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Director General Anatoliy Rachok
Editor Valeriya Klymenko
Layout and design Oleksandr Shaptala
Technical support Volodymyr Kekukh

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Editorial address:
16 Lavrska str., 2nd floor,
Kyiv, 01015
tel.: (380 44) 201-11-98
fax: (380 44) 201-11-99
e-mail: info@razumkov.org.ua
web site: www.razumkov.org.ua

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THE ROLE OF INTERNATIONAL ORGANISATIONS IN THE NATIONAL SECURITY OF UKRAINE

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On 17 September 2013, Kyiv hosted the International Conference “The Role of International Organisations in the National Security of Ukraine”. The Conference was organised by the Razumkov Centre jointly with the NATO Liaison Office in Ukraine and the Ukrainian Diplomatic Academy under the auspices of the Ministry of Foreign Affairs of Ukraine, and with the support from the Embassies of Norway, Poland and Switzerland in Ukraine and the Ministry of Defence of Estonia.

The event had taken place two months before the EU Eastern Partnership Summit in Vilnius, where Ukraine and the EU were supposed to sign the Association Agreement. After long and tough talks between the Ukrainian authorities and European partners, the parties came close to an uneasy compromise. It seemed that the willingness to sign the Agreement – at least on the part of Ukraine – was beyond doubt. Almost all the panellists, despite some reservations, expressed their confidence in the strategic importance of such a step for Ukraine’s future.

Furthermore, the time was approaching to sum up the results of Ukraine’s chairmanship in the OSCE – one of the leading international organisations dealing with European security issues. That is why, the Conference has become an important element of fervent discussions both in Ukraine and abroad about the future of security and sustainable development in Europe.

The agenda proposed by the Conference organisers covered different security domains: military, economic, humanitarian, and energy sector. Despite a specific subject matter allocated to each panel and the appropriate selection of participants, all the aspects were closely interwoven during the discussions, which directly reflected the nature of current threats and challenges and complex interconnections of different security aspects.

To ensure a productive discussion, the Razumkov Centre prepared the Discussion Paper based on the Expert Meeting of 24 July 2013, which involved representatives of the Ministry of Foreign Affairs of Ukraine, the Ministry of Defence of Ukraine, the National Institute for Strategic Studies, leading non-governmental think-tanks (NOMOS Centre, the Institute for Euro-Atlantic Cooperation, the Centre for International Studies, Uniworld International Foundation), along with the results of an expert survey and public opinion survey.

This issue of journal contains:

- Discussion Paper prepared for the International Conference;
- Expert assessments of Ukraine’s cooperation with international organisations;
- Public opinion on some aspects of Ukraine’s foreign and security policy;
- Conference Participants’ presentations;
- Articles by the military-political experts.

UKRAINE'S NATIONAL SECURITY THROUGH A PRISM OF COOPERATION WITH INTERNATIONAL ORGANISATIONS

Initially, the notion of international cooperation as a concerted effort to achieve common goals has a positive connotation. Though, defining the rationale and importance of cooperation within the framework of international organisations and its forms may seem like a simple task at first glance, in many ways it is not. International cooperation creates conditions for a state to engage in solving common problems as well as provides additional opportunities to deal with its own. For developing countries, this is not only a tool for strengthening their position on the international arena and exerting influence on regional and global processes, but also a way to compensate for the lack of national resources (financial, economic, political) required to implement proper domestic and foreign policy. Yet, the state assumes additional commitments and should be prepared for potential risks and challenges associated with success or failure of their implementation for various reasons (political, organisational, and resource-based).

To assess the role, place and significance of each international organisation for the national security policy, as well as the effectiveness and feasibility of cooperation is a difficult and politically sensitive task (especially when critical conclusions are evident). However, a regular assessment of gains and risks as well as the in-depth analysis of reasons and proposals for building relations should remain an indispensable element of policy-making both during and long after the accession process.

This Paper, including the results of the expert and public opinion surveys, does not aim to provide answers to tough questions but rather to outline important issues to generate discussions.

1. UNITING EFFORTS TO MEET GLOBAL CHALLENGES

1.1. Two decades after the Cold War have been rich in events, new challenges and threats. The interdependence of political, social, economic, energy, environmental, cyber security problems and approaches to their solution dramatically changed the perceptions of the system of global, regional, national security, and human security in general. "Hard power" aspect of security has not lost its relevance but gained a new meaning, now being effective only when combined with "soft power" tools.

1.2. International relations have undergone significant changes. Its new feature has been a struggle for global and regional leadership. Today, the global networks of trade, economic, political, information, and cultural ties transmit not only the best achievements of mankind but also economic, social and political turmoil. Once the most threatening contradictions among the states based on "friend-or-foe" principle of conducting relations are now being transformed and replaced with transborder threats that no one can deal with on their own or even within the framework of existing international organisations built on old principles.

1.3. Conclusions about the impossibility to unilaterally counteract emerging threats and challenges and recommendations concerning further international cooperation and partnership have become common elements of national and international strategic documents. Their logic and relevance as well as the understanding of difficulty of their practical implementation are beyond doubt. Insurmountable differences in values and interests of members of international organisations and reluctance (inability) to create a common resource base often block the decision-making and implementation.

1.4. The capacity of international organisations (their member states and secretariats), their ability to adapt to and to adjust the system of international relations and international law in line with ongoing changes will determine the prospects for evolution of the world order. This (in)ability will also determine the attractiveness of international organisations to potential members and partners, their international standing and their legitimacy and efficiency.

1.5. Activity of an overwhelming majority of international organisations is limited to some separate or isolated domains (financial, economic, security, humanitarian, environmental, etc.), does not require creating shared values, forms or methods of governance between members and

does not touch upon one of the most controversial issues – the national sovereignty. On the contrary, to enhance their legitimacy and efficiency in addressing the pressing issues, these organisations are interested in having as many members as possible, with little concern for their development targets. Meanwhile, one of the main tasks of integration structures is to set the development goals for the union and its members that have voluntarily agreed to transfer a part of their sovereignty and authority to supranational bodies.

1.6. Reaching the new frontiers of successful cooperation in solving global issues by states and international organisations depends on how balanced their response will be to complex and interrelated dilemmas of their activity. Finding the balance between individual (national) and collective interests; between traditional values, human rights and national interests; between the right of nations to self-determination and the principle of territorial integrity; between the non-interference in internal affairs and the responsibility to protect – represent only a small part of these dilemmas.

1.7. The main criteria for decision-making on unification of countries, accession and admission of new members remain the community or, at least, the compatibility of:

- values, interests, strategic goals and approaches;
- assessments of security threats, their sources, bearers, and approaches aimed at preventing and countering threats;
- needs and opportunities for creating a common resource base; intentions of fair distribution of the resource load and collective responsibility.

1.8. The most realistic and optimal way for creation (accession to) and successful development of a union (membership) will be a gradual approximation to the above criteria in the process of cooperation in separate domains with gradual spreading to others. Historical and cultural proximity, experience of co-existence or neighbourhood, similarity of types, forms and methods of governance, voluntary association and conflict-free recognition of equality and leadership, and authority of supranational structures substantially affect the stability and efficiency of a union. Common values and strategic goals are an indispensable precondition for reaching consensus on other issues.

1.9. Neglect of these criteria, coercive or artificial acceleration of an integration process could result in negative consequences: lack of expected results, waste of resources, defamation of organisation, its partners, and the very idea of integration per se.

1.10. Creating new or joining the existing competent international organisations gives an impetus to – however

does not guarantee – a successful achievement of goals, both collective and individual. Any projections of the consequences following a country's accession to one or another organisation are conditional, since gaining benefits or neutralising risks mainly depends on the performance of its national Government and partners.

2. UKRAINE'S NEED FOR PARTNERSHIP WITH INTERNATIONAL ORGANISATIONS AND MEMBERSHIP IN THEM

2.1. The success of any state, including Ukraine, under conditions of globalisation and simultaneous processes of disintegration and regionalisation, will depend on the existence of an effective strategy for interaction with international unions, which enables to contribute to global and regional peace and stability, as well as to effectively use tools of international cooperation and receive different kinds of assistance for achieving national goals.

2.2. Ukraine cooperates with many international organisations in different formats and capacities (a full member, a candidate for membership, a partner, an observer, a contributor). Membership in 75 international organisations may witness to good intentions of national leadership to cooperate “with all concerned parties, avoiding dependence on individual

states, groups of states or international structures”.¹

2.3. Ukraine is an active contributor to joint activities aimed at strengthening international peace and security: the country participates in several multinational missions (five of the UN; two of the EU; three of NATO; and one (Transnistria) within the framework of an international agreement). In 2012, Ukraine expanded its contribution to international efforts of conflict management by increasing a number of troops in four UN and one NATO missions. In 2013, Ukraine has assumed chairmanship in the OSCE and BSEC (the latter, ended in June 2013). The country continues its intensive cooperation with NATO based on Annual National Programmes of cooperation with the Alliance. Preparations for signing of the Association Agreement with the EU are underway.

2.4. Meanwhile, Ukraine pins great hopes to building its own capacity to ensure national security (including its economic, energy, environmental aspects, etc.) against present-day challenges and threats by using mechanisms of international cooperation and assistance from international organisations and partner countries. Foreign advisory, technical, and financial assistance (non-repayable financial aid and loans on beneficial terms) is also critically important to implement a wide range of structural, socio-economic and political reforms, and strategic projects.

• *International community is unable to efficiently oppose present-day challenges and threats. Their overall structure, patterns of interaction and the system of international law based on the capacity of these organisations do not correspond to the present-day realities. What is the “safety margin” of the present world order, and should it be further adapted without changing the paradigm itself?*

• *Some international organisations do not meet present-day requirements, and exist only due to efforts on the part of their secretariats; therefore they should either change or cease to exist. Do efforts aimed at revival of inefficient international structures make sense or should their dissolution be initiated instead?*

• *Gaining membership in an organisation may be either an intermediate goal or a tool for achieving long-term strategic goals. The formalisation of relations imposes strict discipline and restrains from making politically imprudent steps. How important to a country is a formal membership in international organisations?*

¹ Law of Ukraine “On Fundamentals of Home and Foreign Policy”. For the list of international organisations joined by Ukraine, see: Single State Register of International Organisations, where Ukraine is a member. – MFA web site, <http://mfa.gov.ua/ua/about-ukraine/international-organizations/io-register> (in Ukrainian).

2.5. Foreign assistance is generally used to support national priorities,² or aimed at solving the most pressing problems of society:

- Protecting national sovereignty, territorial integrity and inviolability of frontiers, non-interference in Ukraine's internal affairs (the UN, the EU, NATO, the OSCE).
- Building a competitive, socially oriented market economy, preserving and strengthening the scientific and technological potential, introducing an innovative model of development and ensuring sustainable growth of wellbeing and living standards (IMF, the World Bank, WTO, OECD, IBRD, EBRD, the International Financial Corporation, the European Investment Bank (EIB), the Energy Community, BSEC).
- Ensuring the constitutional rights and freedoms of man and citizen (the OSCE, the Council of Europe, the Venice Commission (the European Commission for Democracy through Law), the EU, the European Court of Human Rights, Amnesty International, the International Committee for Human Rights).
- Development of civil society, its democratic institutions, strengthening of political and social stability (the UN, the World Bank, the EU, the OSCE, the Council of Europe, international foundations and individual Western states).
- Ensuring environmentally and technologically safe living conditions of citizens and society, environmental protection and rational use of natural resources (the UN, the Global Environment Facility, the EU, EBRD, EIB, the OSCE, NATO, the Nordic Investment Bank, the Nordic Environment Finance Corporation).
- Developing cultural, moral and intellectual capacity, strengthening the physical health of society, creating favourable conditions for progressive reproduction of the population (the UN, the World Bank, the World Health Organisation, the International Labour Organisation, the Council of Europe, the EU, BSEC, UNESCO, UNICEF).

2.6. Ukraine, since its independence, received the total amount of \$40.8 billion loans (as of January 2013;

including from IMF – \$18.28 billion, IBRD – \$7.27 billion, IFC – \$2.4 billion, EBRD – €8 billion, EIB – €1.53 billion) and \$8.9 billion for the implementation of international technical assistance projects (primarily from the United States, Canada, Germany, the Netherlands, the United Kingdom, Sweden, Switzerland, Japan, the EU, the UN, IBRD).³ In addition, Ukraine receives advisory support, professional expertise and access to the best practices and international standards.

2.7. International donors and national experts have observed poor efficiency of foreign assistance to Ukraine. The main drawbacks and reasons for it have been thoroughly examined in international and national documents. The key to solving the problem is to increase joint responsibility, harmonisation, coordination, focus on results and mutual accountability of donors and recipients.⁴ However, the problem is still relevant, including for Ukraine, which has no unified strategy for national development (in presence of formal strategic documents), effective mechanisms for formulation and implementation of national policy, transparency, independent control and proper responsibility.

2.8. The Ukrainian authorities often tend to disregard the strategic prospects of development for the sake of achieving tactical goals.⁵ A multi-vector, non-bloc foreign policy, a policy of “small steps” could have been acceptable if it were an element of a clear strategic direction of Ukraine. The lack of strategy makes the country passive and vulnerable in relations with partners, prompts it to agree with proposals of another party, and to assume commitments, which later turn unacceptable.

2.9. Ukraine's uncertainty over the three incompatible vectors of development – the eastern, western, and conditionally “neutral” (as an attempt to postpone strategic decisions) – remains the most painful issue in its domestic and foreign policy influencing its formulation and implementation.

3. GEOPOLITICAL VECTORS OF UKRAINE'S DEVELOPMENT

3.1. Ukraine as a fully-fledged international actor actively cooperates with different states and international organisations. The level of relations with each party differs in form and substance, since for objective reasons the country is unable to simultaneously cooperate with all partners with equal intensity, or harmonise relations with partners that have profound bilateral contradictions.

• *Ukraine is a member of 75 international organisations, with its annual membership fees reaching about \$45 million. What is the right balance between the utility of an organisation for the country, and of the country for an organisation? To what extent is it efficient and expedient to spend human and financial resources? What would be the consequences if Ukraine decided to terminate its membership in organisations, further membership in which is deemed unnecessary?*

• *Ukraine's non-bloc policy envisages greater responsibility for national security and defence. What should the balance be between the capacity-building for autonomous defence and the formation of expeditionary forces for participation in international peace-enforcement and peace-building operations?*

• *Some European countries, not being formal members of the EU (Norway, Switzerland) or NATO (Sweden, Finland, Austria), are de facto integrated with the EU's economy and the Euro-Atlantic security community. What is the specifics of Ukraine? To what extent could the above cases be applicable to it?*

² Law “On Fundamentals of Home and Foreign Policy of Ukraine”.

³ Strategy of employment, use and monitoring of international technical assistance and cooperation with international financial organisations for 2013-2016 (draft). – <http://www.me.kmu.gov.ua/file/link/201093/file/proekt.doc> (in Ukrainian).

⁴ Paris Declaration on Aid Effectiveness of March 2, 2005. – <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccredagendafraction.htm>.

⁵ For more detail see: Ukraine's Security Sector Almanac 2012. – Razumkov Centre, Geneva Centre for the Democratic Control of Armed Forces, 2013, http://razumkov.org.ua/upload/Almanakh_bezpeky_fnl.pdf.

3.2. Multi-vector approach is entirely justified, if it contributes to achieving the main goals of Ukraine's partnership with international organisations and gaining membership in them, namely:

- active participation in ensuring regional and global stability and security;
- building trust and mutual understanding between partners;
- enhancing its credibility and international profile;
- getting assistance in order to stabilise the internal situation, pursue national interests and ensure national security.

3.3. The need to make a choice between partners, especially the strategic one, often gives rise to additional problems and mutual claims. These stages of a country's development often test the extent to which the political elite is committed to pursuing national interests, and their ability to subordinate tactical decisions to the chosen strategic course. Prolonged uncertainty, attempts of staying equidistant can result in a loss of partners, leaving the country in a buffer zone between different alliances, especially if there are historic and geographic preconditions for that.

3.4. To develop, Ukraine has to clearly define its strategic goals (values, living standards, national interests as a set of parameters that envisage a desired state for society). International unions, representing a vivid example of this value-based approach, may provide a geopolitical model for Ukraine and encourage deeper partnership or integration.

3.5. The Ukrainian society – despite regional and age differences over the issues of language, cultural traditions, foreign policy priorities – has some shared values shaping the civilisational component of Ukraine's future development: (a) a commitment to universal moral values (virtue, freedom, justice, mercy); (b) a clear hierarchy of social identity (individual, family, community, region, state, society); (c) the importance of democracy, rule of law, human rights and freedoms, and tolerance; (d) a human-oriented rule-of-law state (equality, order and security, fair and accessible justice, effective and affordable administrative services).⁶

3.6. Formalisation of the European integration course has neither stopped the elites and different centres of power from discussing options for Ukraine's strategic choice nor eased the external pressure. The choice between the East and the West is one of the elements used to artificially split the society (especially during the election campaigns) that, under certain conditions, may lead to radicalisation of social movements and regional tensions.

3.7. Alongside the evident strategic benefits for both sides, the EU-Ukraine Association Agreement involves serious challenges, difficulties, obstacles that should be timely identified and neutralised. There is a risk of disappointment due to excessive expectations on both sides. Any positive or negative forecasts of integration consequences are conditional. Formalisation of relations gives no guarantees but only creates institutional preconditions for employing additional opportunities.

3.8. Association with the EU may become an important step toward solving one of the most pressing problems of Ukraine's national security, namely – the lack of reliable external guarantees. Mutual commitments to ensuring “respect for the principles of sovereignty and territorial integrity, inviolability of borders and independence” and to countering the proliferation of weapons of mass destruction are the key elements of the Association Agreement. In addition, the overwhelming majority of the EU countries

(22 out of 28) are NATO members, the rest do not belong to the Alliance *de jure* – but are *de facto* members of the Euro-Atlantic security community, united not only by formal commitments, but also by the spirit of democratic solidarity based on shared values and readiness to defend them.

3.9. The main arguments used by the proponents of Ukraine's accession to the Customs Union of Russia, Belarus and Kazakhstan have been lower gas prices, the increase in trade turnover, as well as the threat of increasing pressure on Ukraine in case it rejects the Kremlin's offer. Despite many “pros” and “cons” of Ukraine's European choice, the main motive

for pursuing European integration policy is based on hopes of building a socially oriented state governed by the rule of law, a developed market economy and civil society, as well as to enhance regional stability and security.

3.10. The Ukrainian political elite still has quite a few supporters of “positive neutrality” – a wait-and-see policy of “equidistance”, or balancing, which in their opinion enables Ukraine to enhance its profile on the international scene. The policy of “neutrality” as a precaution, wary walking corresponds to the mentality of a significant part of Ukrainian society.

3.11. Despite substantial differences in opinions of supporters for alternative geopolitical vectors, its probable challenges and risks, Ukraine will soon have to make its ultimate choice in favour of one of them. However, the wait-and-see approach can hardly help to achieve the ambitious strategic goals of integration into the European community.

• Ukraine faces a civilisational choice between the East and the West. What are the differences between these two alternatives? What are (should be) the motives for making this choice? How serious are the risks of each of the options: (a) signing of the Association Agreement with the EU; (b) refusal from association with the EU in favour of the Customs Union; (c) postponement of the final decision?

• Ukraine has declared its intentions to cooperate with all interested partners. Is it possible to simultaneously maintain partner relation with world leading countries or organisations, which co-exist in a state of permanent rivalry?

• Integration to any international union requires a candidate to implement some specific requirements – formal or informal. What requirements are acceptable? Is Ukraine ready to fulfil them? What should be Ukraine's “homework”?

⁶ For more detail on the value basis of the identity of Ukrainian citizens see: Formation of a common identity of the citizens of Ukraine: prospects and challenges. Razumkov Centre analytical report. – National Security & Defence journal, No.9, 2007, http://razumkov.org.ua/ukr/files/category_journal/NSD93_ukr.pdf.

UKRAINE'S COOPERATION WITH INTERNATIONAL ORGANISATIONS: EXPERT ASSESSMENTS*

Cooperation with international organisations represents a key element of Ukraine's foreign and security policy. Given the wide variety of international contacts, it is highly important to understand the general state and prospects of cooperation, outline its optimal formats and sectors, and identify factors hindering this cooperation. These were the issues covered in the Razumkov Centre's expert survey, which results provide not only overall answers to tough questions but also stimulate deeper analysis of separate aspects of Ukraine's cooperation with international organisations at different stages, including the choice of or fundamental change in the format of cooperation.

Among **the most urgent threats to Ukraine's security**, experts prioritise internal threats stemming from the inefficiency of governance (corruption, merger of government and business, prevalence of selfish, corporate, and regional interests over the national ones; illegitimate employment of law-enforcement bodies for political or business purposes). Among other threats the experts note: a degrading domestic competitive environment, absence of a long-term strategy for socio-economic development, potential for restricted access to energy resources, and a decreasing national defence capability.

Choice of international partners for cooperation in the security sector and further development of relations greatly depend on **common goals, interests, assessments of threats and approaches to their countering**. Expert assessments of the relevant criteria demonstrate the frame of reference for Ukraine. Apparently, the most acceptable and advantageous for the country would be to cooperate with organisations demonstrating the highest level of shared positions (UN, OSCE, EU). Of course, this does not suggest to exclude cooperation with partners demonstrating lower levels of similarity (CSTO, the Customs Union, SCO). In this case, however, we should be ready for some serious restrictions and problems caused by fundamental differences in values, interests, and strategic goals.

Summing up the assessments (the extent to which Ukraine's positions on various issues are similar to

those of international organisations it cooperates with; the importance it attaches to goals and separate sectors of security cooperation; the efficiency of its forms), the international organisations may be conventionally divided into two groups. *The first* – the UN, OSCE, EU, NATO. *The second* – CIS, CSTO, the Customs Union, the SCO.

The reasons for this division are as follows. *First*, the experts believe that values, interests, positions and approaches of Ukraine most of all coincide with the first group, and to a lesser extent – with the second group. *Second*, Ukraine's cooperation with organisations from the first group is relatively more important to enhancing its security and defence capability, improving Ukraine's international standing, its economic development and the well-being of citizens, strengthening democracy, deepening relations with the EU, eliminating corruption. Assessments of organisations from the second group are much lower. Experts were especially sceptical when assessing the effects of cooperation with those structures on Ukraine's relations with the EU, democracy-building, fight against corruption. Of course, this does not mean that cooperation with these structures is not important to Ukraine.

According to the assessments of the importance of security cooperation for pursuing the aforesaid goals, the EU and NATO received the highest marks. In terms of the effects this cooperation will have on achieving

* The expert poll was held by the Razumkov Centre in July-August 2013. 40 experts in international policy and national security, representing ministries and agencies, governmental and non-governmental think tanks were polled. Being not able to cover all international organisations in one poll, the list was limited to international structures, partnership with which is especially important for security.

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these goals, experts preferred Ukraine's cooperation with the EU, NATO, OSCE and the UN.

Expert assessments of the efficiency of **different forms of security cooperation** add to a conditional ranking of international security organisations (total score). Partnership with NATO is the most efficient in all respects. It is no surprise that when it comes to joint operations, exercises, and training, the experts prioritise cooperation with NATO – the world's leading political and military organisation.

Half of those polled believe that NATO should be **the leading security organisation in Europe**; their number far exceeds that of those who want the OSCE (22.5%) and the EU (17.5%) to perform this role.

The picture is supplemented with assessments of the importance of Ukraine's partnership with international structures in different security domains – the defence reform, counter-terrorism, counter-proliferation of weapons of mass destruction, emerging security challenges, civil emergency planning. Experts in all respects prioritise cooperation with NATO, the EU, the UN, and OSCE. The importance of partnership with the CIS, CSTO and the SCO is assessed somewhat lower.

What are the factors that most of all hinder Ukraine's partnership with separate international structures? Experts note different factors, depending on the partner organisation. In particular, they believe that Ukraine's relations with the EU and NATO are most of all hindered by the "Russian factor". Meanwhile, low level of responsibility to implement the commitments assumed by the Ukrainian side and lack of human resources and political will have a negative impact on cooperation with the EU; whilst lack of political will and public support – on relations with NATO. Cooperation with the Customs Union and CSTO is mainly hindered by divergence of values, political goals and strategic trends. Experts see lack of efficiency and visible results as the main problem in its relations with the CIS.

Experts were quite definite about the **format of cooperation** with separate international structures covered in the survey. Ukraine's full membership in the UN and OSCE was not questioned (97.5%). Experts' opinions on full membership in the EU (72.5%) and especially NATO (72.5%) differ substantially from national statistics. The level of experts' support for Ukraine's BSEC membership (57.5%), where Ukraine had recently finished its presidency (on June 30, 2013), were rather unexpected. For most experts Ukraine's relations with CSTO, the Customs Union, SCO and the CIS are to be limited to cooperation format.

Experts rather critically assess the **efficiency of the current foreign policy of Ukraine's leadership**. A mediocre assessment (on a five-point scale) was produced only for foreign policy efforts in support for peace and stability in the region; guarantee of inviolability, territorial integrity, state sovereignty; facilitation of visa procedures and border control. Other foreign policy efforts received less than three points, where the creation of a positive international image of the country on the international scene (2.1) and favourable conditions for society, state and economy development (2.2) got the lowest scores.

Experts were similarly critical in their assessments concerning one of the most important decisions in the security sector – Ukraine's adoption of a **non-bloc status**. The majority of those polled (62.5%) saw negative effects of non-bloc status for the national security; 42.5% of experts noted its negative effect on Ukraine's international standing; while 37.5% believed that a non-bloc policy may harm economic development. Positive effects of this decision were recorded in two domains: relations with Russia (45%) and stability in society (40%).

Finally, the experts assessed the effect of implementation of the two most important documents in Ukraine's cooperation with its main international partners – **the EU-Ukraine Association Agenda and the Annual National Programme of cooperation with NATO** – on the internal situation in Ukraine, separate aspects of domestic reforms, the European integration process, and integration into the Euro-Atlantic security space. Generally positive assessments of most cooperation domains once again proved the importance of those lines of cooperation (the EU, NATO) and the efficiency of the available instruments.

The survey results presented in tables and diagrams enable a more thorough analysis of specific assessments that prompted the abovementioned conclusions.

To what extent do interests, goals, positions and approaches of Ukraine coincide with those of the following international organisations in each of the following criteria?
% of experts polled

		Common values, interests, strategic goals and approaches to their implementation	Common assessments of security threats, their sources and bearers	Common approaches to preventing and countering threats
UN	Fully	70.0	67.5	62.5
	Partially	27.5	30.0	32.5
	Do not coincide	0.0	0.0	0.0
	No answer	2.5	2.5	5.0
OSCE	Fully	65.0	45.0	45.0
	Partially	32.5	50.0	47.5
	Do not coincide	0.0	0.0	2.5
	No answer	2.5	5.0	5.0
EU	Fully	42.5	32.5	27.5
	Partially	50.0	62.5	62.5
	Do not coincide	5.0	2.5	5.0
	No answer	2.5	2.5	5.0
NATO	Fully	35.0	25.0	15.0
	Partially	50.0	67.5	72.5
	Do not coincide	12.5	2.5	2.5
	No answer	2.5	5.0	10.0
CIS	Fully	0.0	5.0	2.5
	Partially	75.0	75.0	75.0
	Do not coincide	22.5	15.0	15.0
	No answer	2.5	5.0	7.5
CSTO	Fully	0.0	0.0	0.0
	Partially	25.0	55.0	47.5
	Do not coincide	72.5	42.5	47.5
	No answer	2.5	2.5	5.0
Customs Union	Fully	0.0	0.0	0.0
	Partially	45.0	42.5	42.5
	Do not coincide	52.5	55.0	52.5
	No answer	2.5	2.5	5.0
Shanghai Cooperation Organisation	Fully	0.0	0.0	0.0
	Partially	47.5	70.0	67.5
	Do not coincide	50.0	27.5	27.5
	No answer	2.5	2.5	5.0

The relevance of each of the following threats for Ukraine*,
average score

Widespread corruption in the government, blending of business and politics, organised crime	4.9
Prevalence of personal, corporate, regional interests over the national interests	4.6
Illegitimate use of law-enforcement for political or business purposes	4.5
Lack of proper competitive environment in Ukraine, inefficient anti-monopoly policy	4.4
No long-term strategy for socio-economic development of Ukraine, including plans for restructuring, privatisation and development of separate branches and enterprises	4.3
Loss (critical complication) of access to resources (especially energy resources)	4.3
Reduction of combat efficiency of Ukraine's Armed Forces and other security forces to the level that does not ensure protection against existing and potential threats	4.3
Critical state of fixed production assets in main industries, agriculture, utilities	4.2
Inefficient use of fuel and energy resources, insufficient pace of diversification of supply sources	4.2
Transborder crimes (human and drug trafficking, etc.)	4.1
Inadequacy of facility and population protection systems compared to the scale of existing and potential threats	4.1
High debt burden on the state, critical level of internal and foreign debt	4.0
Loss (or critical restriction) of national sovereignty	3.4
Escalation of internal contradictions (on political, ethnic, religious, property grounds) into open violent conflicts	3.4
Instability and conflicts near borders of Ukraine	3.3
Manifestations of separatism, attempts of autonomisation on ethnic grounds in some regions, loss of territorial integrity	3.0

* On a five-point scale, where "1" means "not relevant at all", "5" – "of high relevance".



**The importance of each of the following goals for Ukraine's security cooperation
with each of the following international organisations*,
average score**

Goals \ Organisations	EU	NATO	OSCE	UN	CIS	CSTO	SCO	CU
Enhancing Ukraine's international standing	4.9	4.7	4.8	4.8	2.8	1.9	2.3	1.8
Strengthening Ukraine's international security	4.8	4.7	4.4	4.4	2.5	2.2	2.2	1.7
Deepening relations with the European Union	5.0	4.7	4.3	3.8	2.0	1.6	1.7	1.7
Developing relations with Russia	3.4	3.2	3.3	3.0	3.4	3.1	2.7	3.4
Enhancing the efficiency of governance	4.6	4.3	3.7	3.3	2.5	2.0	2.0	1.9
Strengthening Ukraine's defence capability	4.0	4.7	3.3	3.3	2.1	2.0	1.7	1.7
Strengthening democracy in Ukraine	4.9	4.5	4.3	3.8	1.9	1.7	1.7	1.6
Developing market economy	4.7	3.9	3.2	3.1	2.4	1.6	2.1	1.8
Combating corruption in Ukraine	4.8	4.4	3.9	3.6	2.1	1.7	1.8	1.8
Increasing well-being of Ukrainian population	4.5	3.7	3.1	3.0	2.5	1.6	2.0	2.2
Enhancing the efficiency of Ukraine's defence industry	3.8	4.2	3.0	2.6	2.6	2.3	2.0	2.1
Total score	49.4	47.0	41.3	38.7	26.8	25.6	22.2	21.7

* On a five-point scale, where "1" means "entirely unimportant", "5" – "very important".

**The effects of Ukraine's cooperation with each of the following organisations
on achieving each of the following goals*,
average score**

Goals \ Organisations	EU	NATO	OSCE	UN	CIS	SCO	CSTO	CU
Enhancing Ukraine's international standing	1.0	1.0	1.0	1.0	0.4	0.3	-0.2	-0.3
Strengthening Ukraine's international security	1.0	1.0	1.0	1.0	0.4	0.2	0.2	-0.2
Deepening relations with the European Union	1.0	1.0	1.0	0.8	-0.2	-0.2	-0.7	-0.9
Developing relations with Russia	0.0	-0.2	0.7	0.7	0.7	0.4	0.6	0.5
Enhancing the efficiency of governance	0.9	0.9	0.9	0.7	0.2	0.2	0.0	0.0
Strengthening Ukraine's defence capability	0.9	1.0	0.8	0.8	0.2	0.2	0.0	-0.1
Strengthening democracy in Ukraine	1.0	1.0	1.0	0.9	0.0	0.0	-0.3	-0.3
Developing market economy	1.0	0.9	0.7	0.6	0.4	0.4	0.0	-0.1
Combating corruption in Ukraine	1.0	1.0	0.9	0.8	-0.1	0.1	-0.2	-0.3
Increasing well-being of Ukrainian population	0.9	0.7	0.6	0.6	0.4	0.2	-0.1	0.1
Enhancing the efficiency of Ukraine's defence industry	0.8	1.0	0.6	0.6	0.2	0.2	0.0	0.1
Total score	9.5	9.5	9.2	8.5	2.6	2.0	-0.7	-1.5

* On a scale from "-1" to "+1", where "-1" means that the effect is negative, "0" – no effect, and "+1" – the effect is positive.

**The importance of each of the following sectors for Ukraine's cooperation
with each the following international organisations*,
average score**

Sectors of cooperation \ Organisations	UN	OSCE	EU	NATO	CIS	CSTO	SCO
Defence reform, capability and capacity building, education and training	3.0	3.3	4.1	4.9	2.0	1.8	1.5
Counter-terrorism	4.1	4.1	4.5	4.7	3.3	2.7	2.8
Counter-proliferation of weapons of mass destruction, related materials and technologies	4.4	4.2	4.3	4.6	3.4	2.8	2.4
Emerging security challenges, including related to cyber-defence, energy security and maritime security, including counter-piracy	4.1	4.1	4.6	4.8	3.0	2.6	2.7
Civil emergency planning	4.0	3.8	4.6	4.6	3.3	2.6	2.3

* On a five-point scale, where "1" means "entirely unimportant", "5" – "very important".

The efficiency of each of the following forms of Ukraine's security cooperation with each of the following international organisations*, average score

Forms of cooperation \ Organisations	NATO	EU	UN	OSCE	CIS	SCO	CSTO
Political consultations on security developments, including regional issues, in particular with a view to preventing crises and contributing to their management	3.8	3.6	3.4	3.6	2.2	1.4	1.6
Cooperation within the framework of operations and missions	4.3	3.8	3.9	3.5	2.1	1.3	1.5
Joint military exercises	4.5	3.1	2.6	2.6	2.2	1.2	2.0
Training of military and civilian personnel	4.3	3.6	3.1	3.2	1.9	1.3	1.7
Total score	16.9	14.1	13.0	12.9	7.4	5.2	4.8

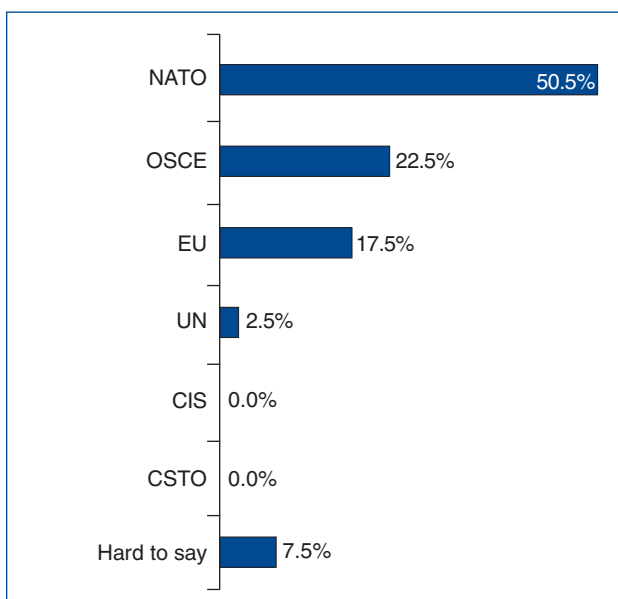
* On a five-point scale, where "1" means "entirely inefficient", "5" – "very efficient".

To what extent does each of the following factors hinder Ukraine's cooperation with each of the following international organisations?*, average score

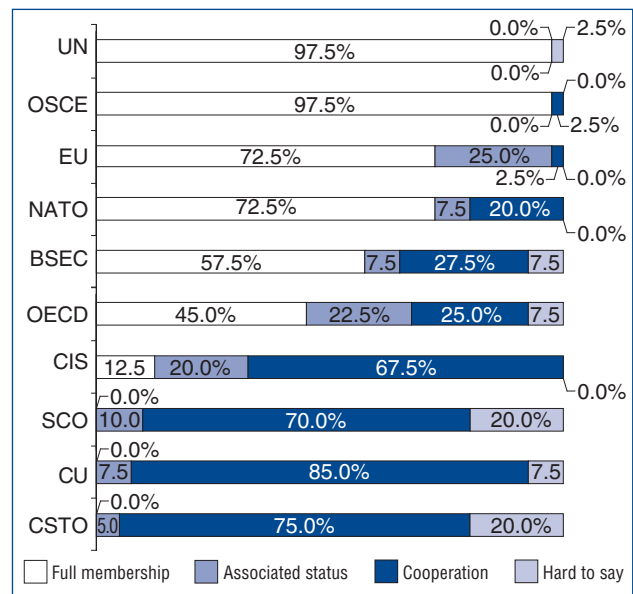
Factors \ Organisations	UN	OSCE	EU	NATO	CIS	CSTO	CU	SCO
Divergence of values, political goals and strategic trends	1.7	2.0	2.8	3.0	2.6	3.6	3.3	2.9
"Russian factor"	2.0	2.2	4.2	4.7	2.1	2.3	2.6	2.1
Lack of financial resources	2.5	2.2	2.7	2.6	2.0	1.8	1.8	1.9
Inefficiency and lack of visible results	2.4	2.7	3.3	3.2	3.4	2.9	2.9	2.6
Internal factors in Ukraine, including the lack of public support	1.6	1.8	3.1	4.0	2.5	3.1	3.2	2.2
Institutional weakness, lack of competent personnel	2.6	2.6	3.6	3.5	2.5	2.2	2.6	2.7
Lack of political will in Ukraine	2.1	2.3	3.6	4.4	2.7	2.8	2.9	2.6
Lack of clearly set priorities, main goal of partnership	2.2	2.4	2.9	3.5	3.1	3.0	2.8	2.7
Low level of responsibility to implement the commitments assumed by Ukraine	2.8	3.0	4.0	3.7	2.7	2.3	2.5	2.5

* On a five-point scale, where "1" means "does not hinder at all", "5" – "hinders greatly".

Which organisation should lead the process of ensuring regional security in Europe? % of experts polled



Which format should Ukraine choose to cooperate with each of the following organisations? % of experts polled



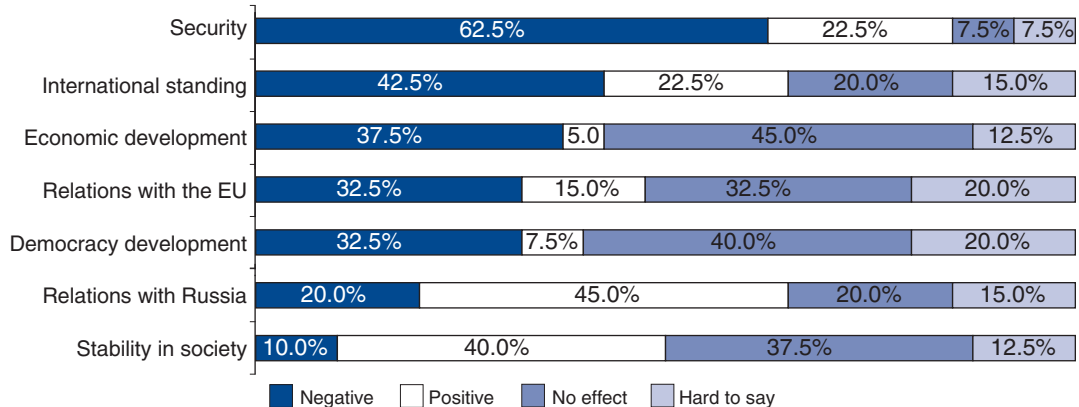


To what extent does the current foreign policy of Ukrainian leadership ensure ...?*
average score

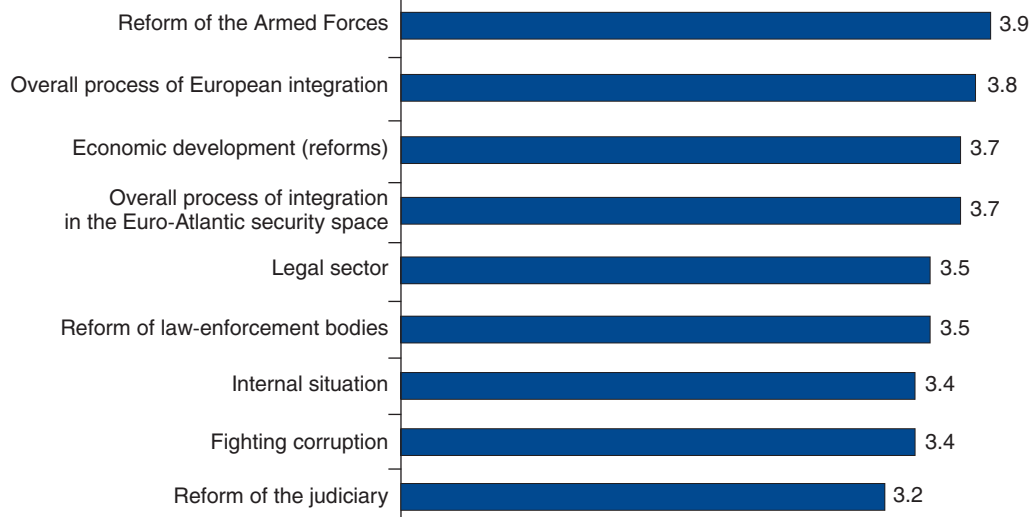


* On a five-point scale, where "1" means very poorly, "5" – very well.

What is your assessment of the effects of Ukraine's non-bloc status on the following sectors?
% of experts polled



What are the effects of implementing the EU-Ukraine Association Agenda and the Annual National Programmes of cooperation with NATO in each of the following sectors?*
average score



* On a five-point scale, where "1" means "very negative effect", a "5" – "very positive effect".

SOME ASPECTS OF UKRAINE'S FOREIGN AND SECURITY POLICY: PUBLIC OPINION*

In a democratic country public support plays an important role for the effective implementation of its foreign policy. Strong public support boosts leaders' confidence not only with regard to correctness of their political decisions but also with regard to their chances of winning the next election.

People's perception of whether a particular foreign policy corresponds to national interests of a country (e.g. in the security and development sector), their attitude to potential threats and methods of countering them, including in the format of international cooperation, represent an important criteria in determining their support for this policy.

People rather critically assess the extent to which national interests shape Ukraine's foreign policy. Only 9% of those polled believe that Ukraine's foreign policy corresponds to its national interests; 37% think it only partially meets the national interests; and 35% note a complete mismatch between the country's foreign policy and its national interests. Every fifth citizen (19%) was undecided. In the East of Ukraine, the share of respondents fully satisfied with current foreign policy-making (15%) three times exceeds that of citizens in Western and Central Ukraine, who share a similar attitude to Ukraine's foreign policy.

It is noteworthy that the assessments of the national security and defence policy remain unchanged for a long time. The difference between answers given by respondents in February 2012 and July 2013 lies within the limits of error (Diagram "*Does the present foreign policy of Ukraine meet its national interests?*").

The Ukrainian leadership was once again ranked first among **the potential threats to Ukraine's security** (41%). The threat of international terrorism was ranked second – 36%. Almost a third of respondents polled noted a serious threat of extremism and separatism in Ukraine. With regard to other external threats, Ukrainians share a similar attitude toward NATO and Russia.

The perception of threats substantially differs dependent on the region. Residents of the West and Centre seem to feel safer than residents of other region. In particular, the number of citizens expressing concern for most of the threats (except for those originating from the Ukrainian authorities and Russia) in the West is significantly lower, compared to the South and East of Ukraine. The likelihood of threats to Ukraine's security originating from the US, NATO and the EU, as assessed in the West, is 5-10 times lower than in the South and East. By contrast, the number of respondents in the West and Centre, who see Russia as a threat, is 2-3 times higher than in the South and East.

Such threats as international terrorism, extremism and separatism raise stronger concern in the South and East of Ukraine (Diagram "*Does Ukraine face a threat from ...?*").

Of striking interest is how people assess their **personal exposure to threats**. Despite small regional and time differences in assessments, there remains a striking 5-10-fold difference between the number of those who feel safe and those who do not feel protected from natural calamities (10% against 83%), terrorist attacks (12% – 77%), military aggression (14% against 72%), epidemic diseases (8% against 82%), etc. These assessments show that the state fails to perform one of its main functions – protecting citizens and society (Diagram "*Do you feel protected from ...?*").

Ukrainians are sceptical about chances of getting foreign assistance in case of a **military threat**. According to 42% of citizens – irrespective of the region of residence – Ukraine can rely only on its own forces. 18-21% in the West, Centre and South and 11% of residents in the East expect broad international support. In comparison to other regions, the West has higher hopes for assistance from the EU and NATO countries (25%), and the US (10%). By contrast, in the South and East the hopes are mainly pinned to Russia (43% and 34%, respectively). But the main thing is that in a year, the share of those who hope for a broad international assistance has substantially dropped. One may suggest that the public opinion reflects the current negative trends in joining efforts under different formats of international cooperation and underestimation of the factor of solidarity in national and international security (Diagram "*In case of a military threat (armed aggression), Ukraine can rely on ...?*").

At that, the **importance of cooperation** with international organisations, primarily, with the EU (71%), the UN (63%), the CIS (61%) was highly praised among the respondents. The number of respondents standing for cooperation with international organisations is 3-5 times

* The public opinion polls were held on April 20-25 and July 18-24, 2013 with 2010 and 2011 respondents aged above 18 years polled in all regions of Ukraine. The sample theoretic error does not exceed 2.3%.

The regional division is as follows: the **West**: Volyn, Transcarpathian, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Chernivtsi regions, the **Centre**: city of Kyiv, Vinnytsya, Zhytomyr, Kyiv, Kirovohrad, Poltava, Sumy, Khmelnytskyi, Cherkasy, Chernihiv regions, the **South**: Autonomous Republic of Crimea, Odesa, Kherson, Mykolayiv regions, the **East**: Dnipropetrovsk, Donetsk, Zaporizhya, Luhansk, Kharkiv regions.

higher than that of those who share the opposite view. NATO has always occupied a special position in citizens' assessments: its proponents and opponents are almost equally divided on the issue of Ukraine's cooperation with the Alliance (35% and 33%, respectively).

In the East and South, the respondents who consider cooperation with NATO unimportant are in a relative majority (46% and 49%, respectively). As regards the importance of cooperation with the EU, despite some regional differences, positive assessments far exceed the negative ones – from an absolute majority in the West (86% against 3%) to an overwhelming majority in the East (57 against 22%).

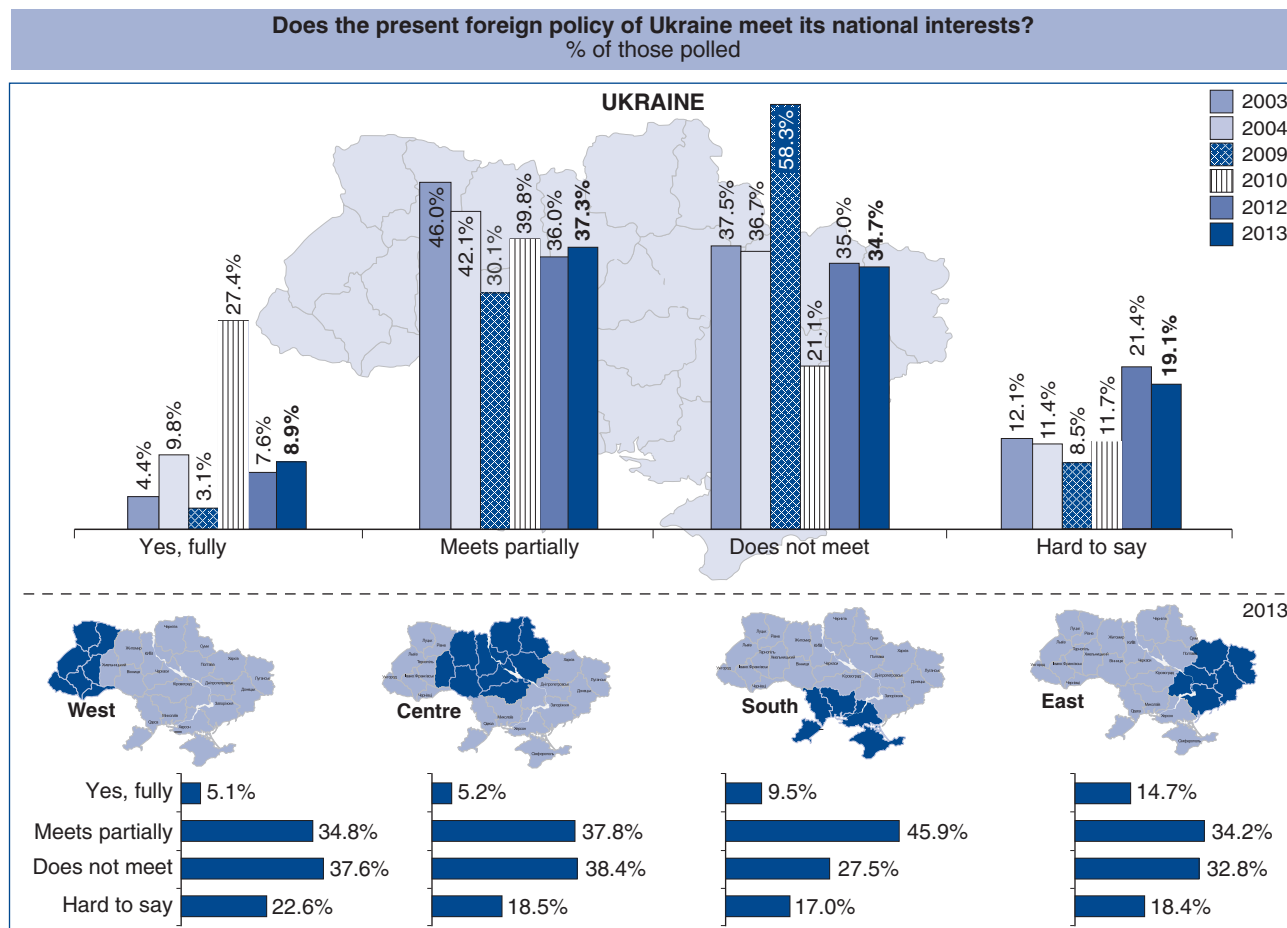
Interesting that for years Ukraine has been a member of some international organisations not known to nearly half of Ukrainians (OECD – 50%, CSTO – 49%, GUAM – 49%, BSEC – 47%). The EU is the best-known organisation among the Ukrainians – only 2% of respondents have chosen an answer “have not heard of this organisation” (Diagram “Is cooperation with the following international organisations important for Ukraine?”).

An official priority given to Ukraine's **European integration** is not the only reason this issue has been high on the agenda. The citizens favour the European path of Ukraine. At that, the support level for European integration depends on the age of those polled (55% – among youths, with a gradual decrease to 28% – among elderly people); education (55% – higher and 16% – incomplete secondary); the support level also depends on whether the respondents consider Ukrainian or Russian their first language: for

instance, the European integration was supported by 53% of those who named Ukrainian their native language, by 28% of those who reported Russian their native language, and by 30% of those who consider both Russian and Ukrainian their mother tongues. (Diagram “Which integration path should Ukraine choose?”).¹

One of the key factors influencing the public opinion on Ukraine's integration policy is the **level of citizens' awareness** of integration unions, which excite a fervent debate in political and social circles. The survey results give grounds to assert that the awareness level is not sufficient for citizens to make a reasonable and conscious choice between the EU and the CU. For instance, only some 5% of those polled consider themselves to be highly informed, nearly 40% – averagely informed, and over 40% – poorly informed (Diagram “How do you assess your knowledge about ...?”). In the East of Ukraine, the situation is the worst – only 3% of residents claim to possess full information about the EU and the Customs Union (CU).

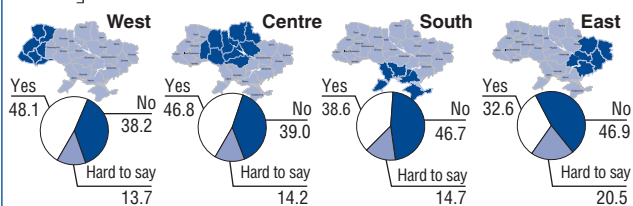
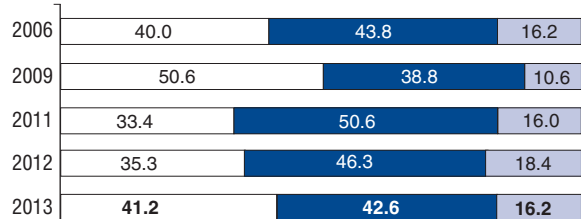
As one may see from the Table “From what media do you get information about the EU and the CU ...?”, the Ukrainian national and local TV channels (over 75% and 30%, respectively), national and local newspapers (around 25% and 20%, respectively), Ukrainian and Russian websites (over 20% and 15%, respectively) represent the main sources of information. It is also noteworthy that the residents of the South of Ukraine more often (as compared to the residents of other regions) rely on Russian TV channels to receive information about the EU and the CU.



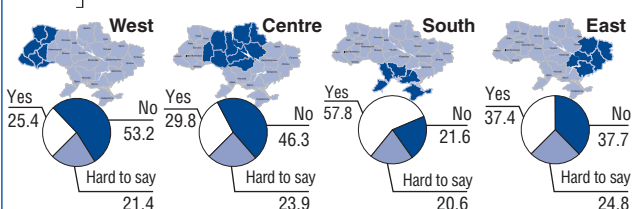
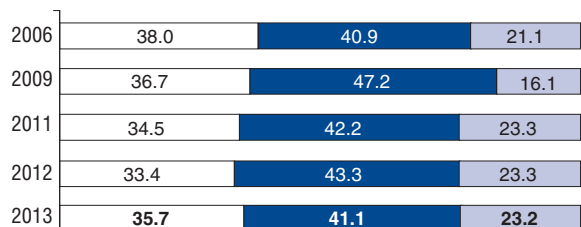
¹ For more detail see: Europe or the Customs Union? The public opinion. – *National Security & Defence*, 2013, No.4-5, p.114.

Does Ukraine face a threat from ...?
% of those polled

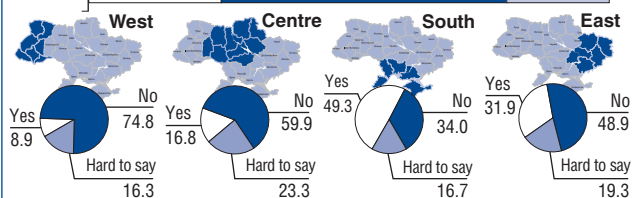
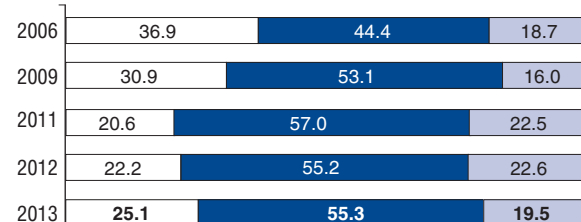
The Ukrainian government



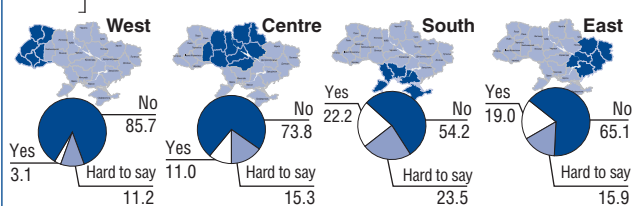
International terrorism



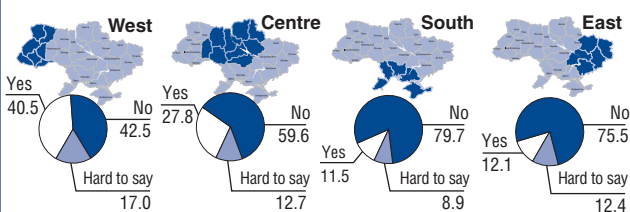
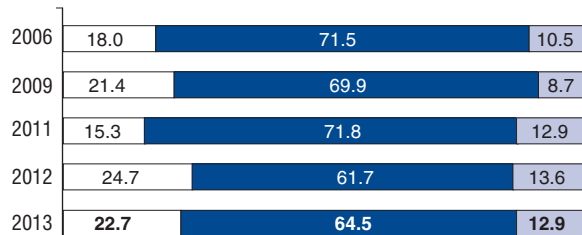
NATO



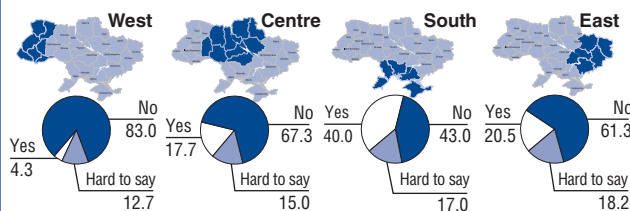
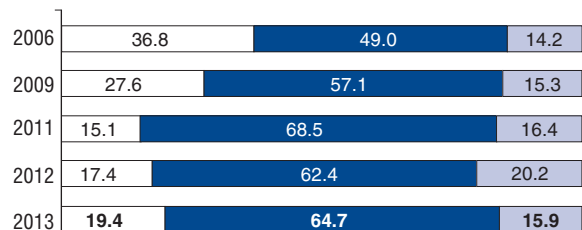
EU*



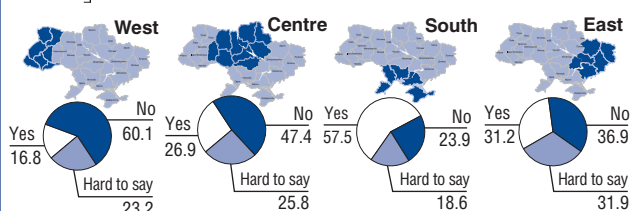
Russia



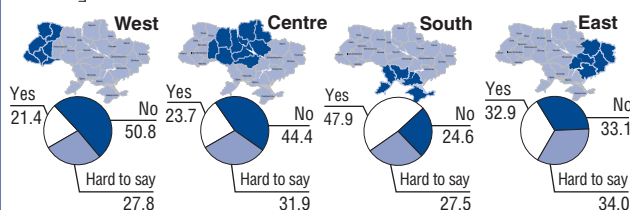
USA



Extremism in Ukraine*



Separatism in Ukraine*

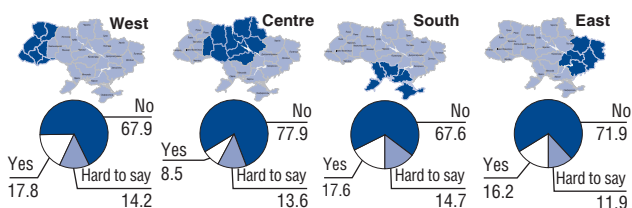
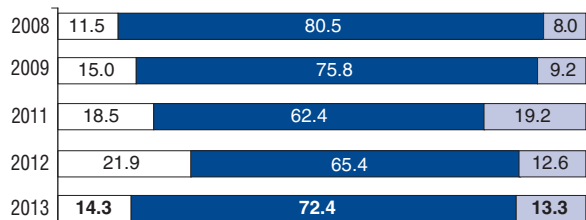


Yes No Hard to say

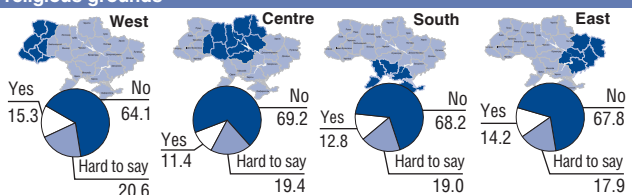
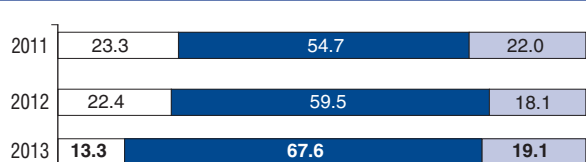
* The questionnaire of 2006-2012 did not suggest such an answer.

Do you feel protected from ...? % of those polled

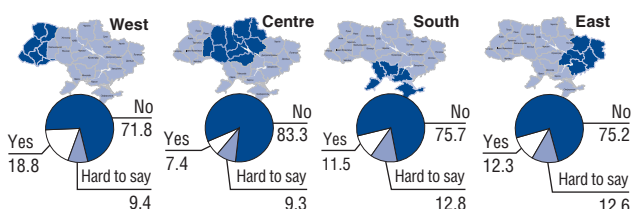
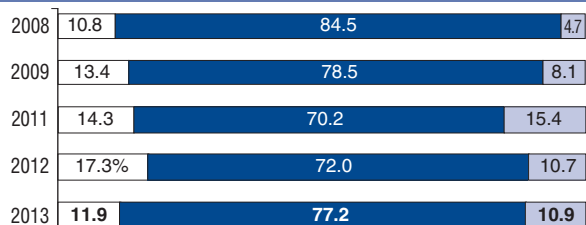
Military aggression



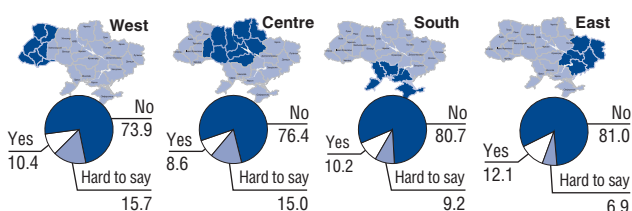
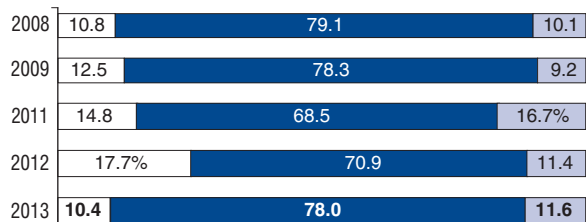
Clashes on ethnic or religious grounds*



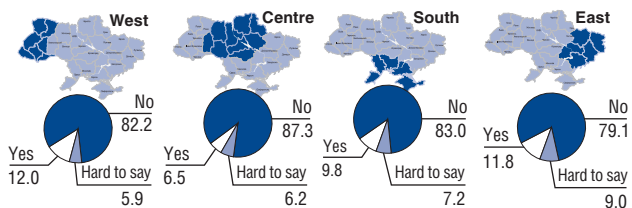
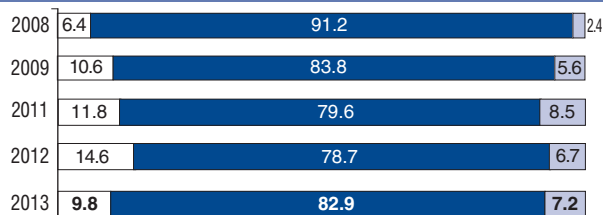
Terrorist attacks



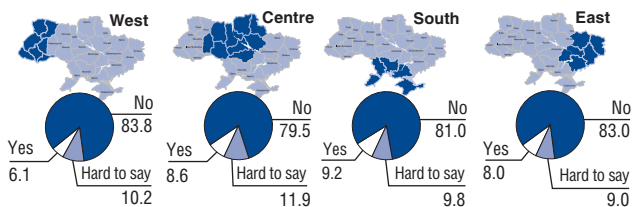
Attempts of seizure of your property (business, land, housing, etc.)



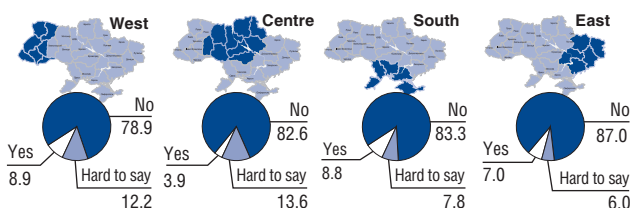
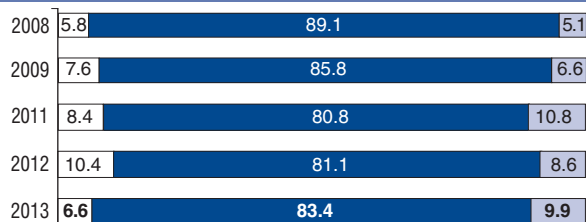
Natural calamities



Epidemic diseases (tuberculosis, HIV/AIDS, etc.)



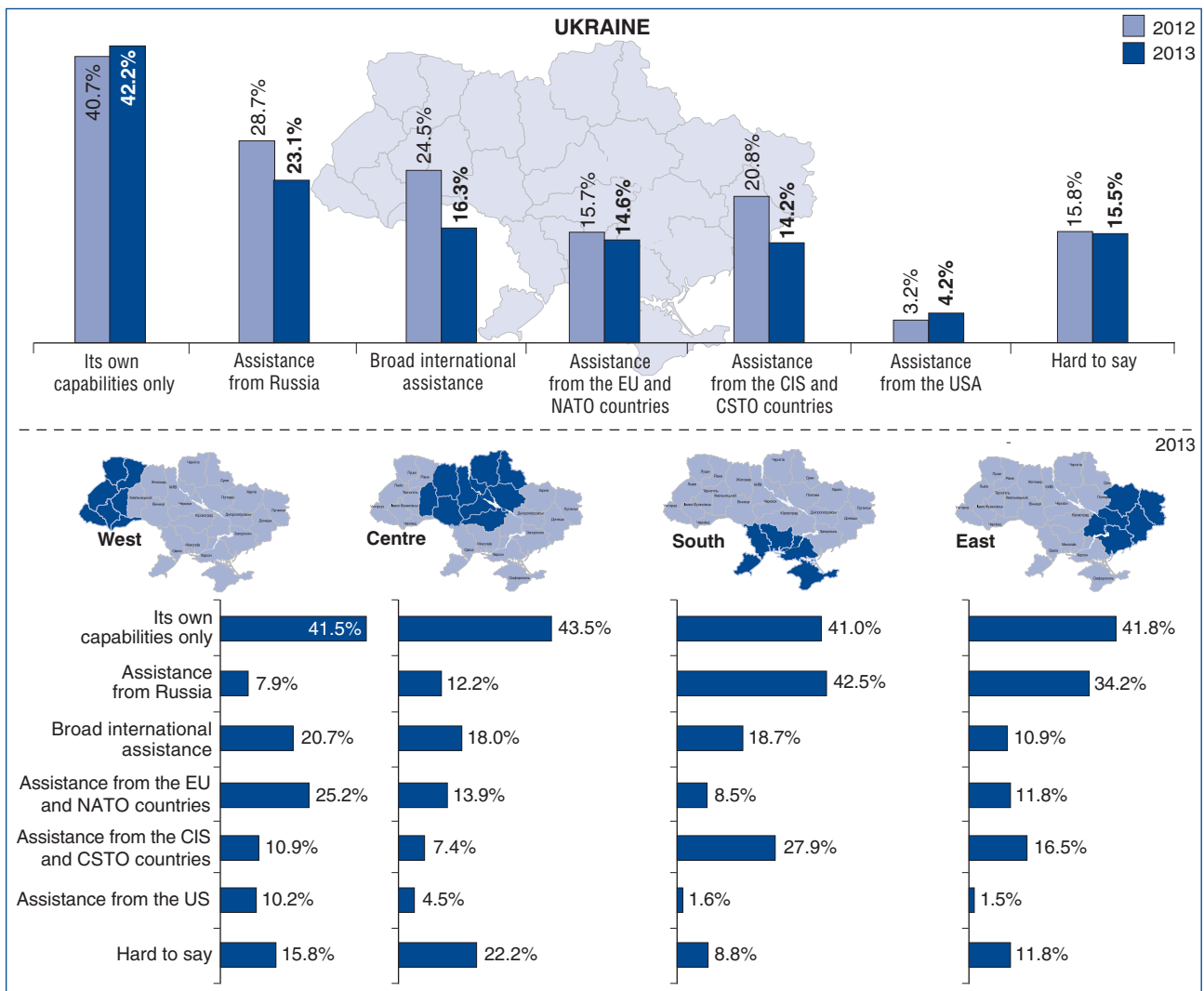
Technical accidents



Yes No Hard to say

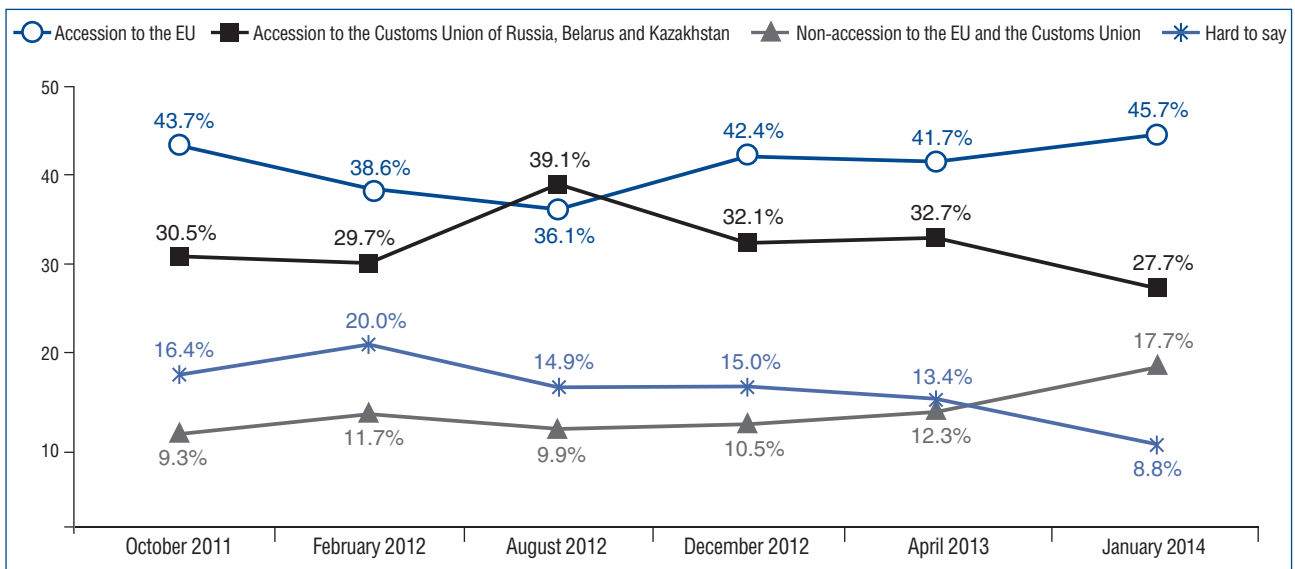
* The questionnaire of 2008-2009 did not suggest such an answer.

In case of a military threat (armed aggression), Ukraine may rely on ...?*
% of those polled

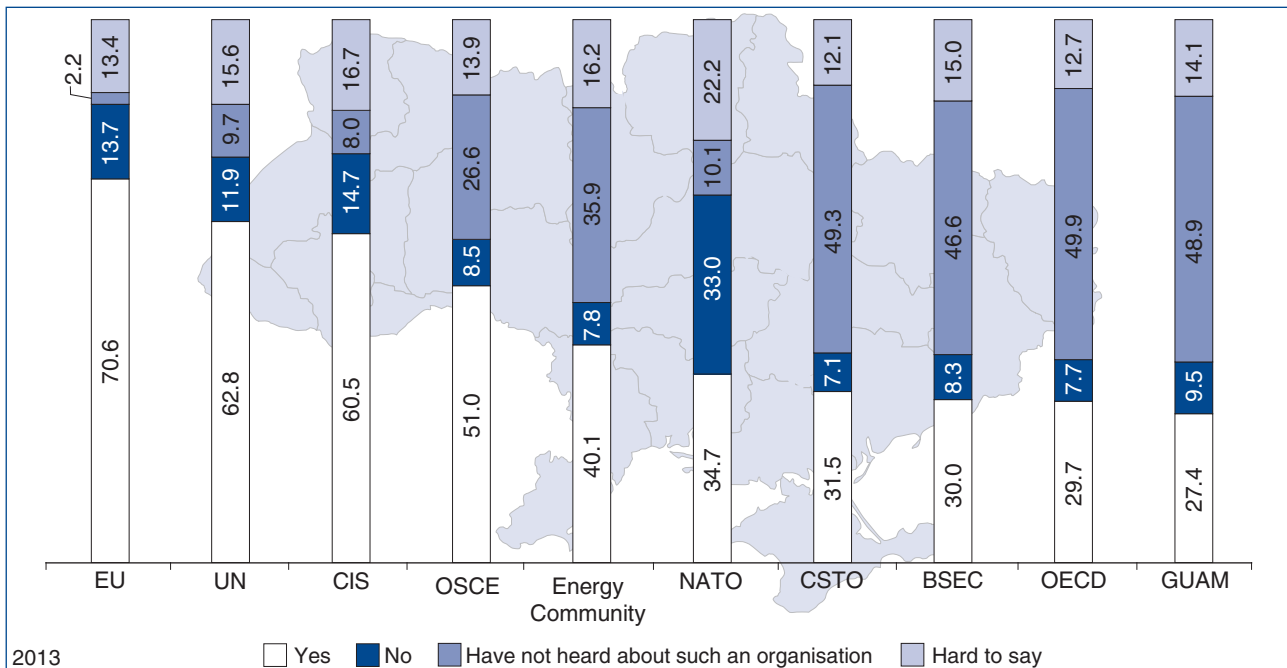


* Respondents were supposed to give not more than three acceptable answers.

Which integration path should Ukraine choose?
% of citizens polled



Is cooperation with the following international organisations important to Ukraine? % of citizens polled



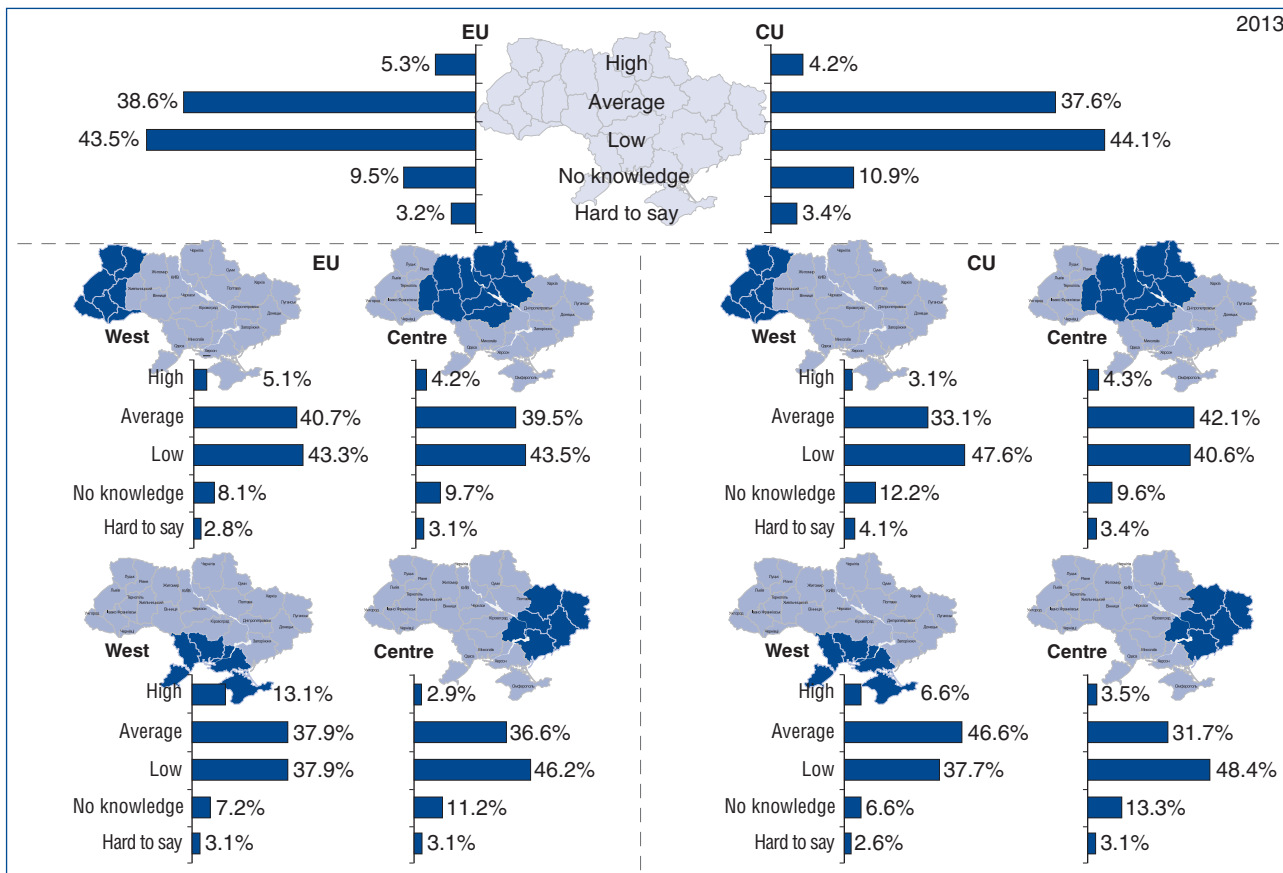
2013

□ Yes ■ No ■ Have not heard about such an organisation ■ Hard to say


		West	Centre	South	East
EU (European Union)	Yes	86.0	73.7	73.1	57.4
	No	2.8	9.2	18.7	22.4
	Have not heard about such an organisation	1.3	2.9	1.3	2.5
	Hard to say	9.9	14.2	6.9	17.8
UN (United Nations)	Yes	71.2	59.2	76.5	55.0
	No	5.6	9.6	12.1	17.8
	Have not heard about such an organisation	7.1	16.2	3.9	7.5
	Hard to say	16.1	15.1	7.5	19.8
CIS (Commonwealth of Independent States)	Yes	48.7	48.8	85.3	67.8
	No	23.7	16.5	6.9	11.0
	Have not heard about such an organisation	7.4	14.8	1.6	4.4
	Hard to say	20.2	19.9	6.2	16.7
OSCE (Organisation for Security and Cooperation in Europe)	Yes	55.8	48.8	64.5	43.9
	No	3.3	6.2	14.5	11.2
	Have not heard about such an organisation	25.1	31.4	13.2	29.1
	Hard to say	15.7	13.6	7.9	15.9
Energy Community	Yes	33.6	35.5	60.7	38.9
	No	6.1	7.5	8.5	8.7
	Have not heard about such an organisation	45.0	39.1	23.6	32.9
	Hard to say	15.3	17.8	7.2	19.4
NATO (The North Atlantic Treaty Organisation)	Yes	55.0	33.5	35.4	23.3
	No	14.2	23.6	49.2	46.1
	Have not heard about such an organisation	7.1	17.3	4.3	7.5
	Hard to say	23.7	25.6	11.1	23.1
CSTO (Collective Security Treaty Organisation)	Yes	19.3	25.9	50.2	35.6
	No	8.9	5.1	9.8	6.6
	Have not heard about such an organisation	58.0	57.4	35.7	42.3
	Hard to say	13.7	11.6	4.3	15.5
BSEC (Organisation of the Black Sea Economic Cooperation)	Yes	22.1	22.0	51.3	32.6
	No	7.9	8.2	9.5	8.3
	Have not heard about such an organisation	55.0	56.1	31.7	39.1
	Hard to say	15.0	13.7	7.5	20.1
OECD (Organisation for Economic Cooperation and Development)	Yes	21.9	29.5	45.4	27.1
	No	4.3	5.2	11.4	10.4
	Have not heard about such an organisation	58.4	54.9	38.6	45.0
	Hard to say	15.3	10.3	4.6	17.5
Organization for Democracy and Economic Development – GUAM	Yes	20.2	26.2	45.6	24.5
	No	9.4	7.3	12.5	10.4
	Have not heard about such an organisation	55.6	53.1	33.4	47.9
	Hard to say	14.8	13.4	8.5	17.2

How do you assess your knowledge about the European Union and the Customs Union?
% of citizens polled

2013



From what media do you get information about the EU and the Customs Union of Russia, Belarus and Kazakhstan?*
% of citizens polled

	EU	CU	About the EU				About the CU			
	<div>UKRAINE</div> 		REGIONS							
			West	Centre	South	East	West	Centre	South	East
Central Ukrainian TV channels	78.5	76.3	79.6	76.4	82.0	78.4	78.1	75.0	81.0	74.4
Local TV channels	33.3	30.6	41.5	22.4	42.0	35.1	37.4	20.8	38.2	32.6
Russian TV channels	22.7	24.4	30.0	29.2	22.2	20.5	26.7	27.8	22.3	20.7
Central Ukrainian newspapers	25.4	24.4	21.9	27.1	20.3	21.7	16.5	25.6	18.0	20.7
Local newspapers	21.5	20.3	10.9	19.9	35.7	26.3	10.9	23.1	40.0	26.5
Ukrainian web sites	23.3	21.0	30.5	16.8	26.8	18.2	26.7	16.8	26.6	17.0
Russian web sites	14.7	14.5	8.7	15.3	18.0	16.4	7.6	15.9	17.7	15.8
FM radio stations	14.2	13.0	16.8	12.7	21.3	10.7	12.5	12.2	21.0	10.3
Central Ukrainian radio	9.6	9.8	10.2	14.8	6.6	5.5	10.2	14.8	6.9	6.0
Other foreign web sites	4.6	3.2	4.8	3.9	10.5	2.5	3.3	2.6	7.2	1.7
Local state radio	5.4	5.6	0.8	3.2	1.3	4.0	1.0	4.0	1.0	3.5
Other foreign TV channels	4.0	2.8	0.3	0.0	0.0	1.7	0.8	0.8	4.3	2.6
Russian newspapers	2.7	2.8	6.4	3.1	5.9	2.6	3.3	2.3	5.2	1.7
Russian radio stations	1.9	1.9	7.4	5.6	5.2	4.1	6.6	6.2	4.9	4.9
Other foreign newspapers	1.0	0.9	2.5	0.5	0.3	1.1	2.0	0.6	0.7	0.6
Other foreign radio stations	0.6	0.4	0.6	0.4	0.6	0.4	0.3	0.0	0.3	0.9
Other	4.3	4.5	2.3	4.5	7.5	3.8	2.5	4.5	7.2	4.3
Hard to say	5.1	6.4	4.6	2.9	5.2	7.5	5.3	3.4	5.2	10.7

* Respondents were supposed to give all acceptable answers.

2013

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INTERNATIONAL CONFERENCE “THE ROLE OF INTERNATIONAL ORGANISATIONS IN THE NATIONAL SECURITY OF UKRAINE”

The Conference was attended by representatives of more than 20 countries and officials from international organisations (OSCE, UN, NATO, EU, the Council of Europe, the Energy Community, the Organisation for Democracy and Economic Development – GUAM), Ambassadors to Ukraine and their deputies from Austria, Belgium, Bulgaria, Denmark, Canada, the Netherlands, Germany, Norway, Russia, Poland, Switzerland, Sweden, representatives of the Embassies of Great Britain, Lithuania, Estonia, China, Slovenia, the USA, Turkey, officials of Ukraine’s legislative and executive branches, leading experts of national and international think-tanks, media representatives.

The Conference included three panels:

1. Ukraine and international organisations: response to common challenges and threats;
2. Ukraine and international organisations: economic and energy cooperation;
3. European integration and security policy.

Views, ideas, conclusions and proposals of the Conference participants concerning the state and efficiency of global and regional security systems, Ukraine’s role and place in them deserve a thorough examination and should be used when formulating and implementing the state policy on cooperation with international organisations.

Presented below are the panellists’ presentations during the Conference in the order of their appearance. Unless stated otherwise, presentations represent summaries of transcriptions. Some invited speakers unable to attend the Conference for good reasons submitted written versions of their presentations.

THE ROLE OF THE KEY INTERNATIONAL ORGANISATIONS WILL GROW



Leonid KOZHARA,
*Minister of
Foreign Affairs of Ukraine*

The new world order is being formed with difficulty, contradictions, regional conflicts and, sometimes, even open confrontation. The situation around Syria is a vivid example. Any option to settle this conflict, including the forcible one, bears risks of unpredictable

consequences. It is not accidental that the key actors prefer multilateral mechanisms for crisis settlement.

So, the world is in need of strong international organisations, where approaches of different parties to security issues could be reduced to a “common denominator”.

In recent years, there has been much criticism of international organisations – from the UN to OSCE – and to a large extent this criticism was fair. However, I suggest we imagine, just for a second, what would have happened to the world if there were none of these structures, together with their negotiation formats, and with the advanced international law, in fact, developed by them?

The world would be immediately thrown back in time to the archaic periods of intestine wars, to a life where the strongest wins, with no commonly recognised rules and standards. I recall the famous words by former UN Secretary General Dag Hammarskjöld: “The UN was not created to take mankind to heaven, but to save humanity from hell”. The same is true for other international organisations.



How does Ukraine pursue its own goals within different international organisations – in the name of security for all? It is in this domain that we see some room for manoeuvre, influence and initiative for the sake of strengthening different dimensions of global and regional security.

I will start by describing our efforts aimed at **building confidence among different global actors and fostering the institutional capacity of international organisations in the security sector**, first of all, of the UN and OSCE.

For many years, Ukraine has been a strong advocate of preventive diplomacy in international relations with the UN playing a key role in this process. Early warning and conflict prevention was central to Ukraine's first membership in the UN Security Council in 2000-2001. **In case of its election to the Council as a non-permanent member for 2016-2017**, promoting preventive diplomacy and mediation will be a starting point for Ukraine's activity in that body.

It is impossible to effectively exercise the UN functions without an utmost adaptation of the Organisation to the realities of the 21st century. The key element to that goal lies in reforming the UN and, first of all, the UN Security Council. Ukraine's position is well known: we are ready to discuss all advanced concepts of the Council reform which may secure the best possible accord among the UN member states.

Confidence-building and strengthening of the institutional capacity of the Organisation for Security and Cooperation in Europe is the priority of Ukraine's OSCE chairmanship. We have promoted these efforts, in particular, within the framework of the "Helsinki+40" three-year process launched by Ukraine. During the course of six months we have managed to draw the attention of its member states to a discussion of the most complex issues on the OSCE agenda.

For years, the lack of confidence has obstructed solving the **frozen conflicts** in the OSCE sphere of responsibility. However, we have managed to achieve quite a lot. The persistent efforts helped Ukraine to sustain a dynamic negotiation process for the settlement of Transnistria conflict in the 5+2 format. We have achieved progress in solving the concrete problems of populations living in conflict-hit regions of Georgia. We have assisted the activity of the Minsk Group co-chairmen searching for efficient ways to resolve the Nagorny Karabakh conflict.

We are looking ahead while building confidence among the OSCE member states. Upon Ukraine's initiative, for the first time in the OSCE history at the Children and Youth Summit in Artek this August, we gathered all active young people from different countries of the world, who in future might be taking part in adopting important international decisions.

The next priority involves **disarmament and counter-proliferation of weapons of mass destruction**. During our chairmanship in the OSCE we have initiated a dialogue to restore a functional conventional arms control mechanism in Europe. Progress has been made in promoting Ukraine's initiative to update the OSCE principles governing non-proliferation. We hope to adopt a relevant document before the end of this year.

Ukraine's traditional contribution to strengthening global security, which we plan to promote by all means, involves **participation in peacekeeping operations** under the auspices of the UN and other security structures. We have entered the third decade of peacekeeping activity under the UN auspices gaining some serious experience from participation in more than 20 operations – from Guatemala to Timor-Leste and Mozambique. During this period, over 34 thousand Ukrainian military and law enforcement personnel took part in the honorary peacekeeping mission. We plan to step up and expand our contribution.

The scale of transborder threats such as piracy, terrorism, cyber crime, proliferation of mass destruction weapons, drug trafficking prompts the development of constructive partnership between our country and **NATO**.

In just a few days, Ukraine's Navy flagship the *Hetman Sahaydachnyi* frigate is to sail off Sevastopol to join the Operation Ocean Shield – NATO's counter-piracy mission in the Gulf of Aden and off the Horn of Africa.

Currently, we examine new proposals and ideas of the **European Union** on engaging Ukraine in its missions and operations. Ukraine has a sufficient potential to make contribution to strengthening the EU capabilities in the context of European and global security.

We all realise: international security is not confined to a purely military dimension. There can be no security without efforts aimed at countering **economic and humanitarian challenges**, such as energy insecurity, environmental pollution, human trafficking, etc.

The strongest achievement of Ukraine's OSCE chairmanship has been the intensification of discussion on **energy security and the environmental dimension of energy policy**. Ukraine spared no efforts to make the environmental energy impact the main subject of the OSCE Economic and Environmental Forum in Prague last week. The energy security issues will be discussed during the high-level OSCE conference under Ukraine's chairmanship this October in Ashgabat.

For the first time in many years, Ukraine has raised the OSCE discussion on combating human trafficking to a qualitatively new level. In June, we held a high-level conference on this matter in Kyiv.

Spreading and **perfecting democratic norms and standards** also represents a vital contribution to security for all. In this context, a number of international and regional organisations remain an important **external driver for promoting domestic reforms and democratic standards in Ukraine**. In the first place, I mean the EU and the Council of Europe.

After the signing of the Association Agreement with the EU in Vilnius, in November, Ukraine will obtain the best tools for promoting democratic transformations at home.

I will also note the leading role of the Council of Europe and its institutions in providing legal and expert assistance with Ukrainian legislation reforms in line with European norms and standards.

The weightiest factors for building confidence and strengthening international security involve: active **trade and economic cooperation, liberalisation of trade procedures and harmonisation of standards in that field**. The signing of the Association Agreement with the EU will promote this goal. At the same time, we also see our task in promoting trade liberalisation in other formats, within different international and regional organisations.

Removing trade barriers was among the priorities of Ukraine's **BSEC** presidency in the first half of the year and is one of the priority goals of Ukraine in **GUAM**.

In cooperation with regional organisations in the East – **the CIS, EurAsEC, the Customs Union** – we proceed from the assumption that trade, investments and production cooperation are central to security and prosperity across wider geopolitical space. We continue moving closer to deepening and perfecting the CIS free trade area, and this will be among the priorities for **Ukraine's CIS presidency in 2014**.

I remain confident that, contrary to pessimistic forecasts, the signing of the Association Agreement between Ukraine and the EU, will play an important role in ensuring the security of the South European region and, in future, will contribute to harmonisation of relations in the EU-Ukraine-Russia triangle.

I proceed from the assumption that the goal proclaimed by the EU and Russian leadership – the creation of a common economic and humanitarian space “from the Atlantic to the Pacific” – remains high on the agenda. This means that Ukraine's rapprochement with the EU on the basis of the Association Agreement in no way contradicts those intentions, but on the contrary – it may speed up their implementation.

I am absolutely positive that **more complex threats to regional and regional security will force international actors to overcome differences, to search for dialogue and understanding, and the multilateral environment is the best for that**.

That is why the role of the key international organisations will grow. We need not “less” but “more” of organisations such as the UN, OSCE, the Council of Europe, etc. This means that the peace-loving and consensus-building diplomatic line of Ukraine in these and other organisations will be invariable. We will not depart from it under any circumstances. ■

**OUR COOPERATION MORE
INTENSIVE AND PRODUCTIVE
THAN EVER BEFORE**



Alexander VERSHBOW,
NATO Deputy Secretary General

The topic of Ukraine's national security and its relations with international organisations is important, and recent developments in Ukraine as well as in

Russia, Republic of Moldova and Armenia have made it even more urgent.

As the Vilnius Summit of the Eastern Partnership approaches, we are reminded of a fundamental principle of the Helsinki Final Act that is a key element of national security and sovereignty: that any nation is free to build relations with partners of its choice.

We at NATO were reminded of this principle back in 2010, when the democratically elected government of Ukraine decided that it would no longer seek to join NATO. NATO respects Ukraine's decision because we respect every country's sovereign choices.

But not only that. The Allies also agreed to maintain the same, intensive level of practical cooperation with Ukraine that was agreed at our Bucharest Summit in 2008. This meant continuing the Annual National Programme, with all its practical advice and assistance, that is aimed at helping Ukraine to develop into a democratic, prosperous and free country.

For its part, Ukraine has not only maintained its constructive cooperation with NATO. Over the past three years, our cooperation has become arguably more intensive and productive than ever before.

Ukraine boosted its sizable contribution to the NATO-led operation in Kosovo. Ukraine increased its standing contribution to the NATO-led ISAF operation in Afghanistan. And it was among the first nations to pledge to contribute to our new, post-2014 mission to train, advise and assist the Afghan security forces.

And let me also highlight Ukraine's active participation in the NATO Response Force. As the Alliance winds down its combat operations in Afghanistan, the NRF is taking on a more prominent role as a high-readiness multinational force and a key instrument for maintaining and strengthening the interoperability of our forces.

Ukraine was not only the first NATO partner to join the NRF. It was also the first Partner to contribute to our anti-piracy operation off the Horn of Africa, Operation Ocean Shield, with the deployment later this fall of the *Hetman Sahaydachnyi*, the flagship of the Ukrainian Navy.

Of course, Ukraine contributes not only to NATO operations. It is also a major contributor to crisis response operations led by the United Nations, the European Union and the OSCE.

Ukraine is an active contributor to the EU's Battle Groups, and is developing closer relations with the EU in the framework of the Common Security and Defence Policy. This follows naturally from the long-standing policy of successive Ukrainian governments to seek Association with and ultimately membership in the European Union.

In fact, as soon as the *Hetman Sahaydachnyi* completes its rotation with Operation Ocean Shield at the end of December 2013, it will immediately begin to participate in the EU's anti-piracy operation in the same theatre. This transition from Operation Ocean Shield



to Operation Atalanta says a lot about the nature of international security and how it is maintained in today's world.

This shift will be possible because the Ukrainian flagship achieved the level of interoperability necessary to work seamlessly with both NATO and EU forces. This was based on a common set of standards developed by NATO. And it demonstrates how Ukraine's cooperation with NATO has contributed directly to its aspirations for EU membership.

So, here we see the fruits of our efforts to develop closer and more effective relations with other international organisations – not just with the EU, but also with the UN and the OSCE. Ukraine has made a historic choice to join the European family of nations. It has proven its reliability as a partner that is fully prepared to shoulder its share of the burden of maintaining international security, including through its skilful chairmanship of the OSCE.

As I look to the future, I see great potential for closer cooperation between Ukraine and NATO in a number of areas. One particularly promising area is defence reform and military transformation. And I note that a NATO expert team on these issues has arrived in Kyiv just yesterday for consultations with Ukrainian experts.

Ukraine has also expressed interest in working with us on several multinational, "Smart Defence" projects, where we encourage countries to pool their resources to develop military capabilities. One of these projects is on harbour protection, and another on capabilities-based defence planning.

Finally, military training and education is another promising area for cooperation. Indeed, this is an area where Ukraine itself has considerable expertise and assets to offer, including the International Security and Peacekeeping Centre at Yavoriv.

So, **in conclusion, the future of NATO-Ukraine cooperation looks very promising.** Ukraine may not be seeking to join NATO, but its intensive cooperation with NATO has advanced its top foreign policy priority of integration with the European Union. For my part, I am very proud of the role that NATO is playing to help Ukraine achieve this goal.

Before I close, allow me to say a few words about the **crisis in Syria**, which is, of course, dominating the news these days.

We welcome the agreement reached between the United States and Russia on the elimination of Syrian chemical weapons. We feel that this is an important step towards ensuring a swift, secure and verifiable elimination of Syria's chemical weapons. Full and unreserved compliance on the Syrian side is key. NATO's position is clear. The chemical weapons attacks that took place on 21 August around Damascus were appalling and cannot go unanswered.

The international community has a responsibility to make sure that the long-standing norm and practice against the use of chemical weapons is maintained and that violators are held accountable.

We hope that the agreement reached on Saturday¹ will also give momentum to a political solution that can put an end to bloodshed in Syria.

NATO Allies continue to consult closely, and the Alliance stands in strong solidarity with its Ally, Turkey. We remain determined to protect the Alliance's south-eastern border. ■

UKRAINE, EU AND NATO SHOULD BE ABLE TO FIND A COMMON GROUND AS SOON AS POSSIBLE



Volodymyr OHRYZKO,
*Minister of Foreign Affairs
of Ukraine (2007-2009),
First Deputy Secretary of the
NSDC of Ukraine (2009-2010)*

I would like to draw your attention to the military-political and military aspects of security, since those subjects are more familiar to me. For many years, I was involved in the work of the UN structures dealing with disarmament and security. I served as Ukraine's Ambassador to the OSCE for five years. So I can judge about the UN and the OSCE not only in theory, as I know these structures from inside.

In security terms, the UN and the OSCE provide very important platforms for exchange of opinions and information, as well as for drafting and codification of rules for the world community. But I dare say that they are not efficient when dealing with real steps and practical actions. Why? The answer is rather simple: the UN and the OSCE unite countries with different civilisational choices, and therefore – they are different in their actions, and methods used to achieve different civilisational goals. The Syrian example has convincingly proved this conclusion. That is why those organisations often appear "paralysed" when it comes to a practical implementation of certain decisions.

Unfortunately, the security guarantees provided within the framework of OSCE and the UN are formal slogans not backed with practical actions. The Georgian experience of 2008 has demonstrated that neither the OSCE nor the UN could properly respond to the Russian aggression against a sovereign state. We have similar examples concerning Ukraine, too: one should just recall the conflict for Tuzla or gas and trade wars unleashed by our north-eastern neighbour against us.

In such circumstances, Ukraine has in fact stayed tête-à-tête with its security problems. This is a very serious challenge. Unfortunately, we lack the efficient tools to ensure our national security. I will better keep silent about the state of our armed forces...

Meanwhile, speaking about the possible responses to present-day challenges, we have recently been

¹ An agreement reached between Russia and the United States on September 14, 2014 on a framework to secure and destroy Syria's chemical weapons by mid-2014. – Ed.

observing a very positive trend in Ukrainian society that increasingly comes back to the subject of the North Atlantic Alliance. Here are, for instance, the results of the Razumkov Centre's public opinion poll. When asked "Is there a threat for Ukraine from NATO?", 55.3% of respondents said "no", and when asked "Is cooperation with NATO important for Ukraine?", 34.7% said "yes".

I consider those figures very important, because they really give us an opportunity for a new start. Yet, in 2007-2009, Ukraine had made some serious steps for a true rapprochement with the North Atlantic Alliance. Unfortunately, this process was interrupted by certain political events. Meanwhile, speaking about the Annual National Programmes, we may say that Ukraine, in one way or another, continues its clear and correct policy of rapprochement with NATO. So, I think, that the situation is not hopeless and gives some incitements for further activities. I hope that it will be our common objective with NATO to make a contribution to strengthening pan-European and common North Atlantic security.

However, a real breakthrough in Ukraine's relations with NATO will be possible only when Ukraine finds the courage to give up the faulty concept of non-bloc policy and the Kharkiv agreements. Then, new opportunities will open up to bring NATO-Ukraine cooperation in compliance with the formula stated in 2008 in Bucharest: "Ukraine will be in NATO one day". I want us not to forget about that.

As regards Russia, Ukraine's cooperation with NATO may pose a certain threat to it. It is for a fact. However, a question arises: *to what kind of Russia* this cooperation represents a threat? To a present undemocratic and uncivilised Russia? We should think of *a future Russia*, a country that will once come close to the alliance of democratic countries. Exactly here lies the important role of the Ukrainian "pressure and cooperation". For if Russia does not implement democratic reforms, if it does not want to change, it will sign its own political death warrant in the middle run. I am deeply convinced that Russia may have a future only in the alliance of democratic countries; otherwise its prospects will face sad reality.

But, on the other hand, such dim prospects pose a threat to Ukraine, NATO and the entire North Atlantic security space. That is why, it is in our interests – in the interest of Ukraine, NATO, the EU and other European and North Atlantic structures – to promote democratic changes in Russia, and to oppose the Russian authorities' attempts to hinder the historic development of their own country and of the neighbouring states. In this context, one should mention the European Parliament resolution that, in fact, for the first time has called on the European Commission to defend the member states of the Eastern Partnership.² So, such a situation represents a true security challenge for Ukraine, for NATO, and for the future of Russia alike. I am hoping for a future foreign and security policy paradigm to develop this way.

Summing up, I would like to say that in order to implement the national security policy we should certainly employ all opportunities for cooperation with

international organisations, but all-round rapprochement with NATO should be at the top of the agenda. Today, it is the only guarantor of Ukraine's national sovereignty and independence. I hope that the intermediate solution will involve the signing of the Association Agreement with the EU and incorporation of Ukraine in all of its security structures.

The world is changing, NATO is changing, the EU is changing, we are changing, but the main objective is to find the correct lines of transformation. I really wish for Ukraine, the EU and NATO to be able to find a common ground as soon as possible. ■

NOTHING CAN BE ACHIEVED WITHOUT FULL RESPECT FOR HUMAN RIGHTS AND THE RULE OF LAW



Alessandra TISOT,
United Nations
Resident Coordinator,
UNDP Resident
Representative in Ukraine

Ukraine's leadership in the United Nations stretches back many decades. Indeed, as one of the pioneers of international law and the principles that guide the United Nations, Ukraine continues to actively contribute to the maintenance of peace and security, the upholding of human rights and to human development in the world. Ukraine's contribution to major efforts related to crisis management and resolution has weighed heavily towards conflict prevention and preventive diplomacy – a policy the government of Ukraine continues to maintain. Many distinguished speakers here today have carried forward a proud tradition of Ukraine's leadership of the United Nations.

While Ukraine is widely recognised for its role in maintaining peace and security, the evolving nature of security including the shift from state-centred security to people-centred security has led to a recalibration of Ukraine's contribution to areas that go far beyond traditional notions of international security as the maintaining of peaceful inter-state relations. The understanding that there can be no peace without development, no development without peace, and that neither can be achieved without full respect for human rights and the rule of law is being reinforced by UN member states, which recognised the causality and correlation between human development and international security by agreeing to promote the concept of human security.

Today, UN Member states recognise that "security" means far more than the absence of conflict. The paradigm shift from security as the protection of the state and its

² Refer to the European Parliament Resolution of September 12, 2013 on the pressure exerted by Russia on Eastern Partnership countries. See <http://ukraine-eu.mfa.gov.ua/en/press-center/news/14800-rezolyucija-jevropejskogo-parlamentu-shhodo-tisku-shho-zdijsnyujetsya-rosijeju-na-krajini-skhidnogo-partnerstva-vid-12-veresnya-2013-roku.-Ed>.



borders by military means to the protection of individuals from a wider range of threats to their well-being and security, including the threat posed by political, economic, social and cultural exclusion has emerged as a common goal for all international organisations, regardless of their geographic or functional scope.

While the UN Charter is the framework within which Ukraine exercises its foreign policy, maintaining equilibrium between “internationalism” and “regionalism”, between the functional and geographic competencies of various entities including the European Union, the Council of Europe, the OSCE, the CIS, GUAM and the UN system is the process through which it can exercise leadership in international affairs. However such equilibrium can only be maintained if international standards and norms, including international human rights law principles are adhered to, be they part of Ukraine’s international treaty obligations or multilateral frameworks such as the EU-Ukraine Association Agreement which the Government of Ukraine confirmed it intends to sign in November 2013. If indeed the deepening of relations between Ukraine and other UN member states is standards and norms based, then there is a very high likelihood that the intensification of political or economic or cultural ties will also reinforce the human security of the people of Ukraine.

The UN has tried to maintain international peace and security for more than 60 years; however it is only now that UN member states recognise that people need to feel secure in their own lives – through schools, jobs, basic services, the opportunities to live in freedom. This is why our work to define a post-2015 development agenda and to hear from the people of Ukraine, and most importantly its youth, is so essential to ensuring the continued convergence of security, development and human rights. As Mahatma Gandhi once said, if “we are to reach real peace in this world and if we are to carry on a real war against war, we shall have to begin with children”.

It is indeed essential that the work of the UN meets the needs and aspirations of the largest generation of youth the world has ever known. The UN system is most encouraged by the emphasis placed by the Government of Ukraine on engaging youth, including its formulation of a national youth policy. Working with and for young people is also the UN system’s biggest priority. The challenges faced by youth – from growing inequalities and shrinking economic opportunities, to the threats of climate change have emerged as “the” security threat of the decade ahead, which, through the UN Inter-Agency Network on Youth Development, UN member states including Ukraine will seek to address.

As a member state, Ukraine has focused on strengthening the United Nations to meet the challenges of the 21st century by improving its effectiveness and accountability. Ukraine was amongst many states which endorsed a landmark resolution (A/Res/67/226) on the quadrennial comprehensive policy review of UN operational activities for development³ (QCPR), which the General Assembly adopted on 21 December 2012. Member States stressed that they would like to see a strong UN development system which is strategically relevant, nimble, and ready and able to help deliver sustainable development results. A more effective, coherent, and

results-oriented UN development system will indeed ensure that human security, development and human rights remain at the core of all political, social, economic and cultural priorities of its member states.

As the UN General Assembly gathers this month, UN member states have reiterated their intention to enhance the role, authority, effectiveness and efficiency of the organisation, to enable it to set the agenda for a world in the midst of a profound strategic and environmental transformation. If the reform of the UN system is completed with the requisite boldness and foresight necessary, and in a manner that ensures equitable representativeness of all states in all UN bodies including the Security Council, then the UN will likely continue to assume its rightful place at the helm of world affairs. As a UN Member State, and if elected (in October 2015) as non-permanent member of the UN Security Council for 2016-2017, Ukraine will continue shape the future of the organisation, led by its past, present and future generations of diplomats. As Dag Hammarskjöld, the former UN Secretary General once said – everything will be all right “when people, just people, stop thinking of the UN as a weird Picasso abstraction and see it as a drawing they made themselves”.

SIGNING OF THE ASSOCIATION AGREEMENT WILL FORMALISE UKRAINE’S LEADING ROLE IN GUAM



Valeriy CHECHELASHVILI,
General Secretary,
Organisations for Democracy and
Economic Development – GUAM

It is very timely to discuss issues dealing with international organisations and security, the place and role that the international organisations may and should play in Ukraine’s national security. We can divide them into two groups. The first one involves organisations to which Ukraine does not belong, the second group – those organisations where Ukraine is a member. The GUAM belongs to the second group and has a special place, since Ukraine is not only a member but is a founding member of GUAM. So everything that takes place in the Organisation, all cooperation programmes are implemented in full compliance with the agenda of Ukraine’s foreign policy.

The main advantage of GUAM, that I see, is that its member states are friendly countries, partner countries that pursue their foreign policy based on similar, very close or allied priorities – with European integration, approximation to the EU being its main pillar – and it is apparent that our priorities rest on a common platform of values. This means that we, in the organisation, are implementing all the projects and cooperation programmes in full compliance with foreign policy priorities of each member state and reinforcing their individual position in the changing network of international relations.

³ Quadrennial comprehensive policy review of the General Assembly of UN operational activities for development (QCPR). – www.un.org/esa/coordination/2012qcpr.htm.

Several times in the history of GUAM we faced a temptation to implement specific projects by three member countries without full support from the fourth member who did not oppose the project but at the same time did not contribute to it. Then, all the ministers took a decision to take part only in cooperation projects and programmes supported by all four countries. I consider it a very important decision, which helps us to consolidate the GUAM and to use our potential more efficiently.

What is the role of GUAM for Ukraine? I think that for Ukraine, it is an important international mechanism, which provides Ukraine with an opportunity to use its potential as an important player in the Eastern Europe. And this is reflected in different concrete projects and programmes of cooperation that we are developing: in trade, in fight against international crime, in the energy sector, etc.

For instance, regarding the transit, transport potential. We know that every year additional 10 million metric tons of Chinese exports are going from China to European market. And there is tough competition between different transit routes to attract those additional volumes of transit cargoes. In fact, there are three routes – northern, southern and central routes, going through the GUAM space, including Ukraine. We are ready for this competition. For instance, last year our transport ministers meeting in Tbilisi have adopted the Concept of development of the GUAM transport corridor.⁴ The Baku-Poti and Baku-Batumi highways are under construction, with some segments being operational already.

We have also developed a network of rail ferries connecting seaports of Georgia and Ukraine, and the railway and highway connections to the EU's eastern border. We believe that these projects are of critical importance for us and, definitely, without Ukraine and its role as a main transit country these projects will be impossible to implement.

The next priority for GUAM is the free trade area. Here, we have to take into consideration that Ukraine has once again a very specific place. Ukraine is the biggest market in GUAM, since all other three countries together constitute only a third of Ukraine's market – it is only 15 million people. But, on the other hand, there are some figures that demonstrate the importance of GUAM free trade area for Ukraine. For example, over the first six months of 2013, 3.6% of all Ukrainian exports went to GUAM. Unfortunately, Ukraine at the moment has a negative trade balance – \$4.251 billion in the first six months, but thanks to the surplus in trade with GUAM Ukraine managed to compensate 23% of that trade deficit (\$962 million), which proves the importance of that market for Ukraine. The fact that GUAM countries account for 2% of Ukraine's total trade is yet another important figure. So, provided that we are a comparatively small market, these figures are rather important.

I would like to cite one more figure that sounds especially interesting in the context of the upcoming summit in Vilnius. For the first time over the six months period, Ukraine's trade with European countries has exceeded trade volumes with the Customs Union countries: with Europe – \$21.473 billion, with the Customs Union – \$21.408 billion. Clear thing, the difference of \$65 million in favour of Europe is small, but I see it as an important sign, a trend. If we add the volume of trade with GUAM (\$1.255 billion), the difference will be even more symbolic.

⁴ The Concept was approved on February 13, 2013.

Now, it makes sense to make clear what we are expecting from the Vilnius summit. Beyond doubt, it will be a very important event, and I fully agree with the Commissioner Füle who expects the summit to be a game changer event. I believe that the European aspirations of GUAM member states – Ukraine, Moldova and Georgia – will be fully met at this meeting. I hope that Ukraine will sign the Association Agreement including a DCTFA with the EU, and Georgia and Moldova will be able to initial these agreements. This will formalise Ukraine's leading role in GUAM as the country that is the closest to the EU and shows us a good example.

In general, I believe, that the Vilnius summit – if the Agreement is signed and ratified – will completely change the format of the EU relations with its eastern partners. After the Agreement is signed, the Eastern Partnership will become “obsolete”. It is clear that two other countries of the Eastern Partnership – Belarus and Armenia – have already made their decision. Belarus is a member of the Customs Union, and Armenia has announced its intention to become a member of the Customs Union. Meanwhile, other four Eastern Partnership countries see approximation with the EU as the priority of their foreign policy.

Apparently, the EU will have to reconsider the situation and try to find some new forms of cooperation with its eastern partners. On our part, we could offer our institutional and organisational structures. And we believe that our institutional and organisational infrastructure will help the EU to achieve its goals and objectives in the Eastern and South-Eastern Europe. We are ready to offer the EU our capabilities to promote European standards and values to the east, since the mission and goal of our Organisation is to create a civilised community on the European continent beyond the existing EU borders. ■

THE EURO-ATLANTIC COMMUNITY IS OPEN FOR COOPERATION



Todor TAGAREV,
Defence Minister of Bulgaria
(March-May 2013)

Let me start by stating that in the last decade or so Ukraine is finding its particular way and position on the international arena. From the perspective of a Western observer that way may seem more complex and oblique than it might have been. We need to admit and accept that this is the Ukrainian way.

In its particular approach to security, Ukraine cooperates with numerous international organisations. It is in the interest of Ukraine to be seen and perceived by the international community and international organisations as a valuable, reliable contributor to international stability and security. Ukraine is also interested in an active Euro-Atlantic community that remains able and willing to deal with security threats and challenges of the current day, as well as of the future.



If we accept that there is a mutual interest in cooperation, let me turn to the modalities of this cooperation. There are possibilities in diplomacy, intelligence, economic, cultural exchanges and so on. However, with my background in mind, I would rather focus on the field of defence and the military.

In my personal observations, the international community, including the Euro-Atlantic community, has benefited from the contribution of Ukraine to peace operations. Ukraine has also benefited from its exchange with NATO and the assistance received by the Alliance, its participation in the Partnership for Peace programme, and exchanges on a bilateral basis with allied and partner countries.

This is visible when one looks at:

- planning and defence management approaches, methods, and tools applied by the Ukrainian defence establishment;
- organisation of the armed forces;
- operational concepts;
- training standards;
- interoperability requirements and standards.

This is a remarkable achievement that, among others, provided for the effective contribution of the Armed Forces of Ukraine to international peace and stability operations.

We have to admit, though, that the mutual benefits of cooperation could be much higher, in particular in view of the persistent economic and financial difficulties, the European Union “Pooling and Sharing”⁵ and NATO’s Smart Defence initiative.⁶

The Euro-Atlantic community is open for such cooperation. The overwhelming number of activities of NATO are open to partner countries, such as Ukraine. That applies to emerging security challenges such as energy and cyber security, as well as to traditional processes of defining future requirements and the cooperative development of responses – including, but limited to technologies and materiel – to the future threats and challenges.

The utilisation of a larger part of these opportunities depends on the attitude and activity of Ukraine. Ukraine can be more active in NATO initiatives, programmes, and projects, particularly at the front end of the process of developing defence capabilities. That can be realised through: better understanding of the logic and the technicalities of the NATO capability-based defence planning;⁷ involvement in studies aimed to define and harmonise operational and system requirements; involvement in the development of standards; strengthening the industrial cooperation.

I have no doubts that Ukraine has the capacity to participate effectively in such activities. Being more active would allow Ukraine to find its proper – and I would presume, more prestigious – role in the international cooperation aiming to address future security challenges and threats. ■

UKRAINE AND INTERNATIONAL ORGANISATIONS: RESPONDING TO COMMON CHALLENGES AND THREATS



Pál DUNAY,
Senior Fellow,
Geneva Centre for Security Policy

Ukraine spent 337 years together with Russia in different relationships. That certainly has resulted in important organic links with her eastern neighbour. These links are economic, political, cultural and spiritual (“Kyivskaya Rus”).

Russia’s own image is that it has been **the successor** state of the Soviet Union that was ambiguously underlined by the Almaty declaration of December 1991. Russia regards herself as *primus inter pares* in the former Soviet area. Russia is also the economically dominant power of the area, producing 55% of the total GDP of the former Soviet area, the remaining 45% divided among the other 11 states. Russia claims to have privileged rights in the former Soviet area. A state with multi-century and well-established sovereignty has difficulties to accept and respect new sovereignties. However, Russia does not want to take responsibility for her partners and “enjoys” that those states have state sovereignty and responsible for their economic successes and (even more importantly) failures. This results in an ambiguous situation. Russia claims certain rights, privileges *vis-a-vis* other post-Soviet states, intends to curtail the sovereignty of the new sovereignties.

As long as this does not go beyond the efforts to influence the partner’s political course, it should be regarded part and parcel of normal political relations. However, when it is getting beyond it and entails “red lines” that the partner must not cross or when it extends to threatening with force or other types of coercion this should be outlawed and not accepted as part of interstate relations. However, there are more sophisticated means to influence the politics of another state. Particularly, when economic interaction between two states is so intensive as between Russia and most of her partners in the region. Furthermore, Russia’s economy with the particular weight of huge enterprises is based on the symbiosis of politics and market elements. Consequently, Russia can “influence” Ukraine by means, which are further away from the core of sovereignty. Such influencing may include economic stimuli as well as sanctions. Russia has used both in the last decade or so.

Ukraine since her declaration of independence 22 years ago was searching for an answer what to do about her sovereignty and also about the meaning of “Ukrainess”. There is no easy answer to this bearing in mind Ukraine’s history, location and interests. Ukraine is beyond doubt a

⁵ See, for example, “Pooling and Sharing” activities of the European Defence Agency, – www.eda.europa.eu/aboutus/whatwedo/pooling-and-sharing (September 16, 2013).

⁶ Alexander Vershbow, Video Address by NATO Deputy Secretary General to the international conference on international organisations and the national security of Ukraine, Kyiv, September 17, 2013.

⁷ For example, by joining the “smart defence” project ADAPT. See for details the website of the NATO Communications and Information Agency. – www.ncia.nato.int/events/Pages/130410-ADAPT.aspx.



democracy. However, some lasting issues of governance have underlined the difficulties of establishing a properly functioning new sovereign entity (readiness to compromise in the political class, corruption to mention but two). A state, a country and a society, which is difficult to manage by nature as the internal divisions are not arbitrary but genuine and real, requires particularly skilful political management. Ukraine continues to struggle to realize its objectives under difficult conditions. Good governance is often declaratory and perceptual and has always turned out to be temporary in the recent history of Ukraine. Those who wish the best to Ukraine, follow with concern the inconclusive movement of the country and are of the view that without overcoming mutually exclusive agendas good governance is impossible.

Sharp division between the EU and Russia is not in the interest of Ukraine. Russia is one of the determining factors of Ukraine's international relations. At the same time, Ukraine is a neighbour of four EU and NATO member states. Such a double peripheral geographic position presents a complex dilemma for Ukraine that is labelled as an objective necessity to pursue vector foreign policy. However, the slogan of multi-vector foreign policy does not say much about the content of such a policy. What is the relationship between different vectors? How do they relate to each other? The term however, must not overshadow the fact it requires constant balancing and rebalancing the relations. An active, innovative foreign policy is required to achieve this.

Let me take a look at three issues: **the NATO opening, the EU association and the OSCE chairmanship.**

As far as Ukraine's opening to NATO (and the other way around) the matter seems to have been settled by the declaration of the non-bloc status of Ukraine in 2010. It defines the contours of mutual expectations. However, it does not say everything about this matter. Namely, it does not mention that NATO membership never had massive popular support in the country (in difference to Georgia). It has to be taken into account that Russia has strongly and systematically opposed the NATO membership of every state in the post-Soviet space. Although this is based on the "old image" of NATO, the "red line" that Russia insists upon is certainly there. In sum, focusing on high politics integration (in areas, which are close to the core of sovereignty) may well be the most controversial for Ukraine.

However, practical cooperation, increasing interoperability, etc. may well be the way forward for Ukraine. It seems that since the symbolic issue of NATO membership has been overcome this has also been pursued by Ukraine. There is a noticeable coincidence

of Ukraine's self-interest that would be supported by analysts and observers also from the world at large.

As far as Ukraine's EU relations are concerned, the signing of the Association Agreement and going in the direction of deep free trade area was a clear demonstration of choice. However, it has always remained open to question to what extent it has been going beyond mere interests and anchors Ukraine firmly in the value system of the EU. However, the question emerges whether the deal is right and whether Ukraine could benefit so much, first and foremost in economic terms as it would need. Furthermore, the closer political association with the EU may well be regarded a mixed blessing by the political establishment as it would increase the pressure on Ukraine concerning good governance, democracy and the reduction of corruption. It is a question whether association is the "upper limit" what Ukraine may achieve in her relations with the EU. If the perspective of membership is excluded also in the long run this may be a major de-motivating factor to embark upon an uncertain road. Should we not be realistic about the EU's problems and constraints? The size of the EU economy is approximately six times larger than that of Russia as far as total GDP (\$15.9 billion v. \$2.5 billion). If Ukraine would be the only aid and development task of the EU the conclusion could be drawn: Follow the EU path. However, the EU is busy with regaining its competitiveness, fighting a financial, later economic crisis, including high levels of unemployment, particularly youth unemployment. The integration of the new member-states has not been either fully successful or complete. National sentiments do not help the free movement of labour from some new member-states (primarily Bulgaria and Romania) to some others (first of all the UK). Last but not least, there is massive enlargement fatigue in many member-states. It is also a warning signal for the EU that some new member-states are backtracking on European values. These should all serve as warning that the association of Ukraine may also face problems and a long time horizon.

It would be essential for Ukraine to leave no doubt that her choice this time is not hesitant and extends to values and not only interests. It is regrettable that the association with the EU or the participation in the Customs Union boiled down to an "either – or" question. The division of the society has demonstrated that "either – or" is to the detriment of Ukraine. There is little to do in the area of deep free trade v. the customs union as free trade with the EU and membership in the customs union would mean that Ukraine could become a major transit destination of produce to move freely from one custom-free area to the other. However, other aspects of cooperation between Ukraine and Russia on the one hand, and Ukraine and the EU on the other should remain subject to further negotiations.

It is noticeable that the integration claim of Russia in the post-Soviet space has moved away from its security focus. It has broadened, and economic factors play a larger role in it than ever. Broadening the integration agenda may well result in more controversy than ever if this "either – or" approach or zero sum game policy continues. However, following the turbulent autumn in Ukraine's foreign policy and a similarly heated winter in domestic affairs reconciliation should start. The new situation will require reconsideration and flexibility from every party. It is a rule of diplomacy to fight for the best decision until it falls and then to live with it and get the best out of it through skilful implementation.

Last, but not least **the OSCE chairmanship of Ukraine.** It must be the starting point to determine in what shape the OSCE is. Our starting point is regularly the first



half of the 1990s when the CSCE was at its peak. This was based on three factors: The war in the former Yugoslavia, Russia's readiness to accept her junior partner status and regard the CSCE as a main forum of European politics and last but not least the existence of many *de facto* non-aligned states that were looking for their place in the international system. None of them apply now. Different conditions require different policy rather than nostalgia.

It is good news following the 2010 chairmanship of Kazakhstan that the Ukrainian OSCE chairmanship has demonstrated it is not a monopoly of EU members and other well-established western democracies. Ukraine has certainly made a fair effort. Her success has been curtailed by the state of the organisation and partly upon the extent some states intend to support or not the efforts of the chairmanship country. Be it arms control or settling protracted conflicts. It is difficult to set priorities that meet the expectations of all when part of a complex set of interdependencies. Ukraine by serving the OSCE community, rather than its self-interest has set a good competent example that is reassuring for Switzerland that will continue the work as the next chairmanship country.

Chairmanships require adequate preparation, implementation and luck. Ukraine had them all. The chairmanship was adequately prepared although priorities were communicated in the last minute that did not help other participating states, including the subsequent chairmanship. The Ukrainian chairmanship tried to keep a balance between the three dimensions. This is remarkable as in this respect some earlier chairmanships were not particularly successful. Memorably, the Kazakh chairmanship paid lip service to the human dimension (listing human rights on the bottom of its list of priorities), whereas Ireland's chairmanship fully focused upon the human dimension and not much else. It presented a problem that Ukraine has put some issues high on her agenda, which have not carried the promise of success. This applies to both arms control where it was apparent that there was no hope for the rejuvenation of the CFE process. The same applies to protracted conflicts, including Transnistria where no breakthrough could be achieved. The economic-environmental dimension has never been adequately endowed and hence relegated to the back seat. It is remarkable that the human dimension gained more prominence on the Ukrainian chairmanship agenda than that of the only other post-Soviet state that had held the chairmanship, Kazakhstan. This was a smart step for a struggling new democracy. Sheer luck is an important matter for chairmanships. Ukraine was lucky as it did not have to address any major acute conflict. In difference to e.g. the Slovenian chairmanship of 2005 (Andijan), the Finnish chairmanship of 2008 (Georgia – Russia war), or the Kazakh chairmanship of 2010 (Kyrgyzstan).

What can Switzerland take out of this? It is an important lesson that it does not matter whether a state has *de facto* multi-vector foreign policy or permanent neutrality it has to do her utmost to avoid being labelled as biased. Finding a balance, focusing upon the important matters, and also remain unmeasurable. It is better to use terms that the chairmanship will foster, promote, facilitate, support, etc. rather than pointing out that the chairmanship will achieve, settle or resolve. **It is preferable to appear with programmatic ideas that can move things in a certain direction without guaranteeing the solution.** ■

YOU OUGHT TO HAVE A CLEAR NATIONAL STRATEGY



Jon Elvedal FREDRIKSEN,
Ambassador Extraordinary and
Plenipotentiary of Norway to Ukraine

When we talk about cooperation with international organisations in Ukraine, we often talk about what will happen if and when Ukraine becomes a member of this or that organisation and what is achieved as a member of different organisations in which Ukraine is already a participant.

Just to look at my own region, the Nordic countries, I think, one thing that comes to mind is that the choices of integration with international organisations including also the important topic of international security is not always a questions of being a member or not being a member – there are also other ways of integrating. I mean my own country, being an example. We are not an EU member but probably we are a country, which is the closest integrated with the EU as of today. Our Nordic neighbours, like Finland and Sweden, are the EU members but they are not NATO members as we are; while Denmark is a member of both organisations.

Of course, there are historical reasons for this, but I think that in spite of whatever was the reason for this situation, all the Nordic countries have had and do have today a very clear strategy for what they want with their memberships, their association and integration with different international organisation such the EU, the NATO and also regional organisations. For instance, our good neighbours Sweden and Finland, while not being members, are also the closest partners of NATO.

That is not something that can be managed on day-to-day basis or weekly basis – it means that **you ought to have a national strategy for what you want to achieve.** I think that is something that I would just like to bring up. From the Nordic and Norwegian experience there must be some kind of commitment over a long period of time in order to integrate: whether its to become a member or to be integrated on a deeper level without being a member in, for instance, the EU or also with NATO.

From the Norwegian side we deeply support Ukraine's aspiration to associate with the European Union. I am quite sure that when the Association Agreement is signed we will also have a lot to offer for Ukraine in terms of our experience of integrating with the EU. We also welcome and very much support the continued close cooperation between Ukraine and NATO. We appreciate the contributions of Ukraine in NATO operations. We are now together this year in the Operation Ocean Shield, where Norway has the lead and Ukraine has contributed a frigate. So these are also concrete examples that it is possible to have a high level of integration because you want to, not necessarily because you are asked to, and without necessarily having membership on the immediate agenda. ■

“RESPONSIBILITY” IS THE KEY WORD FOR INTERNATIONAL ORGANISATIONS



Ihor DOLHOV,
Ambassador of Ukraine
to the Kingdom Belgium and to
the Grand-Duchy of Luxembourg,
Head of Ukraine's Mission to NATO

Everybody seems to know what an international organisation means. They are so many today that the full list would take more pages than the study prepared by the Razumkov Centre for today's discussion. These organisations are very different.

Some organisations are so respected and influential that they do not confine themselves to internal activities but themselves become actors – as the UN or OSCE do. Except those commonly known organisations, there are others, such as, say, the Visegrad Group, Benelux, the Association of Caribbean States. If I am not mistaken, a few years ago GUAM and Caribbean states held a joint meeting. What do they have in common?

Why are they getting created, why do they exist and develop? Some pass away, the new ones appear. Apparently, they all arise due to common interests. It is also apparent that each state as a subject of international law will try to establish as many ties as possible. These ties are the guarantees of what we call national security, but they also originate from common responsibility.

It seems to me that the key word for international organisations is “responsibility” – responsibility of its every member.

Of course, every organisation has its own weight. For instance, everybody knows who Anders Fogh Rasmussen is. But if I ask even here, in the Diplomatic Academy, who the General Secretary of the Collective Security Treaty Organisation is, I am not sure that many will give me his name. What does this tell us about? It tells us about the authority of that organisation. About the role it plays and the responsibility its member states vest in that organisation.

Hence, the responsibility of every state and its contribution to the common cause should be central to viewing the international security issues in the context of international organisations. I would like to quote again the data already cited here on the scale of Ukraine's participation in peacekeeping operations since gaining its independence – 34 thousand military personnel have served in such missions. This attests to a high responsibility of the state. Therefore, its problems and national security also become more interesting and more important for other states and international organisations. We also should not confine our discussion to the European integration and relations with NATO. A much wider and deeper context is essential. ■

TRUE THREATS TO UKRAINE STEM NOT FROM RUSSIA⁸



Andrey VOROBYOV,
Minister Counsellor of
the Russian Embassy in Ukraine

Dear Colleagues,

I would not like to get involved in a heated debate about the choice of values that each country makes when going through its civilisational path. I would not like to start this debate because otherwise I would have to ask the representatives of influential international organisations present here – what they will do if Yuliya Tymoshenko remains imprisoned, and the Verkhovna Rada does not vote for the law on gay communities (and it will never happen, since on Sunday, even MP Oleh Liashko spoke out against it). I would like to direct your attention to something else. The word “Russia” was mentioned here today maybe even more often than the word “Ukraine” when discussing the issues of Ukraine's security. This reminded me of the words by the renowned Russian poet, by the way, born in Kyiv, Velimir Khlebnikov: “Do not you hear that all this stridulous noise is only a reflection of true consonance...”. Now, on “true consonance”. **I can assure you that a true threat to Ukraine stems not from Russia.** Our colleagues in Ukraine's Foreign Ministry closely monitor the developments in the Middle East – they realise that unpredictable developments in and around Syria – in case of external military intervention, for which, there are no international legal grounds now – will drive fighters not only to the Caucasus but also to the Crimea. This is the first thing. Second: a lot has been said today about Armenia's accession to the Customs Union (Brussels has already “seriously warned” our Armenian partners). But we all understand what lies at the core of that decision. Yerevan managed to learn Europe's plans for Armenia. Also, they in Yerevan knew that Baku have adopted the concept of “two nations – one army”. Here is the “true consonance”. **True threats to Ukraine stem not from Russia, not from Russia at all.** ■

⁸ Presented after the text released on September 18, 2013, on the official web site of the Russian Embassy in Ukraine – http://emprus.org.ua/ru/new_posolstva/view/1648. Emphasis added – Ed.

⁹ Probably, the presenter gives an incorrect quotation of the verse in fact written by the Russian philosopher and poet Vladimir Solovyov (1853-1900): “Bon ami, don't you hear – that the stridulous earthly noise is only a reflection – of triumphant consonance?”. Velimir Khlebnikov was born in 1885 in the village of Malyie Derbenty, Astrakhan province; Vladimir Solovyov – in Moscow. – Ed.



THE CHOICE SHOULD BE BETWEEN AN ACTIVE AND PASSIVE POSITION



Luis FRAGA,
*President of the
World Stability Observatory,
Senator of Spanish Parliament
(1993-2011)*

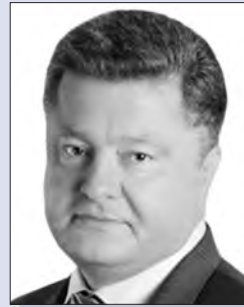
I come from Spain – and I believe that this is important for our conversation. Why? Because Spain is a European country that is very similar to Ukraine. Both countries have the population of over 40 million people, roughly the same territory. There is another common feature – both of us simultaneously represent two civilisations, two cultures. You are a part of Europe, but you are also a part of the “Russian world”. We, too, are a part of Europe and of the Latin American Spanish-language world of traditions and culture at the same time. This makes us similar, and this fact requires similar approaches to decision-making. Each country has to realise how to take right decisions. We have already discussed values and national interests today.

Both Ukraine and Spain have a common defining factor for their decision-making – the national interest. The question is where this national interest lies in and in what way the people can express their opinion and take part in formulating their country’s national interests.

We all profess certain values. None of us could exist without values. But the question is: would not it be a political mistake to almost forcibly impose one’s values on other people? For 12 years, I was a member of the Spanish Commission for South American Affairs, and we had faced many problems, trying to impose our values on other countries. We requested 17 countries of South America either to accept our truth and our values, or we will see them as bad guys. Then, problems began, because there cannot be only one truth. This does not work. And, in my personal opinion, interests are much more important. So, is not it a political mistake to impose one’s values on others?

As regards Ukraine’s policy, a lot has been said about the need to make a choice between Europe and Russia. In my personal opinion, the choice is not there. The choice should be between an active and passive position. If Ukraine, given its political and geographic location, chooses an active multi-vector policy it is destined to succeed. So the question is whether this is the problem of choice between Russia and the EU, or maybe Ukraine will find it more beneficial to move in both directions? I have no answer to this question, because I am not Ukrainian. As a Spaniard, I can tell you that we are both with Europe and with Latin America. This combination of interests leads to a success rather than failure. ■

TODAY, IT IS IMPORTANT TO JOIN EFFORTS TO SOLVE PROBLEMS THAT UKRAINE FACES



Petro POROSHENKO,
*National Deputy of Ukraine,
Minister of Foreign
Affairs of Ukraine (2009-2010),
Minister of Economic
Development and Trade
of Ukraine (2012)*

The attention to highly critical problems offered for discussion is topical, useful and timely. Someone may be surprised by the connection between the capacity of international organisations, on the one hand, and economic and energy security on the other. When dealing with national security everything seems clear. And when Ukraine was tackling its tasks within the framework of the NATO Membership Action Plan, we knew what, what for, and when things should be done.

But if one attentively reads our commitments, our programmes of cooperation with NATO, he will see that 80% of reforms do not deal with the defence and security sector. A great deal of those reforms take place in the economy. This shows that in the present globalised world, the national security of a separate state is guaranteed both by internal and external factors. Also, the national security as such becomes an international factor. In the present world and for Ukraine in particular, economy is one of the main security factors.

Risks arising in the economy, in foreign trade, in particular, may be divided into two groups.

The first group of risks covers substantial deterioration of trade conditions, for different reasons. The global crisis represents the main known factor. The second factor is the drop in prices and loss of markets by main Ukrainian exporters. The third one, which has emerged recently – the relations with our strategic partner and northern neighbour, where all Ukrainian manufacturers without exception at the end of August have suddenly encountered serious difficulties. The scale of those risks is inexhaustible. The threats created by those risks for economic growth in Ukraine, for the balance of payments, the budget deficit, the state budget payments, etc. surely demand from the Ukrainian authorities the ability to predict and propose a number of efficient steps to be made in order at least to diminish these risks.

The second group of risks is related to bad management – i.e., problems in public administration, poor economic governance, as well as the inefficient use of the Ukrainian economy potential, loss of opportunities and the resultant growth of risks.

What role can international organisations play here? For instance, one can mention the EU and measures it takes to get out of a very hard crisis in a number of its member states. If previously we spoke of economic

problems in Ireland, Belgium, Portugal, Spain, Italy, now it can be said that the main threat of the crisis has been removed. The overwhelming majority of countries, except Greece, have shown substantial progress thanks to concerted actions and efficient assistance from the EU.

How essential is Ukraine's ability to cooperate with the EU? I am sure that the Action Plan, the commitments assumed by Ukraine in connection with signing of the Association Agreement make the plan for domestic reforms desperately needed in Ukraine. The competitiveness of this country and the ability to do away with most risk factors will be highly critical.

By the way, a question may arise: will not Ukraine act the way Armenia did, having refused to sign the Association Agreement with the EU? Armenia had officially said that it would participate in the Eastern Partnership with no commitments to join the EU. The Association Agreement is a part of the Eastern Partnership package. A deep free trade area, visa-free travel and other elements are the "carrots" intended to encourage any country to implement reforms. But this is a sovereign right of any country – to implement those reforms and to get those advantages, or not to implement reforms, if major political leaders take a different decision.

It seems to me that Ukraine has rather consistently pursued the policy of European integration. It is hard to suspect it of any intention to depart from that policy... If this happens, it will be a threat, first of all, for those who will take such a decision. Today we can state that for one or another reason, more than half of the Ukrainian people support European integration, and politicians who stand against the people's will could face a very dim future. So I see no obstacles for Ukraine to meet its commitments and sign the Association Agreement in November 2013.

But do we actually use the opportunities offered in cooperation with the EU? We do not. I recall, for instance, signing a document as the Minister of Foreign Affairs in 2009 providing macrofinancial assistance of the EU to Ukraine in the amount of €610 million on highly beneficial terms. Four years have passed, but Ukraine never got that assistance. And the reason was not in the EU. The problems lie in Ukraine, in its inefficient interaction, in cooperation of the Ukrainian authorities with that organisation. There had been one important requirement there: in order to claim that and many other forms of assistance from the EU, totalling over €1.5 billion, Ukraine had to resume cooperation with another international organisation – the IMF.

What were the conditions for resuming cooperation with IMF put forward by officials and bureaucrats from Washington? The main condition the Ukrainian government failed to achieve (which they had actually added to the Memorandum themselves) was the reform of the Ukrainian monopolist *Naftohaz Ukrayiny* NJSC.¹⁰ However, the taxpayers from the IMF member states have the right to know how transparently their loans are being used. They must be sure that they are not "eaten away" but used for efficient fight with the ongoing crisis. Many frighten us with higher rates as a condition for resumption of cooperation with the IMF, but the thing is that they should be not high but fair for all.

The low-income people will get compensation from the state budget, and those with high-income – will pay a fair market price.

Cooperation with IMF will remove another very acute risk of reduction in gold and currency reserves. There is a real danger of deterioration of lending terms for Ukraine that already pays too high a price for market loans. Even some African states that actually have no infrastructure, that, I dare say, have no economy at all, where half of the budget is made up of grants, pay less for loans than Ukraine does.

Relations with the IMF are also critical for cooperation with the World Bank. I am proud that in 2012, when I had the honour to head the Ukrainian Ministry of Economic Development and Trade, we had achieved the highest rate of resources use under the cooperation programmes with World Bank in Ukraine's entire history. But in general, this is rarely the case...

The possibilities for cooperation with EBRD, the International Financial Corporation, other international financial organisations are not being fully used today, while cooperation with them is an indicator, a "litmus test" for investors that ensures a high level of transparent, inexpensive and efficient foreign direct investments which, in turn, enable the creation of well paid, effective jobs and fair proceeds of payments to the state budget.

Similarly, Ukraine does not fully use membership in other international organisations, first of all – in the WTO. To be sure, the decision to join the WTO was correct and justified, but the efficient use of its opportunities for protecting the national manufacturer, unfortunately, sinks in the bureaucratic system of the Ukrainian Government.

Given the European vector of our development, cooperation with the CIS has receded into the background. **But do we fully use the opportunities offered in the Commonwealth, including its free trade area?** Also, no. In September 2012, I was among those trying to convince that Ukraine should ratify the Agreement on a free trade area with the CIS, since it provided for the establishment of an arbitration court where the state could start arbitration proceedings to defend the national manufacturer. In theory, Ukraine obtained powerful mechanisms in the format of the CIS free trade area. There are clear obligations to be enforced, since the trust between partners depends on that. If the partners do not meet them, the right time and the right place should be found to raise those issues. However, we still have not formed an arbitration group in the CIS, and have not activated that mechanism – as well as other mechanisms provided in the Agreement.

There were also discussions about the **cooperation with the Customs Union**, with a huge flow of criticism, but we tried to establish efficient cooperation with it, too, since its creation has entirely changed the situation. For instance, with whom was Ukraine supposed to settle trade disputes? The Russian Ministry of Economy says: "We assigned those powers to the Eurasian Economic Commission". The latter says that settlement of any disputes requires an institutional platform. It was my initiative to propose to the Russian partners a mechanism of cooperation in the so-called 3+1 format. Although initially, the Russian counterparts flatly rejected such

¹⁰ IMF-Ukraine Memorandum on economic and financial policies, signed in July 2010. – Ed.



a format of cooperation, after four months of negotiations with the Eurasian Economic Commission a Memorandum of Trade Cooperation was signed, providing for the establishment of the Coordinating Group “Dialogue on Trade Issues”.

Ukrainian companies should be able to compete in all markets – Ukrainian, European, and global. This is the direct obligation of business. The task of the Ukrainian state is to create conditions for the Ukrainian business to be competitive. But if Ukraine’s Government does not repay VAT, this means that the Ukrainian state kills the competitiveness of the Ukrainian business, no matter what market it goes to. If governments of other countries create favourable conditions for foreign direct investments, and the corrupt environment in Ukraine frightens them, we will continue getting the results as recently released by the State Statistic Committee: in August 2013, the industrial production fell by 5.4% as compared to a rather poor performance of 2012. This is the price that we – the Ukrainian business, the Ukrainian economy – pay today for creation of a non-competitive (compared to other states) environment.

I am an optimist and I believe that if Ukraine meets its commitments, it will witness the inflow of direct investments, creation of a normal investment climate, provision of long and cheap credit resources, access to advanced technologies combined with the unique fertility of the Ukrainian soil, geographic location, competent and competitive manpower, access to energy resources, a bright future for shale gas and growth of energy efficiency.

The last on this list may be the main. Ukraine now spends 7600 barrels of oil a day per \$1 billion of its GDP, while China – 1300, the USA – 1100, Russia – 5000, Kazakhstan – 5600 barrels. How can the Ukrainian state, the Ukrainian industry and Ukrainian business be competitive? So one should not look for those responsible for our problems in the Russian Service for Supervision of Consumer Rights Protection or elsewhere.¹¹

Of course, we can complain about our partners, but first, we should do our part of the job. We therefore come back to the subject of bad management. We should better work at home, raising the competitiveness not only of the Ukrainian business and businessmen but also of the Ukrainian Government, the Ukrainian authorities. Now, this problem is especially pressing. As soon as we are sure that the Ukrainian industry is competitive, and the Ukrainian authorities are efficient, we will be able to secure access to any market in the world.

There are other questions, too, directly dealing with economic development, for instance, cooperation in fighting corruption, insurmountable for the Ukrainian authorities, which even threatens our national security. I am sure that cooperation within the framework of international organisations could raise the efficiency of those efforts. I mean cooperation with the OSCE, FATF and Interpol, which are engaged in fight against money laundering that directly affect our economy today.

The situation in Ukraine is tense. It is important to join efforts to solve problems that we face today. ■

THROUGH THE ENERGY COMMUNITY, UKRAINE IS A FULLY-FLEDGED PART OF THE ENERGY FAMILY OF 40 COUNTRIES



Dirk BUSCHLE,
*Legal Counsel and
Deputy Director,
Energy Community Secretariat*

Our discussion has culminated in the questions of: how to measure the participation of Ukraine in international organisations; should it be based on values or should it be based on interests? I see my mission today accomplished if I can provide you with a concrete example of how these two elements actually do not have to contradict each other but can be the sides of the same coin.

The Energy Community is an international organisation in which Ukraine is a member since 2011. It has a very famous mother, the European Union, and the child indeed looks a lot like his mother. In the context of today’s debate I may recall how the European Union – in the form of the European Community on Coal and Steel – was founded after the war in the 1950s, and how close the relation between integration and security was then. Or we may think back to the cradle of the Energy Community, on the Balkans after the wars of the 1990s. These two historical examples already indicate how closely energy cooperation, energy integration and security questions can be interlinked.

Ukraine may well be the one country where this particular link between energy and security needs least explanation. Today, in Kyiv, I want to focus on a couple of aspects which I consider key in this relation between security and energy.

To make things more concrete, I am starting with a general overview of what the Energy Community is. It is a multilateral – not a bilateral – agreement comprising the 28 members of the EU, eight Contracting Parties, and soon Georgia which is about to join the Energy Community. If we take also the EFTA and EEA countries, we are talking here about a community of over 40 member countries. That should not only give it some weight but also potential also for solidarity – one of the Energy Community’s key values.

If solidarity and security are in the focus of the Energy Community, it is still based on a market approach. We believe in market-based solutions also to energy relations and transactions. Sometimes this is not so self-evident in the energy sector, which has been and still is to a large extent governed by politics.

¹¹ This refers to the Federal Service for Control in the Field of Protection of Consumer Rights and Human Wellbeing, engaged by Russia in so-called “trade wars” with Ukraine, e.g., in the summer of 2013. Imports of certain foodstuffs, confectionary, etc. to Russia were banned following its applications – Ed.

The Energy Community is also an organisation which is based on institutions, (following the approach of Jean Monnet in the 1950s), and the rule of law.

The fact that there are institutions is of particular importance. It means that inevitably some sovereignty over the energy sector governance is ceded to these institutions, as happens in the EU as well. In particular, there is an outsider institution, the Secretariat of the Energy Community, which monitors the performance of countries such as Ukraine in reforming its markets, and, if needed, enforces the obligations and the commitments that Ukraine has undertaken. And that already takes us to the rule of law – one very important feature, which constitutes a qualitative difference between the Energy Community, on one side, and more politically organised and debate-based organisations such as the Eastern Partnership.

It is not only a general belief that the Energy Community has in the rule of law. It is also a very practical issue. In this country, a few months ago there was a discussion on whether the Energy Community does enough to prevent or, more neutral, react appropriately to the South Stream pipeline project sponsored by Gazprom. The discussion was a purely political one. It failed to understand how the Energy Community works. It is based on legal rules, on the rule of law. In practical terms this means that we assess the South Stream¹² pipeline project not in its political dimension but, most and foremost, in its legal dimension. In the Secretariat, we have assessed whether the inter-governmental agreements that have been concluded between Russia and Contracting Parties such as Serbia, Croatia and Macedonia for this project fulfil the standards of the *acquis communautaire*, of the rules of law applicable in the Energy Community. We concluded that this is not the case. The rule of law can have very concrete consequences. It would be naive to close the eyes with regard to their political implications, but the essence is compliance with the law.

Ultimately, the Energy Community is based on values: let me mention transparency, efficiency, fairness and solidarity as some very important ones. They translate into legal commitments but also legal rights of individuals and companies. One value or one key objective is the integration of countries into a large common and single market. That is something that distinguishes the Energy Community from other international organisation, which have, may be, more politically and economically looser ties only. **As is the European Union, we are convinced that integrated markets based on common values and binding legal rules are the best tool to protect security.**

Let me focus briefly on a couple of issues that are considered to be on the interface between energy and security.

One is infrastructure. The infrastructure is in the centre of the Energy Community's activities. Not necessarily as a strategic instrument, not necessarily focusing on the question of who owns it and may use it for political purposes. Infrastructure is the bottleneck and

thus of overriding importance to open energy markets. The Energy Community's values, transparency, fairness and efficiency, need to be applied here. The Energy Community's rules need to be respected. One element of the so-called Third Energy Package that has come in the focus of attention is the unbundling requirement. There are arbitration cases going on between Gazprom and EU States on the question of whether this unbundling requirement amounts to expropriation. From our logic, it introduces more transparency and more fairness into the system.

In the Energy Community, we would also like to build a backbone of infrastructure not only in Ukraine but also in the entire Energy Community of over 40 countries. That is why we have recently started to identify so-called Projects of Energy Community Interest. Those projects are needed to compliment and to implement that strong backbone. The process will be closed by a decision of the Ministerial Council in October endorsing a list of these projects.

The second key element for the discussion about energy and security is supply dependence. Obviously, there exist different degrees of dependence on one single supplier, and they normally increase the further east you go in the European Union and in the Energy Community. Since recently, Ukraine is not the most dependent country any more in the Energy Community. The reason for this is that it very concretely benefited from the integrated market – again: a general value that translates into concrete interests and results. This integrated market has allowed for so-called reverse flows of gas, for using the interconnectors between Ukraine and its Western neighbours to buy cheaper gas from Western companies, to diversify supply and to reduce dependency.

The third element, that I find relevant, is the issue of social stability. This is very crucial. If I may use an artillery term, the socio-economic situation is a ticking time bomb in many of our countries. The question is if the level of energy prices can at the same time reflect the social reality and be fully cost-reflective to allow for the necessary investment in the outdated systems. Recently, there have been cases such as Bulgaria's, where the level of electricity prices indeed led to social unrest, which also caused – and continues to do so – security concerns.

Finally, I would like to look into energy conflicts. More precisely, how they are handled and solved is a yardstick of how far and how deep integration goes. The classic dispute resolution through diplomatic channels is very much present still in the energy sector. They are far from being transparent and fair. The Energy Community, however, introduces a procedure that channels political conflicts into a legal process of dispute settlement, which helped solving in cases that involved not only commercial energy disputes but also highly political sensitive ones. I think for instance of the dispute between the transmission system operators of Serbia and Kosovo. This dispute has been paralyzing the regional electricity market for a long time. Understandably, Serbia as the party accused of non-compliance with the *acquis communautaire* opposed

¹² This refers to the pipeline for Russian gas supplies to Europe, it bypasses the territory of Ukraine and is a competitor to its pipeline system. Construction of the pipeline commenced on December 7, 2012. – Ed.



addressing it. But disputes normally do not just disappear. They may even get out of control if you cannot channel them in a transparent, fair and pre-determined procedure. In cooperation with the European Commission, we used this tool to bring both sides to the negotiation table, a process that had benefited even Serbia on its way to EU accession in the end. **A good dispute settlement procedure is the litmus test for the quality of an international agreement, including its capability of addressing concrete security issues.**

Let me conclude. Of course, the Energy Community does not address and solve all aspects related to security, not even energy security. For example, the Energy Community does not include Ukraine's eastern and northern neighbours. And it does not replace politics. But it introduces rational and transparent objectives and procedures, common values, rules and shared institutions. I consider that an important asset that international organisations such as ours can bring to Ukraine.

This brings me back to the EU, our mother organisation. Ukraine is about to link itself closer to the EU, and I very much welcome that. But in the energy sphere Ukraine is already on equal terms with any of the EU member states. Through the Energy Community, Ukraine is and remains a fully-fledged part, of the energy family of the 40 in an internal market so dense that it even goes beyond any future Association Agreement. ■

**WHAT IMPORTANT IS NOT MEMBERSHIP
IN INTERNATIONAL ORGANISATIONS,
BUT THE ABILITY TO USE THEIR POTENTIAL
TO FURTHER THE COUNTRY'S INTERESTS**



Valeriy PYATNYTSKYI,
*Governmental Commissioner
for European Integration*

The "Vilnius question" is highly important for us, since preparation for signing of the Agreement has been lasting for years. But today I will touch upon some other aspects of our cooperation with international organisations, in particular – the WTO.

I would like to say a few points using the example of that cooperation. In the discussion prepared by the Razumkov Centre I have found the proof of some ideas that I wish to bring to your attention. Of particular interest are the results of the expert poll, showing that Ukraine, seeking membership in many international organisations, does this persistently, spares no resources, efforts, inspiration, and then, after it achieves that goal, faces the question – why?

It is clear that any international organisation is a platform (as a rule – a multilateral platform) to be heard,

and used to implement one's plans. And the main thing is that it primarily represents a system of certain rules – for international security, trade, or the energy sector.

Quite often we speak about the accession as such. It seems to us that we have achieved everything – a certain level of harmonisation of rules with that organisation, and understood its basic elements. **And later on, we may just stay members of that organisation, paying fees and from time to time attending its headquarters.**

In this connection, I will come back to the Vilnius summit, namely – to the fact that the threat posed by this approach may also apply to European integration.

We have spent more than five years on negotiations. For more than five years we have worked at home to ensure that the sectors where we now cooperate with the EU are harmonised with its basic requirements.

But I would like to draw your attention to one more problem, also confirmed by the Razumkov Centre studies. What hinders our cooperation with international organisations? As regards the EU, there are two woes there, as usual. In this case: the Russian factor and – what I see more important and would like to specially stress – the low level of responsibility of the Ukrainian party in implementing the assumed commitments. That is obvious.

Today, we expect the implementation pace of the assumed commitments to be rather low. This always costs us a lot. Violating certain rules, we meet incomprehension, to say the least. We demonstrate inconsistency and meet a very negative reaction and countermeasures – compensatory steps that can be aimed against us.

This inconsistency is one of the most important threats for us which, in fact, lies within us. In other words, we are often our own threat. The inconsistency mentioned above is multifaceted. Of course, there are many bureaucratic obstacles. Of course, there is some misunderstanding of what should be done, how, and so on.

Today, at the final stage of preparation for the Agreement signing, varied information circulating in the media space actually distorts the content of the Agreement, including the commitments that we should meet. This information is quite often intended to intimidate the public. In particular, there are allegations that under the European integration we will have to give up the metric system, change the rail gage, and so on. This is ridiculous, but there are people who believe it.

Now, back to the first point: we merely sign an agreement with an organisation – and nothing else. There is no internal development. Ukraine does not send strong representatives to international organisations. Say, Ukraine in fact has no mission to the WTO. Only having encountered problems in the East (in particular, with introduction of the disposal charge on imported cars in the Russian Federation),¹³ we have suddenly recalled the big toolset that we could use.

First, we began a dialogue with the EU. But following a deviation from rules, consultations are now held with

¹³ This refers to introduction of an environmental disposal charge on imported cars in the Russian Federation from September 1, 2012 (to defend the Russian car-making industry in the conditions of a sharp decrease of import duties after Russia's accession to the WTO – from 30% to 25%). That step affected the Ukrainian machine building, since much of its produce is exported to Russia and other CIS countries. In response to Ukraine's intention to introduce a similar charge, the EU warned that such a step might seriously complicate trade relations with Ukraine, while Russia and its partners in the Customs Union initiated consideration of that issue in the CIS Court. – Ed.

the Russian Federation that, acting in another system – the CIS, exercised its right to initiate the review of that case in the CIS Economic Court. And we again were the last to select experts for that body. It is good that such experts are available now, but how well are they qualified? Do they have the experience of participation in such disputes? Where were they trained? It is good that they have legal education, but that is not enough, because any multilateral system involves not only a set of certain rules but also political dimensions. That is not only trade in goods.

As far as the CIS is concerned, our weaknesses begin to play against us. It is not that we do not understand what standards or technical regulations should be harmonised with the EU. We have mentioned the confectionary sector today which activity is now harmonised with all international rules. But sometimes, they play against us without rules. Will we be able to use mechanisms provided by the WTO then?

If we speak about economic organisations, this also covers issues of interaction with the business. Of course, one can initiate a discussion of general issues, a theoretic view of violations committed by one or another party, etc. But this is not enough for success. Today, business together with the Government should be ready to use mechanisms of international organisations, realising that this process might take some time. Even at this panel it was said: “Yes we should solve the problem at the bilateral level, not employing international tools”. This can be done this way, too.

However, our Russian counterparts have no pangs of conscience initiating proceedings about the disposal charge on car sales in a CIS institution. They are ready to consider, if the time comes, and I think the time will come, take for instance the above-mentioned matter of the disposal charge in the WTO.

So, for Ukraine, participation in international organisations is very important. But what is more important is not the membership in international organisations but the ability to use all tools available in those organisations – and for that, the required set of opportunities for efficient work in them should be created. ■

OUR GOAL IS TO PROMOTE PEACE, STABILITY AND PROSPERITY



Victor TVIRCUN,
Secretary General,
the Organisation of the Black
Sea Economic Cooperation

Let me also express my appreciation for the kind opportunity provided to the Black Sea Economic Cooperation Organisation (BSEC) to present its views and activities on the promotion of regional economic cooperation in the field of energy.

As you know, the BSEC Organisation, established in 1992 and transformed into a fully-fledged international

organisation in 1999, has significantly contributed to the promotion of regional economic cooperation, bringing together the view-points and particular expertise of its 12 Member States, which represent the wider Black Sea area, from the Adriatic to the Caspian Sea. Under the guidance of the BSEC Council of Ministers of Foreign Affairs, our Organisation has, over the years, produced concrete results in a wide variety of areas of cooperation, through the activity of the BSEC Working Groups and its dedicated Funds, the BSEC Project Development Fund and the Hellenic Development Fund. Sector Ministerial Meetings provide direction and assess the progress made in the relevant fields, at regular intervals.

Energy has always ranked high in the list of BSEC priorities, with the aim of facilitating an enhanced cooperation in this area, through policy dialogue, exchange of information and best practices, as well as small-scale concrete projects. In our view, all the states in the region stand to benefit from increased regional energy cooperation, including through the diversification of supply routes and the access to new alternative sources of energy supplies. In this context, enhanced energy cooperation is not only a singularly important factor for assuring regional stability and the energy security of the states in the region and a great part of Europe, but also an economic sector which presents vast investment and growth opportunities.

In their Meeting in Sofia on 28 January 2010, the BSEC Ministers of Energy had declared the common goal **“to identify the steps to be taken towards the gradual establishment of an integrated Black Sea energy market”**, with due consideration of the existing national regulations and standards and to the technical differences in transmission systems.

Last year, the BSEC Summit Meeting on the 25th Anniversary of our Organisation, held on 26 June 2012, endorsed the **BSEC Economic Agenda Towards an Enhanced BSEC Partnership**, a strategic document for guiding the activities of BSEC in the years to come, adopted, a few weeks previously, by the BSEC Council of the Ministers of Foreign Affairs. In the ensuing months, through the activity of the BSEC Working Group on Energy and the Task Force on Green Energy Development, we have proceeded in elaborating a work-plan for the implementation of these priorities, which include:

- **the development of a competitive regional energy market**, including through the elaboration of the regulatory framework for the creation of an integrated Black Sea energy market, an area of particular expertise also of the Energy Community Charter Secretariat, with which BSEC has established a regular cooperation;
- **the promotion of energy efficiency**, as a necessary step in assuring energy security and sustainable use of energy resources;
- **the promotion renewable energy sources and clean technologies**, with the vision of transforming the BSEC region into a model for clean energy by the year 2050.

The establishment of an efficiently operating energy market in the Black Sea region should aim at: increasing energy production; allowing for cross-border energy trade; attracting investments in power generation and transmission networks; maximising the efficiency in operation of the energy infrastructures and of the use of energy resources; environmental protection; nuclear safety; regulating trade and supply of energy in order to offer consumers non-discriminatory and transparent access to energy networks, wider choice, affordable and fair prices, and reliable supplies.



It is recognised that **the establishment of an integrated energy market requires an international treaty of the states in the region, defining their rights and obligations and also the common structures to be created and the legal framework within which they would operate.** The first requirement of an integrated market in the BSEC region is to ensure common rules and standards on issues that affect cross-border trade and on the security of supplies. The World Trade Organisation and the Energy Charter Treaty provide for a number of key principles for market and regulatory integration. The experience of the Energy Community Secretariat, to which many BSEC Member States belong, is to be taken into particular account, too. Lastly, the legislation of the EU internal energy market should be considered, since the EU is the biggest customer of the suppliers in the BSEC region and there are many transit route projects which necessitate harmonized cross-border regulation.

The BSEC Member States should focus on the development of the needed infrastructure – production, transport, storage, distribution, liquefied natural gas. The promotion of energy efficiency and Renewable Energy Sources has also attained particular emphasis in BSEC activities.

Already, through the activity of the BSEC Funds, the BSEC Project Development Fund and the Hellenic Development Fund, our Organisation has helped with the development of small-scale projects, with a regional dimension, through the participation in their implementation of partners from two or more Member States. These projects, although modest – as I have mentioned – make a very concrete contribution to regional cooperation and can have a significant impact, on the local level, on the promotion of renewable energy resources and energy efficiency. As it happens, only yesterday, I was present, in Chisinau, at the inauguration of such a BSEC project on energy security in a Moldovan school, funded through the Hellenic Development Fund.

It is to be noted that many projects, financed through the BSEC Funds, are also being supported by other international organisations or development agencies, such as the UNDP, the UNIDO, the Austrian Development Agency and the German GIZ. In BSEC we aim to further develop this cooperation which ensures increased financing support and follow-up to our projects.

In BSEC, a regional economic organisation, we view our activities in furthering economic cooperation as a necessary and welcome step in promoting, in accordance with the BSEC Charter, peace, stability and prosperity. In this framework, we will continue to deepen cooperation between our Member States on



energy through common initiatives and projects. In this framework, we will also continue interaction with other pertinent international organisations and bodies, in particular the Energy Charter Secretariat, the OSCE Economic and Environmental Forum and the UNDP. Finally, we continue and enhance our dialogue with the European Union, on all issues and, in particular, in the field of Renewable Energy Sources and energy efficiency. ■

IT IS IMPORTANT THAT INTERNATIONAL ORGANISATIONS ABIDE BY PRINCIPLES OF SOLIDARITY AND TRANSPARENCY



Roman SHPEK,
Member of
the Board of Directors of
the National Bank of Ukraine,
Advisor to the President of Ukraine

In a modern globalised world, national security cannot be separated from the economic power of a country and competitiveness of its national economy, and therefore it remains vulnerable to internal and external economic threats. For Ukraine, for its future, it is very important to understand to what extent the present economic structure and the existing economic model of development can guarantee its independence and contribute to a successful integration of Ukraine in international unions.

Export accounts for over half of Ukraine's GDP (51%). It is mainly made up of raw materials or semi-finished goods. Imports equal 59% of the GDP. This means that Ukraine is over-dependent on foreign markets and has a much smaller (as for a country with such territory and population) domestic market. As a result, the Government cannot always influence economic growth.

Challenges for the national security include the low level of labour productivity. These days, not only politicians but also professional economists rarely use this term. Everybody concentrates on the level of income, growth of real income, and real wages. But no one speaks of labour productivity, albeit in today's world, it is labour productivity and energy intensity that define a country's economic competitiveness.

By the way, according to the energy intensity rate we are ahead of Russia, Turkey and Poland. Ukraine's main rivals on international markets have higher labour productivity and lower energy intensity of the GDP. This is not a mere economic category; it immediately affects the national security and sovereign guarantees.

Among other specific internal threats, one should mention the quality of budget planning. Every year we have a budget that, in addition to the agreed and approved deficit, also has the so-called hidden deficit making nearly 50-75% of the official one. As a result, resources of both the National Bank and commercial

banks are used to finance the hidden deficit, barring support for the real sector of the economy and, respectively, economic growth.

A serious threat to national security is posed by the scope of the grey economy, making, according to different estimates, 45-55% of the total. This includes unofficial wages, lasting deficit of the Pension Fund, lack of long financial resources on the markets and so on. All this also directly affects the national security.

If we sum up, as a result of this, the **competitiveness of Ukraine's economy is critically low, which creates additional risks and threats for the national security and ability to secure national sovereignty.**

Of course, one should not underestimate the effects of external factors. They include the slowdown in global markets, economic recession in our main trading partners, as well as the fact that Ukraine is unready to enter more developed and competitive markets of higher value added products.

Ukraine is a big country but its security is vulnerable, especially the economic one. Today, Ukraine trims between two superpowers: Russia and the EU. If someone believes that this situation can last a long time, I would say – it is vain, stop being naïve, because a weak state cannot exist for long between two powers. We all should make right conclusions about the importance of reforms for the sake of preserving independence and sovereignty. We are destined to reform the political system, economy, to nurture a civil society that guarantees the highest level of competition.

Reforms require time, funds and expertise. Hence arises the issue of an urgent need for Ukraine to take part and cooperate with different international organisations. They have the experience and money for different forms of technical assistance and cooperation that may be used to promote reforms. International organisations have powerful international financial institutions, such as the EBRD, the European Investment Bank, the World Bank group, the IMF and many other international organisations possessing resources that may promote reforms for much longer terms than the commercial banks.

For instance: the World Bank resources for Ukraine are available at rather competitive interest rates with the credit repayment term of 23 years. The European Investment Bank can grant credits for 15 years. This enables to develop infrastructure, implement institutional and structural reforms in order to change the economy and economic development model, to encourage the development of domestic market and reduce Ukraine's dependence on foreign markets.

Of course, as I have already mentioned, we need a detailed and thorough analysis of participation in international organisations. We should assess our steps more critically. We had ceded to persuasion and arguments of the European Commission – and Ukraine joined the European Energy Charter, ratified the relevant

Agreement. Probably, the European Commission concentrated all efforts on Ukraine, while the Russian Federation did not ratify the Agreement – and we got nothing from membership and maybe even lost in bilateral energy relations with Russia.

One should also not forget about the authority of international organisations. We should see how much they follow the values they declare. How much does the European Commission care about the Energy Community? Do the European Commission talks on the OPAL project meet the principles of solidarity and transparency?¹⁴ If not, the Treaty establishing the Energy Community with time may follow the fate of the Energy Charter.¹⁵ I mean that **not only Ukraine should assume responsibility but organisations should be accountable to their members, too.**

You also remember Ukraine's participation in the Kyoto Protocol – rather successful for us since we gained access to relatively cheap financial resources. But the USA with the change of the political elite also changed their opinion about the urgency of that problem: “everything is not as bad as we thought, but if it is so – only for China, Ukraine, or other member states – parties to the Protocol”.¹⁶

We are extremely interested in cooperation with international organisations. But we want value-based international organisations not to give up their values and not to shift to interests that sometimes contradict those values.

When the European Commission summed up the first results of enlargement at the Thessaloniki Summit in 2003, its President Mr. Prodi convinced everyone that the prospect of gaining membership in the EU was the best incentive for democratic, political, economic reforms in the candidate countries. But when a journalist asked him “what about Ukraine?”, he answered: “Oh no, this does not refer to Ukraine, Ukraine cannot be encouraged this way”.

This means that values were trampled down, and the interests of some member states prevailed (“not to quarrel with someone”). His successor José Manuel Barroso, having come to Serbia and trying to influence negotiations with Kosovars, addressed youths in the city centre by saying: “I am in Europe! It is a European city! You have the right to membership because you are Europeans!”. Everybody applauded him. Of course. We would have applauded, too, if we were told the same thing. But the same journalist on my request asked the European Commission President: “... what about Ukraine?” – “No, no, nothing!”. Do you understand?

You teach us values every day, but ignore those values for the sake of interests. Maybe we are not very good pupils but we also see your mistakes, as you see ours.

It is important that international organisations follow what is written in the Treaty Establishing the Energy Community – “transparency and solidarity”. If they treat [us] like a junior rather than equal partner, the

¹⁴ OPAL project – the land segment of the North Stream gas pipeline with the throughput of 36 BCM. The project of Gazprom and the German Wintershall company. The pipeline delivers Russian gas to Germany and the Czech Republic. The companies negotiate with the EU exemption of the pipeline from the norms of the Third EU energy package, which will let them leave 100% of its capacity in their ownership. The North Stream is an alternative to the Ukrainian gas transportation system. – Ed.

¹⁵ European Energy Charter, signed in 1991, now applied in a loose format. – Ed.

¹⁶ Kyoto Protocol – international agreement adopted in Kyoto (Japan) in December 1997 in addition to the UN Framework Convention on Climate Change (1992). The Protocol obliged nations, first of all, the developed countries to reduce or stabilise greenhouse gas emission. The USA signed the Protocol but refused to ratify it. – Ed.



mechanism of interaction will be essentially different. Ukraine's goal is determined by our legislation. **Our future is with the European integration.** We want to be in the EU family one day.

But unfortunately, the new Agreement, which I praise and approve of, does not offer [us] such prospects. We, Ukrainians, view this Agreement as a tool for reforms in the country. And when trade talks were held (some of the positions were even tougher than the Agreement of Ukraine's accession to the WTO), technical officers said to us: your goal is to integrate Ukraine's economy in the EU internal market; next – the EU membership. Then why not to add to the preamble that we have real, not illusive prospects of membership. Oh no, we do not have the mandate!

When it comes to values, you should not reduce them to interests. You should live in line with these values. Then we, too, will probably be more consistent.

A lot has been said about NATO. It is a very important organisation, and it happens that NATO is not interested in Ukraine gaining membership in the Alliance. This was said to us in 2008. Only our peacekeepers, our helicopters and so on are needed. Probably that is okay, because after Europe's division into the "new" and "old", NATO membership will not longer mean sooner EU membership. We, in Ukraine, are well aware that the drivers of the European policy – France and Germany – attach more importance not to transatlantic interests, but to the fact that a country is devoted to European values, as was the case with a decision on the expediency of the military campaign in Iraq. ■

**WE SHOULD HAVE A NON-BLOC
NEUTRALITY STATUS ALSO IN ECONOMIC
AND ENERGY SECURITY ISSUES OF BIGGER
EUROPE – FROM VLADIVOSTOK TO LISBON**



Oleksandr CHALYI,
*President of
Grant Thornton Ukraine,
Deputy Head of the Presidential
Secretariat of Ukraine (2006-2008),
First Deputy Minister of Foreign
Affairs of Ukraine
(1998-2001; 2003-2004)*

First of all, I believe that after the first 20 years of independence we have effectively removed the political and military security problems from the agenda in Ukraine. Now, in the third decade of state-building, problems in economy and energy security will be of key importance.

There is no talk about territorial disputes that came to an end after signing the Big Treaty with Russia, the treaty with Romania, the judgment of the International Court.¹⁷ We effectively cooperate with all military alliances.

Meanwhile, economic, trade, energy, gas wars appear in headlines every six months. The question is – why?

I am sure that we have resolved military-political aspects of security by finally taking a neutral non-bloc stand, adequate to our status in the world, in greater Europe.

As regards the economic and energy dimensions of security, we are still looking for our place, trying to be with one "big power" against the other. But this is a very dangerous policy. That is why my key point is that for the next 10 years we should have a non-bloc neutral status when it comes to issues of economic and energy security of a Bigger Europe – from Vladivostok to Lisbon. If we do not find this status, wars will go on.

I agree with the point presented here that our security problems in the economy and energy sector are related with the existence of two big neighbours, two "galaxies" – the EU and Russia. However, I disagree that we cannot remain neutral, stay outside both "galaxies" for a long time. In the long run, for the next 30 years, we are destined to be a country joining neither of those "galaxies". So we are to find the right geopolitical and geoeconomic status in this disposition. We have already found the geopolitical status, the geoeconomic one is now on the agenda.

It was nicely said here about the "wide gage". This "wide gage" has been actually dismantled in Poland, Romania, Hungary. Where it is left, it is not used. But in Ukraine, the "wide gage" will not be dismantled even if we sign the Association Agreement or become a full member of the EU. There are things in the Ukrainian reality that are stable – strategically stable, wherever we integrate, whatever we do. The "wide gage" is one example. In other words, we should learn to live as a state associated with the EU, but we will stay with the "wide gage". We have great many such "wide gages". And we should learn to obtain synergy from this interaction.

How can this be done? In a situation where Ukraine is now and will be for the next 30 years, it should proceed, first of all, from its national interests and a pragmatic approach to achieving these interests. Our key national interest is integration in the EU. It is really the interest we will not change. All of us here wish for the Agreement to be signed in Vilnius.

However, we should realise that we are being integrated in the EU not as a candidate country. The EU does not even want to give us hope. We are being integrated in the EU similar to Norway or Switzerland. That is, we remain an independent, sovereign country.

On the one hand, this is bad, since if we were integrated as a candidate country, big structural funds supporting adaptation to European standards would work for us. But since we are integrated as an independent country, we are to be integrated at our own expense. The EU budget allocates crumbs to this purpose. This is bad. But what is good that we are a sovereign country in those integration processes. They cannot tell us what to do, as a candidate country. We ourselves

¹⁷ The Treaty of Friendship, Cooperation and Partnership between Ukraine and the Russian Federation signed on May 31, 1997, the Treaty of Relations of Good Neighbourliness and Cooperation between Ukraine and Romania signed on June 2, 1997, and the UN International Court Judgment of February 3, 2009, concerning a territorial dispute (in fact, the status of Serpents Island in the Black Sea) between Romania (applicant) and Ukraine (defendant). The decision was taken in favour of Romania. – Ed.

are to choose the pace of our integration. And we should tackle this very pragmatically.

Figuratively speaking, while the Poles could be given orders to dismantle the “wide gage”, (a) nobody has the legal right to give orders to us, and (b) even if we are ready to dismantle our “wide gage”, we can do that within terms and in the way we want it to be done. This is a very important point for our future positioning in the energy sector, in the economy. The pragmatic approach should be a phased approach.

The next key issue. We should realise that our economic and energy integration should not happen fast. If we fully adopt all standards of one system and begin to fully operate as an element of the EU system, this will tear our country, economy and our energy sectors apart.

Our strategic goal is entirely different. We should encourage strategic ties between two “galaxies” – our geopolitical neighbours, between the EU and Russia. That is, we should assist with what President Putin has declared in his election articles, where he said that his five-year plan was to create a common economic space between the EU and Russia. So, **our key goal in the process of integration in the EU is to present it not as a project aimed against Russia but on the contrary, as a tool giving Russia more opportunities.** And we should do all we can to conciliate the views of Brussels and Moscow of the economy and energy sector.

I fully agree that responsibility for problems in our economy and energy security rests primarily with us. This includes administration problems in the broadest sense of the word, and the problem with fulfilment of commitments. It is very strange to hear those in power admitting those problems. If you speak about that – be responsible! Die but solve those problems. You should take personal responsibility for everything that happens, for the failed commitments. We assume obligations too easily to dismantle the “wide gage” next year, realising that we will not dismantle it even in the next one hundred years.

A more concrete example – the Third Energy Package. Name just one European country – a EU member, which has implemented it 100%. None. And there will be none for the next 15 years. Meanwhile, we have assumed enhanced commitments that we should meet in 2015. It is like a promise to fly to the Mars tomorrow – but this is impossible! The Third Energy Package will not be implemented in Ukraine in 2015. We should admit it, set another deadline, as well as assume realistic, responsible commitments.

And the last thing. We should pay more attention to universal organisations, such as the UN, OSCE, WTO, IMF, the World Bank, the Energy Community – and step up our efforts there. In 2014, we will preside in the CIS, and this is very important for us, because **our general task is to convince Russia that the Agreement of Free Trade with the CIS should apply (and apply efficiently) after Ukraine signs the Association Agreement with the EU. Ukraine is to get a new status, when we will have free trade with all key partners. This is the synergy for the future, the key strategic task for Ukraine’s foreign policy.**

It is a great achievement that we have a free trade area with the CIS. It is a very serious tool for our

future action. “3+1” formula is now working. But **today, I propose a new formula – “2+1”, the EU and Russia plus Ukraine. We should make the EU and Moscow to carry on a dialogue on the emerging problems.** The EU has always flatly opposed it, but a month ago the EU stance has strategically changed. Statements by the European Parliament and the EU leaders witness their readiness to support us and to carry on a dialogue with Russia. I wish to propose the President of Ukraine to invite the EU leaders and President Putin to Kyiv to discuss issues that arise before signing of the Agreement in Vilnius. We have had such an experience. The same story happened when we were joining the WTO. Then, we discussed threats for the Russian Federation and agreed not to raise any issues in connection with its accession to the WTO. Ukraine met its obligation and confirmed its image of a country one can deal with.

So, if Russia is concerned about certificates of origin of goods, then we, jointly with the EU, should provide guarantees that no dual or false certificates of origin of goods will come from our territory. We should be proactive. **Our future is in the FTA with Russia, with the CIS and with the EU. Strategically, Russia has an interest in that, too.** ■

WE HAVE ALL REASONS TO BE OPTIMISTIC



Andriy OLEFIROV,
Deputy Minister of
Foreign Affairs of Ukraine

I want to remind you that this year was very important for Ukraine, in particular – for our relations with the EU. The strategic trajectory of European integration and all legislative mechanisms were introduced in Ukraine a few years ago, enabling us to answer any questions about the “possible change of trajectory overnight” without reservations. **Our strategic long-term goal is to gain a fully-fledged membership in the EU.**

The Association Agreement is, *first of all*, a tool for deep structural reforms in Ukraine. *Second*, in the context of European integration it is the next step towards joining the EU. I dare to compare it to football’s Premier League – loved by almost all Ukrainians. Figuratively speaking, we started in the second league – that is, partnership and cooperation, while the Association Agreement is the next stage. We now advance to the next stage so that later, through effort and transformation – or training, to use the football term – we can reach the level of the Premier League. Which, in our case, means European policy.

Singing the Agreement will have an impact not only on development of bilateral relations between Ukraine and the EU, or on the Ukrainian society and its transformation, but also on the geopolitical situation in the whole Eastern Partnership region, which challenges



and problems are well known to us. The nature of these threats is related to the so-called frozen conflicts, rivalry for natural resources, and in some cases – for geopolitical leadership. In this context I would like to note the role of Ukraine that after gaining independence acted as a reliable contributor to regional security and stability – the two things we are discussing today.

Today, we demonstrate our reliability through practical measures. This year Ukraine chairs the OSCE. The activities aimed at settling long-lasting conflicts in the OSCE area are an important element and priority of our chairmanship. I view this a success that three rounds of talks on the Transnistria crisis settlement were held in the 5+2 format. The next round, upon Ukraine's initiative, will be held in early October – and for the first time, it will be held in Brussels, which is highly symbolic.

As regards the Geneva international discussions aimed at solving pressing security and humanitarian issues in the conflict-hit regions of Georgia, Ukraine plays an active role there. Together with the EU and UN representatives, we co-chaired two rounds of discussions, now being actually the only mechanism of talks on conflict settlement in Georgia.

The situation with the Nagorny Karabakh conflict requires permanent close attention from the OSCE and Ukraine's chairmanship in particular. We strongly support efforts of the OSCE Minsk Group's Co-Chairs helping the parties to the conflict to search for peaceful solutions.

Speaking about regional security issues, it is reasonable to mention one key actor – Russia. Beyond doubt, good-neighbourly relations between Ukraine and the Russian Federation are an important factor of the European stability and security. The most recent developments in our relations have been thoroughly analysed by key international actors, first of all – the EU, whose member states produced a critical assessment of our neighbour's conduct in relations with Ukraine and some other countries of the Eastern Partnership.

As we know, **in relations with Russia, Ukraine has always proceeded from the principles of mutual respect, searching for mutually advantageous and acceptable decisions.** In this context, we continue studies of all available options for creation of a proper cooperation mechanism with the Customs Union. I wish to stress once again that this mechanism should rest on the national legislation and, in no way, contradict Ukraine's European integration strategy. Our goal is to promote rather than limit (especially artificially) our bilateral cooperation. We are interested in deepening mutually advantageous cooperation with Russia, not in creation of any additional obstacles, whatever they may be.

Meanwhile, developments in the Eastern Partnership countries and in another regions covered by the neighbourhood policy – e.g. the Middle East, demonstrated the practicability of interaction between the EU and the Russian Federation for generation of balanced approaches to the most acute security problems. This gives grounds to hope that the EU will manage to

find adequate approaches in its dialogue with Russia on sensitive security issues, whatever region we talk about.

Cooperation with the EU in the field of the Common Foreign and Security Policy is an important element of Ukraine's European integration policy. We seek further development, first of all, of practical cooperation with the EU in this field now, before signing the Association Agreement.

Ukraine already has some achievements in that area. In particular, we continue to take part in the EU operations. These are not only intentions but concrete decisions on participation of the Ukrainian frigate *Hetman Sahaydachnyi* in the EU Atalanta operation in January 2014. It only remains to complete some legal procedures. The documents are currently being processed by our European partners.

Another priority of practical cooperation with the EU is presented by participation in the so-called battle groups. We gained a positive experience of operation in HELBROC Battle Group in 2011. The Ukrainian contingent prepares for participation in the Visegrad Battle Group, expected to be operational in 2016. Now, we continue training the units that will take part in these groups.

Ukraine indeed has a vast defence industry potential, which makes a good basis for cooperation with the EU on different European defence projects. The parties consider signing an agreement between Ukraine and the European Defence Agency. We have proposed a few key sectors, such as the strategic transportation, improvised explosive devices countering, military medicine, aircraft repair and technical maintenance, ammunition and so on.

To some up, I would like to come back to the issue of regional security and stability in the Eastern Partnership region. I am convinced of the exceptional importance to conclude association agreements not only with Ukraine but also with other members of the Eastern Partnership, especially since some of them not only seek to sign the association agreements including a free trade area but also have a strategic goal of joining the EU.

Conclusion and implementation of the Agreement that partially begins even before its ratification by parliaments of all 28 EU member states will benefit, first of all, the Ukrainian society and businessmen. This event will certainly encourage the inflow of foreign investments.

These are not mere words. Not only Ukraine is interested in the EU; the EU, too, is interested in cooperation with the largest, by territory, country in Europe with a well-educated population of 46 million people. One should also not forget that thanks to the fertility of our soil, Ukraine has always been referred to as "Europe's breadbasket".

A democratic Ukraine will contribute to stability, security and prosperity in a wider European context. That is why we have all reasons to be optimistic about a secure and prosperous European future for this country. ■

**SIGNING OF THE ASSOCIATION AGREEMENT
WILL BRING OUR SECURITY COOPERATION
TO THE NEW LEVEL AND NEW QUALITY**



JAN TOMBIŃSKI,
*Head of Delegation of
the European Union to Ukraine*

European integration has become over time the process of a political nature to the extent, which corresponds to the ambitions of the founding fathers of the European Union. It is no longer economically driven process only.

What unites us in the EU is our values, principles, but also security of all of us and each of us. As you know the Lisbon Treaty has introduced **two key solidarity clauses concerning security and defence matters:** a mutual assistance clause (Article 42, no. 7), according to which “If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power”; and a solidarity clause (Article 222), which comes into play when natural or man-made disasters or terrorist attacks occur.

High level of interdependency in practically all spheres of social life, which has been achieved in the EU, is the best security guarantor in the European continent. The citizens of the united Europe enjoy nowadays all the benefits of the holistic security, created under the EU framework.

Therefore, already last rounds of EU enlargement were defined and understood by the societies concerned as based on the benefit of common security. **Economic prosperity, fair rules of economic competition, social security, protection of individual rights, including consumer rights, political predictability and transparency, stable democratic structures, including rule of law – all those elements are today indispensable for the citizens of the united Europe to enjoy a high level of security.**

One of the well-known achievements of the European integration are freedoms of movement (of goods, capital, services and people), which form an Internal Market of the Union. As you know the process is not concluded yet; however, even if imperfect, the four freedoms together with the single currency EURO are crucial for deepening of the European identity and solidarity. The European Commission has just proposed to abolish roaming fees in the EU, something that all citizens in the Union will feel as the direct, simple and practical benefit of the European integration. This is how we work: **the interests of citizens are in the centre of the European integration.**

Why am I saying all these facts, perhaps self-evident for you, about the EU reality? Those of you that have already read the Association Agreement (AA), which is now awaiting the signature in November in Vilnius by the Union and Ukraine, would know perfectly well the answer. The security realm of the European integration may soon be extended to this country, by economic, social and political

approximation between the EU and Ukraine. **“Stronger together” – our leitmotif of information campaign – means also “more secure together”.**

Deep and Comprehensive Free Trade Area (DCFTA), which is an integral part of the AA, is designed as to gradually **integrate Ukraine into the EU Internal Market.** The AA in general terms, will accelerate deepening of political and economic relations between Ukraine and the EU by setting much more ambitious goals for this partnership.

The AA is a concrete way to exploit the dynamics in EU-Ukraine relations, focusing on support to core reforms, on economic recovery and growth, governance and sector co-operation.

The AA constitutes also a **reform agenda for Ukraine,** based around a comprehensive programme of Ukraine’s approximation of its legislation to EU norms, around which all partners of Ukraine can align themselves and focus their assistance.

The AA aims at establishing the political association, which translates into the **political and security convergence** and effectiveness as well as fostering result-oriented and practical cooperation for achieving peace, security and stability on the European continent. In other words, both the EU and Ukraine will be bound by the agreement, which constitutes a practical strategic partnership.

With economic integration and with common responsibility on international arena goes **stronger than before values-based alliance.** The AA oblige both sides to work together in order to strengthen respect for democratic principles, the rule of law and good governance, human rights and fundamental freedoms, including the rights of persons belonging to national minorities, non-discrimination of persons belonging to minorities and respect for diversity, and to contribute to consolidating domestic political reforms.

The DCFTA, linked to the broader process of legislative approximation will contribute to further economic integration with the European Union’s Internal Market. This includes the **elimination of almost all tariffs and barriers in the area of trade in goods, the provision of services, and the flow of investments** (especially in the energy sector). Once Ukraine has taken over the relevant EU *acquis*, the EU will grant market access for example in areas such as public procurement or industrial goods.

The DCFTA will provide for a conducive new climate for economic relations between the EU and Ukraine. **New trade and investment opportunities will be created and competition will be stimulated.** All these elements are **factors crucial to economic restructuring and modernisation.** As regards the impact of a removal of customs duties entailed by the DCFTA, experience has shown that this short-term loss of import charges will be more than compensated for by the increased revenue received by the state from indirect taxes paid by companies seizing new market opportunities and by the general boost to the economy.

The budget spending on legal and institutional reforms in trade-related areas is or will be supported by the EU along with funds from International Financial Institutions. The DCFTA once in force will provide tariff cuts which will allow the economic operators of both sides to save around €750 millions per year in average (most of the customs duties being lifted).

On the current cooperation in the field of CSDP. As we known the European integration process for Ukraine



has started in fact many years ago. One of the fields where our cooperation has been exemplary good is defence and security. This is one of those areas where Kyiv has been consistent in its policy approach and reliable as a partner with the European vocation. Already back in 2008 we have concluded a Framework Participation Agreement allowing Ukraine to take part in Common Security and Defence Policy (CSDP) operations. At the same 2008 we have launched a process of establishing annual work programmes in the area of CSDP. We have also started regular staff to staff talks on crisis management.

CSDP cooperation is mutually beneficial. The EU is promoting its own security interests by supporting democratic, transparent and accountable governance in the neighbourhood, by helping partner countries like Ukraine to develop capabilities for their engagement in CSDP.

By contributing to the EU-led crisis management operations Ukraine gives support to the EU politically, demonstrates their solidarity and provides valuable operational expertise. CSDP cooperation is an instrument to increase knowledge and experience of international engagement, to coordinate joint responses to common threats.

We are grateful for an active commitment of Ukraine to CSDP crisis management operations, in particular for preparations to deploy significant assets to EUNAVFOR Atalanta¹⁸ in January 2014.

We appreciate continued Ukrainian troop commitment to the EU Battle Groups (HELBROC 2011-2, 2014-1, 2016-1, plans for VISEGRAD 2016-1).¹⁹

EU and Ukraine are exploring now possibilities for Ukraine's future potential contribution to other CSDP missions (such as EUTM Mali or EUBAM Libya).²⁰

We also highly appreciate Ukraine's support to the establishment of the multilateral CSDP Panel in the Eastern Partnership framework.²¹ The EU expects that Ukraine will actively participate in the work of the Panel, will share its extensive experience of CSDP cooperation with other Eastern partner countries.

New possibilities for defence and security cooperation are being explored on regular basis between the EU and Ukraine. One of such possibilities is cooperation of Ukraine with the European Defence Agency.

One of the crucial aspects of the approximation between Ukraine and the EU/NATO is military standardization. In this context we welcome with satisfaction a recently signed agreement between Ukraine and NATO on cooperation in this area. Most of the EU member states being at the same time members of NATO will also benefit of this process.

Let me conclude by saying that signing of the AA including DCFTA will bring our cooperation in CSDP field to the new level and new quality. Building common security culture with Ukraine will gain new impetus. I believe that Ukrainian authorities will use this opportunity. ■

WE HAVE TO ACT AS A SINGLE ENTITY



Tim CLARKE,
*European External Action
Service, Crisis Management
and Planning Directorate*

Whenever I am asked to speak outside Europe I always try to find the local proverbs so I googled "Ukraine proverbs" and found 56 proverbs. There were some about usual subjects like love and food, but there were also three, which I thought were possibly appropriate for today's session.

One is "if you try to catch two rabbits at the same time, you will catch neither of them". The second one is "to meet a friend, no road is too long". And the third is "love your neighbour, but don't pull down the fence". This is Ukrainian, not my invention and I do not know whether these English translations are truly Ukrainian but this is what I thought would be the context.

I have witnessed this morning a real passion, a real debate and I have enjoyed the cut-and-thrust of the arguments.

What I intend to do is to take you on a little tour *d'horizon*, a little walk through the EU's Common Security and Defence Policy and a link to Ukraine as one of our key partners.

But I will start with a suggestion: my suggestion is that you should all read the speech of the President of European Commission, José Manuel Barroso at the European Parliament in Strasbourg a few days ago,²² where he answered the question that has been on your tongues this morning about values and interests – which is more important? Are they both sides of the same coin? Are they different coins? Which comes first?

There are four things, which I would like to quote from his speech, which are relevant to today's discussions.

The *first* is that "the health of the integration process within the Union is inextricably linked to the health of what the European Union is trying to do outside the Union and its external policy. The two are interlinked. If Europe has a sense of destiny and vision with the integration process moving, then outside of the EU, Europe, too, would be strong and establish inextricable links with its partners".

Second, he indicated that €700 billion has injected by EU Member States into supporting the weaker economies of the Union. Only a year ago people thought the EU was starting to crumble and member states were falling off the edge. This has not happened.

¹⁸ One Ukrainian staff officer is working in the Operational Headquarters of the EUNAVFOR Atalanta since November 2010. In November 2012 during the force generation conference for Atalanta Ukraine offered to deploy a frigate on a rotation basis between the NATO Ocean Shield (Sep-Dec 2013) and EUNAVFOR Atalanta (Jan-Mar 2014). Frigate *Hetman Sahaydachnyi* to be supported by a helicopter KA-27PL and special forces protection/boarding team.

¹⁹ Ukraine contributed to the Greek-led HELBROC Battle Group 2011-2 with strategic aircraft (IL-76), a marine company and 10 staff officers. Ukraine is committed to provide the same capabilities to HELBROC 2014-1 and 2016-1. Ukraine reflects on contribution to VISEGRAD (PL-CZ-HU-SK) 2016-1 (possibly with logistic capabilities).

²⁰ Invitation letter to Ukraine sent on January 31, 2013. Beyond necessity for trainers, also logistical, medical, force protection capabilities were required. EEAS followed up with specific inquiry about 2 helicopters for medical evacuation. Kiev did not respond to this inquiry – they were committed with an aviation unit to UNMIL (Liberia) and UNOCI (Côte d'Ivoire). On March 12, 2013 the President of Ukraine approved the decree on "Urgent measures on European integration of Ukraine". One measure foresees Ukraine MFA to elaborate on proposals for possible participation of Ukraine in EUTM Mali. Ukraine has not offered any contribution so far.

²¹ The Panel was established on June 12, 2013 – joint decision adopted by the EaP Platform 1 (Member States and partner countries). Panel will offer multilateral platform for dialogue, training, exchange of information/experience and will complement bilateral cooperation.

²² State of the Union address 2013, European Commission, September 11, 2013, – http://europa.eu/rapid/press-release_SPEECH-13-684_en.htm.



The *third* thing he said was that the most important feature of all is “fundamental values”. These are the values that make Europe what it is, which make Europe one of the most successful promoters of peace on the continent. Indeed, I feel proud as a European that my institution received the Nobel Peace Prize. Never before has the European continent prospered so much. It is inconceivable now that any fighting will ever take place again within European borders. This is what the common security and defence policy is all about. And this is why the EU’s neighbourhood policy is there – not just to protect our borders but to expand the space where peace, prosperity and security can flourish.

And the *fourth* thing he said is “never forget the wisdom of the past”. It is very easy to do so. The world is full of scaremongers, doomsayers – people who would like to pour criticism on what Europe has done.

But just look where the European Union is now: a continent of peace, where prosperity has increased; which is the largest provider of humanitarian aid in the world; which is the biggest trader in the world; which is the biggest provider of development cooperation in the world. This is no mean achievement.

Now, as I said, **I will take you through the history of the EU’s Common Security and Defence Policy (CSDP), which is an integral part of the External Action Service of the EU.** Why do we have partnerships? Why is Ukraine of great interest to us?

Perhaps, first of all, because threats have become truly global (cybercrime, international terrorism, weapons of mass destruction). If one nation is at risk – everyone is at risk. No single nation can solve these problems on its own.

We have talked a lot this morning about cooperation with United Nations, NATO, OSCE, the Council of Europe but the EU is also involved in cooperation with the African Union, the ASEAN region, and the League of Arab States. We are spending a lot of time now working with our so-called strategic partners: China, Russia, India, Japan, South Africa and others. The Eastern Partnership is very much on our mind, of course. I personally will be involved on September 27th in the first ever meeting of the Eastern Partners when I chair the panel on Common Security and Defence Policy. The decision to create such a Panel is a major achievement.

So what are the key areas that we are trying to develop with our partners?

In short, it is about seeking synergies and mutual interests. It is about trying to establish a dialogue and a framework for co-operation. It is about trying to establish formal agreements that will guide the way we work together.

In the case of Ukraine we have an agreement that dates back to 2008, one of twelve such agreements. This week we are about to negotiate new agreements with South Korea, with Chile and we will sign shortly a new one with Australia. There is a lot of interest in joining with the EU to forge these alliances across the world.

In 2012, 12 countries outside the European Union – Iceland, Turkey, Norway, a whole range of different countries – participated in our CSDP missions. We have done work together on many topics through workshops, training, and institution-building. The European Security and Defence College has already trained over 600 people from non-EU countries including Ukraine.

In January 2013, we produced a new policy paper on CSDP Cooperation with Partners, which set political guidelines and what we were trying to achieve. In September 2010, the European Council declared a need to “develop further cooperation in more coherent and efficient way” and this December, as you know, the EU’s Common Security and Defence Policy will be discussed at the EU Head of State meeting. There will be a special discussion on partnerships and on how to consolidate, strengthen, and deepen these partnerships.

Very briefly let me say something specific on Ukraine. Actually, in Brussels we have closer day-to-day contacts with Ukraine than virtually with any other partner. This is the reality today. We had staff-to-staff talks on the 28-29th of May here in Kyiv. We had Policy Dialogue on the 11th of June. Tomorrow a Ukraine’s delegation is meeting the Chair of the EU’s Policy and Security Committee – almost the highest authority of the EU that takes decisions on peace and security issues. Next week we have another meeting in Brussels.

We have a Framework Participation Agreement²³ (between the European Union and Ukraine establishing a framework for the participation of Ukraine in the European Union crisis management operations) since 2008, annual work plans, and an agreement on the security procedures for the exchange of classified information. The Minister mentioned already the battle groups HELBROK and Visegrad.

We have formal contributions from Ukraine to CSDP missions, the participation in the CSDP orientation training. We have a critical role of the Eastern Partnership in our discussion in the same area. And we also have something which I think has not happened before – the Chairman of the European Military Committee will come here in October and meet with the Chiefs of Staff of all the European Union member states. This is a solid achievement and shows how far the relationship has gone on security and defence issues with Ukraine.

Now, on what you might call the future challenges at the strategic level which I and my office are looking at. Crises are blowing up in many places: Syria, Yemen, Egypt, Mali, and Libya. The European Union is there in all of these crises, trying to assist where it can, to promote dialogue and peace. At the same time there have been a series of strategic shifts in power, in the Asian region and elsewhere.

Then on top of that we have wider issues dealing with energy, terrorism, organised crime, cyber security, state failure, weapons of mass destruction, climate change and so on. These are all issues where European Union sees itself as playing a constructive role in finding solutions.

We have several policy options in front of us:

- do more with less;
- pooling and sharing;
- smart defence;
- smart development;
- do what the EU does best;
- emphasize communications and intelligence;
- mobilise an integrated toolbox;
- joint programming;
- deepen political dialogue.

What can the EU do to reinforce and develop the role of its delegations – since the implementation of the

²³ The Agreement establishing a framework for the participation of Ukraine in EU crisis management operations. Signed on June 13, 2005. Ratified on March 6, 2008. See: http://zakon4.rada.gov.ua/laws/show/994_648 – Ed.



Lisbon Treaty the EU has almost 140 delegations across the world. With more resources, better information flow, and more knowledge the EU will be better equipped to understand the reason(s) behind crises, and be more able to judge what role to play in trying to stop crises before they happen. Prevention is better than cure. **More work is being done at the moment on identifying early warning systems, and developing toolkits to try to stop conflicts from happening.**

And we have a new policy document which is likely to come out and be adopted in December – a new policy on the Comprehensive Approach:²⁴ how to ensure that all bits of policy and instruments – the toolkits – function together.

Can we do it through defining common goals? The answer is “yes”, we can try to do so.

In fact, the policy of the High Representative and Vice President of the European Commission, Catherine Ashton, is to seek to build alliances and shared understanding with as many of the key stakeholders as possible in any conflict.

This is a graphic map of the main active EU CSDP. There are 12 on-going civilian missions, and four on-going military missions. Ukraine is helping us in several of them. These missions cost something like €400 million per year.

Someone was mentioning the importance of the UN. European Member States, provide 40% of the budget of all UN peace keeping missions – \$3 billion per year on top of financing the EU missions.

It is perhaps **important to note as well that there has been a shift in policy now towards applying the comprehensive approach.** Instead of short-term “quick fixes” (sending a CSDP mission in, solving it and coming out) – to defining a regional strategy, which would hopefully bring potentially long-term sustainable solutions. And this is a classic graph that shows how we try to intervene at the beginning of the cycle of a conflict to prevent the conflict from getting out of hand.

An example of where we have had probably the most success is in the Horn of Africa region and notably in the fight against piracy. The EU set up a whole range of different instruments to try to help resolve the conflict that started with protecting the supply of World Food Programme food aid to 2 million Somalis. The operation EUNAVFOR Atalanta has been very successful. There have been hardly any piracy attacks this year.

We also provide considerable support to the African Union. We have a political supremo – the EU Special Representative, appointed by Catherine Ashton – who is responsible for ensuring the integration of all the EU policies. We have a large programme now of coastal maritime support to AMISOM. We have also been training Somali soldiers – 3500 of them – in Kampala, Uganda. All of these separate actions come together to provide a comprehensive approach to solving the problems.

So, the implications for us is that **we have to be more active and proactive, we must be more coherent, consistent and comprehensive. We have to use all the elements of the toolbox that are at our disposal.**

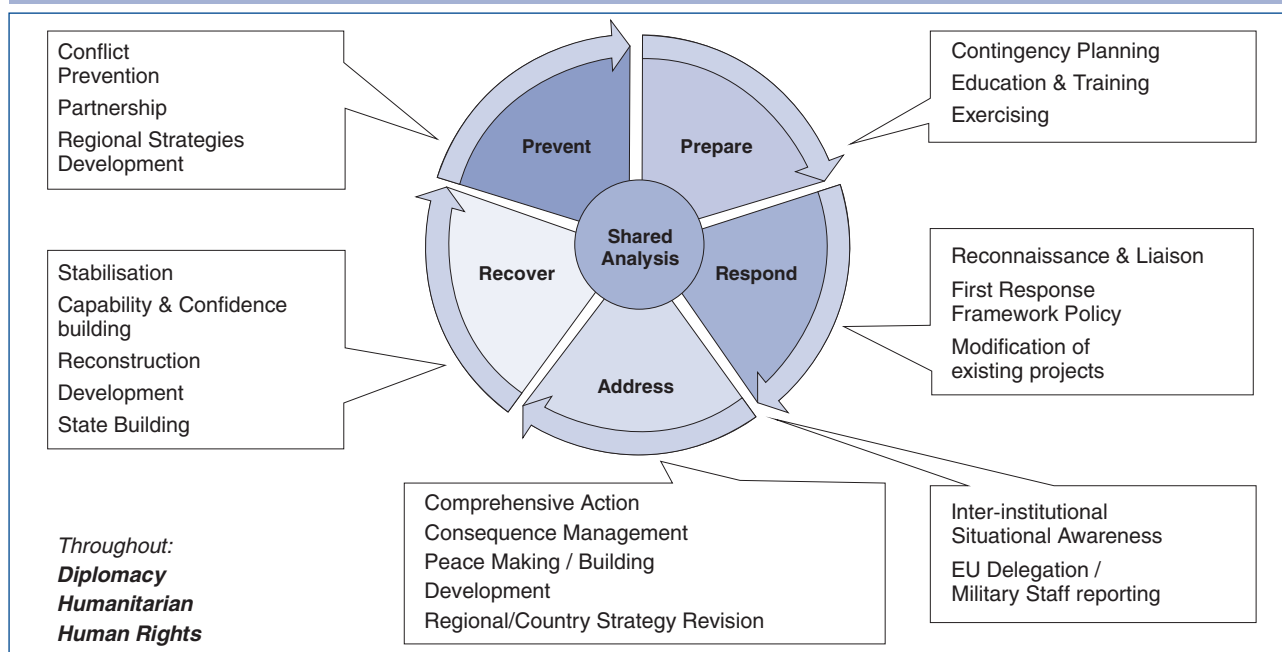
We have to act as a single entity and we have to – perhaps of particular interest to you – really cultivate and develop our partnerships.

Next week we have the first ever CSDP panel discussion with the Eastern Partnership where Ukraine has a critical role to play. I am very much looking forward to it. Partnerships are of course on the agenda.

In conclusion, in terms of priorities, we will continue to review CSDP missions. We will try to integrate defence and strategic thinking into our programmes. We will try to provide better and more resources to field missions. We will try to create more synergies between the various financial instruments at our disposal. All this is designed to improve the quality of European Union support in crises.

We will also continue to deepen partnerships, both at national and regional levels, in a consistent and coherent way. And we will continue to work on our inter-institutional links with NATO, African Union, United Nations and, of course, the Eastern Partnership. ■

COMPREHENSIVE ACTION CYCLE



²⁴ The EU's comprehensive approach to external conflict and crises. Joint Communication to the European Parliament and the Council, December 11, 2013. – www.eeas.europa.eu/statements/docs/2013/131211_03_en.pdf.

NATO-UKRAINE RELATIONS AND THE NON-BLOC POLICY OF UKRAINE*



Marcin KOZIEL,
Director of the NATO Liaison Office in Ukraine

Ukraine continues to be one of the Alliance's Partner countries whose role in the post-Soviet space allows it to remain an important player in managing regional and global security challenges together with NATO. At a regional level, Ukraine's geo-political location continues to be of importance to stability in the Central and Eastern Europe and the Black Sea region. Without a stable Ukraine, there is no stability in these regions and beyond them. In the NATO Allies' own words: "[a]n independent, sovereign and stable Ukraine, firmly committed to democracy and the rule of law, is key to Euro-Atlantic security".¹

Since 2010 NATO-Ukraine relations have developed in the context of the "non-bloc policy" of Ukraine which largely shapes the political dynamics of the NATO-Ukraine Distinctive Partnership and influences its practical priorities. The non-bloc policy of Ukraine was introduced with the adoption on 1 July 2010 of the Law "On Fundamentals of Home and Foreign Policy". The law proclaims Ukraine's "non-aligned" (or "non-bloc") status as a basic principle to guide Kyiv's foreign and security policy. It declares, at the same time, that Ukraine intends to participate in the improvement and development of "a European system of collective security" and to continue its "constructive" cooperation with NATO on the matters of "mutual interest".

Thus, the government of President Viktor Yanukovich made it clear that by not integrating into any political-military organisation, which appears to be the key principle of the non-bloc policy, Ukraine no longer pursues NATO's membership as its strategic goal. At the same time, it wishes to maintain the existing level of cooperation with the Alliance and to fulfil existing agreements and commitments. Such is apparently the essence of the non-bloc policy as far as NATO-Ukraine relations are concerned. On its part, NATO respects the non-bloc policy of Ukraine as a reflection of every nation's sovereign right to formulate its foreign policy.

NATO-Ukraine partnership: its essence and forms

Arguably, virtually every aspect of the NATO-Ukraine relationship since 2010 reflects the reality and follows the logic of these policy decisions. It is also indisputable that the decision to stop pursuing "the NATO membership track" as part of Ukraine's non-bloc policy, has redrawn the strategic picture of the NATO-Ukraine Distinctive Partnership. What are the features of "the new picture", however? In general, one might say that three years after the non-bloc policy of Ukraine was declared, NATO-Ukraine relations have not been reduced *in form* but *in essence*.

While "the essence" referred to above is the strategic "non-bloc" shift in Ukraine's foreign and security policy, "the form" is the framework in which the NATO-Ukraine Distinctive Partnership develops – it has basically remained in place. Continued political and military dialogue focusing

on regional stability, Ukraine's participation in and practical support for NATO-led operations, and defence reform continue as the key tasks for NATO-Ukraine cooperation. And these are highly relevant regardless of whether Ukraine wishes to become a NATO member, or not. At the very least, Ukraine's continued participation in these activities brings about a long-term and positive change to its defence and security sector and transforms its security culture.

Turning to more practical aspects, the NATO-Ukraine Charter, the NATO-Ukraine Commission, and the Annual National Programmes (ANPs) continue to provide the basic structure for NATO-Ukraine relations to function within. Moving away from these principles and tools would be about moving away from the NATO-Ukraine partnership which we know and would undoubtedly mean a departure.

* The views expressed in this article are those of the Author and not necessarily those of the North Atlantic Treaty Organisation.

¹ Chicago Summit Declaration, Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Chicago on May 20, 2012.



Annual National Programmes

It seems important to note that “a non-bloc” Ukraine has decided to establish a number of new institutional bodies to support further development of NATO-Ukraine relations. As an example, in 2010 President Yanukovich issued a Presidential Decree 1039/2010 establishing a high-level Commission for Ukraine’s Partnership with NATO tasked with maintaining the partnership with the Alliance. The Commission, headed by the Minister for Foreign Affairs of Ukraine, is an auxiliary body to the President of Ukraine. Its composition includes five “National Co-ordinators” who focus their work on the following areas – political and economic issues, defence and military issues, resources (financial) issues, security issues, and legal issues. The Commission manages the implementation of Ukraine’s commitments stemming from the ANPs which also remain the key instrument to help NATO Allies better understand the Ukrainian complexities and assist Kyiv in implementing effective policies in the five key areas indicated above. Moreover, the importance of the Annual National Programme in managing our joint cooperation was acknowledged by Ukraine, when on 12 June 2013 the President of Ukraine signed a decree “On Annual National Programmes of Ukraine-NATO cooperation” to improve planning and implementation of the ANPs. The importance of the continued use of the ANPs notwithstanding – it also needs to be stressed that they have been affected by the introduction of the non-bloc policy paradigm, starting from the change of its official name – from “*Annual National Programme of Preparation of Ukraine for NATO Membership*” to “*Annual National Programme of NATO-Ukraine Cooperation*” – to the corrections which have been made to many of its substantial provisions.²

At the same time, the key contents of the ANP did not alter: Ukraine continues to declare its will to introduce Euro-Atlantic standards of democratic management, the rule of law, and to implement comprehensive reforms in the military and security sectors which is a key area on which the Alliance and the Allies could offer their expertise. Importantly too, Ukraine is the only Partner nation who uses the ANPs to transform the entire range of political and security relations *without* seeking to achieve NATO’s membership which is symbolic in itself. Therefore, the ANP provides an added value for Ukrainian defence and security sector despite a reduced role, which the Programme plays, and its apparent shortfalls including the lack of resources. Finally, being “roadmaps” for internal transformation and instruments of strategic communication with NATO, with its five comprehensive chapters, the ANPs are intended to support European integration aspirations of Ukraine.

NATO-Ukraine Commission

The NATO-Ukraine Commission (NUC) continues to be the main communication platform between Ukraine and the Alliance, as well as a key mechanism of bilateral dialogue under the Charter on a Distinctive Partnership, as well as the top-level decision-making body to provide guidance on the strategic direction, which the NATO-Ukraine partnership takes. Despite the changes caused by the non-bloc status of Ukraine, in 2013 dialogue between NATO and Kyiv under the NUC and its committees continues and the channels of political communication remain open.

But is the status of NATO-Ukraine cooperation in 2013 only about “frameworks” and “instruments”? It may be sometimes heard that after the adoption of the Law “On Fundamentals of Home and Foreign Policy”

NATO-Ukraine relations have been “depoliticised”. That, however, does not mean that the political contacts have been reduced to minimum or the political agenda for the talks has been somehow narrowed: NATO and Ukraine still have much to discuss at the highest level. As examples, on 24 February 2011 NATO Secretary General Anders Fogh Rasmussen paid an official visit to Ukraine; on 15 April 2011 then-Minister of Foreign Affairs of Ukraine Kostyantyn Gryshchenko participated in the ministerial meeting of the NATO-Ukraine Commission which took place together with the North Atlantic Council meeting in Berlin; President Viktor Yanukovich attended the NATO’s Summit in Chicago in May 2012 to participate in a meeting with his counterparts from countries-contributors to the NATO-led stabilisation mission in Afghanistan and, finally, in February 2013 NATO and Ukraine had a productive meeting of the NATO-Ukraine Commission at the level of Defence Ministers.

Defence reform

NATO and Ukraine also continue to implement a wide range of practical activities. Cooperation in areas such as defence reform, military cooperation, and political dialogue on regional security issues is active. As one of the most vivid examples, NATO-Ukraine cooperation in transforming Ukrainian defence remains high on NATO-Ukraine agenda. Our cooperation in this area is taken forward in the framework of the NATO-Ukraine Joint Working Group on Defence Reform (JWGDR). Established back in 1998 the JWGDR has worked to support Ukraine in implementing defence and security sector reform. Its programme of work extends to various areas and includes programmes aimed at facilitating professional development of Ukrainian military and civilian experts; projects aimed at helping Ukraine get rid of dangerous and obsolete munitions; provision of expertise on concrete issues related to implementation of defence reforms, civil and democratic control of security forces, and – last but not least – civil society activities on national security of Ukraine. It is certainly true that Ukraine’s decision to declare its “non-bloc status” had affected the scope of the group’s activities, but in 2013 the JWGDR successfully regained its pace.

Recently the Group discusses ways in which it could assist Ukraine in implementing ambitious defence reform policies, which the Government of Ukraine has launched. In this context, it is worth mentioning Ukraine’s progress in establishing a legislative framework for defence and security sector reform in Ukraine including transformation plans for the Ukrainian Armed Forces. In 2012-2013 several important documents including the National Security Strategy, the Military Doctrine of Ukraine, the Strategic Defence Bulletin and the National Defence Comprehensive Programme of Armed Forces Reformation and Development up to 2017 were adopted and NATO and Ukraine should work together to implement these ambitious concepts.

As an example, the Allies could channel their national advice to Ukraine on specific issues included in the documents or offer other forms of expert advice. In this context, the international conference “Current Trends of Armed Forces Transformations and Experience of Central and Eastern European Countries in Implementation of Euro-Atlantic Standards,” which took place in May 2013 in Kyiv, is the best example of Allied advisory involvement in defence reform in Ukraine. Co-organised by the General Staff of the Ukrainian Armed Forces in conjunction with the General Staff of Polish Armed Forces and the NATO

² See the text of the Decree: Official Website of President of Ukraine, <http://president.gov.ua/en/news/27956.html>.



Liaison Office in Ukraine, the conference provided an opportunity for representatives of the Ministry of Defence of Ukraine and the General Staff of the Ukrainian Armed Forces and NATO and EU countries to discuss the most topical issues on the transformation agenda including defence planning and operational standards, interoperability, and military education and training. We hope to hold the conference on an annual basis and to engage more partners and experts in discussions at the future events.

Overall, **defence reform should remain a key priority for our cooperation in the context of the non-bloc policy of Ukraine.** Having military forces that are under democratic control, well-organised and structured to meet the requirements of the future, rather than those of the past, is key to Ukraine's European integration aspirations. Taking into account Ukraine's intent to follow the European integration path, such cooperation also gains particular importance, since the experiences of NATO and EU nations are quite similar – so are the standards that both organisations use. With regard to this, the Central and Eastern European members of NATO also have a lot to say about challenges that are linked to post-Soviet security transformations in these countries, and their “lessons-learned” from transformation processes may be highly relevant to Ukraine.

Ukraine's participation in peacekeeping operations

Ukraine also continues to actively support NATO-led operations. Ukrainian peacekeepers participate in the International Security Assistance Force (ISAF) in Afghanistan and in Kosovo Force (KFOR). Ukraine also takes part in the NATO's anti-terrorist operation “Active Endeavour” in the Mediterranean Sea. In addition, in 2010 Ukraine was the first partner country which joined the NATO Response Force (NRF). Finally, while NATO increasingly focuses on maritime security, we appreciate that the Ukrainian Government was amongst the first partners to express their interest in supporting these activities. As a result, in February 2013 the NATO Secretary General and Ukrainian Defence Minister Pavlo Lebedev signed an exchange of letters confirming Ukraine's intent to contribute a frigate and a helicopter to the NATO's Operation Ocean Shield which fights piracy off the coast of Somalia.

All these contributions matter a lot. Participation of the Ukrainian military units and civilian specialists in NATO-led operations increases interoperability between the Ukrainian and Allied forces, which is of political and practical significance. In addition, the use of Ukraine's military capabilities including the strategic airlift assets in support of NATO-led operations address serious defence capability shortfalls which exist in the Alliance. Ukraine capabilities may also be useful in the framework of the NATO's Smart Defence Initiative.

Beyond our current missions and operations, NATO also works to engage Ukraine more closely in discussions about emerging security challenges. In the transformed security environment of the 21st century we are all confronted with similar security challenges: terrorism, organised crime, energy security, military conflicts, cyber security issues, corruption which weakens the state “from within” – these are the challenges that we all face – and they are not unique to Ukraine. NATO and Ukraine have already held talks on energy security, cyber threats, corruption in defence establishments and we should continue and deepen that dialogue. Ukraine has also expressed an interest in cooperating on missile defence.

Prospects for NATO-Ukraine relations

Any discussion about the status of NATO-Ukraine relations in September 2013 would be incomplete without mentioning serious concerns about what the NATO Allies assess to be deterioration in democratic standards in Ukraine. Political developments in Ukraine since the Presidential elections in 2010 have been in NATO's focus and the Allied positions on the situation in Ukraine have been reflected in several documents adopted at various fora. As examples, the NATO Parliamentary Assembly in 2011 published an analysis of the Ukrainian domestic situation indicating that the country was moving towards an authoritarian model and warned that the Euro-Atlantic Community had to redouble its efforts to support democratic processes in Ukraine.³ It also emphasized that – although supported by the international community – the democratisation process in Ukraine must remain driven by the people of Ukraine. Moreover, in the Declaration issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Chicago on 20 May 2012 the Allies expressed their concerns about “the selective application of justice in Ukraine and what appear to be politically motivated prosecutions, including of leading members of the opposition, and the conditions of their detention”. They also encouraged Ukraine to address the existing shortcomings of its judicial system to ensure full compliance with the rule of law and the international agreements to which it is a party.

Democratic standards and the rule of law in Ukraine were also part of discussions at the meeting of the NATO-Ukraine Commission in Defence Ministers' session on 22 February 2013. NATO Secretary General Anders Fogh Rasmussen said at a press conference following the event that the NATO-Ukraine partnership should be based on values – including the principles of democracy, the rule of law and human rights: “The NATO Allies have already made clear their concerns about the selective application of justice and what appear to be politically-motivated prosecutions in Ukraine. These issues are of real concern for NATO. They are of real importance in our partnership with Ukraine. We look to Ukraine to address these issues. Because we want a strong relationship with a strong Ukraine. And we are committed to building it”, NATO Secretary General said. In other words, **NATO-Ukraine relations are not only about practical cooperation on the ground – they also reflect common values of democracy and the rule of law without which no genuine security partnership in the world is likely to work effectively.**

To sum up, the non-bloc policy of Ukraine has clearly influenced the NATO-Ukraine Distinctive Partnership: Ukraine no longer seeks to join the Alliance and this, in turn, has made it necessary to refocus a number of our joint priorities. On the other hand, in 2013 NATO-Ukraine relations remain one of the most important security partnerships on the European continent: political and military dialogue between NATO and Ukraine continues, Ukraine is an active contributor to NATO-led operations, and the Alliance assists Kyiv in addressing various aspects of its internal transformation including reforms in Ukraine's defence and security structures and wider democratic and development issues. We also believe that with the NATO's membership declared as a Ukraine's goal or not, the Alliance can and, indeed, plays an important role in supporting Ukraine's European integration. Looking beyond 2013, the future course for the NATO-Ukraine Distinctive Partnership is for Ukraine and the Allies to set. ■

³ Draft Report by Lucio Malan (Italy) “‘Post-orange’ Ukraine: internal dynamics and foreign policy priorities”. – <http://www.nato-pa.int/default.Asp?SHORTCUT=2439>.

PROBLEMS AND PROSPECTS OF UKRAINE'S INTERNATIONAL INTEGRATION ON THE EVE OF THE VILNIUS SUMMIT



Mykola SUNGUROVSKY,
Director, Military Programmes of the Razumkov Centre

Each country has to ensure its existence, development and security. None of them has sufficient resources to solve those tasks on their own, and therefore they try to compensate for this shortage by cooperating with other countries, interstate and non-state international actors. Therein lies the essence and substance of international cooperation and of their multi-vector foreign policy.

A multi-vector foreign policy has a wide range of goals and objectives. It is associated with compatibility of partners' interests in specific areas of cooperation and is largely invariant to a country's development strategy.

Meanwhile, this choice involves the accession of countries to international integration projects, such as the EU, NATO, the Eurasian Union (hereinafter – EAU), now in the making.¹ For some countries, such as Ukraine, it means a civilisational choice – since in this case the compatibility imperative between partners extends to value-based principles, strategic goals, attitude to a wide range of threats and methods used to counter them, resource support.

This article briefly examines the processes of selecting the direction for Ukraine's further development in the form of European or Eurasian integration, and presents an overall prognosis for the resultant situation.

Decisive factors (criteria) for international integration

The practicability, feasibility, scope, depth, performance and efficiency of international cooperation, especially integration projects, are determined by a number of preconditions or the so-called **factors (criteria) which**

are central to integration projects: e.g. similarity of national interests, perceptions of threats and ways to counter them, similarity of value-based principles, availability of resources and readiness to pool them.

This list of integration project factors is neither exhaustive nor invariant.² There are strong ties between

¹ Transition from the Customs Union of Russia, Belarus and Kazakhstan and the Single Economic Space to the Eurasian Economic Space from January 1, 2015.

² See, e.g.: Alyson J. K. Bailes and Andrew Cottey. Regional security cooperation in the early 21st century. – *SIPRI Yearbook 2006*, p.234-240. The authors note the following key inputs influencing the practicability, expediency and efficiency of international partnership: historic and cultural kinship of partners, presence of a positive or traumatic historic experience of coexistence or neighbourhood; conditions of unification (voluntary or forced); conditions of interaction (equal or with a dominant partner); conditions of interaction with the alliance (equilibrium of sovereignty and powers of supranational bodies); nature of the alliance relations with neighbours; "added value" for each member after unification in the alliance and for the alliance from each of its members.

Factors central to integration projects

a. Similarity of national interests and ways to uphold them.

National interests are the formulated vital needs of society and the state put in terms of end results of their attainment. Such formulations of national interests sometimes conceal significant differences in final results and approaches to their achievement. For instance, in ensuring citizens wellbeing in the USA and Russia lie different approaches since the very understanding of this concept and the capacity are various, where the latter depends on the current socio-economic situation in those countries.

To identify similarity (compatibility, non-contradiction) of national interests they should be examined as a triad: strategic goals – their bearers and exponents – ways of attainment. *Strategic goals* are officially formulated (in laws, concepts, strategies, programmes) end results meeting conscious, coordinated, vital needs. *Bearers* may include different strata of the population, the middle class, oligarchic circles, *exponents* – the government, political parties, civil society institutions. *Ways of attainment* of strategic goals include methods, technologies and resources (financial, material and technical, institutional, IT, human).

Such structuring of national interests enables their more detailed review, understanding of differences and common points when solving issues of international cooperation or integration.

b. Similarity of perceptions of threats and ways to counter them. Perceptions of threats (as factors hampering the attainment of national interests by means of a negative effect on their inputs) and, respectively, choice of the ways of their countering have deep national differences.

For instance, de-monopolisation and transparency of state power, independent media, development of civil society institutions and mechanisms of democratic control of the state authorities, freedom of expression of citizens' will are

seen by authoritarian regimes as encroachment on the state system, and by democratic governments – as the basis of governance and indispensable elements of progressive development.

Even with similar views of threats, substantial differences exist in attitudes to the ways of their countering, use of force, threshold of human and materials costs.

c. Similarity of value-based principles (moral values, cultural standards, principles of state-building, international and public relations) and readiness to follow them when pursuing domestic and foreign policy.

The value basis is the most stable component of integration factors. It produces a framework for formulation of national interests, perception of threats and challenges, and ways to achieve these goals and to counter threats. It is the system of value-based principles (supreme goals) inherent in a specific country that determines its civilisational choice.*

Respectively, differences in value-based principles, and therefore, in interests, perceptions of threats and ways to counter them pose a serious obstacle on the road to interaction of countries, formulation and attainment of common goals and objectives of international associations. While for creation of "forum-like" international associations (G8, G20, OSCE) similarity (non-contradiction) of positions is enough, associations like "alliance/union" (the EU, NATO, CSTO) require similarity of value-based principles.

d. Availability of resources and readiness to pool them to achieve common interests and defence from common threats. Partners' ability to join efforts and pool resources, to find equilibrium between needs and capabilities when creating a common resource base, to fairly share the resource load and collective political responsibility remains a critical factor of efficiency and stability of international associations.

* Similar conclusions of the importance of value-based principles in international relations but in the context of collision and dialogue of civilisations see in: Huntington S., "The Clash of Civilisations and the Remaking of World Order", London: Simon & Schuster, 1996; Mohammad Khatami, speech at the UN General Assembly, New York, September 21, 1998, www.parstimes.com/history/khatami_speech_un.html; Michael M.S., Petito F., "Civilizational Dialogue and World Order: The Other Politics of Cultures, Religions, and Civilizations in International Relations", Palgrave Macmillan, 26 May 2009. Unfortunately, that and other studies by known scholars mainly focus on elaboration and promotion of the concerned concepts (e.g., of clash and dialogue of civilisations) rather than their possible combination and development of an adequate model of the world order as a complex system, not just a set of competing civilisations and international organisations.

separate elements, their priority may change dependent on the stage passed by countries and international associations (survival, progress, flourishing, setback).

Insufficient attention to integration project factors and their interrelations during the life cycle of international cooperation projects can bring negative effects: absence of expected results, waste of resources, loss of confidence in partners, their partial or full discredit.

Kinship and absolute absence of conflicts in relations among association members for all the mentioned integration project factors seem idealistic. The degree of proximity to the ideal conditions the level of efficiency of international associations. The most realistic option for creation and development of an efficient association

involves a gradual increase in partners' compatibility, used for that cooperation in the domains where similarity or non-contradiction of positions in specific issues has been achieved, with their gradual extension to other domains. Such an approach is also the most acceptable for the strategy of a country's accession to an existing international association.

Foreign policy vectors of Ukraine's civilisational choice

Ukraine is a member of 75 international organisations, a party to many agreements and treaties of bilateral and multilateral cooperation. The main goals of its active participation in most of them is to secure conditions for its existence and development: joint efforts for attainment of concrete goals, search of additional resources, building



Foreign policy vectors of Ukraine's civilisational choice

Despite regional and age differences in the issues of language, cultural traditions, foreign policy targets, etc., Ukrainian society has specific value-based principles, with account of which the civilisational choice of the country development should be made:

- adherence to universal values: virtue, freedom, mercy, justice;
- focus of the bottom-up hierarchy of social relations – from an individual and family;
- primary support for such social and state-building standards as: democracy; state governed by the rule of law; strong self-government; freedom of choice; tolerance; equality; order and security; fair trial; efficient and accessible administrative services.*

In line with the Law “On Fundamentals of National Security of Ukraine”, the priorities of its national interests include:

- guarantee of constitutional human and civil rights and freedoms;
- development of civil society, its democratic institutions, strengthening political and social stability;
- defence of state sovereignty, territorial integrity and inviolability of state borders, prevention of interference in internal affairs of Ukraine;
- building a competitive, socially-oriented market economy, preservation and growth of the scientific-technological potential, establishment of the innovative model of development and provision of sustainable growth of the living standards and wellbeing of the population;
- provision of environmentally and technically safe conditions for the life of citizens and society,

environmental protection and rational use of natural resources;

- development of spirituality, moral principles, intellectual potential of the Ukrainian people, promotion of physical health of the nation, creation of conditions for expanded reproduction of the population.

According to expert assessments, the main threats for Ukraine stem from inefficiency of governance; corruption; merger of business and state power; prevalence of personal, corporate, regional interests over the national ones; illegitimate employment of law-enforcement bodies for political or business purposes; deformation of the domestic competitive environment; lack of strategic management.** A thorough analysis also reveals other threats (economic decline; liquidation (critical limitation) to state sovereignty; transborder crime; growth of internal contradictions into open conflicts with the use of force; instability and conflicts near the Ukrainian borders; manifestations of separatism, attempts of autonomisation of separate regions on ethnic grounds, loss of territorial integrity) along with presence of objective factors stemming from the traditional inability of the Ukrainian authorities to uphold national interests, arrange for their implementation, identify real problems and threats and ensure their adequate tackling.

Respectively, the frequently mentioned shortage of financial resources may be seen not as a reason for difficulties in building a socially-oriented economy in Ukraine but as a result of inability of the state machinery to perform efficient management in conditions of a globalised market, limited resources, lack of strict public control. So, the main resources needed by Ukraine are mainly organisational: standards and mechanisms of good governance.

* For more detail on the value basis of identity of Ukrainian citizens see: Formation of a common identity of the citizens of Ukraine: prospects and challenges. Razumkov Centre analytical report. – National Security & Defence, 2007, No.9, p.3-31, http://razumkov.org.ua/ukr/files/category_journal/NSD93_ukr.pdf.

** For the expert poll results see the material “State, problems and prospects of Ukraine's cooperation with international organisations: expert assessments”, published in this journal.

confidence and security, enhancement of its international image, etc. In such case a multi-vector approach is not only expedient but the only practicable one.

Meanwhile, such an approach may be questionable or even impracticable, if it deals with international associations, potential membership in which will mean Ukraine's civilisational choice. Now, Ukraine is “sandwiched” between two “integration” camps – Euro-Atlantic (the EU and NATO) and Eurasian (CIS, CSTO, CU).³ Movement to any of them involves certain gains and risks. But the main feature of present-day Ukraine is its internal unreadiness to make an ultimate choice. It is observed at all levels: the state leadership, the entire political system, elite, and society. More than that, the choice proper and its separate aspects (political, economic,

security, cultural) became *factors of split* in Ukrainian society, dependent on the support for one of the three vectors described, in particular, using the integration project factors.

Western vector – the policy of European integration provided in the Law of Ukraine “On Fundamentals of Home and Foreign Policy” of 2010 that, according to the results of public opinion and expert polls, is the most reasonable for Ukraine. In July 2013, cooperation with the EU was considered important by nearly 71% of Ukraine's citizens.⁴ According to expert assessments, indices of similarity of goals, interests, positions concerning threats in Ukraine and the EU are the highest among other integration associations (coincidence – full or partial – of those goals, interests and positions was

³ The list consciously excludes OSCE, since it may be termed a community or forum rather than an integration union. For more detail on the Euro-Atlantic, European and Eurasian integration projects see: Pál Dunay and Zdzisław Lachowski. Euro-Atlantic security and institutions. – *SIPRI Yearbooks 2006-2008*, Section 1; Alyson J. K. Bailes and Andrew Cottey. Regional security cooperation in the early 21st century. – *SIPRI Yearbook 2006*, p.211-244; Alyson J. K. Bailes, Vladimir Baranovsky and Pál Dunay. Regional security cooperation in the former Soviet area. – *SIPRI Yearbook 2007*, p.173-200.

⁴ Public opinion poll results see in the material “Some aspects of Ukraine's foreign and security policy: public opinion”, published in this journal.

noted by 90-95% of experts); summary assessments of the EU importance and influence on attainment of Ukraine's security cooperation goals are also the highest, compared to other international security organisations (49.4 points and +9.5 points, respectively; for comparison: NATO – 47 and +9.5; OSCE – 41.3 and +9.2; Shanghai Cooperation Organisation – 22.2 and +2.0; CSTO – 25.6 points and -0.7 points, respectively).

Benefits and risks of the European integration trajectory

Living standards achieved in the EU serve as targets not only for countries seeking EU membership but also for those creating or trying to create their own alliances. The association with the EU may become an important step in building Ukraine as a peace-loving, democratic, and economically developed country.

Ukraine's status of an associated EU member may also help solve one of the most urgent problems of its national security, namely – the security deficit in conditions of its neighbourhood with Russia. The EU, formulating its Common Security and Defence Policy, largely relies on NATO capabilities. Most of the EU countries are NATO members, other European countries take an active part in the Alliance's partnership programmes. So, all of them, in fact, belong to the Euro-Atlantic security community

united not only by formal obligations but also by the spirit of democratic solidarity, resting on a common value basis, kinship of national interests and resolve to defend them.

Along with strategic benefits, the road of Ukraine's association with the EU involves some difficulties, obstacles, and reservations that should be taken into account and in a way "offset" by a well thought-over state policy. Some examples of reservations and ways of their neutralisation used by proponents and opponents of Ukraine's European future as arguments in disputes are presented below.

The latter argument is especially relevant for the non-bloc Ukraine. The EU attempts to strengthen its security and defence sector are prompted by its plans to enhance its role and independence, and by the US desire to redistribute the burden of European defence and to raise the share of European countries there. Meanwhile, the negative experience of relations of East European EU and NATO member states with Russia proves that even membership in the EU and NATO does not guarantee complete security, but Ukraine's associated membership in the project of building a strong EU could be an important political step to strengthen its security and security of the EU.

Separate arguments used by proponents / opponents of the European Union

<i>"Cons"</i>	<i>"Pros"</i>
The critical state of the EU complicates and limits possible assistance to Ukraine	The crisis in one or another way has influenced all states, their unions, international organisations, but not all actors of international relations possess economic and political potential similar to that of the EU
Association with the EU does not guarantee introduction of democratic standards of governance, arrival of Western technologies and investments in Ukraine	Changes are not automatic and will depend on success of domestic reforms, but for constructive forces in society they are a strong development factor – by contrast to imaginary and very doubtful highly questionable benefits of accession to the EU, intended for consumer spirits
Expectations of immediate results from extensive and deep partnership are too high and unjustified – both in Ukraine and in the EU	The risk of disappointment and coolness of European enthusiasm depends on society readiness for introduction of European standards and first of all – of the Ukrainian authorities for true reforms, not their imitation
Ukrainian society dominated by traditional Christian values is not ready for rapprochement with countries where feminism, protection of rights of sexual minorities, homosexual marriages, etc. are imposed as norms of Western morality in the field of human rights	The problem is fringe, since it deals with countering discrimination rather than promotion of a way of life or norms of behaviour, by the way, not commonly accepted by all the EU countries
Due to the low potential of the EU security and defence sector, its security guarantees to Ukraine are insufficient	For the EU countries it looks natural, since 22 of 28 EU countries are NATO members, and even neutral European countries take an active part in its activity

In presence of many “pros” and “cons”, the main motives for Ukraine to choose the European integration trajectory includes the hope for assistance in introduction of standards and mechanisms of good governance necessary to build a true civil society, a strong, legal, socially-oriented state, provision of regional stability and security. Meanwhile, internal transformations in the system of governance are necessary to deter the ruling regime, the political forces and a certain part of society.

Eastern vector – gradual integration in EAU (by joining the CU).⁵ The purely Russian EAU project is seen as an alternative to the USA project of a unipolar world and is viewed solely through the prism of Russia's interests, its domination in a new integration entity, turning a new global “pole”.

Ukraine has many adherents of the Eastern vector: according to public opinion polls – nearly 33% of citizens. The expert community is more sceptical: according to experts assessments, Eurasian integration in all its forms not only greatly yields to the Western vector but also is incompatible with Ukraine's priorities: by the indices of similarity of goals, interests, perception of threats (CIS – 15-23%; CU – 53-55%; CSTO – 43-72%); by the importance for attainment of Ukraine's security cooperation goals (CIS – 26.8 points; CSTO – 25.6; CU – 21.7); by the influence on attainment of goals (CIS – 2.6 points; CSTO – -0.7; CU – -1.5).

Benefits and risks of Eurasian integration

For Russia, the EAU project means expansion of its economic (at the first stage – customs) and political borders, use of member states as a source of resources (in a wide sense) for its “modernisation”, eradication of “hotbeds” of Western-type democracy and security on its periphery.

Relations within any entity led by Russia rest on the principle of its domination, with outsiders – proceed from antagonism of interests. In case of disagreement of the members of those entities with the Russian position, its behaviour is predictable – pressure on them by restricting access to the Russian market, strict control



and limitation of flow of labour migrants, complication of access to energy resources, sometimes – even use of force (Georgia, 2008).

Arguments of adherents of Ukraine's accession to the CU, whose impartiality often arouses reasonable doubts, include the following: preferences (reduction of gas prices, an increase in quotas for certain goods on the Russian market), general trade and economic growth, transformation of Ukraine into a “bridge” between Asia and Europe. In this connection, the transient and very questionable nature of benefits is witnessed, in particular, by the slowdown of growth of trade and deterioration of its structure within the CU after three years of its existence.⁶

Long-term economic benefits are also doubtful, since they derive from the level of technological development of member states' economies (80-90% dependent on imports of goods and technologies from Western countries) and success in the development of Russia (now standing on the brink of recession).

The role of a “bridge” between Asia and Europe cannot be seen as a convincing argument either – since all the CU members (and potential members of EAU) claim that status. Furthermore, the prospects of Eurasian integration under the auspices of Russia are not too certain now, given its domination. Globalisation processes played Old Harry here by moving labour-intensive industries from developed Western states to Asian countries. As a result, China saw a real

⁵ The sources of Eurasianism include the idea of a continental union of France, Germany, Russia, Japan (later – China), in the mid-19th century devised as amalgamation of technological, political and cultural (in a broad sense) potential of Europe, natural resources of Russia and labour resources of Asia – confronting the growing power of the New World (the USA). In Russia this line of geopolitics was and remains very popular in the version of expansion of the Russian Empire (Nikolai Danilevsky, Nikolai Trubetzkoy, Pyotr Savitsky, Georges Florovsky, George Vernadsky, Lev Gumilev, Aleksandr Dugin). Realising the controversy of their own and Western value-based principles (and the perception of interests and threats formed on their basis) and difficulty of competition for leadership, Russian politicians, pushing the idea of partnership with Europe, now more rarely use the term “union” and increasingly often – “architecture”, “space”, etc. Now the idea of creation of the Eurasian Union is actually reduced to Russia and some CIS countries. However, without “technological and cultural Europe” this project has little chances to succeed and is used by Russia to build up its standing on the international scene and to employ the resources of potential members for its own needs. Other integration projects implemented with the Russian participation in the Eurasian space (CIS and Shanghai Cooperation Organisation) do not fully suit it, due to the low efficiency and its non-dominant position there, respectively.

⁶ See, e.g.: Customs Union – first results: trade not growing, as Putin promised. – *Glavkom*, March 20, 2013, <http://glavcom.ua/news/117841.html> (in Ukrainian).



economic boom that made it the second, after the USA, world centre of influence. And pragmatic Chinese projects of cooperation with Central Asian countries (in particular, those related with the New Silk Road) may produce a real alternative to the Russian Eurasian integration project.

Having joined the Russian project, Ukraine will remain a Russian satellite for good and never turn from a subject controlled from outside into an actor independently deciding on the lines and ways of its activity. **One should keep in mind here that the Eurasian integration pools not the efforts aimed at solving problem but problems per se. And the main problem in all current and potential members of the CU (later – EAU) is the corruption that offsets all potential benefits.**

Representatives of the Ukrainian business risk losing assets in non-free and unequal competition with stronger, state-supported Russian financial-industrial groups. An integral element of integration is presented by rapprochement and adaptation of Ukraine's economic and, later, political systems to the Russian standards with relevant outcomes for civil society, public organisations and mass media.

Meanwhile, in case it refuses to join the CU, Ukraine may suffer (and already suffers) substantial losses in some segments of the Russian consumer market. So, ideally, such a step should be accompanied with: support from the EU; some safeguards and a considered government policy; comprehension of possible losses by business and broad public circles, readiness to face them for the sake of future development; broad support of the national foreign policy by the Ukrainian citizens.

The main arguments made by adherents of Ukraine's rapprochement with Russia and accession to the CU include fears of loss of the Russian market

and hopes for Russian financial support to maintain remnants of Soviet cooperative ties (that still may be relevant only until Russia creates closed production cycles at home for the concerned products). Meanwhile, enterprises that can hope for this support may only conventionally be termed critical for Ukraine's economy – against the background of intentional hindrance of development of small and medium business and a strong middle class as the social basis for an efficient integration choice.

The main reason for a cautious attitude to Ukraine's membership in the CU is the fear to appear under the dominant Russian influence and lose independence.

Neutral “vector” – a policy of “equidistance” (sometimes also referred to as “masterly waiting” or “active neutrality”) formalised in 2010 in the Law “On Fundamentals of Home and Foreign Policy” that introduced the non-bloc status of Ukraine. The Ukrainian political elite has quite a few adherents of such policy that seemingly can enhance the country's stand on the international scene. The neutral policy corresponds to the mentality of a large part of Ukrainian society. For instance, according to results of the public opinion polls, 42% of citizens think Ukraine should rely on its own forces in case of a military threat. Meanwhile, according to expert assessments, the non-bloc policy has a negative impact on Ukraine's security (such is the opinion of almost 63% of experts polled).

Main features of the neutral “vector”

The policy of “equidistance” pursues a decrease of the “degree of tension” in society and in relations with foreign partners but does not offer any definite line of development, targets of self-identification, and therefore – prospects of the role of an actor. Now, adherents of “active neutrality” more rarely use this term, since it has not passed the test of modern practice, and increasingly mention such principles as prudence, diligence, deliberateness of decision-making, search of tactical benefits and reduction of risks in any situation, etc. However, those principles witness an efficient policy in general and are inherent in the development strategy under any vector, the Eastern or Western alike. But in contrast to them, under the policy of “masterly waiting”, risks and negative factors are mainly seen as insurmountable challenges, not as incentives to pool efforts. In presence of rather ambitious and simultaneous shortage of the required resources, such a policy is ruinous for Ukraine.

The provisional victory of the ideas of “active neutrality” in Ukrainian politics took place due to the

coincidence of positions of two groups of interests: adherents of rapprochement with Russia in Ukrainian society and some oligarchic clans.

The task of the first group is to obstruct (wait-and-see) any project not meeting Russian interests. The strategy of some oligarchic clans lies in protraction of processes of geostrategic choice and mass arrival of foreign business (Russian or European) to Ukraine, appropriation of as many assets as possible in that timeframe, and participation in “bargaining” during the integration choice as a majority owner. Coincidence or difference in value-based principles, interests, perceptions of threats are out of the question; immediate benefits are of prime importance.

In practice – given some passivity of the EU and growing activity on the part of Russia – the policy of “equal distance” is a precondition, a transitional stage before Ukraine’s voluntary or forced accession to the Eurasian project.

Therefore, if the main reasons obstructing Ukraine’s development are inefficient governance with a strong oligarchic input, corruption, neglect of laws and legitimacy, those reasons can be removed only under the Western vector. So, its choice will mean progress. The choice of the Eastern vector will mean a retreat to standards workable only in conditions of the *present* Russian state system, with conservation of all the mentioned problems. The choice of the neutral “vector” will lead to marking time, waste and exhaustion of resources.

None of those vectors enjoys absolute or dominant support in Ukrainian society. Seeking to remove tension in society and in relations with Russia (in fact – to limit both domestic and foreign interference while promoting its interests) and being unable to set clear targets and specify a strategy of the country’s development, the authorities chose the neutral “vector”.

However, the practice proves that this choice does not remove the imperative of geopolitical clarity in Ukraine or different views of it in society – this requires not only the political will but also a target-minded, active and realistic PR campaign intended to create the social basis for legitimisation of the chosen political trajectory.

The choice made by the Ukrainian authorities had temporarily eased but failed to remove tension in relations with Russia, irritated by the very independence



of Ukraine, and therefore – its foreign policy trajectory. In such conditions, it is the neutral policy that hampers ultimate rapprochement of Ukraine with the EU and facilitates its gradual entanglement in Eurasian integration.⁷

Compatibility of multi-vector and one-vector approaches could be provided under a comprehensive strategy of socio-economic development of Ukraine describing all steps of its implementation by specifying terms, results, required resources and their sources. But formulation of such a strategy in Ukraine is hindered both by external reasons and due to prevalence of corporate interests over the national ones.

Forecasts

Proceeding from the analysis of not only the preparation process for the EU-Ukraine Association Agreement and attempts to establish constructive relations with Russia, but also the policy of the ruling regime and social processes in Ukraine in general,⁸ one may expect rather a sad scenario of developments.

Foreign actors. Attempts to build Ukraine as an independent country depend (and will long depend) on positions of foreign actors. If Ukraine opts for a wait-and-see policy (the officially declared non-bloc status), the balance of forces will be in Russia’s favour. Activity of the Western countries will be limited (at least officially) by their respect for the principle of the rule of law and common fears to spoil relations with Russia whose companies operate on their markets.

⁷ For more detail on Ukraine’s “neutrality” see: Sungurovsky M. A test of neutrality. – *National security & defence*, No. 9, 2008, p.13-15.

⁸ See, e.g.: Melnyk O., Sungurovsky M. Security sector in the context of overall socio-political development of Ukraine / Ukraine’s Security Sector Almanac 2012. – Kyiv, Razumkov Centre, Geneva Centre for Democratic Control of Armed Forces, 2013, http://razumkov.org.ua/upload/Almanakh_bezpeky_fnl.pdf.



Furthermore, Ukraine has never been a top priority for the EU (as witnessed, in particular, by its refusal to add Ukraine's membership prospects to the content of the Association Agreement) – rather, it has been a headache. Obstructing the European integration trajectory proclaimed by Ukraine has become a trend now (the starting point was the suspension from gaining NATO membership announced in 2006 by then Prime Minister Viktor Yanukovich), which seriously weakens the stand of its adherents in the West. Also, after the latest events in Russia (reprisals against protest movements) and on the international scene (“swallowing” of Armenia and the “customs war” with Ukraine), the arguments of the Western adherents of its democratic modernisation are coming to an end. For Russia, Ukraine is the key element of Eurasian integration, and its independence is not a fact that should be treated with respect but a factor hindering the attainment of Russian interests. Such a stand, previously more than once openly demonstrated by Russian top officials, has recently become officially more concealed but have not change and continues to dominate the Russian policy. So, one should expect from Russia a continued policy of graft and pressure using economic, energy and political levers. However, the problem is not as much in the EU's passivity and Russia's assertiveness – they pursue their interests – as in the traditional inability of the Ukrainian authorities to formulate their own strategy of development and to provide for its implementation.

Present government. The ruling regime and loyal political forces will obstruct the conclusion of the Association Agreement – and possibly refuse to sign it. And even if Ukraine signs the Agreement – they will obstruct or fail to fulfil some of its provisions alluding to Ukraine's unreadiness and negative effects for society. There will be speculations on negative aspects of the

initial stage of association and demands to grant more preferences. The opposition would be blamed for all the negative effects and the society would be bombarded with messages intended to expand the electoral base of the ruling regime and to weaken opponents at presidential elections in 2015. In reality, financial assistance from Russia is important to save the regime, not to improve the economic situation in the country.

Society. Under any result of integration processes, Ukraine should expect a tide of protests: by adherents of the European integration (in response to disruption of the Association Agreement signing and encouragement of accession to the CU) – both improvised and led by the opposition; by adherents of rapprochement with Russia (in response to protests of adherents of the European integration, and also in case of signing the Agreement with the EU) – stirred up by the ruling regime and pro-Russian political forces. Activation of protest spirits taking place in conditions of growth of reprisals by the ruling regime will speed up processes of social self-organisation, strengthening of civil society in Ukraine.

State. The situation emerging in Ukraine increases the risks of its disintegration. This suits the Kremlin and pro-Russian forces in Ukraine. One should not expect strong resistance to them on the part of the ruling regime and comprador oligarchic circles, since they appreciate Ukraine's integrity primarily as a territory where their assets are located. If that territory becomes risky, its value and therefore, efforts to secure its integrity will substantially go down.

A passive stand of the EU regarding Ukraine's democratisation and “Europeanisation” may compromise its legitimacy as a democratic entity. In its turn, the Kremlin's success in Ukraine (keeping Ukraine in its sphere of influence, breakup or weakening of the Ukrainian statehood) will encourage to step up its aggressive policy towards other East European countries – not only candidates but also the EU members – which is fraught with the emergence of new divides in Europe and in no way promotes regional and global security.

Today, the civil society may be the main factor that keeps Ukraine from joining the Eurasian integration and losing its independence. However, it should become an equal partner, with whom its foreign partners, including the EU – if they have the resolve – could establish relations (or at least take its position seriously). But to achieve that, the civil society should articulate its role, have clear goals, strategy, mature institutions with identification of their place and role and relations with state institutions. ■