

INTERNATIONAL WEEKLY

№ 25-26

23.08.2013 – 08.09.2013



Foreign
Policy
Research
Institute



Friedrich Naumann
STIFTUNG
FÜR DIE FREIHEIT

UKRAINE – THE EUROPEAN UNION



KEY THEME ANALYSIS

RUSSIAN SANCTIONS MADE UKRAINIAN GOVERNMENT AND OPPOSITION TEMPORARILY UNITED AROUND THE GOAL OF EUROPEAN INTEGRATION.

Russia's trade war has reminded the Ukrainian authorities and opposition that they were 'all in the same boat', and survival instinct forced them to 'sail' together towards the Vilnius summit. **On September 5, 2013 the Ukrainian Parliament has adopted five laws necessary to sign an Association Agreement with the EU.** Over 300 MPs voted for each of them, notwithstanding the opposition did not hide its dissatisfaction with the fact that ruling Party or Regions, under the pretext of European integration, had conducted the provisions to strengthen the power of Viktor Yanukovich. In particular, according to the law, adopted to strengthen the judicial independence, henceforth judges will be appointed and dismissed only by the President of Ukraine upon submission of the High Council of Justice (while the latter is considered to be controlled by the V. Yanukovich's team).

The Parliament has also adopted some other laws, necessary to sign an Association Agreement, including the amendments to the Penal Code concerning improving the conditions of detention; law on repayments on court decisions for the state responsibility; amendments to the Customs Tariff; and appointment of re-election in five single-member constituencies on December 15, 2013. The opposition believes that the latter bill was the only one, in respect of which the government had made concessions, abandoning its prior idea of appointing re-election on December 22, and removing the requirement of re-election in the constituencies of Pavlo Baloga and Olexander Dombrovski¹.

At the same time, the Ukrainian Parliament Committee on Human Rights decided to contact the EU with request to remove the requirement of including 'sexual minorities' in the draft law on preventing and combating discrimination. It is hoped that the EU would take into account 'not the best' time for consideration of this issue in Ukraine. Actually the situation on 'discrimination' of sexual minorities in Ukraine is about the same as on the 'discrimination' of Russian language: de-facto there is no discrimination, however the politicization of the issue could divide the society due to the strong influence of pro-Russian media propaganda.

On the eve of the Parliament session, the result of voting for the 'European integration laws' was considered to be doubtful because of

¹ Яценюк не зізнався, як переконував владу проголосувати за вибори. - <http://www.pravda.com.ua/news/2013/09/5/6997392/>

concerns that they would not be supported by the MPs from the ruling Party of Regions. In August, a number of MPs from the Party of Regions (O.Tsarov, V. Kolesnichenko, V.Boguslayev, N.Shufrych and some others) declared their opposition to the Association Agreement and DCFTA with the EU. On September 3, V.Yanukovych made a speech in the Parliament in order to convince his allies: the President called to 'forget the party colors' and to adopt laws necessary to sign an Association Agreement². The next day, on September 4, V.Yanukovych held a meeting with PMs from the Party of Regions, and convinced the audience to support European integration. The President encouraged PMs with the promise that the Cabinet of Ministers together with PMs would prepare a set of measures to protect the interests of the Ukrainian manufacturers³.

V.Yanukovych's speech in the Parliament as well as his meeting with MPs from the Party of Regions indicates the following:

1. The President of Ukraine has finally taken the strategic decision on the priority of the Association Agreement with the EU. So the Agreement is no longer a part of bargaining with Russia. The bargaining with Russia could be possible only after the Vilnius summit and in the status of the EU's 'associate member' with DCFTA.

2. Despite the Kremlin's efforts, V.Yanukovych has not lost his monopoly control over the Party of Regions and its faction in the Verkhovna Rada. In summer there was no confidence about which union the President would choose – the European Union or the Customs Union. Therefore some PMs from the Party of Regions allowed themselves to oppose the European integration course. However, at the meeting with V.Yanukovych no single MP from the ruling party has dared to stand against the President's will⁴. So it can be expected that the parliamentary faction of the Party of Regions would support the 'European integration laws', being supported with the opposition. And V.Putin would perhaps make same conclusions about the providers of his interests in Ukraine: he has obviously overestimated their potential.

The situation concerning another requirement of the EU, namely the Yulia Tymoshenko's issue, is more complicated. On the one hand, 'Deutsche Welle' wrote that the Berlin clinic 'Charite' had been preparing to take the Y.Tymoshenko. Polish 'Gazeta Wyborcza' even named September 15, as a date of ex-prime minister's possible arrival to Berlin⁵. On the other hand, neither the Minister for Foreign Affairs of Ukraine Leonid Kozhara, nor the spokesperson of the 'Charite' Uwe Dolderer could confirm or deny such information. Herewith L.Kozhara noted that the MFA had not held negotiations on Y.Tymoshenko's possible treatment in Germany. V.Yanukovych has commented on Y.Tymoshenko's issue in his interview with the Ukrainian TV channels. On the one hand, the President said that the 'humanitarian approach' should take place; on the other hand, he said that current Ukrainian legislation could not provide the possibility of treatment abroad⁶.

The uncertainty around Y.Tymoshenko's fate makes it clear that her issue is still being negotiated with EU representatives. It can be assumed that the Ukrainian

² Політична еліта має консолідуватися заради України – Президент.
<http://www.president.gov.ua/news/28656.html>

³ Как Янукович агитировал регионалов за ЕС. - <http://forbes.ua/nation/1357594-kak-yanukovich-agitiroval-regionalov-za-es>

⁴ Партія регіонів обіцяє одностайно підтримати євроінтеграцію. -
<http://www.pravda.com.ua/news/2013/09/4/6997304/>

⁵ Три шляхи Януковича у питанні Тимошенко: звільнення, лікування за кордоном або відмова від євроінтеграції. - <http://tyzhden.ua/News/88470>

⁶ Янукович заговорив про "гуманітарний підхід" до Тимошенко. -
<http://www.pravda.com.ua/news/2013/08/30/6996952/>

authorities would try to convince the EU to satisfy with the adoption of the 'European integration laws'.

It is obviously that V.Putin would continue to seek new sensitive arguments to put pressure on V.Yanukovych, persuading him to abandon the European integration and to join the Customs Union. By the way, V.Putin has already found some 'arguments' for the President of Armenia S.Sargsyan, whose country was going to initial its own Association Agreement with the EU on the Vilnius summit. After the meeting with Russian President, S.Sargsyan said that Armenia would join the Customs Union. Experts believe that conversation of two Presidents has included Nagorno-Karabakh issue.

Commenting on the prospects of signing the Ukraine-EU Association Agreement in his interview to the 'First Channel' and the 'Associated Press', V.Putin expressed doubts about the future of Ukrainian aviation and space industry without Russian market. He also said that Ukraine had got a part of its territory and population "from Russia". V.Putin 'promised': "You know, no matter what happens and wherever Ukraine goes, we will meet sometime and somewhere. Why? Because we are a single nation."⁷ Adviser to Russian President **Sergey Glazyev** said that if the Association Agreement is signed, **Ukraine** will not be able to get an observer status in the CU/EEC, and **"will not be a strategic or even a full partner for us"**⁸.

The EU's warning to Russia with demands to stop pressure on Ukraine helps Kyiv to withstand with Kremlin's threats. The Minister of Foreign Affairs of the Republic of Lithuania **Linas Linkevicius** **warned Moscow that pressure on Kyiv due to the Association Agreement "will affect the EU-Russia dialog."**

⁹ On September 3, *Foreign Ministers of eight North-Baltic countries* (Nordic-Baltic Eight) in a joint statement expressed their support for signing the Association Agreement with Ukraine, and called unacceptable all the threats and pressure on the countries of the Eastern Partnership due to their European aspirations. *The European Parliament's Committee on Foreign Affairs* also unanimously condemned Russia's trade confrontation with Kyiv.¹⁰ EU Commissioner **Stefan Fule** said that "any pressure on Ukraine related to its desire to sign the Association Agreement with the European Union is unacceptable."¹¹

It is important for Kyiv not to interpret the support, expressed by the European Union, as the final decision of the latter to sign the Association Agreement. The Ukrainian government should listen to its representative to the EU **Kostiantyn Yelisieiev**, who denied the sentiments that, due to Moscow's pressure on Kyiv, Brussels had weakened the requirements for signing of the Association Agreement: *"It's just a rumor. I want to deny it. Planned work and defined criteria are executed by us. Nobody took them off."*¹²

⁷ Интервью Первому каналу и агентству Ассошиэйтед Пресс. - <http://kremlin.ru/news/19143>

⁸ С подписанием СА Украина перестает быть не просто стратегическим, но даже полноценным партнером. - <http://www.kommersant.ua/doc/2270177/>

⁹ У Європі попереджають Росію: за тиск на Україну буде реакція. <http://www.pravda.com.ua/news/2013/09/4/6997260/>

¹⁰ Європа буде говорити із Росією про Україну на саміті G20. <http://www.pravda.com.ua/news/2013/08/29/6996877/>

¹¹ Fule: Pressure on Ukraine to prevent signing of Association Agreement with EU is unacceptable. - <http://en.interfax.com.ua/news/general/165574.html>

¹² К. Єлісєєв: Євросоюз не послабив Україні критерії для «асоціації». - <http://eu.prostir.ua/news/259080.html>

UKRAINE – NATO



KEY THEME ANALYSIS

SYRIAN CONFLICT: THE EROSION OF POLITICAL SOLIDARITY IN NATO AND THE FALL OF THE INTERNATIONAL ROLE OF THE UN?

Syrian conflict turned the Russian-American 'reset' into cold relations like they had been during the Russian-Georgian war of 2008. The conflict also indicated the failure of Barack Obama's foreign policy strategy, as well as the **further erosion of political solidarity in NATO**. During the Libyan operation in 2011 most major powers of NATO (except Germany) militarily and financially supported operation against Muammar Qaddafi. Contrarily, US initiative concerning possible operation in Syria has not received even political support from most Alliance members.

On August 28, after the North Atlantic Council meeting on Syria, Secretary General Anders Fogh Rasmussen could only proclaim "the strongest condemnation" of the use of chemical weapons, and that "NATO Allies expressed their full support to the ongoing UN investigation."¹³ At a press conference on September 2, A.Rasmussen confirmed that it was up to individual NATO countries to decide how they would respond to the attack and he did not envisage any NATO role beyond existing plans to defend NATO member Turkey, which borders Syria¹⁴.

Barack Obama's decision to strike the positions of Bashar al-Assad was openly supported only by France, which has recently stepped up its policy towards the Middle East region. Even the UK, being traditionally the closest US ally, by decision of its Parliament refused to support the military operation. UN Secretary-General Ban Ki-moon called against the military strike on Syria as well¹⁵. According to the polls, 59% of Americans¹⁶ and 71% of Britons¹⁷ are against the military operation. B.Obama seems to become a prisoner of his own hasty statements about the necessity of B.Assad resignation and about the 'red lines' of using the chemical weapons. Now B.Obama needs to preserve the face (both his own and the US as a superpower) and to support the

¹³ NATO Secretary General Statement on North Atlantic Council Meeting on Syria. -

[http://www.nato.int/cps/uk/SID-D55DD341-](http://www.nato.int/cps/uk/SID-D55DD341-33FDF7F5/natolive/news_102590.htm?bInSublanguage=true&selectedLocale=en&submit.x=6&submit.y=8)

[33FDF7F5/natolive/news_102590.htm?bInSublanguage=true&selectedLocale=en&submit.x=6&submit.y=8](http://www.nato.int/cps/uk/SID-D55DD341-33FDF7F5/natolive/news_102590.htm?bInSublanguage=true&selectedLocale=en&submit.x=6&submit.y=8)

¹⁴ NATO chief convinced Syrian government behind chemical attack. -

<http://www.reuters.com/article/2013/09/02/us-syria-crisis-nato-idUSBRE9810BO20130902>

¹⁵ Керівник ООН виступив проти «каральної акції» в Сирії. -

<http://www.radiosvoboda.org/content/article/25094806.html>

¹⁶ Американці проти ударів по Сирії. - <http://ukrainian.voanews.com/content/syria-us-polls/1743111.html>

¹⁷ Опитування BBC: британці підтримують рішення парламенту. -

http://www.bbc.co.uk/ukrainian/politics/2013/09/130902_poll_syria_bbc_or.shtml

Syrian opposition, which includes Al-Qaeda allies, who are killing Christians in Syria¹⁸.

Ukrainian official position on Syrian issue was balanced. Unlike Moscow and Washington, Kyiv did not express support for any side of the conflict – neither the dictator B.Assad nor Islamist opposition. Herewith, *Ukrainian President Viktor Yanukovich* in his interview with TV channels said: *"We strongly object to solve these problems by military means."*¹⁹

The EU position was similar. On September 5, at a briefing at the G-20 Summit President of the European Commission *Jose Manuel Barroso* said: *"The European Union is certain that the efforts should be aimed at a political settlement."*²⁰ European Council President *Herman Van Rompuy* told reporters in St. Petersburg: *"There is no military solution to the Syrian conflict, only a political solution can end the terrible slaughter and grave violations of human rights"*.²¹

It seems that not everyone was satisfied with Ukrainian balanced position. On September 4, Syrian Ambassador to Ukraine Mohamed Said Akil stated that Ukrainian citizens had been fighting on the side of anti-government forces in Syria. Let us hope that the idea to draw Ukraine into the conflict was prompted to Syrians not by their friends from the Kremlin. Whatever it was, it demonstrated **Ukraine's unpreparedness to such provocations.** Though the Ministry of Foreign Affairs of Ukraine and the Security Service of Ukraine quickly refuted Syrian Ambassador's statement, but the Chairman of the Mejlis of the Crimean Tatar people, MP Mustafa Jemilev said that several Crimean Tatars had gone to Syria to fight on the opposition's side. He added that the Mejlis disapproved of their departure for Syria and called on Crimean Tatars not to travel to the country.²² It is possible that M.Jemilev's words about few Tatars, who went to Syria on their own free will, might be used by the Kremlin media to talk about 'mass participation' of 'Ukrainian fighters' on the side of the Syrian opposition.

Both the Majlis and the official Kyiv didn't want Crimean Tatars to be involved in the Syrian conflict. And it was easy to predict possible rumors about Crimean Tatars 'participation' in the Syrian conflict. The current situation demonstrated the dangers of the Crimean authorities' policy to create new Tatar's organizations as an alternative to the Mejlis. This policy has not added support among Tatars, but could possibly strengthen radical Islamist movements, who would be much less focused on Kyiv than the Majlis.

Possible US military action against Syria contains a number of risks for the whole world, and for Ukraine in particular. US President B.Obama's decision to conduct military operation without the approval of the UN Security Council would strengthen the dangerous trends to ignore international law, and would ultimately undermine the influence of the UN. Given that the US are not ready to fully perform the role of 'world policeman' (largely due to B.Obama's policy), precedent of open ignoring the UNSC position on the background of NATO's political imbalance might provoke a chain reaction of unilateral use of force in the conflict issues by large regional states.

For Ukraine and for other CIS countries it may result in increasing pressure and new threats from Russia. Given that Eastern Europe is not listed in B.Obama's foreign policy priorities, so Ukrainians, unlike Syrian Islamists, couldn't

¹⁸ У Сирії повстанці атакували християнське село. - <http://www.radiosvoboda.org/content/article/25096886.html>

¹⁹ Україна виступає проти військового втручання в ситуацію в Сирії - Віктор Янукович. - <http://www.president.gov.ua/news/28601.html>

²⁰ Syria, NSA scandal push G20 summit agenda. - <http://rt.com/news/g20-political-tension-syria-473/>

²¹ EU Leaders Call for Political Solution to Syrian Crisis. - <http://en.ria.ru/world/20130905/183185883/EU-Leaders-Call-for-Political-Solution-to-Syrian-Crisis.html>

²² Foreign Ministry rejects Syrian diplomat's statement on Ukrainians' fighting in Syria on opposition's side. - <http://en.interfax.com.ua/news/general/166364.html>

count on US support. So the only proper position for Kyiv is to adhere to neutrality in the Syrian issue ... and to continue the policy of European integration, because it's better not to be alone in a world that moves towards ignoring the international law.



FOREIGN POLICY OF UKRAINE



KEY THEME ANALYSIS

RELEVANCE OF REDUCING UKRAINE'S ENERGY DEPENDENCE ON RUSSIA INCREASES WITH THE APPROACHING OF THE SCHEDULED DATE OF SIGNING THE ASSOCIATION AGREEMENT

Russia's trade war has proved that Moscow would not stop at any means to force Kyiv abandon the idea of European integration. And 'gas' lever of pressure has always been the most effective Kremlin's 'argument' in negotiations with Kyiv. Given that Russia did not agree to change the unjust gas contracts of 2009, Ukraine has chosen the strategy to reduce gas purchases to the level at which these agreements would lose the sense.

Kyiv has correctly calculated that the rapprochement with Europe should form good basis for reducing energy dependence on Russia. Ukraine refers to the rules of the Energy Community's Third Energy Package when negotiating on the re-export of Russian gas and possible virtual re-export. These issues were discussed in Brussels on September 3, by Ukrainian Minister for Energy Eduard Stavytsky and EU Energy Commissioner Guenther Oettinger. Ukrainian party is seeking for the Commission decision on the legality of the planned changes to the technical agreements with the Slovak *Eustream*, which will allow *swap virtual re-export*. Virtual re-export is currently prevented with some technical problems; in particular, the Ukrainian side is not ready to provide Slovak partners with all the necessary gas transportation data in accordance with the EU rules of interoperability.²³ It is obviously that technical problems might be solved shortly in case of positive political decision at the EU-Ukraine level. And the eve of possible signing the Association Agreement is the right time for the respective negotiations.

The volume of gas to be uploaded this year into Ukrainian underground storage facilities by German RWE Supply & Trading is small. But the most important achievement in this respect is change of level and nature of relations between Ukraine and the European gas market. During the 'gas crisis' of 2009, Ukraine's problems were 'far' for Europeans, and it was an additional catalyst for signing unfavorable contracts with Russia. Now Kyiv is actively engaging the EU to resolving its gas issues and has established partnerships relations with some major European companies.

Shale gas production, being another direction of obtaining energy independence, has run into unexpected obstacles in Ukraine. Ivano-Frankivsk and Lviv

²³ Поставки газу в Україну через Словаччину й досі не розпочалися. - <http://www.epravda.com.ua/news/2013/09/2/392474/>

regional councils have not agreed to grant Chevron the permission to start work on shale gas. On August 29, the Ministry of Ecology and Natural Resources of Ukraine reported the achievement of agreement with Chevron to meet some requirements of Ivano-Frankivsk and Lviv regional councils. In particular, regional councils will receive 10% of the state's share from gas sales; Chevron agrees to disclose to public authorities information about the chemicals used in hydraulic fracturing, and to fully compensate possible damage to the environment²⁴.

At the same time, analysts suggest that it could also go about the business interests of some regional council's deputies, as well as about the possible Russian role in blocking of shale gas projects. Environmental considerations have to be taken into account, especially given the tourism potential of Ivano-Frankivsk and Lviv regions. At the same time, Ukrainian authorities should remember Poland experience: the Internal Security Agency of the latter has claimed that Russian secret services had been involved in massive anti-shale-gas 'environmental' campaign²⁵. By the way, the most active campaign against shale gas production in Ukraine is conducted by pro-Russian politicians, who are also agitating for joining the Customs Union.

During last three years Ukraine has also increased own conventional gas extraction by 3 billion cubic meters, bringing it to 21 billion. Ukraine has increased as well its coal production from 69 million tons in 2009 to 87 million tons in 2013. President V.Yanukovich said that coal production would continue to increase, and three factories would be built to produce synthetic gas from coal²⁶.

In terms of energy and political independence, it is important that after several years of **hesitations**, Ukrainian government has finally taken **a decisive stance on** Moscow's persistent attempts to bind gas discount to joining the CU or to **obtaining of** the Ukrainian GTS. President V.Yanukovich called Russian propositions at 'gas' negotiations *humiliating* and unacceptable: "We will never agree to this. We will not sale our country, it is our principal position." ²⁷ The Minister of Economic Development of Ukraine Igor Prasolov has stated similar position in the interview to Emirati Arabic newspaper 'Al-Bayan': "I assure you: Ukraine will never pay with its national interest, security and sovereignty for cheap gas."²⁸

However, on the eve of winter, Kyiv should, apart the bold statements, take appropriate measures to protect Ukraine against possible cuts in Russian gas. Given the previous experience, it can be assumed that closer to the scheduled date of signing the Association Agreement, Russia may recall Ukraine's 'debt' of \$7 billion for unused contracted volume of gas (according to gas agreements of 2009), apply to the court, and simultaneously stop gas supply to Ukraine. By the way, Russian Deputy Prime Minister Dmitry Rogozin has already reminded Moldova (which plans to initial its own Association Agreement with the EU at the same Vilnius summit) that "energy is important, especially on the eve of the cold weather, cold autumn and winter. We hope that you would not freeze."²⁹

²⁴ Мінприроди та Chevron пішли на поступки щодо угоди про розподіл продукції. - <http://www.epravda.com.ua/news/2013/09/3/392625/>

²⁵ Сланцевый газ и национальная безопасность. - <http://www.inosmi.ru/world/20130902/212522570.html>

²⁶ Янукович погрожує все більше ігнорувати російський газ. - <http://www.pravda.com.ua/news/2013/09/5/6997394/>

²⁷ Янукович пообіцяв, що Україна буде скорочувати споживання російського газу. - <http://www.pravda.com.ua/news/2013/08/30/6996945/>

²⁸ Україна не розмінюватиме національні інтереси на дешевий російський газ – Прасолов. - http://www.ukrinform.ua/ukr/news/ukraiina_ne_rozminyuvatime_natsionalni_interesi_na_desheviy_rosiyskiy_gaz_prasolov_1859290

²⁹ Чи допоможе Брюссель знайти Києву газову альтернативу? - <http://www.radiosvoboda.org/content/article/25096169.html>