

INTERNATIONAL WEEKLY

№ 31-32

07.10.2013 – 20.10.2013



Foreign
Policy
Research
Institute



Friedrich Naumann
STIFTUNG
FÜR DIE FREIHEIT

UKRAINE – THE EUROPEAN UNION



KEY THEME ANALYSIS

YANUKOVYCH HAS SIGNED IN KRAKOW THE PROGRAM OF UKRAINIAN-POLISH COOPERATION FOR 2013-2015. BUT THE EXPECTED ANSWER ON THE TYMOSHENKO ISSUE HAS NOT MATERIALISED

On October 7 Viktor Yanukovych paid a visit to Krakow, where he met with the Presidents of Poland, Germany and Italy – Bronislaw Komorowski, Joachim Gauck and Giorgio Napolitano. The main purpose of the negotiations was probably to eliminate the last barriers to the signing of the Association Agreement and DCFTA between Ukraine and the EU, including the Tymoshenko case. The lack of respective statements after the negotiations makes it clear that the parties have failed to agree on this key issue, which jeopardizes the success of the Vilnius summit.

The Program of Ukrainian-Polish Cooperation for 2013-2015, signed by Yanukovych and Komorowski, might become an important step towards a deepening partnership between the two countries. The program provides support for the European integration aspirations of Kyiv, the strengthening of cooperation in trade, investment, agriculture, culture and education, defense and security, energy security, as well as the development of cross-border and interregional cooperation, and deepening of people to people contacts.

But it should be noted that **the success of the program largely depends on the signing of the Association Agreement and DCFTA in November**. It would be difficult to deepen Ukrainian-Polish trade relations without the functioning DCFTA; in addition, Warsaw would not be able to help Kyiv much in energy security issues without the political Associations being signed, because the fate of gas reverse to Ukraine largely depends on Brussels' and Berlin's positions. And Ukraine cannot expect any additional Polish support for its European integration, because Warsaw (unlike Kyiv itself) is already doing everything possible towards this.

The absence of the Presidents' statement on progress in the Tymoshenko issue after the negotiations in Krakow has disappointed the European and the Ukrainian communities. European officials were also disappointed with the need **to extend the Cox and Kwasniewski mission's mandate for another month**, after the mission's report on October 15. Even the Head of the Progressive Alliance of Socialists and Democrats **Hannes Swoboda** (who had usually been loyal to the current Ukrainian authorities and just a month ago had told reporters that the Tymoshenko issue could be addressed after the signing of the Association Agreement), after the report of the Cox and Kwasniewski mission said that *"the EP expects Yanukovych to give a clear signal that negotiations may have a positive outcome. This positive outcome is to do something to cut*

the verdict for Ms. Tymoshenko and let her go to Germany for medical treatment".¹

It should be noted that all parties to the negotiations (though not equally) are responsible for bringing the Tymoshenko issue to the current predicament:

- The Ukrainian authorities seems to be still unaware of the fact that even the readiness of most EU countries to turn a blind eye to the unresolved Tymoshenko's issue would not guarantee success in Vilnius, because even a sole vote 'against' might bury the Association Agreement. The French Ambassador to Ukraine **Alain Remy** clearly stated that "the Agreement will be impossible if Tymoshenko remains imprisoned";²

- Demands of the opposition to release Tymoshenko with her verdict being revoked are obviously impossible, because they actually ask for the capitulation of the Ukrainian authorities on this issue. Such unreal demands are unlikely to scare Arseniy Yatsenyuk and Vitali Klitschko as potential opposition candidates in the presidential election of 2015;

- Yulia Tymoshenko categorically refused to write a request for treatment abroad, but simply agreed to accept the respective proposal of Pat Cox and Alexander Kwasniewski – "for the sake of the historical and momentous Agreement with the EU";

- ***The lack of a clear and coherent EU position on the format and timing for the resolution of the Tymoshenko issue has given the Ukrainian authorities a false hope as if this problem could be addressed after the Vilnius summit, and with time might lose its urgency.***

In the present circumstances, **EU representatives show the greatest willingness for the various options for compromise:** a 'partial pardon', when Tymoshenko pays a \$200 million fine and loses civil rights for 3 years, including the right to run for the Presidency in 2015 (this version was made public by MEP Marek Siwiec³); or the adoption by the Ukrainian parliament of a law which will allow prisoners to travel abroad for medical treatment (Vice-President of the European Parliament Jacek Protasiewicz called on the Ukrainian opposition to support such an option).⁴

Ukrainian authorities outlined their own – and much narrower – limits of readiness for compromise: Minister of Justice Olena Lukash said that "Ukrainian legislation does not apply such a mechanism of a partial pardon".⁵ Viktor Yanukovich said instead that he would sign a law from Parliament which will allow prisoners to travel abroad for medical treatment.⁶ On October 18, MP from the faction of the ruling Party of Regions Mykola Rudkovskiy registered a draft law, according to which the court can determine the time and place for treatment abroad, and after the treatment the prisoner returns to Ukraine to continue serving the sentence. It is doubtful that such a variant is appropriate for the European Union, whose representatives have repeatedly emphasized that they wouldn't agree to the return of the former Prime Minister to prison after her treatment.

In any case, the Ukrainian authorities had better give up their attempts to find any workarounds on the Tymoshenko issue. **It is better to ensure the signing of the Association Agreement by releasing the ex-Prime Minister than adopt dubious laws with a potential threat to spoil relations with Berlin in the near future, because Tymoshenko is likely to claim political asylum during her medical treatment abroad, and Berlin would hardly refuse.**

¹ Ukraine or Tymoshenko? - <http://ukrainianweek.com/Politics/91822>

² Есть такая миссия. - <http://kommersant.ua/doc/2320825>.

³ Potrzebna dobra wola jednego człowieka. - <http://marekswiec.natemat.pl/78491,potrzebna-dobra-wola-jednego-czlowieka>

⁴ Опозиції слід прийняти пропозицію Януковича - віце-президент ЄП. - <http://www.pravda.com.ua/news/2013/10/18/7000234/>

⁵ A disease of the spine is not the grounds for the pardon of Tymoshenko - E.Lukash. - <http://www.unn.com.ua/en/news/1262166-khvoroba-khrebta-ne-ye-pidstavoyu-dlya-pomiluvannya-yu-tymoshenko-o-lukash>

⁶ President to sign law that allows Y. Tymoshenko travelling abroad for treatment if Parliament approves it. - <http://www.president.gov.ua/en/news/29166.html>

UKRAINE – NATO



KEY THEME ANALYSIS

DURING ITS AUTUMN PARLIAMENTARY ASSEMBLY SESSION NATO RESTATED THAT ITS DOOR REMAINS OPEN

On October 11-14, the NATO PA 59th Annual autumn Session was held in Dubrovnik (Croatia), which was attended by regular and associate members of the NATO PA. Ukraine was represented by the Permanent Delegation of the Parliament in the NATO PA, headed by MP Volodymyr Oliynik, as well as by the Head of the Mission of Ukraine to NATO Ihor Dolhov.

Several Resolutions were adopted during the Plenary sitting of the NATO PA, namely: Resolution 401 "Furthering Stability And The Euro-Atlantic Prospects Of The Western Balkans"; Resolution 402 "Afghanistan: A Renewed Security, Political, And Economic Roadmap For 2014 And Beyond"; Resolution 403 "The Economic And Strategic Implications Of The Unconventional Oil And Gas Revolution"; Resolution 404 "The Growing Strategic Relevance Of Asia-Pacific: Implications For NATO"; Resolution 405 "The Crisis In Syria: Implications For The Region And Beyond"; Resolution 406 "Improving The Survivability Of NATO Ground Forces"; Resolution 407 "New Energy Ideas For NATO Ground Forces: Building Accountability, Reducing Demand, Securing Supply".⁷

The Resolution 401 "Furthering Stability And The Euro-Atlantic Prospects Of The Western Balkans" is of special interest for Ukraine, because **the NATO PA reaffirmed in this Resolution its firm commitment to the 'Open Door' policy**, and expressed support for the accession to NATO and to the EU of Bosnia and Herzegovina, Georgia, Montenegro and the former Yugoslav Republic of Macedonia once they have met membership criteria. Thus the Alliance member states actually indicated the interconnectedness of the European and the Euro-Atlantic integration processes; and therefore **the formula "NATO membership promotes entry into the EU" still works**.

NATO Secretary General Anders Fogh Rasmussen said also in his speech that the Alliance was ready to expand cooperation and partnerships with the countries interested, and that "NATO's door remained open" for them. His words were obviously related also to Ukraine, as the day before **Fogh Rasmussen had said at his press-conference in Brussels: "In conclusion, let me stress that I have no doubt that the future of Ukraine lies within Euro-Atlantic cooperation. Again, of course, it's for Ukraine to decide, but I hope the door remains open for a closer Ukrainian relationship with the EU, as well as NATO."** Fogh Rasmussen recalled also: "At the

⁷ Policy Recommendations 2013. - <http://www.nato-pa.int/Default.asp?CAT2=3203&CAT1=32&CAT0=3&SHORTCUT=3250>

NATO Summit in 2008 in Bucharest we stated that Ukraine will become a member of NATO, of course, provided Ukraine so wishes and provided that Ukraine fulfils the necessary criteria".⁸

The NATO PA Resolution 403 on the "unconventional oil and gas revolution" is also very important for Ukraine, because it calls for **providing some European countries with technical, investment, and organisational support to exploit shale gas and oil in order to lessen energy dependencies**. The Resolution also refers to establishing cooperation in order to maintain standards of environmental safety of shale gas and oil exploration. This issue is really current for Ukraine, as it is specifically environmental concerns that have been impeding for a long time from the concluding of the agreement on shale gas exploration in the Lviv and Ivano-Frankivsk regions.

Ukraine, as a contributor to the security of Afghanistan, is also interested in the provision of the Resolution 402, which outlines the NATO future policy in this country. In the context of the reform of the Armed Forces of Ukraine, our Ministry of Defence should pay attention to the Alliance's plans concerning improving the safety of NATO ground forces (Resolution 406) and more efficient energy consumption by armed forces (Resolution 407). Of course, Ukraine could much better address all these issues being a member of the Alliance, which is currently (maybe pro tempore) actively inviting Kyiv to join.



⁸ Monthly press conference by the NATO Secretary General. - http://www.nato.int/cps/en/natolive/opinions_103923.htm

FOREIGN POLICY OF UKRAINE



KEY THEME ANALYSIS

MYKOLA AZAROV'S VISITS TO BELARUS AND RUSSIA, AND LEONID KOZHARA'S VISITS TO CENTRAL ASIA: PREPARATION FOR COOPERATION AFTER THE SIGNING OF THE ASSOCIATION AGREEMENT AND DCFTA WITH THE EU

In early October Ukrainian Ministers actively negotiated with their colleagues from the CIS countries on maintaining and further developing bilateral economic cooperation after the signing of the Association Agreement and DCFTA between Ukraine and the EU. Prime Minister Mykola Azarov visited his Belarusian and Russian partners, while Minister for Foreign Affairs Leonid Kozhara visited Central Asian countries. Both series of visits may be considered generally successful.

Mykola Azarov, during his visit to Minsk on October 7, succeeded in persuading Belarusian President Alexander Lukashenko and Prime Minister Mikhail Myasnikov that the present level of partnership between Kyiv and Minsk should remain even after the signing of the Association Agreement and DCFTA between Ukraine and the EU. In a few days, Lukashenko even urged his Customs Union's colleagues "not to blame" Ukraine for the DCFTA negotiations with the EU, because "Kazakhstan and Russia are also holding such negotiations." The Belarusian President also said that the CU countries should develop relations with Ukraine "even if tomorrow Ukraine joins NATO."⁹

The Belarusian position is obviously defined by pragmatic considerations, because unlike energy resource rich Russia, Minsk cannot itself afford politically motivated trade wars, harmful for the economies on both sides. Ukraine is an important partner for Belarus, while the latter also has problems in trade with Russia. Besides, Kyiv could become some kind of a 'window to Europe' for Minsk, whose present authorities have no prospects to improve relations with Brussels.

Mykola Azarov's negotiations with Dmitry Medvedev on October 15, in Kaluga, in the framework of the Ukrainian-Russian Intergovernmental Commission, seemed to have been tense. The problem of inflated gas prices, being most acute in bilateral relations, has not got off the ground. However, the parties agreed to establish a Black Sea grain pool, to cooperate in space and aviation, to build a nuclear fuel plant and a bridge across the Kerch Strait. In addition, the Russian Federal Consumer Rights Protection and Human Health Control Service promised to inspect the Ukrainian confectionary industry during the next two weeks.

Attempts to improve relations with Russia are necessary of course. But the question

⁹ Лукашенко: То, за что упрекают Украину, делают и Казахстан, и Россия. - www.regnum.ru/news/polit/1718782.html

is traditionally about the price of such an improvement. A number of well-known Ukrainian experts (including Chairman of the Committee of Economists of Ukraine Andriy Novak, President of the Ukrainian Agrarian Confederation Leonid Kozachenko, and Chairman of the Union of agricultural service cooperatives Ivan Tomych) have already expressed their doubts that Ukrainian farmers would benefit from creating the Black Sea grain pool.¹⁰ Prospects of building the bridge to connect Crimea with the Russian territory are also doubtful in terms of national security. Therefore, the **Ukrainian Prime-minister's statement concerning the 'reset' in Ukrainian-Russian relations¹¹ should be evaluated mainly in the context of reducing tensions before the Vilnius summit.** Moreover, everybody still remembers the results of the US-Russia 'reset', which was initiated by Barack Obama some years ago.

Minister for Foreign Affairs Leonid Kozhara, during a series of meetings with the senior officials of the Central Asian countries, discussed the prospects for bilateral relations, taking into account Ukraine's intention to sign the Association Agreement and DCFTA with the European Union:

- On October 11, during his visit to Uzbekistan Leonid Kozhara had meetings with President Islam Karimov, the Head of the Senate Ilhizar Sobirov, Minister for Foreign Affairs Abdulaziz Kamilov, and Minister for Foreign Economic Relations, Investments and Trade Elor Haniyev;

- On October 14, the Ukrainian Foreign Ministry met with the Chairman of the Senate of the Parliament of Kazakhstan Kairat Mami, Minister of Foreign Affairs Erlan Idrissov, and Minister of Regional Development Bakytzhan Sagintayev;

- On October 15, Leonid Kozhara met with President of the Kyrgyz Republic Almazbek Atambayev, and Minister for Foreign Affairs Erlan Abdyl daev;

- On October 16, Leonid Kozhara had meetings with the President of the Republic of Tajikistan Emomali Rakhmon, the Heads of both Houses of Parliament – Mahmadsaid Ubaydullaev and Shukurdzhon Zuhurov, and Foreign Minister of Tajikistan Hamrokhon Zarifi;

- On October 17, Leonid Kozhara met with President of Turkmenistan Gurbanguli Berdimuhamedov, and Minister for Foreign Affairs Rashid Meredov.

It is noteworthy that special attention during the negotiations was paid to the intensification of trade and economic cooperation in those fields where Ukrainian-Russian cooperation had been reducing due to Russia's policy of closed production cycles and import substitution, as well as due to politically motivated trade wars in the fuel and energy, aviation, railway engineering, chemical and machine-building sectors, and agriculture.

Given the prospects of relations with the Customs Union, **Kozhara's meeting with his Kazakh colleague and their Joint statement** are particularly important. In the Joint statement both parties:

- Expressed their willingness to intensify bilateral contacts concerning their cooperation with the EU in the context of the preparation for the signing of the Association Agreement between Ukraine and the EU, and the enhanced Partnership and Cooperation Agreement between Kazakhstan and the EU. The Kazakh party expressed its "special interest" in the DCFTA between Ukraine and the EU;

- Expressed their "common view", that **"the transformation of the Ukrainian-Kazakh trade regime, caused by the creation of the Customs Union, should not have a negative impact on the potential for bilateral cooperation"**;

- Confirmed their interest in industrial cooperation in the fields of aviation, and

¹⁰ Спільний зерновий пул з Росією: вигідний, але кому? - <http://www.dw.de/спільний-зерновий-пул-з-росією-вигідний-але-кому/a-17164321>

¹¹ Микола Азаров: Ми почали "перезавантаження" порядку денного двосторонніх відносин з Росією. - http://www.kmu.gov.ua/control/uk/publish/article?jsessionid=788C89D81952EE360A63B9215164B5FC?art_id=246772529&cat_id=244274130

agreed to continue the practice of creating joint ventures in the field of engineering.¹²

Thus, in the first half of October **Ukraine has managed to agree with two members of the Customs Union, Belarus and Kazakhstan, that the Association Agreement and DCFTA with the EU should not become an obstacle to further development of mutually beneficial bilateral relations.** Important negotiations with the Central Asian countries have been held – in the context of the need to diversify markets for Ukrainian products being discriminated against by Russia. Kyiv has also made some interesting propositions to Moscow, including significant joint projects, but their compliance with the national and security interests of Ukraine still has to be analyzed thoroughly.



¹² Спільна заява Міністрів закордонних справ України та Республіки Казахстан. - <http://mfa.gov.ua/ua/legal-acts/2094-spilyna-zajava-ministriv-zakordonnih-spav-ukrajini-ta-respubliki-kazahstan>