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## UKRAINE – THE EUROPEAN UNION



### KEY THEME ANALYSIS

#### **EUROPEAN INTEGRATION OF UKRAINE: OBJECTIVES ARE DEFINED, BUT THE IMPLEMENTATION IS STUCK**

The European integration activity of the new Ukrainian authorities causes an ambivalent impression. On the one hand, there is an ambitious Coalition Agreement and the most pro-European government and Parliament. On the other hand, there is a lack of real reforms and the absence significant progress in the rapprochement with the EU.

Having declared the European reformist course and the intention to form a new government without the traditional quota principle, the newly elected MPs from the People's Front, Petro Poroshenko Block, 'Samopomich', Radical Party and 'Batkivshchyna' were holding talks over the Coalition Agreement for three weeks. And nobody knows for how long more they would negotiate if not for the visit of U.S. Vice President Joseph Biden, who came to Kyiv on 21 November 2014 and called to quickly form a new government and start the reforms.

It is written in the preamble to the Coalition Agreement of the first pro-European parliamentary majority that **"The implementation of the Association Agreement between Ukraine and the European Union will be a basis for the reforms."** The text of the Coalition Agreement consists of the 17 chapters, which envisage the key directions of reforms in various fields, starting from the national defense and Constitutional reform, and to the environmental management.<sup>1</sup> The majority of chapters of the Coalition Agreement contains mainly general references to the need to bring Ukrainian legislation "in line with the EU standards", "EU directives" and "European practice." One can find references to the specific EU directives to be implemented into Ukrainian legislation only in chapter XVII "Reform of the environmental management and integration of the environmental policy in the other sectoral policies." But generally the principles of reform, envisaged in the Coalition Agreement, indicate that a new parliamentary majority has good conceptual vision of transforming Ukraine into a modern European state.

But it is not enough to have a conceptual vision of the goals; there is an urgent need for the immediate concrete reforms, because Ukraine's economy is actually on the verge of default, the dissatisfaction of the own population and of the Western leaders is increasing, and they remind more and more often to the Ukrainian authorities that it is time to start the reforms and fight against corruption. Czech Foreign Minister Lubomír Zaorálek expressed the EU fears that the Ukrainian government "would not fulfill its

<sup>1</sup> Коаліційна угода. - [http://samopomich.ua/wp-content/uploads/2014/11/Koaliciyna\\_uhoda\\_parafovana\\_20.11.pdf](http://samopomich.ua/wp-content/uploads/2014/11/Koaliciyna_uhoda_parafovana_20.11.pdf).

promise again" and the reforms would remain "just words". Mr. Zaorálek stressed that Ukraine would get the investment and economic assistance only after the reforms.<sup>2</sup> U.S. Vice President Joe Biden also urged Ukrainians "not to 'blow' another chance".<sup>3</sup> So, the both sides of the Atlantic are concerned of whether the new Ukrainian government is really focused on reforms.

On 11 December 2014 the Ukrainian Parliament approved the Action Program of a 'new' government of Arseniy Yatsenyuk. The Action Program did not provide any clear information about reforms to be implemented on the European integration, despite the fact that the government is not completely new, and Mr. Yatsenyuk has been working as Prime Minister for 10 months already. **The lack of reforms prevents Ukraine from receiving the Western financial aid.** For example, Ukraine lacks time already to meet the conditions of receiving the next tranche under the EU's State Building Contract, in particular concerning the timeframe for the introduction of a new system of income declarations for the public officials under the Law "On Prevention of Corruption".<sup>4</sup> Besides, the Ministry of Finance failed to meet the obligation to bring its regulations in accordance with the current Ukrainian legislation by 18 November 2014. As a result, American 'Chevron' rejected to participate in the project on shale gas production in the Oleskiy deposit in the west of Ukraine.<sup>5</sup>

Ukraine has almost exhausted its capacity to increase exports to the EU under the Brussels' unilateral tariff reductions, because Ukrainian legislation on technical, sanitary and phytosanitary regulations is not adapted to the EU standards.<sup>6</sup> Now the government plans to make up for the lost time with the emergency pace. Deputy Minister of Economic Development Valeriy Pyatnitsky said that the government expected to bring three thousand technical standards in accordance with the EU regulations till the end of the year.<sup>7</sup> The European regulations will be simply translated into Ukrainian language without adaptation to the local standards, and this method is likely to cause problems for Ukrainian producers.

**Wasting time is dangerous, because Russia uses it to mobilize its friends among the European politicians and experts,** and runs a large-scale information campaign to discredit Ukraine. On 5 December 2014 'Die Zeit' published a letter of 60 German politicians, businessmen and public figures, who called on to stop the expansion of the West to the East and to actually recognize Ukraine as a part of Russia's sphere of influence. In a few days 100 German experts responded with another letter, in which they called on to get rid of illusions about Russia and not to encourage its expansion. However, the German press paid much more attention to the letter of 60 friends of Russia, than to the letter of 100 friends of Ukraine. It is notably, that the German Foreign Minister Frank-Walter Steinmeier spoke rather favorably than critically about the letter of 60.<sup>8</sup>

The validity of the first wave of EU sanctions against Russia will expire in April 2015; and Moscow is close to convince the governments of Hungary, Cyprus and Italy to block the extension of sanctions duration. Secretly prepared visit of French President

<sup>2</sup> Глава МЗС Чехії: "Не можу контролювати заяви Земана, та нашу політику формує не він". - <http://www.eurointegration.com.ua/interview/2014/12/8/7028524/>.

<sup>3</sup> Biden: Ukraine Can't 'Blow' Another Chance To Change. - <http://www.rferl.org/content/biden-ukraine-cant-blow-another-chance-to-change/26734598.html>.

<sup>4</sup> Тетяна Ковтун, представництво ЄС: "Певні реформи Україна не встигає провести до дедлайну". - <http://www.eurointegration.com.ua/interview/2014/12/15/7028739/>.

<sup>5</sup> Chevron вирішила вийти з проекту по освоєнню Олескої площі – джерело. - <http://www.epravda.com.ua/news/2014/12/15/512959/>.

<sup>6</sup> Темпи зростання українського експорту до ЄС почали знижуватися – Пятницький. - <http://www.eurointegration.com.ua/news/2014/12/12/7028711/>.

<sup>7</sup> До кінця року Україна адаптує до норм ЄС 3 тис. техстандартів та регламентів. - <http://www.eurointegration.com.ua/news/2014/12/3/7028422/>.

<sup>8</sup> Штайнмаєр: Українсько-російський конфлікт - найнебезпечніший у Європі за останні десятиліття. - <http://www.dw.de/штайнмаєр-українсько-російський-конфлікт-найнебезпечніший-у-європі-за-останні-десятиліття/a-18127055>.

Francois Hollande to Moscow on 8 December 2014 may indicate that Paris is also willing to conclude a separate compromise.

**The sympathies of the EU towards Ukraine have reached the limit and may go backwards if Kyiv is not active enough.** Kyiv has to prove till spring its actual commitment to the European integration by means of reforms and implementation of the Association Agreement. Otherwise the European ‘advocates’ of Ukraine will have less arguments to persuade the EU to continue supporting our country.



## UKRAINE – NATO



### KEY THEME ANALYSIS

#### **UKRAINE'S COURSE FOR NATO MEMBERSHIP WILL BECOME A TEST FOR THE ALLIANCE'S STRENGTH**

The first article of the Coalition Agreement of the new parliamentary majority envisages "the abolition of Ukraine's non-alignment status and the recovery of political course for the integration into the Euro-Atlantic security and the membership in NATO." The structure of the General Staff of Ukrainian Armed Forces should meet the NATO standards in 2015, as well as the military education system, which should be reformed with consideration of the Allies practices. The transition of the Armed Forces to the NATO standards (STANAG) should be finished in 2019 <sup>9</sup> (by the way, complete adaptation of the NATO standards is not a necessary requirement for membership).

Decision of the new coalition to take a course for NATO membership caused predictable debates within the Alliance, reflecting all the accumulated problems of the block, including the low military capacity of European members, the lack of solidarity and the consumerism of some member states. E.g. Czech President Milos Zeman and Slovak Prime Minister Robert Fico declared their positions against Ukraine's membership in NATO, although the contribution of their own countries to the Alliance common security is questionable.

Some U.S. experts, including *Henry Kissinger* and *Zbigniew Brzezinski*, former Ambassador to Ukraine *John E. Herbst*, as well as *Michael O'Hanlon* and *Jeremy Shapiro* from Brookings Institution, also raised their voices against Ukraine's joining NATO. In their appeals to understand Russia's concern on the expansion of NATO these experts forgot that Russia had invaded Ukraine long before the latter declared its intention to abolish the non-alignment status. They forgot also that Article 10 of the North Atlantic Treaty does not envisage any third party veto for the membership; and even the very idea of 'bargaining' over the sovereignty of any country contradicts with the principles, on which the Alliance was found.

**A significantly mitigated version of Ukraine Freedom Support Act of 2014, as a result of a compromise, was unanimously approved on 11 December 2014 by both houses of USA parliament.** Due to the amendments the Act has lost the provision on the major non-NATO ally status for Ukraine, and the provision on expanding sanctions against Russia have been mitigated. The adopted document allows U.S. President to assist Ukraine with lethal weapons, but Barack Obama will hardly dare to do it. But nevertheless, many important positive provisions

<sup>9</sup> Коаліційна угода. - [http://samopomich.ua/wp-content/uploads/2014/11/Koaliciyna\\_uhoda\\_parafovana\\_20.11.pdf](http://samopomich.ua/wp-content/uploads/2014/11/Koaliciyna_uhoda_parafovana_20.11.pdf).



remained. The Act provides military aid to Ukraine at \$350 million for the period 2015-2017, as well as the assistance to strengthen energy security, to develop civil society and to counter Russian propaganda. Of vital importance is the provision that sanctions may be terminated only after the President submits to the appropriate congressional committees a certification that Russia has ceased to destabilize Ukraine.<sup>10</sup> Congressmen agreed to mitigate the Act because it would not entry into force if not signed by President Obama, who previously used to criticize some provisions of the document.

For the time being only the officials of the Baltic States and Canada openly declared their support for Ukraine's membership in NATO.<sup>11</sup> However, the lack of broad support for the idea of Ukraine's joining NATO should neither surprise Kyiv, nor stop its activity. ***Lithuanian Foreign Minister Linas Linkyavichus recalls that previously he had also been told that Lithuania "would never become a member of NATO": "I was told about that personally, when I was ambassador to NATO. But, as you see, it is not an insurmountable obstacle. You have to set a goal, to achieve a consensus in society (on the need for NATO membership) and not to stop before the obstacles on the way to the Alliance."***<sup>12</sup>

**One can mention already some worrying signs of Kyiv's willingness to yield to difficulties with promoting the idea of joining NATO. Even more worrying are the signs of intention to bargain with Moscow over the issue of membership in NATO.** On 15 December 2014, in Brussels at a joint press conference with NATO Secretary General Jens Stoltenberg, Ukrainian Prime Minister Arseniy Yatsenyuk said that Ukraine will not apply for NATO membership in the near future, Kyiv plans to do it in 4 years, after the reforms of Armed Forces and after the referendum on NATO membership.<sup>13</sup> The abolition of non-alignment status, announced for 9 December 2014, was postponed, apparently in order not to irritate Russia on the eve of scheduled Minsk talks. However, the Russian side disrupted the Minsk meeting anyway. So if Kyiv continues to coordinate its strategic decisions with the Kremlin's mood, then the abolition of non-alignment status may be delayed without any positive impact on the peace talks, for ***Moscow always considers the concessions as a proof of weakness.***

**Of doubtful efficiency is the Kyiv's official position that the main reason for the Euro-Atlantic integration is the inability of non-aligned status to guarantee the security and territorial integrity of Ukraine.** Such argument<sup>14</sup> may be welcomed by a part of Ukraine's population, but it will not strengthen the desire of NATO members to see Ukraine in their ranks. A false impression appears that Kyiv's decision to approach with the Alliance was taken only under the pressure of circumstances. Nobody wants to deal with a reluctant Ally and a safety consumer. **Kyiv have to say not only about what NATO can do for Ukraine, but first of all about how Ukraine could contribute to the NATO's security.**

In a few years of real reforms Ukrainian Armed Forces may become the most numerous and capable in Europe after Russia's one, because the European Allies has crossed long ago the edge of reasonability in their 'race' of reducing the military spending. Ukraine's joining NATO will enhance the security in the whole Baltic-Black

<sup>10</sup> Ukraine Freedom Support Act of 2014. - <https://www.congress.gov/bill/113th-congress/senate-bill/2828/text>.

<sup>11</sup> Посол Канади в Україні Роман Ващук: "У Канаді нікому не потрібно пояснювати, що таке Україна". - [http://gazeta.dt.ua/international/posol-kanadi-v-ukrayini-roman-vaschuk-u-kanadi-nikomu-ne-potribno-poyasnyuvati-scho-take-ukrayina-\\_.html](http://gazeta.dt.ua/international/posol-kanadi-v-ukrayini-roman-vaschuk-u-kanadi-nikomu-ne-potribno-poyasnyuvati-scho-take-ukrayina-_.html).

<sup>12</sup> Лінас Лінкявічюс: "Хто відчуває себе в глухому куті – той і має пропонувати компроміс". - <http://www.eurointegration.com.ua/interview/2014/12/5/7028463/>.

<sup>13</sup> Україна не поспішатиме із заявкою до НАТО, щоб мати більше шансів – Яценюк. - <http://www.pravda.com.ua/news/2014/12/15/7052125/>.

<sup>14</sup> Напр., див.: Why Ukraine is rethinking NATO relationship. - <http://edition.cnn.com/2014/12/12/opinion/motsyk-ukraine-security-policy/index.html>.

Sea region, for despite the erroneous assumptions of Western Russophiles, the existence of non-aligned 'buffers' provokes Moscow for military adventures. **Non-aligned Ukraine will always be a temptation for Moscow, and therefore sooner or later NATO will anyway have here a common border with Russia. The only question is where that border will be – in the Carpathian Mountains or in Donbas.**

Kyiv should keep in mind that *integration into NATO is not only a safety issue, but it is a complete and irrevocable return to the European civilization.* It is a renovation of the course, Ukraine was moving for during all years of its independence, except for the short break during the reign of Viktor Yanukovich.



## FOREIGN POLICY OF UKRAINE



### KEY THEME ANALYSIS

#### ***DISRUPTION OF MINSK TALKS AS A SIGN OF WEAKENING OF MOSCOW'S NEGOTIATING POSITION***

**The next round of tripartite talks of Minsk contact group was planned for 9 December 2014.** It was Moscow, who insisted on the negotiating in this most favorable for Russia format, rejecting the Geneva formula with the participation of European and American mediators. However, on 9 December it turned out that Russia is not ready even to the Minsk format, and Kremlin-backed separatists postponed the talks to 12 December, but later abandoned even that date, arguing that Kyiv did not agree with them on the negotiations agenda (in fact, the militants demanded from Ukraine its preliminary consent to restore the funding of the occupied territories).

One should not be misled by the joint statement of Ukraine, Russia and the OSCE contact group, in which separatists were criticized for the disruption of Minsk consultations.<sup>15</sup> The separatists would not dare to do it against the will of the Kremlin, on which they fully depend in arms supply. **After Kyiv's decision to suspend funding of the occupied territories Moscow found itself in a stalemate, because it had no intention to fund Donbas, destroyed by the Kremlin's actions.** It had been planned to become an unbearable burden for the Ukrainian economy. Almost two-fold drop in oil prices and economic sanctions led to the collapse of the exchange-value of rouble, and Donbas became too expensive for Russia. Such circumstances resulted in the change in the rhetoric of President Putin and his Foreign Minister Lavrov, who suddenly 'remembered' in words that Donbas is a Ukrainian territory.<sup>16</sup>

**However, the weakening of Moscow's negotiating position does not mean that the Kremlin is ready for the de-escalation.** Western politicians and experts from the amount of 'Putinverstehers' falsely believe that Vladimir Putin seeks to withdraw from the crisis with saving his face. In fact, nothing threatens Putin's image in Russia, because citizens of the latter are living in a parallel reality, where media present the fall of the ruble and economic sanctions as a victory of 'wise leader'. Putin admits only two scenarios: either the complete surrender of Ukraine (and of the West), or the increase of aggression. So there is nothing surprising in the increasing number of the

<sup>15</sup> Контактна група: бойовики ухиляються від дискусій про припинення вогню. - <http://www.pravda.com.ua/news/2014/12/10/7047086/>.

<sup>16</sup> Лавров сообщил о линии Москвы на сохранение Донбасса в составе Украины. - <http://www.interfax.ru/russia/413170>; Путин не стал поднимать тему поставок "Мистралей" в разговоре с Олландом. - <http://tass.ru/politika/1628694>.



pseudo-humanitarian convoys, which supply separatists with weapons, 'volunteers' and provisions. The reduce in number of attacks on Ukrainian positions may be caused by the regrouping of separatist, whose leaders do not stop declaring that they are aimed at conquering the whole Donbas territory.<sup>17</sup>

**Putin decided that he needed a war** to justify the dictator regime, political persecution of the opposition and economic problems. That is why Russia consciously escalates the situations, claiming the right to place nuclear weapons in Crimea and threatening the safety of civil aviation of the NATO and EU members with the flights of Russian military aircrafts with transponders being off. ***Putin's plan to destabilize the world order also includes the undermining of the UN Security Council and OSCE foundations.*** That is why Russia is blocking the extension of the OSCE mission to the level, which would let it to fully carry out its functions, including the control over the Ukraine-Russia border.

At the ***OSCE Ministerial Council meeting on 4-5 December 2014, in Basel*** (Switzerland), the aggression against Ukraine was among the main issues, however, due to the position of Russian delegation, no decision was taken to strengthen the role of the OSCE in this conflict resolution. To date, the OSCE mission monitors only a small part of Ukraine-Russia border, but even there it records the constant movement of troops and military equipment. However, neither these facts, nor the records of constant shelling of Ukrainian positions by separatists have any consequences for the aggressor state, which can block any decision of the OSCE. ***Ukrainian foreign minister Pavlo Klimkin at the OSCE Ministerial Council warned: "The OSCE must act decisively; otherwise it will fall off the edge of the earth as an organization that does not meet the challenges of the time."***<sup>18</sup> Let us also remember that the next year pro-Russian Serbia will chair the OSCE, so we hardly expect from this organization any decisive action to perform its statute duties.

**The situation in the UN Security Council is not better. The actions of its permanent member Russian Federation clearly qualify as an act of aggression** as laid out in the paragraphs a), b), c), d), e) and g) of Article 3 of the Annex to the UN General Assembly Resolution 3314 (XXIX).<sup>19</sup> ***President of Ukraine Petro Poroshenko made a point on the "inefficiency of the postwar global security system, including the UN Security Council" under the circumstances when "one of the permanent members with veto power behaves as an aggressor."***<sup>20</sup> The deprivation of the UNSC permanent member of the veto right might be a solution to the problem, but such development is virtually impossible now.

**Ukraine files a claim to the International Court of Justice against Russia** for the violation of the Convention on the Suppression of Terrorism. However, the claim is unlikely to have good prospect, given that even Ukraine has not legally recognized the self-proclaimed Donetsk and Luhansk 'people's republics' as terrorist organizations. Ukraine has more chances to win the lawsuits in the European Court of Human Rights, although it can be expected that Moscow would refuse to pay for the multibillion losses, caused by its actions. But nevertheless it is reasonable for Kyiv to continue working on the lawsuits against Russia, for even the very fact of legal recognition of Russia's guilty will be very important. If Russia rejects to pay the penalty,

<sup>17</sup> Бойовики пригрозили захопити силою всю Донецьку область. - <http://www.pravda.com.ua/news/2014/12/15/7052103/>.

<sup>18</sup> Клімкін: ОБСЄ піде у небуття за такої роботи. Починати треба з повернення Криму. - <http://www.eurointegration.com.ua/news/2014/12/4/7028442/>.

<sup>19</sup> Statement of the MFA on the 40th anniversary of the adoption of the UN GA Resolution "Definition of Aggression". - <http://mfa.gov.ua/en/news-feeds/foreign-offices-news/30644-zajava-mzs-ukrajini-shhodo-40-ji-richnici-skhalennya-rezolyuciji-ga-on-viznachennya-agresiji>.

<sup>20</sup> Порошенко: Конфлікт на Донбасі показав неефективність Радбезу ООН. - <http://www.pravda.com.ua/news/2014/12/13/7051932/>.

its property abroad will be in danger of arrest, and the issue of Russia's penalty debt before Ukraine may be an argument at the negotiations on Ukraine's payments for Russian gas.

The economic sanctions, collapse of oil prices and Kyiv's decision to suspend funding of the occupied territories weaken the Russia's foreign policy positions. However, while hoping for a diplomatic solution to the conflict, Ukraine, EU and U.S. should be aware of Putin's plans to escalate the situation. **Only the increasing of military, economic, political and informational preparedness of the Western civilization to resist the probable expansion of Russian aggression may force the Kremlin to abandon its plans to return the world order to the days of territorial growth of empires.**

