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# UKRAINE – THE EUROPEAN UNION



## KEY THEME ANALYSIS

### UKRAINIAN FAILURE ON THE EVE OF THE VILNIUS SUMMIT

Another visit of the Cox and Kwasniewski mission to Ukraine on November 13 turned out to also be ineffectual. Within the walls of the Ukrainian Parliament the EU mission representatives called November 19 the final date for adoption of the European integration laws. On November 14 the European Parliament extended the mandate of the mission until the Vilnius summit, and Pat Cox and Aleksander Kwasniewski arrived in Ukraine for their 27th visit.

It is obvious that the tactic of the ruling majority in Parliament was to delay the adoption of the European integration laws and to delay the solution of the Tymoshenko case, ignoring thereby the EU requirements. It became apparent that President Viktor Yanukovich didn't have the intention of signing the Association Agreement on the terms that had been previously approved with the EU. As a result, on November 21 ex-President of the European Parliament Pat Cox and former Polish President Aleksander Kwasniewski witnessed in the Verkhovna Rada the failure of the draft laws on the Tymoshenko case. So, she will be neither released from prison, nor even get the opportunity to go to Germany for treatment. In fact, the Cox-Kwasniewski mission turned out to fail absolutely, and did not achieve its main goal – to assist Ukraine in solving the problem of selective justice.

Finally, on November 21 the Cabinet of Ministers of Ukraine adopted a resolution "On preparation for the signing of the Association Agreement between Ukraine and the European Union", under which the process of preparations for the signing of the Association Agreement was suspended. It was also stated that the Cabinet of Ministers would restore an active dialogue with the Russian Federation and the other Customs Union's countries as well as the CIS member states on the revival of trade and economic relations in order to strengthen economic potential.

According to the government's decision, the Ministry of Foreign Affairs of Ukraine together with the Ministry of Economic Development and Trade of Ukraine and the Ministry of Industrial Policy of Ukraine should prepare the propositions for the European Union and the Russian Federation to form a tripartite commission to handle a complex range of issues, aimed at restoring the lost volumes and areas of trade, at expansion and promotion of international trade, further liberalization of markets, and harmonization of the regulatory framework to improve the conditions for business activities.<sup>1</sup>

<sup>1</sup> Уряд прийняв розпорядження про призупинення процесу підготовки до укладання Угоди про асоціацію з ЄС. -

[http://www.kmu.gov.ua/control/uk/publish/article?art\\_id=246864953&cat\\_id=244276429](http://www.kmu.gov.ua/control/uk/publish/article?art_id=246864953&cat_id=244276429)

Firstly, the appearance of such a statement indicates that Ukraine was subjected to Russia's pressure. It is naïve to expect that the Russian Federation at this stage will make concessions and choose the way of consultations and negotiations. Feeling the weakness of Kyiv, Russia will increase the pressure to conquer Ukraine completely. Russia is not really going to work in a tripartite commission.

Secondly, Linas Linkevičius, the foreign minister of Lithuania, the country holding the EU presidency, said that the EU will not participate in a tripartite commission Ukraine-EU-Russia: "The proposal for the trilateral dialogue is not an option and has no precedent. The EU proposal for bilateral association remains on the table and we see no role for third countries in this process".<sup>2</sup>

Thirdly, the outcome of the negotiations on the Association Agreement confirms the complete failure of Ukraine's European integration course.

In this situation the statement of the Ukrainian President Viktor Yanukovich, made after the meeting with Austrian President Heinz Fischer in Vienna on November 21, about Ukrainian willingness to continue European integration, appeared to be very unconvincing. Such a position undermines the credibility of Ukraine in the international arena. A predictable country can't afford to follow one foreign policy vector for a long time and make a radical turn at the last moment. As a result, the planned visit of the European Commissioner Štefan Füle to Ukraine was canceled.

Most likely, the European Union will need time to work out a decision on its further politics towards Ukraine. The 'Stuttgarter Zeitung' calls for the EU to make conclusions from the situation, when "its attempt to penetrate into the old Soviet sphere of influence is under threat of collapse." However, the most painful consequences of this failure will be for the ordinary Ukrainian people. "This is a bittersweet moment for the Ukrainians, who are expecting modernization. They see how much better their Polish neighbors live, although after the fall of the 'iron curtain' the countries began reforms on the same economic level".<sup>3</sup>

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<sup>2</sup> Евросоюз отказался от переговоров в рамках Украина-ЕС-Россия.  
<http://glavcom.ua/news/167621.html>.

<sup>3</sup> "Україна вразлива до тиску Росії, бо в країні панує банда" - огляд німецької преси.  
<http://www.dw.de/україна-вразлива-до-тиску-росії-бо-в-країні-панує-банда-огляд-німецької-преси/a-17245573?maca=ukr-rss-ukrnet-ukr-all-3816-xml>.

## UKRAINE – NATO



### KEY THEME ANALYSIS

#### **MILITARY EXERCISES ‘WEST 2013’ AND ‘STEADFAST JAZZ 2013’: RUSSIAN ATTEMPT TO MEASURE STRENGTH WITH NATO**

On November 2-9, 2013 in Poland and the Baltic countries (Estonia, Latvia and Lithuania) and in the Baltic Sea, the active phase of the international military exercises ‘Steadfast Jazz 2013’ took place. These exercises were among the largest of NATO’s strategic maneuvers in recent years, involving 6,000 troops, 350 units of ground equipment, 57 aircraft and helicopters, and 13 ships. 25 countries took part in the exercises, including the members of the Alliance and the partner countries – Finland, Sweden and Ukraine.<sup>4</sup>

The main intrigue of the exercises was associated with the place they were held – in the countries neighboring Russia. In this context it is worth mentioning that Russia and Belarus had previously held military exercises ‘West 2013’, in which they had practiced the elements of offensive operation against the Baltic countries. Both exercises were accompanied by diplomatic accusations and talks in the spirit of the Cold War.

Comparing the official goals of both military exercises, one can find the ambiguity and inconsistency of the stated objectives and actual activities. The official basis for the exercises ‘West 2013’ was combating against terrorist groups. But NATO believed that the real purpose of these exercises was to work out the elements of an attack on the NATO countries. Indeed, the scale of the maneuvers held by Russia and Belarus turned out to be far wider than counterterrorism training. This was evident from the types of military units engaged. Moreover, even the name of the exercises (‘West 2013’) proved that Russia considered the West to be the enemy.

On the other hand, the official goal of the ‘Steadfast Jazz’ exercises, combined with the ‘Baltic Host’ exercises, was to estimate the readiness of the Baltic states to work with the assistance of the NATO allies’ military forces in a crisis situation. Lithuanian Minister of National Defence Juozas Olekas said that it was the first estimation of the strength of the NATO allies’ defense forces in this region; and it was vivid proof of the NATO readiness to defend the Baltic states and Poland against any threats.<sup>5</sup> The question arises: who is this possible threat? The basic scenario of the NATO exercises envisaged the territorial claims to Estonia and capture of the part of its territory by some aggressor – not a NATO member

<sup>4</sup>НATO починає найбільші за останні десять років навчання у Польщі та Прибалтиці.- [http://dt.ua/WORLD/nato-pochinaye-naybilshi-za-ostanni-desyat-rokiv-navchannya-u-polschi-ta-pribaltici-131190\\_.html](http://dt.ua/WORLD/nato-pochinaye-naybilshi-za-ostanni-desyat-rokiv-navchannya-u-polschi-ta-pribaltici-131190_.html)

<sup>5</sup>Колективна безпека в дії: сили і засоби країн НАТО в контексті проведення навчань Stead fast Jazz. - <http://seabreeze.org.ua/kolektivna-bezpeka-v-diyi-sili-i-zasobi-krayin-nato-v-konteksti-provedennya-navchan-steadfast-jazz/>

state. Thus, despite NATO's statements that the exercises were not a 'response' to Russia's exercises, in fact both exercises were demonstrations of strength. It is not surprising that most analysts recalled the previous behavior of the opponents during the Cold War. The delegation of the General Staff of the Russian Armed Forces visited the headquarters of the NATO exercises in Latvia, and observed the course of the counter-offensive maneuvers, during which the NATO multinational forces overthrew the 'invader'.<sup>6</sup> In fact it was a psychological warning to Russian representatives of the Alliance's readiness to defend its members against possible aggression and attacks against their sovereignty and territorial integrity.

We can conclude that despite the official absence of the confrontation between NATO and Russia, the last exercises were aimed at demonstrating the political power and military strength of both sides. Russia's provocative 'West 2013' exercises have got an adequate response from NATO. Perhaps it is precisely the nature of the Russian maneuvers which encouraged NATO to increase the scale of their own military exercises.

It should be mentioned in this context that Ukraine is quite effectively implementing the program of constructive partnership with NATO. It is significant that Ukraine did not take part in 'West 2013'. Instead, the company of the Feodosian separate battalion of the Armed Forces of Ukraine, who took part in NATO 'Steadfast Jazz', was appreciated for the skillful execution of all training and combat missions. Thus Ukraine has confirmed its Euro-Atlantic civilizational choice, despite the official policy of 'non-alignment'.



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<sup>6</sup>Посещение Генштабом ВС РФ учений НАТО SteadfastJazz стало полезным опытом. - [http://rus.ruvr.ru/news/2013\\_11\\_08/Poseshhenie-Genshtabom-VS-RF-uchenij-NATO-Steadfast-Jazz-stalo-poleznim-opitom-6878/](http://rus.ruvr.ru/news/2013_11_08/Poseshhenie-Genshtabom-VS-RF-uchenij-NATO-Steadfast-Jazz-stalo-poleznim-opitom-6878/)



## ***FOREIGN POLICY OF UKRAINE***



### ***KEY THEME ANALYSIS***

#### ***RUSSIA'S GAS PRESSURE ON THE EVE OF THE VILNIUS SUMMIT***

On November 8 Naftogaz of Ukraine caused Europe and Russia to feel the strain due to the information that Ukraine had stopped importing gas from Russia; that Naftogaz would not buy gas from Gazprom until the end of the year, and would use its reserves from underground gas storage.

The representatives of Naftogaz have recently stated that Ukraine has begun to return its debt for the delivered Russian gas, but the issue is too complicated – it's not about just returning the debt and giving up cooperation with Gazprom. Under the gas agreements of 2009, Ukraine is obliged to buy in Russia at least 41 billion m<sup>3</sup> of gas per year. In the case of reducing that amount Ukraine should pay a fine. In this regard Gazprom has already threatened to claim to the international court and to demand from Naftogaz a fine for the shortage of gas purchase. Last year Ukraine bought from Russia only 33 billion m<sup>3</sup>.

It is worth noting that these events had happened just on the eve of the meeting of Russian President Vladimir Putin and his Ukrainian counterpart Viktor Yanukovych in Moscow on November 9, 2013.<sup>7</sup> The presidents discussed the development of relations between the two countries in the prospects of the Vilnius summit of the 'Eastern Partnership'.

And it was perhaps the most secret and intriguing meeting of the Ukrainian and Russian presidents in the history of bilateral relations. A lack of information about the visit caused a lot of guesswork and assumptions. Most of the assumptions were associated with the discussion of the trade and economic relations between the two countries. The main question was – whether the gas problem had been discussed? Friendly relations between the two countries should be transparent and open. So, why was the meeting between two presidents secret? Why were the negotiations not announced officially? It was the second tête-à-tête meeting of President Yanukovych and President Putin in a few weeks. Given the complexity of the situation before the Vilnius summit, such behavior of the presidents generates distrust among both Ukrainian citizens and the European countries.

After Ukraine's refusal to buy Russian gas, Gazprom's shares began to fall on the stock market and fell by 1.9% until the close of trading at the Moscow Stock Exchange,

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<sup>7</sup>Українаобъявила себе блокаду. - <http://glavcom.ua/articles/15333.html>

while the MICEX reduced by 0.4%.<sup>8</sup> Most analysts considered that Ukraine could survive the winter without buying gas from Russia. On the other hand, a new gas war and Russian information campaign against Ukraine could arise. Most likely, Naftogaz was just trying not to increase its already huge debt and to show Gazprom that Ukraine can manage to do without it.

So the visit of Viktor Yanukovich to Russia could have the two main purposes: firstly, it was a signal to the EU that Ukraine might give up on European integration if the Europeans do not remove from the agenda the demand to release Yulia Tymoshenko. In this way the Ukrainian authorities tried to put pressure on Europe with the threat of turning to the Eurasian Union. Secondly, the Ukrainian President wanted to halt the gas problems with Russia. The secret negotiations resulted in the working meeting of the Chairman of Naftogaz Eugene Bakulin with the Chairman of Gazprom Alexey Miller on November 14. They discussed the issues of bilateral cooperation in the gas sector, and agreed that Naftogaz would stop using gas from the underground storage facilities and would restore the purchases from Gazprom.<sup>9</sup>

The situation is complicated by the fact that formally it is not a dispute between the two countries, but a dispute between two companies – Gazprom and Naftogaz. But both companies are state-owned, and the agreements between them are signed at the level of senior government officials. Therefore the gas problem, which should be addressed in economic terms, is used in the political games and manipulation.

Russia does its best to prevent the signing of the Association Agreement between Ukraine and the EU. It is Russia's short-term strategic goal towards the creation of the Eurasian Union. We also can't exclude that the gas issue has appeared on the agenda to demonstrate to the European Union its dependence on Russia. In the case of the signing of the Association Agreement between Ukraine and the EU, Russia might use all possible means of pressure on Ukraine. And today's problems are just a kind of warning on the eve of the Vilnius summit.

In fact, this is just another example of the problems which Ukraine would face in case of signing the Association Agreement. Most likely, the secretive nature of Yanukovich's visits to Russia was caused by attempts to set up a new dialogue with Moscow under the conditions of Russia's threats.

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<sup>8</sup>У Газпромі розглядають можливість розстрочки платежів для Нафтогазу. - <http://tyzhden.ua/News/93923>

<sup>9</sup>Національна акціонерна компанія «Нафтогаз України» відновила закупівлю природного газу у BAT «Газпром». - <http://www.naftogaz.com/www/3/nakweb.nsf/o/DoADB2FoA4o4F45FC2257C240o5B263D?OpenDocument&year=2013&month=11&nt=%Do%9D%Do%BE%Do%B2%Do%B8%Do%BD%Do%B8&>