

Analytical Report: March 2013.

Minsk

In general, Belarusian authorities continue to have stable control of the situation in the country. However, the prospects for sustaining the current state of affairs are directly linked to the ability to ensure economic development, the stability of the financial system and the partial breakdown of the international isolation of Belarus. Taking into consideration the actual kick off of the election cycle that will last more than three years (the local council elections in 2014, presidential elections in 2015 and parliamentary elections in 2016) President Lukashenko needs a kind of “success story”. “The story of failures” of 2010-2011 is still remembered by everyone.

This will require serious work of the authorities in several fields: foreign policy, economic, informational and ideological ones. For this purpose the full control over the state apparatus should be restored. And intimidating the officials can also be used here.

The announced modernization of the national industry is a kind of pre-election program of the authorities. However, Belarusian authorities consider the modernization to be just the increasing of the efficiency of public companies and their technical upgrading. The redistribution of the large state-owned facilities in favour of effective investors isn't and won't be considered because of external and domestic factors. The authorities face the risk of a dilemma: the need to preserve the stability of the national currency limits the ability of the state to carry out the modernization of the economy using emission. The privatization is frozen and the only external sources of funds are loans, servicing which will become a heavy burden for the national financial system and can jeopardize the stability of the Belarusian ruble. Especially because most of the loans will be taken out of the national economy in the form of investment imports.

The point is that the view of Alexander Lukashenko on the issues of privatization coincides with the views of the opposition. And everyone has their motives. One can only sympathize with the government of Belarus.

Uncertainty about the future economic development of the country can provide the increase of public spending in the area of national security. Formally, the budgets of all law enforcement agencies have significantly increased. However, taking into consideration the rate of inflation, it is clear that this increase is virtual. Meanwhile, the need to modernize the material-technical base of law enforcement agencies is as pressing as the need to modernize the industry. Postponing the solution of this problem leads to the further degradation of the national security system.

The internal situation: the stability of state power.

The most important events of the month. The main events of the previous month were in the field of foreign policy. Especially they were connected with Asia. During March 17-27 the Belarusian delegation headed by Alexander Lukashenko visited South-Eastern Asia and the Middle East (Indonesia, Singapore, the United Arab Emirates). On March 29 Belarusian leader met with the Minister of Foreign Affairs of Turkey, Ahmet Davutoglu. President Lukashenko did not hide the reasons for interest in Asian countries: speaking of cooperation with the countries of the region, he said that in these countries there are no political pre-conditions in matters of economic cooperation.

Talking about the Asian trend in the national foreign policy it should be noted that relations with Turkey have a great perspective and obviously would be a priority for Minsk. In the modern history our countries are linked by relations of mutual sympathy.

For example, Turkey was the first country to recognize the independence of Belarus in 1918 and in 1992. Special symbolism can be seen in the fact that diplomatic relations between the two countries were established on 25.03.1992 (on this day in 1918, the third charters which proclaimed the independence of Belarusian People's Republic was adopted). In recent years, Turkey has made a bid for the development of knowledge-intensive industries, including military production. This opens up opportunities for the development of the interstate industrial cooperation.

The development of the situation over the last month. Official Minsk does not reduce activity in the west. In March Belarusian diplomats held a series of meetings with representatives of the EU Member States and international organizations in Finland, Latvia, Slovakia, the UK; representatives of the EU, France, Italy and Lithuania. In addition, a meeting of representatives of the Foreign Ministry of Belarus with the experts of the OSCE Office for Democratic Institutions and Human Rights was held. At the same time Belarusian diplomats have expressed willingness to discuss in detail the findings and recommendations of the OSCE announced in the final report on elections to the House of Representatives in September 2012.

On March 12-13 Serbian President Tomislav Nikolic visited Minsk. This event has nothing to do with the Belarusian-European relations. Obviously, Belgrade, which has not very good relations with Brussels, is not suitable for the role of a mediator between the EU and Belarus. Each party has used the visit of Mr. Nikolic to solve their own problems:

- Minsk demonstrated a lack of political isolation;
- Belgrade gave a sign to Brussels that the accession to the EU may not be the only prospect for Serbia.

Relations between Belarus and Serbia are characterized by mutual understanding and lack of obstacles to the development of cooperation. Therefore, actual results of the visit of Serbian President slim.

On March 18-21, special rapporteur on Belarus European Parliament Mr. Paleckis visited Minsk, where he met with representatives of the opposition and the authorities. The main topics of discussion were the situation of political prisoners and the prospect of holding transparent elections to the local councils. Significant result can't be expected of this visit. Among opponents of the regime of Belarusian Mr. Paleckis has a reputation of lobbyist of Alexander Lukashenko and some doubts about the objectivity of the report prepared by him have been already expressed.

On March 13, 2013 volume of Russian oil deliveries to Belarus in the 2nd quarter of this year was finally agreed. The Russian party satisfied the demands of Belarusian one, but Minsk failed to achieve an agreement for the whole year. It is quite clear that Russia links oil preferences to the issue of transfer of ownership or control of Belarusian companies' assets to Russia. The issue of compensation of the Russian budget losses because of Belarus exports of solvents in 2012 was also mentioned. Russia is ready to abandon the claims and sign oil balance for 2013 in case if it sees progress in the negotiations on the establishment of joint ventures with participation of Belarusian companies. However, Minsk can't agree for such conditions.

Against this background the results of Belarusian-Russian summit, held in St. Petersburg on March 15, 2013 are not really significant. The meeting of Alexander Lukashenko and Vladimir Putin took place in the framework of the Supreme State

Council of the Union of the two countries. The previous one took place more than a year ago. Both leaders have shown a kind of satisfaction with the results of bilateral cooperation. The most important of the documents, adopted at the summit, was two-sided Union budget for 2013, which is the source of funding for 38 joint programs. During the event, Russia once again expressed its interest in Belarusian assets. However, there wasn't something precise, just still common phrases about plans for the future.

On March 26, 2013 head of one of the most influential human rights organizations "Freedom House" Mr. Kramer again called on the West to impose sanctions against Belarusian exporters in order to force the official Minsk to release political prisoners. It should be noted that the "Freedom House" is closely connected with the governments of several Western countries. Among the leaders of the organization there are many former high-level government officials. Thus, the statement of Mr. Kramer can be not only initiative of a representative of the international human rights movement, but also the position of the Western elites. There are various ways to assess the objectivity of assessments given by the organization, but "Freedom House" should not be ignored by Belarusian authorities. Especially considering the allegations that the regime of Alexander Lukashenko is a danger to international security and "threatens not only those who live in the country but also people abroad". It is interesting to note the organization's leaders (the head of "Freedom House" Mr. Kremer and program manager for Eurasia Mr. Cork) directly study the situation in Belarus.

It is also necessary to admit, that on March 6, 2013 an extraordinary Conference of Belarusian biathlon federation was held. As the result the chairman of the federation and the former KGB chief Mr. Zaitsev has replaced by the current head of KGB Mr. Vakulchik.

In March, Alexander Lukashenko showed his intention to continue strict policy in the field of public administration. Besides the weakening of the "White Rus", anti-corruption rhetoric and the reduction of the state apparatus, on March 2, 2013 he ordered to study where officials, who left the public service, found a job. At the same time, Belarusian leader accused them of lobbying the interests of the commercial structures, where they subsequently go to work. It's really urgent question: officials often use their official authority and communication to protect and promote the interests of commercial structures. Or, they create and develop their own businesses, registering them to relatives or nominees. Such a situation is not new and the fact that President Lukashenko is trying to deal with it only now can be associated with de facto start of the electoral cycle, which takes place against the background of a low ranking of Belarusian leader and acute issues of corruption and abuse of power.

Conclusions. Under the conditions of political isolation in the West, the unsatisfactory results of cooperation with China and quite chilly relations with Moscow cooperation with medium and large Third World countries may to some extent compensate for failures in dealing with global and regional geopolitical centers. In addition, a return to the "long arc" strategy may be an indirect evidence that the integration processes within the CIS are not developing in the way Belarusian authorities like.

In the light of above stated, the distribution of supervised regions of Deputy Ministers of Foreign Affairs of Belarus gets quite important. For example, against all expectations the ex-advisor of Alexander Lukashenko on Foreign Affairs Vladimir

Rybakov was appointed to the post of deputy minister and would be responsible for cooperation with countries in the Middle East and Southeast Asia, while he is a specialist in the field of North America. Taking into account his relations with Mr. Lukashenko, it can be stated that Mr. Rybakov is responsible for the relations with the regions, that are the main priority for the Belarusian foreign policy. Thus, there is no reason to regard his new responsibilities as a sign of disfavour. The priority of the Middle East and Southeast Asia, is related specifically to economic factors:

-These regions have significant and promising domestic markets for export of Belarusian products;

-They also have significant technological reserve and financial resources and may be considered as prospective investors in Belarus.

Moreover, that political relations between Belarus and the countries in these regions have no conflict component. At least because of the fact that with most of these countries Belarus has actually no political relations. Careful attention to Asia may be an indirect evidence that the prospects of relations with the West are currently seen not very optimistic and promising by Belarusian authorities.

The resignation of Mr. Zaitsev from the post of chairman of the Federation of biathlon suggests that he dropped out of the “power circle”. In Belarus, the fact of official’s being a leader of a sport federation is an indirect evidence of his proximity to the country’s leader, the confirmation that he’s part of the system. For example, the former head of the State Border Committee Major General Rachkovsky saved his position as Chairman of the Sailing Federation, and later took the presidency of the National Olympic Committee - a “favourite child” of Alexander Lukashenko.

The internal situation: the opposition and the protest movement.

The most important events of the month. In March, the opposition was mainly focused on the issues of the upcoming 2014 elections to the local councils, the fate of political prisoners and the privatization of state property.

The most notable event was the meeting of deputies of the Supreme Soviet of the 13th convocation held at the initiative of the United Civil Party on March 15, 2013. There were 11 former parliamentarians from 260. The meeting adopted a declaration in support of economic and political sovereignty of the country, which is threatened by sale of state property by the authorities. Possible deals on sale of strategic assets and natural resources were declared to be not in the interests of Belarusian people. At this rate they were also declared to be illegal and subject to revision.

Before the event there was an attempt to justify the legitimacy of a legal meeting of former members of parliament, as the sole legitimate government at the moment. The latter statement is at least debatable. However, the UCP strategy of a consistent denial of the legitimacy of the current regime on formal grounds is interesting.

The development of the situation over the last month. The attention here is mainly drawn to the election campaigns of 2014-2015, and the opposition organizations, which will take part in these campaigns. The civil campaign “Nash dom” (Our House) declared the intention to take part in the elections to the local councils. The statement isn’t a surprise, taking into consideration the high probability of nominating the leader of the campaign Olga Karach a presidential candidate in the elections of 2015. The drawbacks of “Nash dom” are weakness of its structures and the overall low quality of

the activists. The campaign is positioning itself as a non-political initiative aimed at solving local problems in their work and is focused on working with the local authorities. At this rate, it supports the growing role of the Councils of Deputies.

Attempts of the authorities to resume dialogue with the West aren't unnoticed by opponents of the regime. On March 29, 2013 Belarusian Christian Democracy party called on all opposition organizations to develop a common position on the prospects for the abolition of restrictive measures by the EU and to reaffirm the joint demands of opposition groups on the unconditional release and rehabilitation of all political prisoners in Belarus. It is clear that the requirement of rehabilitation is impossible for the Belarusian authorities. It should be replaced by more realistic conditions. For example, the principle of registration of social, political and religious organizations and the media just after their application for registration. This requirement has a chance of being accepted by the authorities, as they still will be able to liquidate the organizations at any time. However, the implementation of this measure for registration of non-governmental organizations and the media would be a good message to the West, and would greatly simplify the situation for the opposition and civil society in Belarus. At the moment, a number of political organizations and community initiatives, that are already working, are not registered: campaign "Tell the Truth!", BCD party, "European perspective" and many others. At the same time, the level of effectiveness of their activities is at least not below the level of registered entities.

It is interesting to note that the statement of BCD contains a call for opposition groups not to "speak in different voices in meetings with foreign representatives who come to Belarus, as well as during your visits to the West". The latter contains a very clear allusion to the Movement "For Freedom", whose leaders are regularly publicly accused of compromising attitude towards the regime, and not publicly - in relations with Belarusian secret services. The latter accusation is traditional for Belarusian opposition politicians and shouldn't be appreciated literally.

Conclusions. Statement by ex-members of the Supreme Council on March 15, 2013 uses unspecified definition "strategic assets". It is not clear what assets belong to the strategic ones and the issue of the privatization of non-strategic assets is not covered as well. Currently the opposition can't influence the privatization, but such statements definitely complicate the task of the Government for Belarusian enterprises' joining the structure of non-Russian companies.

It should be noted that the statement of the UCP corresponds to public opinion: according to opinion polls more than 50% of Belarusians are firmly against allowing the privatization of state-owned assets to any foreign investors.

Rigid denial of the possibility of privatization on the part of the opposition may be counterproductive, since it draws the opponents of the regime out of the theoretically possible range of actors that can influence the process of sale of state property. It's necessary to admit, that a Vilnius memorandum of opposition and BNR (adopted in November 2012) recognized the vulnerability of privatization deals and their possible revision in the future. So, it was less severe as compared with the position of UCP. In this situation it seems logical not to deny the very possibility of privatization, which is imminent, but to struggle for a transparent procedure for both the sale of state property and the subsequent usage of the finance acquired.

It is unlikely that participation of “Nash dom” in the election of 2014 will be broad. There is no reason to believe that the campaign will increase its capacity by 2015. Talking about presidential ambitions of Mrs. Karach, it is necessary to take into consideration the conservative Belarusian society. However, her activity as a national-level politician may have an impact on the possible situation among opposition candidates. Being the only female candidate Mrs. Karatch is likely to be able to get the support of some European left-liberal circles (due to the notorious “gender issue”). Having currently small chance to mobilize necessary team for participation in the presidential election having sufficient financial resources, Mrs. Karach, however, will be able to improve her status and influence by supporting a strong opposition candidate on favourable terms for her.

Economic situation.

The most important events of the month. March proved to be not rich in the economic news and events, in comparison to February. According to the results of the Government meeting with the participation of Alexander Lukashenko no decision on a sharp adjustment of the current strategy has been made, and actually the state of uncertainty about the future actions of the Government still takes place.

It is impossible not to note the deterioration of potential conditions for the planned sources of refinancing debt. The banking crisis in Cyprus has led to increased confidence of investors with assets of developing countries, which led to a drop in prices of Belarusian Eurobonds and correspondingly increase the current yield on them to the level of 6.8-7.3%. Thus, as a result of delays in the process of redistributing sovereign bonds most favorable situation on the world markets was lost, and it is likely that the resources from this source will be more expensive than anticipated at first.

The development of the situation over the last month. Current statistics on reserves and government debt is a little bit positive. For example, in March, with the essential payments on external debt, the international reserves slightly increased (by USD 136.2 million to the level of USD 8 148.7 million), and foreign debt decreased slightly (by USD 53.3 million) as well. The rise in reserves was due to the favorable situation on the currency market, where in March the population and legal entities were net sellers of currency totalling USD 396,8 million. At the same time in February there was a slight deterioration in foreign trade, partly due to the fall of investment activity in Russia which resulted in a drop in sales of machine-building enterprises of Belarus.

The saturation in the present circumstances, perhaps, was reached by the domestic foreign currency bonds market for individuals. According to the Ministry of Finance, on April 1, 2013 the people bought government currency bonds of third issue, the placement of which began on January 30, 2013, for the amount of USD 36,25 million (72.51% of the issue). The capitalization of the market can be increased only through the creation of a secondary market of bonds, which has been previously discussed, but has not been implemented.

Belarusian authorities continue active working on attracting loans from international institutions and other states. So, the request to the Russian authorities to provide a loan of USD 2 billion to modernize the industry was officially announced. Judging by the statements of representatives of Russian and Belarusian authorities, the probability of allocation of credit is quite high.

More concrete dialogue has been achieved with the IMF officials who visited the country in March with a mission for post-program monitoring. Finance Minister Mr. Kharkavets said the government together with the National Bank started to develop a program for the development of the concept, which describes the overall medium-term development strategy for the country's economy, which is planned to be provided for consideration to the IMF's spring session.

In addition to the negotiations with the authorities, on the basis of monitoring the IMF publicly announced the assessment of the current macroeconomic situation in Belarus. Special attention was paid to the risks associated with a possible weakening of monetary policy, which can be exercised to ensure the planned growth of the economy in 2013. Similar concerns were expressed later by the experts of the Eurasian Development Bank, who assessed the potential of the balanced growth of the Belarusian economy in the coming years at 2-4% per year instead of 8.5%, which was planned Government for the current year.

In fact, the first two months of this year Belarusian economy showed growth of 4.4%. However, this figure does not fully reflect the development of business activity in the country, because it has been achieved at the expense of an increase in net taxes, and was accompanied by a rapid growth in inventories in the industry.

Conclusions. One of the possible sources of the net growth of the foreign exchange market on the part of the resident legal entities may be the growth of foreign currency lending, followed by conversion of the loan in Belarusian rubles, which will be clear only in May. Confirmation of this hypothesis would mean an increase in prudential risks in the banking system.

In general, the financial situation in the country over the past month has not changed significantly. The authorities have enough leverage to ensure macro stability in the conditions of low economic growth (an adequate and stable level of reserves, available sources of refinancing of debt, minor deficit of balance of payments), but plans to modernize the industry and achieve rapid GDP growth in 2013 are doubtful. One can only believe the Minister of Finance Mr. Kharkovets that “if there is a standing issue: the current macro-economic stability, medium-term one, or some local problems related to the support of some enterprises and so on, then surely, the government will choose the main thing - macroeconomic stability”.

National Security and Defence.

The most important events of the month. At the moment there is no information about the preparation and sending for the approve of President Lukashenko the provisions on Department for operational-search activity, which was to be developed by April 1, 2013 by the MIA. It is highly probable that this document will be confidential. This indirectly confirms the assumption, expressed in our [analytical report](#) for the previous month, that the new Department of Ministry of Internal Affairs will be given additional powers in the area of domestic intelligence.

A key problem is the lack of funding for defence purposes. 2012 was a year of recovery of its volume, that fell sharply since the devaluation of the national currency in 2011. Despite significant ruble increase in military spending in the past year, there were significant budget constraints. The authorities managed to fund key priority programs to

improve the material and technical base and enhance the combat readiness of the Armed Forces.

Cut of the combat aircraft by nearly one third allowed to provide a sufficient amount of kerosene to the remaining aircraft.

It's impossible to count on the fundamental improvement of the situation in the current year. At the March meeting of the Board of the Ministry of Defence the issues of financial and economic activities and measures for the rational and effective spending of funds in 2013 were discussed. As noted by Major General Galeznik inflation-adjusted budget performance in 2013 will be carried out in a tight economy.

Thus, the growth of the defence budget for 2013 compared to 2012 was 25.8% while inflation over the past year was 21.8%. Inflation in the first two months of this year is about 4.3%, or 22.7% a year. Thus, the increase in military spending did not actually happen. In the situation of high inflation the fixation of the military budget not in absolute terms, but in the terms of percentage of GDP is the best variant.

Joint tactical exercises "West-2013" and the joint exercise of the Collective Rapid Response Forces of the Collective Security Treaty (hereinafter CSTO) "Interaction 2013", which will require significant financial resources, are a big problem for Belarusian generals.

The development of the situation over the last month. The launch of a newly adopted state program of development and equipping of the national Armed Forces with the communications, electronic warfare, navigation and topographic support domestic production was announced.

In March, on the basis of the Minsk State Higher Aviation College, training of operators and technical staff to organize the operation of unmanned aerial vehicles for the Ministry of Defence began. Another step in the introduction of unmanned aircraft systems (hereinafter UAS) in the interests of national defence was made. Judging by the fact, that special training of staff is required, it is expected that over time, the UAS will be widely used in Belarusian Army. Currently only Russian spacecraft "Irkut-3" and "Irkut-10", which this year should be supplemented by a more powerful (and more complicated to use) domestic UAS "Grif-1" with a range of 100 km, are used. The work to build the UAS with a range of 300 km is carried out. At the moment Belarus can boast of a series of unmanned helicopters "Indela".

On March 4, 2013 Alexander Lukashenko signed a decree "On improving the system of the prosecution". The document provides for the combination of several prosecutors cities and districts, urban districts. The reorganization is aimed at optimizing the structure and staffing levels of appropriate prosecutors, including with through reducing the administrative board, in order to save the budget.

One of the most important items of the March voyage of the Belarusian delegation to Asia was the discussion of prospects of military-technical cooperation with the countries of the region. The Belarusian-Indonesian cooperation is of greatest potential. This country has the fourth largest armed forces in Southeast Asia (after Vietnam, Myanmar and Thailand). For nearly 20 years, Indonesian Army hadn't carried out renewal of arms, many types of equipment need reparation, upgrade or replacement. In recent years, Indonesia has started to gradually increase its defence capabilities. However, Belarus can't rely on the fact that the Indonesian market will be a breakthrough

for our military industry. The point is, that Indonesia carries out the upgrade of weapons mainly by loans from sellers of weapons. And opportunities for Belarus to allocate preferential export credits are extremely limited.

More interesting is the study of the experience of Singapore. The city-state, despite its tiny size, has a significant defence potential. It's enough to note that the size of the Army of Singapore is 1.5 times larger than the size of the Belarusian one, while Singapore has almost 3 times lesser population and nearly 300 times lesser area. At the same time the country managed to create a competitive military-industrial complex, including through import of military technology and their subsequent improvement on their own.

Speaking about the prospects of supplies of Belarusian products and services for defence purposes in Singapore and the United Arab Emirates it should be noted that these countries have a high level of solvency and purchase the latest products from leading manufacturers. It is extremely difficult to gain a foothold in their markets for small and medium-sized suppliers.

On March 26, 2013 Alexander Lukashenko met the CSTO Secretary General Nikolai Bordyuzha. During the meeting the parties discussed prospects of development of the military component of the Organization and voiced thoughts about the possible engagement of its mechanisms for the protection of the regimes in the member states. The latter is purely theoretical point and is intended to give the appearance of a monolithic CSTO alliance, ready to confront both external and internal threats. What actually isn't observed. The massacre of Uzbeks in Kyrgyzstan in 2010 and last year's escalation of the situation on the Armenian-Azerbaijani border give the reason to think that in a crisis situation the CSTO countries won't show solidarity and act together.

In March, the Shareholders' Meeting of Orsha Aircraft Repair Plant took place. At the moment a majority stake is owned by Ukrainian corporation "Motor Sich". During the meeting, the new owner announced ambitious plans to transform the company of Aircraft Production into the producer of a new generation of helicopters MSB-2, based upon the proven model of the Mi-2. In fact, it is about creating fundamentally new production in Belarus.

On March 27-28, the CIS Executive Committee held a meeting of the expert group on the harmonization of the draft program of cooperation to combat terrorism and other violent manifestations of extremism.

The new program will be the sixth document of this kind. Its purpose is to promote cooperation to counter terrorism. It provides for joint prevention, search operations and special operations, interaction with international organizations, information and analysis activities, cooperation in training and skills development.

Among the main objectives there are:

- Discussion of issues in the course of counter-terrorism activities undertaken in the framework of united air defence system of the CIS (when obtaining information about the seizure (theft) of the aircraft);

- Joint counter-terrorism exercises and joint command and staff training;

- Annual exercises of special units of the MIA, border authorities, customs authorities of the CIS;

-A joint exercise of the CIS member states “Comradeship” with working out of counter-terrorism issues.

Conclusions. Currently, there is no reason to consider the CSTO as a reliable tool to ensure the security of the member states. The reason for this lies in the fact that the creation of the CSTO was the result of Russia’s efforts to maintain the status of a regional power, security threats here are a secondary factor. This is indirectly evidenced by the funding situation of the block. CSTO budget for 2011 amounted to USD 6,000,000 and has since increased slightly. And without the capacity (and significant) financing activities of the CSTO Russia’s attempts to ensure its viability have doubtful prospects of success. Just for comparison, the budget of the Union of Belarus and Russia has remained stable in recent years and is about USD 150-170 million. All questions addressed in the framework of the CSTO, could be solved just within Belarusian-Russian bilateral cooperation.

In this situation, the motivation of Belarus’ participation in the CSTO is likely mercantile: it is possible that participation in the block is a necessary condition for obtaining various kinds of preferences from Russia. However, it is doubtful that these preferences are sufficiently significant to allow Moscow to put under the supervision and guidance the power potential of other member states. Thus, at the present time the viability of the CSTO is determined solely by the political will and financial resources of the Kremlin. The organization is showing signs of life for as long as there is the will of Moscow for that.

Prospects for the creation of its own production of helicopters in Orsha are now quite vague. Taking into consideration the conservative nature of aviation market and the duration of the cycle of development and certification of new technology, we can talk about it only in the future tense, and so far only theoretically. The support of the project by the authorities will have great importance for its success.

After the consolidation of prosecutors offices similar steps with respect to the security forces, especially the Interior Ministry and the Investigative Committee can be expected. The most logical here seems to be uniting the territorial departments and cities of regional subordination and the districts in the cities of regional subordination. Consolidation of various governance structures is one of the tools to optimize the number of the state apparatus.

