the Donbas dossier. While there was originally some skepticism regarding Volodymyr Zelenskyy, this quickly changed into hope due to his proactive initiatives concerning the Donbas, which were recognized and appreciated. These initiatives were extremely important to

the German side because of Germany's high level of political investment in the Minsk Process and the Normandy Format in particular. At the same time, there is concern on the German side about a perceived shift by their Ukrainian counterparts away from a more traditional, formal style of diplomacy to a more casual, ad hoc approach.



What are the expectations and challenges for these relations and to which extent is the groundwork for future sustainable cooperation between Germany and Ukraine being created?

The main thrust of expectations from the Ukrainian side can be described as to have “more Germany in Ukraine.” Due to the current government priorities this can be interpreted as more German investments in Ukraine. Apart from this, specific Ukrainian expectations regarding various areas of domestic reform appear to be largely absent. In contrast, there are clearly articulated desires expressed by the Ukrainian side with regard to the Donbas. These include first of all the defense of the idea of a “flexible Minsk”, meaning in particular revising the sequence of points in the Minsk Agreements to include internationally supported Ukrainian control over the Ukrainian-Russian border prior to holding local elections.

The second expectation would be active German support for access by humanitarian organizations such as the Red Cross to the occupied territories,

as agreed at the Normandy Format summit in Paris. The third would be increased German pressure on Russian President Vladimir Putin to facilitate further prisoner exchanges, which are Zelenskyy's number one priority.

Other Ukrainian goals for the relationship include advancing with the country's agenda regarding the relationship with the EU and NATO. Concerning the EU, Ukraine's priority for 2020 is to sign the ACAA agreement to enhance the access of Ukrainian industry to EU markets. With regard to NATO, the Ukrainian aim is to be invited to conclude an agreement on an Enhanced Opportunities Partnership (EOP). On both issues Ukraine counts on German support.

With regard to the instruments and mechanisms underlying the cooperation, the Ukrainian side had two proposals. The first would be to conduct an audit of the existing toolkit, i.e. to assess and possibly update the tools, frameworks or sectors relating to the assistance received by Kyiv from Germany since 2014. The evaluation of the assistance could conceivably be provided by an independent group of experts who would conduct qualitative research based on interviews inter alia with Ukrainian stakeholders. The second recommendation would be to create a high-level communication platform to maintain an ongoing political dialogue on multiple aspects of the relationship. The Ukrainian side believes that it would make sense to restore the high-level intergovernmental consultations that took place under President Leonid Kuchma and Chancellor Gerhard Schröder. They propose upgrading this

format by carrying out the consultations on an annual basis. Such a platform might be attractive to the German side as a channel through which German support could become more visible and more clearly communicated.

On the German side the expectations are less specific and explicit. In general, Germany expects the Ukrainian side to keep up sustained reform efforts and to avoid any further erosion of the separation of powers. These more generalized expectations point to a fundamental asymmetry in the relationship. While German support is viewed as essential in Ukraine, on the German side the relations with Ukraine are clearly important, but represent one among many foreign policy priorities. At the same time, Germany has invested a significant amount of political capital and concrete support in the relationship with Ukraine. In addition, there is a certain economic interest motivating numerous German actors, despite existing obstacles to further investment.

Germany intends to continue pursuing collaboration at the institutional level in the existing areas of cooperation. This brings with it the implicit expectation that the Ukrainian side will adhere to previously made commitments within the framework of bilateral cooperation as well as in the EU context (in particular the Association Agreement/DCFTA). As long as the Ukrainian side keeps on delivering on its commitments regarding the reform processes, the interest in maintaining and even intensifying the relationship on the German side can be expected to persist.

One conclusion that can be drawn from the interviews is that the German interactions with Ukraine are rather compartmentalized by sector of cooperation, whereas the Ukrainian side views the relationship in a more holistic manner. Another is that communication is perceived very differently by the two sides and could benefit by being broadened and enhanced, both in order to profit from possible synergies and to improve coordination across ministries and other agencies. In this sense the Ukrainian idea of assessing existing instruments and potentially creating a new platform for broader consultations should be carefully examined.

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