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UKRAINE – THE EUROPEAN UNION



KEY THEME ANALYSIS

PARTNERS EUROPEAN INTEGRATION OF UKRAINE IS STUCK

The comparison of the achievements and failures of Ukraine's European integration path by the end of the first quarter of 2015, gives more reason for scepticism than optimism.

The postponing for indefinite date of Jean-Claude Juncker's visit to Kyiv, previously planned for 30 March 2015, was symptomatic. A minor operation to treat kidney stones was named as a formal reason, but it is indicative that the visit was not postponed for a few days, but actually cancelled, and President of the European Commission is not going to visit Kyiv before the EU-Ukraine summit, scheduled for 27 April. It is also doubtful that Juncker's health conditions could prevent the EU foreign-policy chief Federica Mogherini from coming to Kyiv. The explanation that Ms. Mogherini had been planning her visit together with Mr. Juncker and decided not to visit Kyiv without him, is hardly convincing because usually she does not tightly binds her international meetings to Juncker's schedule.

It was planned that on 30 March, in Kyiv Jean-Claude Juncker would co-chair the meeting of Council for Reforms. Actually Europeans have a lot of questions to Ukrainian authorities concerning the pace of reforms. **MEP from Lithuania Gabrielius Landsbergis told DW about Europe's concern on slow Ukraine's progress in reforming, particularly in combating corruption.** He hinted that even traditional friends of Ukraine, namely the Baltic States and Poland, began "losing hope", and Kyiv should demonstrate the progress till June 2015, otherwise it would be difficult to convince the EU member states to continue support Ukraine and extend sanctions against Russia.¹ Judging by publications in the European media, it seems that public arrest of Ukrainian officials being accused of corruption did not impressed the Europeans.²

It is worth adding that on 31 March 2015, in Kyiv the International Advisory Panel of the Council of Europe issued the report on its review of the Maidan Investigations by Ukrainian law enforcement agencies (under the new government). The latter were sharply criticized for the failure "to carry out a full, prompt and impartial investigation" of the tragic events in Kyiv of February 2014 was.³ Of course, the Council of Europe is not the same as the European Union, but the members of the latter

¹ Євродепутат Ландсбергіс: Україна має час до червня. - <http://www.dw.de/євродепутат-ландсбергіс-україна-має-час-до-червня/a-18342075>.

² Див., напр.: Milicja wchodzi na obrady rządu i zakuwa urzędników. Pokazówka w Kijowie. - <http://www.tvn24.pl/urzednicy-zatrzymani-za-korupcje-milicja-na-posiedzeniu-rzadu-ukrainy,527518,s.html>.

³ Report of the International Advisory Panel on its review of the Maidan Investigations. - <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016802f038b>.

constitute the majority and set the tone in the CE. Therefore, in this case the estimation of the International Advisory Panel may be taken as the position of the EU member states as well.

Given the *dissatisfaction with the pace of reforms in Ukraine*, it is not surprise that the EU-Ukraine summit was postponed several times: at first, it was planned to be held in Kyiv in January or February, then it was postponed to March, and finally the parties agreed on the date of 27 April 2015.

But the Eastern Partnership summit to be held in Riga on 21-22 May 2015 will be more indicative for Ukraine's progress towards the European integration. It was planned that till the summit all the member states would ratify the EU-Ukraine Association Agreement and in Riga the EU would take positive decision on visa-free regime for the citizens of Ukraine. Two months before the summit it is already certain that Kyiv has failed to meet at least one of these two important objectives – **on 24 March 2015 the head of the EU Delegation to Ukraine Jan Tombinski said that decision on visa-free regime would not be taken at Riga summit.** Ukrainian experts believe that the main reason is still the same – an insufficient fight against corruption.⁴

There is no cause for optimism on ratification of the Association Agreement by all the EU members till the Riga summit. At the end of March 2015 the AA was ratified only by the half of the EU countries: Bulgaria, Denmark, Estonia, Ireland, Latvia, Lithuania, Malta, Germany, Poland, Romania, Slovakia, Hungary, Czech Republic and Sweden. The agreement has not been ratified yet by such large countries as Britain, Italy, Spain and France, but the main difficulties may be expected in Greece with its pro-Russian government and in Cyprus, which is also loyal to Moscow. The question is whether Kyiv has done everything to pass the ratification of the AA under the previous, not so much pro-Russian composition of Greek parliament? The answer is needed to avoid the same mistakes in the future.

After the temporary increase in Ukrainian exports to the EU countries in the first half of 2014, it began to fall in the second half of the year. In January 2015 Ukrainian exports to the EU decreased at 13%.⁵ It is indicative that in March 2015 a large Hungarian low-cost air carrier 'Wizz Air' took decision to suspend the business of its subsidiary airline 'Wizz Air Ukraine'. Besides reduce of Ukrainian air transport market, the lack of clear rules was also mentioned by experts among the possible reasons. In any case, it was a bad signal to European businesses.

The European Council in its Conclusions of 19-20 March 2015 diplomatically "acknowledged the Ukrainian government's reform efforts" and called on to "intensify its work." The document also stressed that *the duration of sanctions against Russia "should be clearly linked to the complete implementation of the Minsk agreements, bearing in mind that this is only foreseen by 31 December 2015."*⁶ On 25 March 2015 the absolute majority of the European Parliament members (492 against 107) supported *the decision on €1.8 billion macro-financial assistance for Ukraine.*

But Kyiv should bear in mind that the 'honeymoon' of its relations with the European Union would expire soon. Judging by the statements of European politicians and by the tone of European press one may conclude that the effect of 'fatigue' of Ukraine is on its way already. After the whole year of unquestioning EU political support Kyiv has the only one real significant achievement on its European

⁴ Безвізовий режим з ЄС: навесні 2016-го? -

http://www.bbc.co.uk/ukrainian/politics/2015/03/150331_visa_eu_ukraine_postponed_vc.

⁵ Експорт–2014: сумні тенденції. Де виграла і де програла Європа? -

<http://www.eurointegration.com.ua/articles/2015/03/12/7031779>.

⁶ European Council conclusions, 19-20 March 2015. – <http://www.consilium.europa.eu/en/press/press-releases/2015/03/20-conclusions-european-council>.

integration path, namely the Association Agreement, but even the latter was just signed but not yet ratified by all the EU members. The time is not on Ukrainian side: after Greece the pro-Russian forces won election in France also (Nicolas Sarkozy's UMP) – local election so far, but Paris will have to take into account such electoral moods.

Moscow seeks to convince the European capitals that Ukraine is incapable of reforming, thus being excessive and unaffordable burden for the EU. Kyiv has not much time to prove the opposite; and it should not repeat the mistakes of the previous government, hoping that Brussels will turn a blind eye on the unfulfilled promises.



UKRAINE – NATO



KEY THEME ANALYSIS

NATO TRIES TO RESPOND TO RUSSIAN AGGRESSION IN THE ABSENCE OF LEADERSHIP AND CLEAR STRATEGY

In one of the most critical periods of its existence the North Atlantic Alliance is forced to act amidst the Washington's refusal to fulfil traditional leadership functions. It came to a point that the ***NATO Secretary General has failed to get an appointment with Barack Obama*** during a three-day visit to Washington in late March 2015.⁷ Heads of other member and partner states always find time to meet with Jens Stoltenberg, but they cannot take those strategic decisions, which have always been the prerogative of Washington.

The causes of such White House's attitude may be different, and it's hard to say what prevails – the state strategy or the personal character features of Barack Obama. Washington apparently wants to force the European allies to start taking care of own safety. It is also probable that the White House has intention to let the Europeans feel the need for the American presence and protection. Or maybe a plan to let Russia destroy itself exists and it includes giving the Kremlin a free hand to launch wars, which would exhaust Russia and transform it into the country-outcast. However, such games are too risky to be a strategy for the leader of the most powerful military-political Alliance in the world, because the consequences might be unpredictable, including the possibility of the third world war. At least, the credibility of the United States among its allies has already been undermined as well as the respectfulness among the opponents.

It is probable that the position of Washington is strongly influenced by the personal character features of Barack Obama, whose 'flexibility' and foreign policy short-sightedness give advantages to the competitors of the U.S. and the NATO. Former U.S. Ambassador to Ukraine, diplomat with 31 years of experience ***John Herbst speaks of "a lack of clear strategic understanding of the problem and inapprehension of crisis severity... Administration does not understand that Vladimir Putin's ambitions are not limited to Ukraine."***⁸

Whatever the motives of the White House, its rejection to fulfil the traditional role of NATO's leader negatively impacts the Alliance, activity of which lacks consistency and efficiency.

In March 2015 the NATO Secretary General Jens Stoltenberg held a number of important meetings. In Washington he met with the U.S. Secretary of Defence Ashton Carter to discuss the NATO actions in light of the Russian aggression.

⁷ Obama Snubs NATO Chief as Crisis Rages. - <http://www.bloombergview.com/articles/2015-03-24/obama-snubs-nato-chief-as-crisis-rages>.

⁸ Джон Герbst: «Адміністрація не розуміє, що амбіції Путіна не обмежуються Україною». - <http://tyzhden.ua/World/132826>.

Jens Stoltenberg also visited Latvia to assure it of the Alliance's support. He made a trip to Moldova as well, and discussed with Prime Minister Kirill Gaburich the cooperation and strengthening of defence of this country, a part of which (Transnistria) is occupied by Russia, while in other region (Gagauzia) 'Donetsk scenario' is possible. However, it is clear that just visits and meetings cannot enhance the level of protection against the aggressor, which has long ceased to draw attention to statements not backed up by appropriate action.

The NATO military command realizes the probability of Russian aggression against the Baltic States. However, the false idea prevails as if such aggression could happen only in 3 or 4 years, allegedly due to the involvement of Russia's forces in actions in Ukraine (such idea was expressed by the U.S. Army Europe Commander Lt. Gen. Ben Hodges⁹). But the Kremlin is unlikely going to wait until NATO finishes strengthening its eastern borders, and Moscow does not want to test whether the next president of the United States is the same 'flexible' as Barack Obama. **So it is probable that aggression against the Baltic countries in one or other way may be launched before the end of 'Ukrainian campaign' and before the presidential election in the U.S.** Especially since the defence capacity of the Baltic States is far smaller than Ukrainian one, while ethnic Russian minority groups are proportionally larger, they live compactly and consider themselves being discriminated.

A threat to NATO might come from the Caucasus also – the signing of alliance and integration treaty between Russia and South Ossetia on 18 March 2015 could become a prelude to the resumption of **aggression against Georgia** and full occupation of the latter by the so-called 'Ossetian' forces and some kind of pro-Russian Georgian 'rebels'. Then Russian troops will reach the Turkey border, making this NATO member even more vulnerable and concessive towards Russia. Probable **provoking of war between Armenia and Azerbaijan over the Karabakh issue** could result its occupation of these countries by Russian 'peacekeepers', and thus Russia would reach the Iranian border – with all the relevant consequences for the situation in the Middle East.

The March **NATO naval manoeuvres in the Black Sea and the large-scale military exercises in the Baltic States** with involvement of the large number of equipment and personnel – are important in terms of training deployment in the region and getting acquainted with the terrain. However, these exercises cannot gain two important psychological objectives: to make the allies feeling secure and to discourage Russia from the idea of attacking the Baltic countries – since both allies and rivals do not believe that NATO has the political will to use force. The current decision-making process in the Alliance does not give grounds to expect a quick and effective response, especially in case of hybrid aggression.

The situation over the NATO arms assistance to Ukraine is becoming a grotesque. On the one hand, one can see the **348 (against 48) votes of the U.S. congressmen in favour of the resolution, calling Obama to immediately provide Ukraine with lethal weapons**. On the other hand, the U.S. President seems to be more inclined to the arguments of Russian MPs, who claims that arms assistance to Kyiv may hurt the peace process, despite the fact that Russia itself continues supplying tanks and artillery to separatists. Chairman of the Russian Parliament Committee on Foreign Affairs **Alexei Pushkov stated bluntly that he put hopes on Obama's commitment to the doctrine of "anti-war president" and on refusal of the U.S. leader to implement the resolution of Congress**.¹⁰

In March 2015 Ukraine received from the U.S. a dozen of 'Humvee' armoured

⁹ General: Russian forces tied down in Ukraine — for now. - <http://www.stripes.com/news/general-russian-forces-tied-down-in-ukraine-for-now-1.335080>.

¹⁰ Пушков назвал резолюцию конгресса США агрессивной и безответственной. - <http://tass.ru/politika/1850143>.

vehicles. It was also stated that on 20 April the 290 U.S. military personnel would come to Ukraine and start training their Ukrainian counterparts. It is expected also that during this year about 3.5 thousand troops from the U.S. and other NATO member states will take part in military exercises in Ukraine to be held in Lviv, Odesa, Kherson and Mykolaiv regions. This aid is really important, but still its scale is far from being comparable with the support, provided by Russia to the separatists. As long as this disparity remains, one should not expect the termination of aggression.

Ukraine is also partly responsible for the lack of strong NATO support. Several Ukrainian MPs reported that during their visit to Brussels they heard from the NATO officials about the delaying of Ukrainian authorities in taking decisions necessary to launch five target NATO trust funds, about the lack of single coordinating body in Kyiv to reform the defence and security sector, and about the difficulties in interaction between NATO advisers and their partners from Ukrainian Ministry of Defence.¹¹

Ukrainian position about possible membership in NATO is also confusing to Brussels. It is clear that membership is not the case for the immediate future, but the Alliance is not sure if Kyiv is going to apply for joining NATO at all. ***Answering the question of Canadian 'Macleans' on the possibility of Ukraine's membership in NATO, Jens Stoltenberg hinted on the inconsistency of Kyiv positions: "Some years ago, they applied for membership, and I respected that. Then they decided to be a non-bloc country. Now they have started the process of reforming with the aim to apply for membership later on. If and when they apply, we will assess that application."***¹²

It is obvious that the lack of a clear position in Kyiv and the red tape of Ukrainian authorities deprive NATO of enthusiasm to strongly support our country. However, the Allies should remember that by helping Ukraine they simultaneously take care of their own safety. So it is not about altruism, but mostly about self-defence. No bureaucracy will prevent Washington and Brussels from efficient help to Kyiv in reforming and strengthening the armed forces, if proper political will exists as well as a clear vision of Ukraine as a future member state and a security guarantor of the NATO eastern borders.

¹¹ Коли до радників нема довіри. - http://gazeta.dt.ua/internal/koli-do-radnikiv-nema-doviri-_.html.

¹² The Interview: NATO Secretary-General Jens Stoltenberg. - <http://www.macleans.ca/news/canada/the-interview-nato-secretary-general-jens-stoltenberg>.

FOREIGN POLICY OF UKRAINE



KEY THEME ANALYSIS

UKRAINE AND TURKEY INTENSIFY ECONOMIC PARTNERSHIP, DESPITE THE DIFFERENT APPROACHES TO RELATIONS WITH RUSSIA

On 20 March 2015 the President of Turkey Recep Tayyip Erdogan paid an official visit to Kyiv. Ukrainian and Turkish Presidents have held the Fourth Session of the High Level Strategic Council to discuss a wide range of bilateral issues. The annual meetings of Strategic Council were founded in 2011, and only in 2014 the meeting was not held due to the revolutionary events in Ukraine and Russian aggression. The renewal of meetings in 2015 indicates the return of bilateral relations to the previous high level.

President of Turkey has declared support for the sovereignty, territorial integrity and independence of Ukraine, including Crimea, and for Kyiv's efforts to invite the UN peacekeeping mission for de-escalation of the situation in eastern Ukraine. The parties have agreed to coordinate their actions in international organizations to protect the rights of Crimean Tatars. ***On the one hand, the official support for the territorial integrity of Ukraine by such powerful regional player as Turkey is important. On the other hand, this support is mostly of declarative character,*** as Ankara tries to avoid the involvement into confrontation between Russia and the West; moreover, Turkey exploits the situation in its own economic interests. Not being a member of the EU, Turkey has not joined the economic sanctions against Russia, and even helps the latter to cover the deficit of certain products, resulted from decrease in Russia-EU trade. Besides, Ankara supports Russian project of new gas pipeline bypassing Ukraine.

It is obvious that economic issues were the main objective of Turkish leader's visit to Kyiv. Turkey is an important trade partner for Ukraine with about \$6 billion bilateral trade in 2014. ***Since Ukraine has signed a free trade area agreement with the EU, Ankara is interested in concluding the similar agreement with Kyiv*** to maintain the marketability of its export to Ukraine. Mr. Erdogan announced an ambitious plan to increase the volume of bilateral trade to \$10 billion till 2017 and to \$20 billion till 2023.

It is known that Turkish companies are seeking to win the contracts to build roads, bridges and other objects of infrastructure in Ukraine. Turkey is also interested in selling the household appliances, consumer goods and agricultural products. Besides, tourists from Ukraine constitute a significant proportion of guests at Turkish resorts. In 2013 about 750 thousand Ukrainians spent their vacations in Turkey, and this figure

may significantly increase in future due to the Russia's occupation of Ukrainian Crimea.

Ukrainian and Turkish Presidents have agreed to intensify the negotiations on the free trade; to hold in the near future a meeting of the Intergovernmental Commission on Trade and Economic Cooperation, a meeting of the Joint Ukrainian-Turkish Commission on Defence-Industrial Cooperation, and the first session of the Working Group on the Issues of State-Private Partnership. The parties have discussed the prospects for development and production of regional passenger aircraft for Turkey's needs based on technologies of Ukrainian State Enterprise 'Antonov'; the joint projects in the field of aerospace, engine construction and military-technical sphere have been considered as well. Ukrainian State enterprise 'Ivchenko-Progress' and Turkish company 'Tusas Motor Sanayii A.S.' have signed a letter of intent of partnership in the design and production of aircraft engines.

During the visit it was announced that Turkey would assist Ukraine with humanitarian aid at \$10 million and with a credit to cover the budget deficit at \$50 million. The Turkish side also recalled that 'Turkcell', the owner of Ukrainian mobile operator 'Astelit' had paid about \$140 million to the state budget of Ukraine for the 3G radio technology license and would invest heavily in development of this third generation mobile technology. It should be noted that 'Turkcell' is the only foreign operator to compete Russian companies in Ukrainian market of mobile communication.

So Ukraine and Turkey have found a way to intensify the mutually beneficial economic partnership, despite the different approaches to relations with Russia. Ukraine's interest in bilateral cooperation is evident, for Turkey is the second largest importer of Ukrainian goods (after Russia), and Kyiv has a significant positive trade balance with Ankara (\$2.5 billion in 2014). Turkey is not afraid to invest in Ukraine even at the wartime. Turkey is one of the most powerful countries in the region in economic and military dimensions, a member of G-20 and of NATO, and Ankara controls the Black Sea straits.

At the same time, the Ankara's position is similar to the one of Beijing, which formally declares support for the territorial integrity of Ukraine, but does not join the sanction regime against Russia and even deepens the economic cooperation with the latter, thus helping Moscow to reduce the negative effects of restrictions, imposed by the EU and the U.S. In such situation it is important for Kyiv to find a reasonable balance between the current economic interests and strategic national priorities. **The development of economic relations with Turkey should include a component of political, military technical and security cooperation.** Kyiv and Ankara are equally interested in stability and security in the Black Sea basin. It is important to convince Ankara not to take part in dubious Kremlin's projects, primarily in the energy sector, where the temporary economic benefit conceals the political and military-strategic objectives, which could pose threat to Turkey itself in the long term.