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THE RED AND WHITE TRADITION OF PUTIN

Putin's state has been characterized by ideological eclecticism. It draws on ideals and traditions from various periods of Russian history, however based on a single criterion: the goal is to build a servile role of the citizens towards the state. The state and its authorities are most important; they are an objective good. It does not matter if this is the tsar or the Bolshevik regime. On the eve of presidential elections, intensification of such propaganda should be expected, and its effectiveness will increase because of the conflict between Russia and the outside world, the West.

Such a policy of Kremlin may be symbolized by Putin's presence and his words uttered at the consecration of a new orthodox church, dedicated to the Resurrection of Christ and the New Martyrs and Confessors of Russian Church, in Sretensky Monastery. Commemorating the victims of communist terror, the new church is situated closed to Lubyanka, the KGB headquarters. Russian president stated that "the light and the tragic pages of history" of Russia should be remembered and everything that can be done should be done not to "allow splits" and to preserve the unity of the Russian nation. In his

address, Putin emphasized that the opening of the new church coincided with the centenary of the revolution of 1917, which is symbolic. "We should remember how fragile civil peace is, and we must never forget how hard it is to heal the split wounds", he appealed.

This "healing of the split wounds" seems like a kind of justification for or even glorification of the communist crimes, including Stalin's crimes. In the context of Orthodox Christianity, this is quite easy, especially that top hierarchy of Russian Orthodox Church is full of former KGB informants.

Also in the former KGB ranks it has become fashionable to refer to religion. The so called "order of Russian Orthodox Chekists", headed by Vladimir Yakunin, is quite influential. Policy of this kind pursued by Putin is pure political opportunism, same as his cultural conservatism, demonstrated from the very beginning of his term as president. This makes it easier not only to maintain support of a large part of Russian electorate, but such policy is also a convenient tool to influence the right-wing political extremists in Europe.

In effect of such state ideology, with elements selected by Putin at will from the "white" tsarist, Orthodox tradition but also from the Bolshevik, Soviet tradition, Russian people are getting increasingly indifferent to repressions of the Stalinists era. The era when Russian authorities murdered millions of their own citizens. The historical truth is not serving the incumbent government well, because it shows the bloodthirsty face of the regime. Thus the regime needs propaganda; it has been seeping

into the public domain for years. Its effects are demonstrated by a survey of Levada Center, carried out last April. 25% of respondents consider Stalinists repressions as a political necessity, historically justified – this is more than 5 years ago (22%). The number of those who have a different opinion has decreased: 39% (51% in 2012). The number of Russians who "know nothing about such repressions" doubled (from 6% to 13%). Also the number of people who believe that Stalinists repressions should not be talked about is growing.

A breakthrough in the attitude of Russians happened in 2014. The Ukrainian crisis and the conflict with the West evoked nationalistic, imperialistic and aggressive sentiments. Automatically the support for historic figures such as Stalin grew. Targeted state propaganda puts on the first plan statists who say that the authorities are always right. It does not matter whether those are Stalinist or Putin authorities.

1 June 2017

RUSSIAN ORTHODOX CHURCH IN UKRAINE UNDER THREAT

The conflict between Russia and Ukraine is going on also on religious grounds. In Ukraine, two Orthodox Churches have been functioning side by side for years: Moscow Patriarchate, and Kiev, national, Patriarchate. The annexation of Crimea and the war in Donbas escalated the conflict and Ukrainian authorities will want to limit the Russian influence also in this sphere, as they have done in politics, economy and the media.

Patriarchate is de facto a part of Russian Orthodox Church, closely associated with and loyal to Russian authorities. Ukrainian Orthodox Church of Kiev Patriarchate in of national character, was established when Ukraine regained independence, and does not acknowledge the supremacy of Moscow Patriarch (Orthodox Church in Ukraine was subordinated to Moscow in 1686). The two Churches in Ukraine are embroiled in serious dispute, and Moscow does not acknowledge

the canonical order of Kiev Patriarchate.

Moscow has traditionally emphasized that it has more parishes in Ukraine than the Kiev Patriarchate. There are over 10 thousand communities registered by the state as subordinate to Moscow Patriarchate. The corresponding number for Kiev Patriarchate is two times smaller. However, when it comes to the number of members, the situation is quite opposite. The number of those belonging to the national Church is two or



SERGEY DOLZHENKO

even two and a-half-times higher than those belonging to Moscow Patriarchate. A majority of "Moscow" parishes exist only on paper. Also, "Kiev" parishes are much more active, and Ukrainians identify themselves with them more frequently (46% of Ukrainians belonging to the Orthodox Church) than with the "Moscow" ones (only 17%). The war with Russia has radicalized the attitudes of Ukrainians, also in religious sphere, in particular because the clergy loyal to Moscow has frequently been disloyal to the Ukrainian state. For example, the events in Donbas are remembered, when the clergy of the "Moscow" Church blessed members of the rebel troops and their weapons used to kill Ukrainians.

Last spring, deputies of the presidential Block of Peter Poroshenko, the National Front, Self-Help and of the Radical Party tabled two draft bills to the Supreme Council. One of them provides for stricter control of the activity of religious organizations headquartered in an "aggressor state". If a law of this nature came into effect, such organizations would be forced to sign agreements with the Ukrainian state assigning them special status, and they would have to be re-registered. Each organization would have to, i.a., recognize the sovereignty of other religious organizations functioning in Ukraine. Moscow Orthodox Church would also be forced to consult Kiev when designating metropolitans and bishops. The other draft is less radical; its adoption would open the way for parishes and religious communities to convert to other patriarchate. A simple majority of votes cast by members of a community would be enough. The law currently in force makes it impossible for entire "Moscow" parishes to move under the "Kiev" jurisdiction. Russian Orthodox Church of Moscow Patriarchate oppose such changes same as Russian authorities and the Opposition Block in Ukrainian Parliament. The work on draft bills in is underway in the Supreme Council.



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MOSCOW'S DIPLOMATIC WARS

Russia's relations with Central and Eastern European, as well as Balkan countries are looking increasingly gloomy. The list of countries Russia is in conflict with continues to grow. Crises on the Russia-Montenegro and Russia-Moldova lines are also deepening. This is evidence that not only is the Kremlin's foreign policy turning more hawkish, but also that even small countries, which for years had been tolerating Russia's power-based politics, including provocations and interference in other countries' internal affairs, are increasingly determined to react.

n 31 May, Montenegro PM, Duško Marković, revealed that the Kremlin has a secret list of Montenegro officials who are banned from entering Russia due to their country's involvement in Western sanctions imposed on Moscow in response to the annexation of Crimea. Before that, the foreign ministry summoned Russia's ambassador to Podgorica after an MP from Montenegro's ruling Democratic Socialists Party (DPS) had been detained at the Moscow airport. In his speech in parliament, Marković used unusually strong words about Russia: "Never before have I witnessed destruction and primitivism of such a level. This shows the nature of the regime".

In an effort to discredit Montenegro on the

eve of the NATO summit in Brussels, at which leaders of the Balkan country appeared as new members of the Alliance for the first time (albeit formal accession is scheduled for June), provocateurs called the president and prime minister of Montenegro claiming to be, respectively, the president and prime minister of Ukraine. The Montenegrins fell for the hoax and the recordings (even though they contained nothing to discredit them) were released by Russian media. The "black list" or various kinds of provocations are designed to impair the image of the new NATO member. Moscow may have failed to block Montenegro's accession to the Alliance, but now maximises efforts to weaken its position and arouse distrust of its allies.

Moscow's relations with two other countries also remain very tense. On 31 May, Russia's foreign ministry communicated that two Moldovan diplomats are considered unwelcome in the territory of the Russian Federation. They were given 72 hours to leave. The day before, Chisinau said that it expelled five Russian diplomats. Also on 31

May, Russia's foreign ministry announced its decision to expel two Estonian diplomats. The employees of the Consulate General in St. Petersburg must leave Russia within five days. This was Moscow's response to Estonia's 26 May decision to expel two Russian consuls from the Narva consulate.



● TON ROCHETROV PAP/EF.

5 June 2017

ST. PETERSBURG'S WINDOW TO THE WEST

Russia's President, Vladimir Putin, used the St. Petersburg International Economic Forum for political purposes again. In the face of the conflict with the West, removing Russia from such international bodies as G-7, and isolation by some Western states, events like the one in St. Petersburg are a good opportunity to present views and offer some proposals.

The St. Petersburg International Economic Forum (SPIEF) has been organised annually since 1997. It had a lot of German highlights this year. Several major contracts were signed (in spite of the sanctions), and these include Siemens and Knauf. The German Committee on Eastern European Economic Relations and the Association

of Russian Entrepreneurs also resolved to cooperate on the digitalisation programme. The Forum also featured a face-to-face meeting of Mr. Putin with Germany's Foreign Minister, Sigmar Gabriel, and then, the gala dinner attended by representatives of several German companies and the former Chancellor, Gerhard Schroeder. A party

colleague of Mr. Gabriel, he is, at the same time, one of the most influential executives in the Nord Stream and Nord Stream 2 management.

Vladimir Putin sent some peace signs through business channels to the USA, too. The Forum was attended by a large (over 300 strong) group of American businessmen. Russia's President asked them to help build political dialogue between the USA and Russia. He went on to convince that normalisation of US-Russian relations would be good for business in both countries. Mr. Putin also understated the allegations expressed towards Russia in relation to the US presidential campaign in autumn 2016. During a debate at the Forum, the president assured that he had read American reports and they did not contain any hard data, and going over and over again this topic would only impair international relations, global economy, security issues, and fighting terrorism.

The conciliatory tone of Mr. Putin had its limits, though. Russia suggests to resume "business as usual" but on its own terms. While criticising NATO, Russia's president emphasised that the Alliance had been established as a cold war tool and was still used by the USA as their foreign policy instrument. He also confirmed the ongoing support for the regime of Bashar al-Assad in Syria, repeating once again that there was no proof that the government forces had used chemical weapons in April in Idlib province.

The specific nature of the message sent by Mr. Putin in St. Petersburg shows that the Kremlin maintains its current political line: supporting business cooperation (with highlight on how profitable this is for Western companies) with a firm stance towards Western governments, in particular on such key ignition points as Syria and Ukraine.



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6 June 2017

DEMONSTRATION OF POWER IN CENTRAL ASIA

At the end of May/beginning of June, Russia and its allies held joint anti-terrorism drills near the Afghan border. On one hand, they demonstrated the mobility of the Russian army (air transport and the use of Iskander systems) and, on the other hand, they are a signal of Uzbekistan establishing closer ties with Moscow.

Russia announced the first launch of the Iskander-M ballistic missile taking place outside of its territory. On June 1, an Iskander missile hit a simulated terrorist camp, located some 15 km from the Tajik-Afghan border. During the drills, the Uragan rocket systems were also used.

The Dushanbe Anti-terror 2017 drills took place between May 30 and June 1. They were organized by the Antiterrorism Center of the Commonwealth of Independent States. A spokesman of Tajik Defense Ministry assured that the drills were being held under general supervision of Tajikistan's State Committee for National Security (KGB's successor in the Republic). A total of 4,500 of military personnel from Tajikistan, Russia, Armenia, Belarus and Kazakhstan took part in the maneuvers. Moscow sent 2,000 soldiers as well as 30 planes and helicopters.

About 7,000 Russian troops are stationed in Tajikistan at three facilities that formally are a part of a single Russian war base. The Iskander-M systems were transported by An-124 Ruslan transport aircrafts to Tajikistan from the missile brigade stationed in Totskoye (Central Military District). Also Su-24M fencer bombers from the Shagol military base in the Chelyabinsk oblast and Mi-8 and Mi-24 helicopters from Novosibirsk were sent on drills. Russia had earlier sent Iskanders to

Syria and Armenia, but in Tajikistan they were used outside of Russia for the first time. They were used to demonstrate that Russia is able to transport advanced heavy weapons by air to Central Asia, close to Afghanistan.

Usually, such drills took place under the aegis of the Collective Security Treaty Organization (CSTO), a military pact formed under Russian leadership by some of former Soviet republics. This time, however, the undertaking was formally organized by the Antiterrorism Center of the Commonwealth of Independent States. The Center has been functioning since 2000, but this is the first military exercise it has organized. Almost all the states involved in the drills in Tajikistan are members of CSTO, with a single exception: Uzbekistan. Uzbekistan left CSTO in 2012, but it is still a member of the Antiterrorist Center of CIS. The Uzbeks, moreover, had participated in the command exercise that preceded the drills in Tajikistan. It seems that Moscow has decided to change the formal organizer of the drills to be able to involve Uzbekistan. The same Uzbekistan that not long ago was at the edge of war with Tajikistan. However, after the death of Islam Karimov, the new president Shavkat Mirziyoyev is changing the foreign policy, ending the self-isolation and abandoning the anti-Russian attitude, typical of his predecessor.

6 June 2017

ASSASSINATION ATTEMPT IN KIEV

In the centre of Ukraine's capital, there was an attempt to assassinate a Chechen man whom Russia accuses of plotting to kill Vladimir Putin. It was another attack in Kiev, this time failed, attributed to Russian special services. However, this time around, the odds that the case will be solved are much higher.

Adam Osmayev was shot on the evening of 1 June by a man who claimed to be a French journalist wanting to interview the Donbas war veteran. The man was saved by his wife, an experienced sniper, who shot the attacker.

Osmayev graduated from an elite school in the UK. In February 2012, he was arrested in Ukraine. He was accused of preparing a bomb attack in Odessa. However, after a few weeks Russian TV reported that Osmayev and another person planned to assassinate Putin

after the presidential elections on 4 March 2012. Russia applied to the Ukraine to extradite the Chechen man. After another few months the Ukrainians wanted to turn him over to Russia by the extradition was put on hold by a court because of serious objections raised by the European Human Rights Tribunal. In November 2014, already after the war with Russia broke out, the Ukraine dropped the attempted assassination charge and released Osmayev (he was sentenced for other offences, but his time in detention was straightway absorbed in the sanction). He headed straight to the Donbas to fight. There, he joined the Dzhokhar Dudayev multi-national battalion of volunteers fighting the rebels and Russians. After the unit's commander Isa Munayev was killed, Osmayev took command in February 2015.

The man who purportedly wanted to interview him introduced himself as Alex Werner, an associate of the French paper "Le Monde". Allegedly, he was vouched for by an acquaintance of Osmayev's wife, Amina Okuyeva, who accompanied her husband at the meeting. The meeting on 1 June was already their fourth. When all three were sat in the car, the alleged journalist took a Glock pistol and fired two shots at Osmayev from close range. Then, Okuyeva took her

own pistol and shot the attacker four times. Both men were taken to hospital in a serious condition and underwent operations. Their lives are no longer in danger.

This means that the case is likely to be solved. In other prominent assassination attempts, such as of the journalist Sheremet or the Russian refugee Voronenkov, the perpetrators could not be caught. Osmayev's would-be killer carried a passport issued in the name of Alexander Dakar, an Odessa resident killed in 2001. His true identity was quickly established: the attacker is a notorious St. Petersburg mobster of Chechen origin, Artur Denisultanov-Kurmakaev a.k.a. Dingo. Known as Ramzan Kadyrov's hitman, he was involved in the murder of the Chechen president's former security guard in Vienna in 2009. The services found that Denisultanov-Kurmakaev was issued two passports, a domestic and a foreign one, only five days apart in February 2016. The official who issued the documents has already been detained. Based on the findings so far, it can be presumed that Osmayev's execution was to be another killing Kadyrov ordered in relation to people he considered to be his own or Putin's enemies. However, it is possible that neither the Kremlin nor Russian services had any knowledge of the plot.

7 June 2017

ANTI-CORRUPTION SHOWCASE

Federal Security Service have detained more senior officials accused of corruption. This is another revealed bribery case at the regional rather than central level. The arrests inscribe themselves perfectly in an anti-corruption narrative of the central authorities, which is expected to step up its ostentatious fight against corruption ahead of the upcoming presidential elections.

The Investigative Committee of Russia has detailed a deputy governor of Kursk Region in a bribery case. 62-year-old Vasily Zubkov presided over the regional security committee and supervised the regional construction regulatory authorities. The investigators accuse Zubkov of taking a bribe of over 1 million rubles (17 thousand dollars)

from a local construction company in 2015 in exchange for assistance in the unlawful commissioning of an apartment block by developers. The bribe was in the form of real property, not cash. Three more persons were detained in the same bribe case. The Deputy Governor was arrested in Kursk and immediately taken to Moscow.



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Vasily Zubkov is a former general. Since the middle of 1990s, he presided over the regional council of emergency ministry. For a short term, he also simultaneously served as a Deputy Governor. He left his service when he became a general in 2013. The Zubkov case might also hit the current Governor of Kursk Region, Alexander Mikhaylov. Much will depend on whether the investigation reveals any incriminating evidence against Alexander Mikhaylov. 65-year-old Governor can be hardly called a notorious or controversial figure in the political scene. He was in office

since 2000.

On 4th June, investigators detained the Deputy Governor of Vladimir Oblast, Jelena Mazanko, who is suspected of taking bribes worth at least 3 million rubles. Mazanko allegedly meddled with government contracts for renovation of regional administration buildings. Her detention may herald some further action against Svetlana Orlova, the serving Governor, who declared Mazanko's arrest was a provocation.

7 June 2017

NEW ARMAMENT PROGRAM

Russia braces itself for a possible war with the West not only in political terms, or in military doctrine documents, but also through skillfully crafted armaments program. A new document will be soon issued to set the priorities for the coming years, providing a clue as to the types of conflict and the enemies that the Russians brace themselves against.

Ontracts for another stage of the 2018-2025 National Armament Program will be finalized and signed until September. The Ministry of Finance planned to contribute 12 trillion rubles, the Ministry of Defense asked for 22 trillion. A budget of 17 trillion rubles (approximately 255 billion dollars) has been finally settled. Only half of 19 trillion rubles allocated to the previous 2011-2020 phase of the Armament Program was used. Most of the money was spent on the modernization of older equipment dating back to the Soviet era.



Russia's current ambition is to invest in new technologies.

In terms of geographical criteria, the armament of military units in the frontline Southern, Western, and Arctic Military Districts remains a key priority, in anticipation of a possible war against NATO. While the previous armament program was focused on air forces and nuclear weapons, the Russian-Ukrainian conflict has demonstrated deficiencies in the capabilities of land forces and assault troops. As much as one fourth of all funds allocated to the new program can be spent on this type of military forces, along with continued heavy investments in air forces and nuclear weapons. On June 2nd, during the High Command briefing in Moscow, Sergey Szoygu, the Russia's Minister of Defense, presented a recovery plan for strategic bombers Tu-160 and Tu-95MS. A week earlier, in an appearance before the Federation Council, the upper house of the Federal Assembly of Russia, Sergey Szoygu announced an increase in Russia's nuclear

and strategic military capabilities over the next three years. A new armament program envisages the production of a new Sarmata intercontinental Ballistic Missile. Szoygu further explained that it was important to maintain strategic nuclear weapons at a level ensuring effective deterrence when faced with the US global leadership ambitions seen as a destabilizing factor.

The Russian ruling elite, especially generals and chiefs of staff, use arguments about the America's global hegemony to justify high spending on arms. The continued development of Russia's military capabilities is a response to the alleged existential threat from the West, especially NATO. Moscow claims that the increasing military nuclear arsenal (ICBM, strategic air forces) has a defensive and deterrent role to play. Russia also plans to invest heavily in airborne forces to restore the primacy of offensive operations, at least in regional conflicts. This undermines the argument about a reactive, defensive character of the Russian armaments.



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SETTING MACEDONIA ON FIRE

In recent years, Russia has noticeably increased its activity in Western Balkans. Moscow attempts to undermine the EU and NATO aspirations of some former Yugoslavian countries. Towards this end, it uses its special services and is undertaking disinformation efforts. Leaked Macedonian counterintelligence documents show how effectively Russians have been destabilizing Macedonia for years. They follow a similar pattern also in other Balkan states.

ost probably, the new definitely prowestern government of Macedonia stands behind the leak incriminating Moscow and its supporters. After a very long-lasting political crisis, a center-left coalition was finally formed, with support of two Albanian parties. The prime minister, leader of social democrats Zoran Zaev, wants to bring Macedonia to the EU and NATO. He has been criticized by nationalists and by supporters of the VMRO-DPMNE party for the Albanian alliance (Albanians make up almost a quarter of the 2 million population of Macedonia). VMRO-DPMNE ruled the country between 2006 and 2016. Its leader, Nikola Gruevski was supported by Moscow, in particular recently. The emergence of mass phonetapping by the government led to a wave of mass protests, going on for months. Gruevski

gave in to pressure only at the end of last year. In the pre-term elections in December 2016, VMRO-DPMNE won but it lost the majority. When social democrats accepted the Albanian federalization postulates in exchange for their support, Macedonian president, favoring VMRO-DPMNE, blocked forming of the government. For several subsequent months, the country was in a deadlock. Anti-corruption demonstrations turned into street protests of ethnical nature. In April, nationalists broke into the parliament and beaten up social democrats. Two years of mediation with participation of Mogherini and Tusk failed. The breakthrough came only after a visit of the US high rank diplomat to Skopje. The traditionally high American impact on Albanians turned out to be crucial. Albanians gave up their postulates presented

by the right wing as unconstitutional.

Soon after Zaev became the prime minister at the end of May, some secret information from Macedonian intelligence leaked to journalists. It was revealed that Russian intelligence and diplomacy had for years been seeking to destabilize Macedonia and block western influence in the country. A report prepared for Vladimir Atanosovky, the chief of Macedonian administration for security and counterintelligence, describes how Macedonia "has been undergoing strong subversive propaganda and intelligence activity", directed from Russia's embassy. The operation began in 2008, when Greece blocked Macedonian attempts to join NATO due to the dispute over the latter's name. According to the report, three SVR (Russian civil intelligence) agents are based in Skopje, overseen by SVR's intelligence residents in Belgrade. Moreover, four GRU agents are said to reside in the embassy in Skopje, whose activity is coordinated by a military intelligence base in Sofia. Also journalists from the TASS news agency and from the Rossotrudnichestvo organization collaborate with special services.

Moscow has always strongly emphasized the "Slavic fraternity" between Russian and Macedonian peoples as well as their shared religious faith (Orthodox Christianity). Russian consulates were involved in intelligence operations, carried out under the guise of cultural activity. Russians also offered cash to Macedonian journalists for spreading disinformation. Russians are supported by Serbian intelligence BIA. Belgrade supports Macedonian nationalists who are pro-Russian and anti-Western. It also uses the activists of Serbian community.

Russia's activity towards Macedonia described in the report very much resembles its activity towards Montenegro. Moscow did not manage to prevent Montenegro from joining NATO. However, for a long time, it did manage to destabilize Macedonia. At the moment, the chances of Macedonia establishing closer ties with NATO have increased, but it should be expected that Moscow and Macedonian nationalists would play the Albanian card, accusing the incumbent government of betraying national interests.

8 June 2017

KOREA, SANCTIONS AND SECHIN'S MAN

Three Russian companies are on the US list of entities sanctioned in connection with North Korea's nuclear program. Two of them are oil companies and they belong to Eduard Khudainatov, ex-president of Rosneft and Sechin's man for years. His sanctioned company NNN cooperates closely with the biggest Russian oil company and enjoys special favors of the government. It cannot be excluded that sanctions will soon affect also other Russian companies.

S administration extended its sanctions against North Korea, accusing the totalitarian regime of continuing efforts to develop nuclear weapons. The new list includes three Russian companies and one Russian citizen who, according to US authorities, have been involved in providing Pyongyang with military technology. The "blacklisted" Russian companies are

Independent Petroleum Company (NNK) registered in Moscow and its Vladivostok based subsidiary NNK-Primorsknefteproduct. Both companies belong to Eduard Khudainatov, ex-president of Rosneft president. Americans imposed sanctions also on a Moscow based company Ardis-Bearings LLC and its general director Igor Michurin. Michurin had business contacts with Korea



Tangun Trading Corporation, based in North Korean. Tangun was placed on the sanction list by the United Nations Security Council in July 2009 as one of entities engaged in the "DRPK's nuclear-related, other weapons of mass destruction-related and ballistic missile-related programs".

NNK was blacklisted for its oil supplies to North Korea. According to Americans, this Russian company has provided the regime with products worth a million dollars in total. Its owner, Eduard Khudainatov, headed Rosneft earlier (2010-2012), but he resigned to be replaced by Igor Sechin. For sometime, Khudainatov was the 1st deputy president of Rosneft. He founded NKK in 2012. The company extracts merely 2.5 million tons of crude a year. For the sake of comparison, in

2016 the world giant Rosneft (5.4% of global oil production) extracted 210 million tons. NNK was strongly financially supported by the state National Prosperity Fund, where a portion of earnings from sale of hydrocarbons is deposited. Sechin's connections came useful, and it was also Sechin himself who once invited Khudainatov to work for Rosneft. The fund has supported only two other companies from the oil sector: Rosneft and Novatek. NNK owned by Khudainatov became an intermediary, buying oil from other producers to sell it to Rosneft for export. NKK is selling the crude at the domestic price and Rosneft profits from the difference between the domestic and the higher export price. NNK itself is highly indebted and it may have face liquidity problems.

9 June 2017

SLAVIC BROTHERHOOD AGAINST NATO

Belarus, Russia and Serbia are holding joint military exercises of landing troops close to the Polish border. The choice of time, place and participants is not accidental. This is a response to Montenegro's accession to NATO and a further confirmation that Serbia and Russia closely cooperate in the field of security.



© ANATOLY MALTSEV PAP/EPA

n June 6, tactical military maneuvers "Slavic Brotherhood 2017" kicked off at the military training grounds near Brest. Over 300 troops from 76th Pskov Air Division of Airborne Forces, over 400 from 38th Air Assault Division of Airborne Forces of Belarus, and 50 from Serbian Special Brigade are taking part in the drills, scheduled to end on June 14. In the first stage of the drills, an intensive parachute training of Serbian and Belarusian soldiers was held at the special training center for airborne troops in Ryazan. Training program was the same as for Russian paratroopers. In the second part, paratroopers from the three countries will jump from Russian IL-76 transport planes that flew to Baranovichi airport from Taganrog airport in southern Russia.

At the opening ceremony, Russian colonel Aleksei Sgibnev has said that the maneuvers show that "the three countries have achieved a closer cooperation and are preparing to fight together the greatest evil of our time –

international terrorism". In the course of the drills, the troops will practice tasks connected with combating terrorism. The drills are led by general Vadzim Dzyanisenka, the commander of Belarusian Special Operations Forces. The war against terrorism is just a pretext. In reality, the drills are meant as a signal for NATO. That is why the training grounds near "Brest" and the Mukhavets River in the Brest Oblast were selected as the venue – very close to the Polish border. The drills started one day after Montenegro became the 29th member of NATO. They are taking place very close to the NATO (Polish) border and with participation of Serbs - a clear reference to the Balkans and to Montenegro. This is already the third Slavic Brotherhood military exercise of these three countries. The first one was held in 2015 in Russian Krasondar Krai, not so far from the borders with Georgia and Ukraine. The second one took place in November 2016 in Serbia, exactly when NATO was carrying out its civil defense training in the neighboring Montenegro.



© VALDA KALNINA PAP/EPA

RUSSIA - NATO. TENSION IS IN THE AIR.

The launch of Saber Strike training exercise in the Baltic region caused increased activity of Russian air forces. On the very day when NATO maneuvers began, Russian fighter jets intercepted US and Norwegian aircrafts. With the appearance of more US bombers in Europe and the active stage of drills (in Lithuania) more incidents of this kind are to be expected.

n June 6, a Russian SU-27 fighter intercepted and escorted a US B-52 strategic bomber flying over the Baltic Sea, along the border of Russia. When the B-52 flew left the Russian border area, the SU-27 returned to its base in the Kaliningrad Oblast. On the same day, a MiG-32 jet fighter intercepted a Norwegian patrol aircraft over the Barents Sea. Russian defense ministry claims that the Norwegian P-3 Orion anti-submarine aircraft was flying with the transponder switched off. When the Norwegian changed its course and flew away from the Russian border, the MiG-31 returned to its base.

Both incidents occurred on the day following Montenegro's accession to NATO and the

beginning of the Saber Strike 2017 drills. More than 11 thousand soldiers from 26 countries are training in Poland and in Baltic States, including – for the first time ever – the NATO battle groups deployed at the eastern flank of the Alliance. The core of the Saber Strike drills will be the Iron Wolf maneuvers in Lithuania (12-24 June) with participation of over 5 thousand troops. This year's exercises will be an opportunity, i.a., to check the coordination of moving the troops through the Suwalki Gap. Simultaneously, NATO Baltops maritime exercises are taking place in the Baltic Sea.

An increased military activity of Russians in the Baltic region is to be expected shortly, due to the NATO maneuvers. There may be more incidents, also dangerous ones, and more Russian provocations aimed at NATO aircrafts and ships. Especially, given the fact that the Arctic Challenge, Saber Strike and Baltops regional military drills at the eastern flank of NATO will be supported by US B-52 Stratofortress strategic bombers, sent from Louisiana.



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14 June 2017

THE NATIONAL GUARD **GROWS IN POWER**

A recent presidential decree lets National Guard commanders take control over regular troops. According to some experts, this in a novelty in Russian security system; according to others, there have been similar precedents. One thing is certain: successive Kremlin's decisions strengthening Rosgvardiya prove Putin's growing anxiety and fear of internal disorder, or even a revolution.

n April 5, a year has passed since presidential decree was issued transforming Russian MVD's Internal Troops into the National Guard. Its main task is to "combat terrorism and extremism" within the country. The Guard also has powers in the sphere of weapons turnover, private security companies and the so-called interdepartmental defense. In early May, chief commander of Rosgvardiya (a colloquial

name of the formation), general Victor Zolotow announced that the number of troops under his command has doubled, compared to that of Internal Troops, and currently it is close to 400,000.

However, the widest debates were sparked off by the decree of 24 May, which introduced significant changes in the military organization of the country. Its crucial

paragraph reads: "By decision of the President of the Russian Federation, tactical formations and military units of the Armed Forces of the Russian Federation, other military formations and organs can be transferred to the operational control of the commander of the district to perform the tasks assigned to the troops of the National Guard". Some experts considered this a novelty and a confirmation of the "praetorian" role of the guard in the Putin's state. Other point out that there have been cases of subordinating military units to the ministry of interior – for example during both Chechen wars.

The decree of May 24 means that Putin fears social unrest that may affect the whole country. Thus it was necessary to resort to the Guard, but the "internal functions"

would usually also be carried out by regular army units. In an article published two days after the decree was issued, general Yury Baluyevsky, former long-time chief of General Staff of Russian Armed Forces, who currently advises the National Guard commander (and this is not a coincidence), has admitted that "the formation of the National Guard was an answer to the threat of the so-called nonviolent resistance. The incumbent regime has great expectations of Rosgvardiya, hoping that its pure brute force will keep them in power. Deputy prime minister Dmitry Rogozin, who is in charge of arms industry, called National Guard "the most aggressive military unit which solves the main problems in the country". He added that "Rosgvardiya should be armed to the teeth with the most highquality weapons".

14 June 2017

BRUTAL REPRESSIONS IN RUSSIA

For the second time in the last 2.5 months Alexei Navalny mobilized tens of thousands of people to take to the streets of Russian towns. Anti-government protests were staged on June 12 in almost 140 towns; in many places, without consent of the authorities' which used force to suppress them. Two thousand people were detained. Shortly before the planned protest in Moscow, Alexei Navalny was detained and sentenced for 30 days of administrative arrest for "organizing unauthorized gatherings".

n March 26, Navalny called people to take to the streets for the first time. The scale of protests took the authorities by surprise then. This time, however, demonstration plans have been known for a long time. Nevertheless, despite regime's efforts and previous repressions (detention of Navalny's collaborators, searches of his offices), and despite the media campaign against Navalny, the number of protesters was comparable to that in March. Moreover, the geographical extent of the protests was greater.

Moving the Moscow demonstration at the last minute by Navalny from the location accepted by authorities to a different place (under the pretext of technical problems) shows that its

organizers no longer avoid confrontation. Their radicalization is, moreover, proven by the fact that even though anti-corruption and anti-government slogans and demands for improvement of financial situation dominated, there were also slogans for the first time targeting the president directly. The authorities must be concerned by the large number of young people taking part in demonstrations. What is even worse, the possibilities to influence the youth are limited – young people do not succumb to propaganda, as they do not watch TV but get information from the web. The protests also complicate Russian foreign policy. Violent repressions are detrimental for the image and meet with reaction of international organizations. Detentions



YURI KOCHETKOV PAP/EPA

of hundreds of demonstrators have been condemned by the White House. Chief of the EU diplomacy Federica Mogherini called Russian government's actions threatening the fundamental freedoms.

Demonstrations of June 12 prove the high level of public dissatisfaction with the current government, especially among young, metropolitan population. This may be a potential threat to the Kremlin scenario for presidential elections to be held in March 2018. The regime will respond by taking a harsher course and escalating repressions. Currently, the siloviki have a decisive word in

Putin's entourage and they stand for a more authoritarian regime (i.a. Victor Zolotov). This is demonstrated by the increased powers of the National Guard, but also by the growing influence of the "hawk" – Igor Sechin, the head of Rosneft who has strong influence in FSB. The regime has already taken steps to neutralize any independent activity of citizens. Draft bills aimed at maximally limiting the anonymity in the Internet have been submitted to the Duma. An idea has also evolved to establish a committee monitoring i.a. "Russian media loyal to the West" and non-governmental organizations "fuelling the protest moods in Russia".

17 June 2017

NUCLEAR BLACKJACK OVER BALTIC SEA

As expected, the activity of Russian and NATO air force on the other side is getting stronger. It is connected with the ongoing NATO exercises and upcoming "Zapad 2017" exercises. For the first time in many years, the Russian Tu-160 strategic bombers have appeared over the Baltic Sea.

Scandinavian fighters escorted two Russian strategic bombers Tu-160 over the Baltic

Sea. This is the first time when Tu-160s (Blackjack) have appeared in this part of

Europe. Earlier, tu-22M and Tu-95 military aircrafts were seen in that region, whereas Tu-160s were used for the long distant flights, e.g. over north Atlantic.

They also bombarded targets in Syria as a part of the Russian military operation which was carried out in this area. The incident took place in the southern part of the Baltic Sea.

Stockholm informed about the interception. Swedish JAS-39s, Danish F-16s and Finnish F-18s have intercepted the Russians. In the eastern part of the basin, near the Finnish and Estonian borders, the strategic bombers were accompanied by the Russian Su-27 fighter jets and A-50 early warning and control (AEW) aircrafts. On these days on June, 14th and 15th the Finnish aircraft has also spotted many Russian planes like A-50, Ił-22, Su-24, Su-27, Su-34 in this region.

As we expected, the activity of Russian air force over the Baltic Sea has increased significantly in the last days. On the day of the

official commencement of NATO exercises the Russian fighters intercepted American and Norwegian airplanes.

Since the beginning of July extensive NATO exercises are being carried out in the basin of the Baltic Sea and in countries located on its southern and eastern borders. 12 members of the Alliance, Finland and Sweden have taken part in recently completed marine maneuvers called "Baltops".

On the other hand, Saber Strike exercises are carried out on the land with more than 11 thousand soldiers involved. American bombers B-52 and B-1 participate in the exercises on NATO's eastern flank. Their presence is a particular reason for Russia's irritation, which is reflected by a disinformation operation concerning the alleged losing of atomic bomb by the American bomber in Lithuania. This fake news went viral and was posted on many western websites.

17 June 2017

KREMLIN IS THREATENED BY THE PROTESTS

Recent demonstrations of many thousands do not target corruption, they are an attempt at a "color revolution" – is a recent message from Kremlin. Unexpectedly, the commander of National Guard, a formation established precisely to protect the regime against revolution, commented on the issue.

Rosgvardiya's commander, general victor Zolotov, has stated that the protests in Russia are conducted "according to similar scenarios as the color revolutions in other countries". In an interview for the Interfax press agency, published on June 16, Zolotov said that "the true purpose of the fight against corruption is replaced by a total destabilization and creating of chaos", adding that the methods of "loosening" of the situation in society "are becoming more cunning and sophisticated", with the Internet being actively used for the purpose. "Under

the pretext of violations of human rights and democratic freedoms in Russia, mass media of the European Union, the UK and the US hold constant media attacks to discredit the political leadership of our country" – Zolotov pointed out directly to the guilty ones. Commander of the National Guard said that his formation would actively counteract "destabilization". He ensured that Rosgvardiya was highly prepared for various developments of the situation.

Zolotov went further than Putin, explaining



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how Kremlin perceives the demonstrations. One day earlier, on June 15, when answering questions asked by journalists Putin said that the protests were organized for self-promotion, and not to "improve the situation in Russia". Zolotov' deputy, general Melnikov, and Zolotov's advisor, former long-time chief of General Staff of Russian Armed Forces general Yury Baluyevsky, had already talked – within a few days – about taking a harsher course. They said explicitly that

Kremlin's real enemy was within the country, not abroad. Zolotov makes public statements very infrequently. This only proves the level of anxiety in the Kremlin. On the one hand, talking about "color revolutions" is a promise that the attitude towards Navalny and the protests will be uncompromising. On the other hand, Zolotov's reassuring declarations are addressed to the elites, bureaucracy and all beneficiaries of the regime.

19 June 2017

STRATEGIC COMPETITOR

Adopting new sanctions against Russia by the US Senate is consistent with recently sharpened rhetoric used by high US Administration representatives. US Secretary of State said that relations between the US and Russia are at an all-time low point, Pentagon Chief declared that Moscow had made a choice to become the US strategic competitor, whereas the highest in rank military officer emphasized that Russia is an existential threat to the USA.

Ido not see any indication that Mr. Putin, the President of Russia would want a positive relationships with the USA- James Mattis told a House Armed Services Committee hearing on June, 16. U.S. Defense Secretary said that Russia had chosen to be a strategic competitor

to the USA. On the other hand, Rex Tillerson the US Secretary of State said that the relations between the US and Russia have never been worse.

On June, 15 the chairman of the U.S. Joint



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Chiefs of Staff gen. Joseph Dunford said that Russia is "each and every day" undermining the credibility of the U.S. commitment to NATO and its ability to respond to the alliance. Dunford testified before one of the Committees of House of Representatives. The highest in rank American military officer stated that Russians command a nuclear weapon "in thousands of pieces which can destroy our country".

He also warned against Russian cyberattacks. Based on the capabilities and behavior, based on what Russia has been doing in Ukraine recently, and what was done in Georgia in the past, "among all other counties in the world, Russia is the one that could be an existential threat to our country" – said Dunford.

Anti-American rhetoric occurs in Moscow, mainly among the defense and law enforcement institutions. The Director of Foreign Intelligence Service (SVR RF) Sergey Naryshkin said on June, 7 in the parliament that an economic war against Russians is on the list of priorities of US government structures. "Desperate attempts

are made to disrupt or at least slow down the implementation of the project of the construction of the pipeline "Nord Stream-2" announced intelligence chief, pointing here at Poland and the US.

On the other hand, the Russian defense ministry criticized the USA for deploying a track-mounted missile system HIMARS from Jordan to Syria, where they can be used against President's Assad army. The rocket launcher HIMARS (High Mobility Artillery Rocket Systems) got to a U.S. base in Tanf in southern Syria located near the border crossing with Iraq and Jordan. Training and support activities of an international coalition are being carried out in that area. A build-up of military equipment was seen to be delivered to this desert garrison. Tensions escalated after the U.S.-led coalition struck Iranian-backed forces to prevent them advancing toward the Tanf base.

The HIMARS was earlier used against Islamic State, however they had been stationed in Iraq or Turkey in order to strike targets in northern Syria.



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A CLASH IN SYRIA

Recent US attacks at the allies of Russia in Syria have increased tension between Washington and Moscow. It should be expected that the growing engagement of the United States in the war with the Islamic State in Syria will lead to more frequent attacks of regime and Iran linked forces against the US targets, and first of all against the US allies. At the same time, no serious threat seems to exist of direct confrontation between the US and Russia in Syria, but the tense situation encourages the Washington supporters of more severe sanctions against Russia.

n June 20, US forces in Syria shot down an Iranian-made drone, operated by the Iranian Revolutionary Guard Corps. The drone was controlled from the Corps control station, located near Hama. Shooting down of the drone was the fifth incident in recent weeks when Americans attacked troops fighting for Assad. On June 18, US navy F/A-18E/F Super Hornet, performing a mission of international anti ISIS coalition, shoot down a Syrian Su-22 aircraft in the Ar-Raqqa province. According to Moscow, which has recently criticized US sharply for this action, the Americans failed to use communication channels with Russia before shooting the aircraft. Previous three incidents took place nearby the Al-Tanf base in south-eastern

Syria, where Americans are training rebel fighters from SDF coalition. On May 18, US conducted air strikes on pro-government Shia militia supported by Iran, when the militia were approaching the training facility. On June 6, another such air strike took place. On June 8, Americans shot down an armed drone after it fired towards SDF troops.

The most significant event, however, was the above-mentioned shooting down of the government aircraft. Moscow reacted very sharply. On June 19, Russian defense ministry announced the suspension of the agreement with the US preventing incidents in Syrian airspace. Any foreign object flying above the areas of Syria where Russian forces are

operating will be treated as a target - Russia added. Chief or Russian diplomacy, Sergey Lavrov, stated that the United States should respect Syria's territorial integrity and should not take unilateral actions in Syria. His deputy Sergey Ryabkov declared that shooting down of the Syrian machine was "an act of aggression that helps the terrorists". According to Syrian military, the aircraft was carrying out a war mission against jihadists from Islamic State. Sean Spicer, press secretary of the White House, responded to Russian threats on June 19, with the following statement: "we're going to do all that we can to protect our interests". Americans claim that they have shot down the government aircraft because it was attacking Syrian Democratic Forces (SDF), an ArabKurd coalition combating the IS in Syria. SDF accused the government army of recently bombarding their troops in the area to the south west of the Ar-Raqqa province. In the beginning of June, SDF started an assault on a city considered to be the Islamic State capital in Syria.

It appears that Russian threats will most likely remain just threats. This was the case when Turkey shot down a Russian aircraft in November 2015. Moscow will not risk entering an open conflict with the US in Syria. Instead, Russia-driven attacks of progovernment and pro-Iran forces on American troops, and especially on SDF troops, can be expected.

21 June 2017

ELECTION THE RUSSIAN WAY

Faced with increasing protests, the Russian regime is taking more steps to eliminate the risks connected with the upcoming elections. This concerns mainly the presidential election planned for March 2018, but also the gubernatorial election in some regions of the Russian Federation, due to take place this summer.

n June 1, president Vladimir Putin signed a bill introducing changes to electoral legislation. In presidential election, it will be possible to vote not only in the place of permanent residence, but also in the place of actual domicile. It will be sufficient to make a statement to the commission in advance. In addition, the election date has been changed to 18 March 2018 – the fourth anniversary of Crimea annexation.

The possibility to vote outside of one's place of permanent residence increases the possibility of electoral fraud. The changes that have been introduced will primarily result in additional hundreds of thousands of votes for the current president. This concerns the voters from North Caucasus. As before, local authorities will make sure that the voter turnout is around 95-99%, and at the same time many voters, whose votes will be falsely added in their

hometowns, will actually vote in Moscow or St. Petersburg, where they have moved for work. This means that in addition to the core voters of Putin from Caucasus (10-12 million votes) there will be another 2-3 million votes counted. That may just be enough to reach the expected result of 60-70% in the first round.

Up until now, methods such as voting at home (portable ballot boxes) and voting by post ahead of the election have been used for many years. These methods will be used in the upcoming gubernatorial elections, due to take place in 16 regions. Real competition, however, can only be expected in four regions (Buryatia, Mari El, Sevastopol, and Kirov Oblast), where the elite has split. In four regions, the election will be a formality: Novgorod Oblast, Yaroslavl Oblast, Sverdlovsk Oblast, and Saratov Oblast. In the remaining eight regions, the election will be significant



because it will be a sort of a referendum judging the achievements and the political

course of the current leaders.

PURGES IN THE REGIONS

This summer, elections of governors will be held in sixteen regions of the Russian Federation. But this is only one of many reasons for the unprecedented rise of political temperatures in the regions. The main reason is preparations for the presidential campaign. Before the elections, the Kremlin wants to have loyal and disciplined heads of regions.

ne of the sixteen regions of the Russian Federation, where the elections of the new governor will take place, is Sverdlovsk Oblast. The top favorite is the current head of administration, Yevgeny Kuivashev, in office for five years. Previously, he was an accredited representative of the president in the Ural Federal District. He is also considered to be a member of the clan of Sergey Sobyanin, the current mayor of Moscow. Kuivashev has been officially put forward as a candidate by the ruling party United Russia and there is no doubt that the Kremlin wants him to take up this post. Matters being in such a state, it may be difficult for Yevgeny Roizman, the popular

mayor of Yekaterinburg and the most famous politician of the region, to run in the elections. Not only might he complicate the plans of the candidate of the Kremlin, but he even has a chance to win. The authorities failed to reach an agreement with Roizman in order for him to voluntarily decline to run. Some attempts will be made to block his candidacy. Thus, he is going to be supported by the opposition party Yabloko to run for governor. Hence, it has led to a split within the regional structures of the party. Some of the members of the party are against this candidacy. It cannot be excluded that more drastic steps will be undertaken by the authorities, as shown by the



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events in other regions.

So many detentions of high ranking regional politicians and officials have never happened before. Recently, investigators detained the deputy governors of both Vladimir and Kursk Oblasts. Not that long ago, former governors of the Mari El and the Udmurt Republics were also detained. Currently, there is a lawsuit pending of the former head of the Chelyabinsk Oblast. For a long time, the former Governors of the Kirov Oblast, the Komi Republic and Sakhalin have remained in custody. And that is just the tip of the iceberg. The total number of detained governors, their deputies, regional ministers and their deputies, mayors, etc. has exceeded dozens. One of the reasons behind these purges is a desire to weaken the local centres of political power as Moscow has recently allowed governors to strengthen their legitimacy. The second reason is the desire to apropriate some slogans against corruption from the opposition. Finally, factor number three, which has an impact on the whole country and the state in its different parts, namely a slant towards "siloviki" ("persons of force") along with a sharpening of policy.

However, such purges may have negative effects on the functioning of the state apparatus at the local level; even if fear is the first reaction, after all, local elites will become aware that there is nobody to defend them in case something happens. It seems to be demoralizing for this level of the Putinocracy, especially if officials see that their colleagues are imprisoned for corrupt fundraising for campaigns and activities of the political party of... Putin himself. For this reason, nobody will want to expose himself to the risk. As a result, political stagnation and minimal decision-making may be expected, from governor to minor officials of an oblast. Besides, the image of detained officials will harm the reputation of the Russian authorities. In fact, they confirm the accusations of the opposition. And here one can possibly find the political motive of Putin; it needs to be taken into account that he will aim to take part in the elections as an independent candidate, "the candidate of the people", pure and incorruptible, but at the same time the one who punishes his dishonest subordinates.



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PERSECUTION IN CRIMEA

Over the course of just two days in June, we've got information from the Russian-occupied peninsula that attests to the fact that the number of repressions towards critics and opponents of the annexation of Crime haven't decreased. Moscow continues to sentence and jail Ukrainian and Tatar activists. Each time, articles of the criminal code are used that refer to separatism and calls for the violation of the territorial integrity of Russia.

n June 21, Ukrainian activist Natalia Kharchenko left Simferopol and went to Kiev. She claims that she was in danger from the Federal Security Service of the Russian Federation (FSB). Kharchenko is married to the former director of the Ukrainian Cultural Center in Crimea. In January, the FSB searched their apartment and confiscated computers. After that, Kharchenko's husband lost his job and the FSB initiated an investigation against her, accusing her of making declarations that may have violated the territorial integrity of Russia. Kharchenko has already been interviewed by the FSB several times. Her husband escaped from Crimea a few weeks earlier.

On June 21, the court reopened legal proceedings against a leading activist of

the Tatar community who criticized the annexation of Crimea by Russia. The Russians brought an accusation of separatism against Ilmi Umerov, the deputy chairman of the Mejlis, the self-governing body of Crimean Tatars, banned by Moscow. Umerov was presented with charges in May 2016. In August, he was forced to stay in a psychiatric clinic for a month. The lawyer defending Umerov has indicated that the judge dealing with this case is a Ukrainian citizen who is under a criminal investigation by the authorities in Kiev.

On June 21, the court postponed the date of the next meeting in the trial of Mykola Semena until July 7. The judicial proceedings against the Ukrainian, accused of separatism because of his objection to the annexation

of Crimea, began just in March this year. However, it was postponed several times. Semena faces a punishment of up to five years in prison because of one article that he published online in 2015.

On June 22, the court in Crimea extended the temporary arrest of Akhtem Chiygoz, a Tatar activist who is also on trial for his objection

to the annexation of the peninsula. His arrest was extended to the beginning of October. Chiygoz was accused of organizing riots. His trial started in October 2016. However, he was detained in January 2015 – in relation to a protest near the parliament of Crimea in February 2014, which led to clashes with supporters of Russia.



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29 June 2017

TWO ATTACKS, TWO COLONELS DEAD

In the Ukrainian capital there was another attack whose victim appeared to be a person involved somehow in the conflict between Ukraine and Russia. It was a high-ranking military intelligence officer that was assassinated. On the same day, a Ukrainian Security Service (SBU) colonel was killed in another attack, this time in Donetsk Oblast. Such continual assassinations affect Ukraine's image, destabilise the political situation and intimidate the opponents of Russia.

In Kiev, a Ukrainian military intelligence officer, Maksim Shapoval, has been killed in a bomb attack. The Mercedes being driven by

the colonel exploded on the morning of June 27 in the Solomenskiy district. It is known that Shapoval was head of a special forces

unit of the Main Directorate of Intelligence of the Ministry of Defence of Ukraine (HUR) and had recently come back from the war in Donbass. According to the Ukrainian authorities, it may have been a contract killing linked to his professional activity. Colonel Shapoval had been collecting some evidence of the Russian military aggression in Donbass for the purpose of the case brought by Ukraine against Russia for "acts of terrorism and unlawful aggression" in the International Court of Justice in the Hague. The military intelligence officer also gathered some information on the military activities of Russia in the Donbass area, including the location of their troops and weapons. Shapoval was also a specialist in the fight against various forms of hybrid war, which made him particularly dangerous for Russia.

It's another recent attack in Ukraine targeting

the people uncomfortable for Russia. On June 27, a car with four SBU officers exploded in the Kostiantynivka Raion in Donetsk Oblast. Colonel Yuri Vozny, head of the counterintelligence department, was killed as a result. Three other officers of the department were injured. In the beginning of June, a man impersonating a French journalist, wounded Adam Osmayev, a Chechen veteran of the war in Donbass. Previously, Osmayev had been prosecuted by Russia for an alleged plot to kill Putin. In March, it was reported that a deputy head of the SBU in Donetsk Oblast, Colonel Oleksandr Kharaberyush, died in a car blast in the city of Mariupol. In the same month, a former Russian MP, Denis Voronenkov, was shot dead in downtown Kiev. He was said to have been seeking political asylum in Ukraine. Ukraine's president, Petro Poroshenko, called the killing "an act of state terrorism carried out by Russia".

29 June 2017

BLACK CLOUDS OVER GAZPROM

The United States has started a gas offensive in Central and Eastern Europe. Following the first LNG supply to Poland, supplies of American gas will also reach Lithuania. At the same time, the US is attempting to spoil the German-Russian Nord Stream II project. It is expected that the main topic of Trump's visit to Poland will be the US supply of gas to the Three-Seas energy sector. But this is not the end of Gazprom's problems, nor those of Russia.

ccording to Gary Cohn, Trump's chief economic adviser, in early July American president, when he visits Warsaw, plans to promote US natural gas exports to Central and Eastern Europe. Several days earlier, the first shipment of American liquefied natural gas (LNG) had reached Poland. Prime Minister Beata Szydło has stated that such steps contribute to Poland's security and development, and that such supplies should become routine. The US State Department congratulated Poland for concluding this contract. This has not been a coincidence, as the US is mounting a gas offensive. Already in April this year, energy secretary Rick Perry announced that shale gas export would become a tool not only of US economic but

also its foreign policy. A second LNG export terminal is soon to be opened.

It has been announced that Lithuania also buys LNG from the US. Lietuvos Duju Tiekimas Company has purchased the first shipment of US LNG at the spot market. The shipment will reach Klaipeda in the second half of August, and some of the gas will go to a large LNG storehouse in Latvia. The seller is Cheniere, the same US energy company that has concluded a contract with the Polish PGNiG company.

The USA is decisively entering the Central European gas market, which implies difficulties for Gazprom and its German



IERZY MUSZYŃSKI

partners. Nord Stream II may fall the first victim. US diplomacy has been very active in this field since the last spring, both in Denmark and in Brussels. Moreover, the US sanctions forced by the Senate may compel western companies to stop financing the Baltic pipeline.

And these are not the only problems of Gazprom. Its financial results are worse than last year's. Next November, Arbitration Court from Stockholm is expected to issue a decision in a dispute between Gazprom and Naftogaz. A dispute between Gazprom and PGNiG may also be resolved. Both cases are the result of Russian gas policy and Gazprom's abuse of its market position. The Russian giant, aware that it is the only one to provide gas supplies, has inflated gas prices, imposed trade restrictions, and forced minimum volumes of purchases. In both disputes, involving Poland and the Ukraine, it is expected that the Russians will lose out and as a consequence will have to pay hefty compensation.

30 June 2017

VOLODIN'S AMBITIONS

The upcoming presidential campaign increases tension between the Kremlin and the State Duma. Precisely, it regards the tension between the leadership of the Presidential Administration and the chairman of the lower house of the Russian parliament. Vyacheslav Volodin still plays an important role in creating the regime's internal policy, which, until now, has been a prerogative of Kremlin's officials.

In Putin's Russia regime, similarly as in the times of Yeltsin, a decision-making center consisted essentially of the Chief of Staff or his deputy in the Kremlin's administration or other high-ranking officials of the Presidential

Administration. Before, this office has been held by Alexander Voloshin, Vladislav Surkov or Vyacheslav Volodin. And that's the last of them who is not willing to resign from creating the president's internal politics, even



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after being elected Chairman of the State Duma. Thus, there emerged two competing decision-making centers: the traditional one in the Kremlin (represented by Sergei Kiriyenko) and the new one in the State Duma (governed by Volodin). Previously, Volodin was the First Deputy Chief of Staff of the Presidential Administration and he was in charge of the internal policy. However, it was not formal at all. In the Putin's system, a holder of this position controls the parliament, political parties, pro-government social organizations, as well as political scientists and sociologists loyal to the Kremlin. He is also responsible for the ideology of the political power.

These rules formed the basis of the Putin's system of vertikal vlasti (the vertical of power). It was the Kremlin that dealt with all party, parliamentary or staff issues. Each official and politician knew perfectly well where and to whom he would go with their issues. The emergence of more than one decision-making center on a given vertical level means that it becomes weaker and creates some confusion.

Volodin, who had succeeded in the parliamentary campaign of the ruling United Russia party (which had achieved the best

record in history), was elected the Chairman of the State Duma, though he hoped to be promoted on a higher level in the Kremlin to become the head of the Presidential Administration. However, he did not give all his strengths from his Kremlin days. He still controls United Russia. Volodin's people still hold key positions in the party – his team constitutes one third of the management of the ruling party. Moreover, Volodin has limited the Kremlin's influence on the legislative process in the State Duma. He also increased his own influence on all members of parliament. Additionally, he took away from the Kremlin the experts with whom it had collaborated. Interestingly, Putin agrees on such an unusual situation. However, no one knows how long it will last. After some time, the Kremlin administration began to retake its lost positions. As for gaining some influence of United Russia, the key role is played by Boris Gryzlov, the former speaker of the State Duma and the former head of the Ministry of Internal Affairs, who recently reentered political arena. Opponents of Volodin (one can only guess that also those of the Kremlin) also lead a negative campaigning towards the speaker of the lower house of the parliament; rumour has it that he likes to play the role of Putin's successor.



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QUO VADIS, NAVALNY?

The number one enemy of the Kremlin government must choose his political route for the future. He has proven his ability to mobilize tens of thousands of people all over the country to risk taking to the streets with anti-regime slogans. He has revealed more incidents of corruption involving government officials. He has good PR in the West, but he cannot run for president next year. Moreover, critical comments of Navalny have been voiced after the latest demonstrations.

obilizing thousands of Russians to take to the streets on June 12 and protest against the corrupt government was undoubtedly Alexei Navalny's success. However, his tactics has come under increasing criticism. In particular, he was criticized harshly for moving demonstrations in Moscow to another place – at the last moment and without authorities' consent. In effect, the gathering was illegal and the police treated demonstrators brutally. More than 800 people were arrested. Changing the protest location at the last moment resulted in a split of demonstrators. Several thousand people, who learnt too late that the protest was moved to another place, went to the original location. State TV presented the gathering

as an example of attendance fiasco, despite the fact that much more people turned out in another place – the one indicated by Navalny at the last moment. Later, Navalny explained that protest location had to be changed because the authorities made it impossible to find a company that would provide stage equipment for the event. This does not sound convincing for some opposition leaders. Lev Ponomarev has clearly stated that Navalny weakened the protest with the last-minute change. As a result Moscow protesters were perceived as poorly communicated, disoriented and demoralized in comparison with protesters in other towns. Some critics point out that bringing people to an unsecured and unauthorized location has put them

under a really high risk. It was an unnecessary provocation of the police forces, putting demonstrators on course for confrontation.

It seems that after having taken people to the streets twice, Navalny will have to finally present a more comprehensive political agenda to his supporters, and convince them that there is some political goal and their protests have a meaningful purpose. This will not be easy, since Navalny is not allowed to run in presidential elections. This, however, may suit him. If he fails to come up with a new plan in the coming months, and his demonstrations end up with another Bolotnaya Square (brutal pacification of anti-Putin demonstrations a few years back), then voices that he is in fact being used by the authorities to channel social discontent will become louder again.

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