

Chapter 3.

FOREIGN POLICY OF UKRAINE

1. General Assessment: From the “Orange” Foreign Policy to “Cohabitation” and Back

Foreign policy of Ukraine after the Orange revolution experienced three consecutive periods:

- Period 1 (January 2005-August 2006) – post-revolutionary period of “orange governments”, with numerous initiatives and strong Western-oriented priorities, with an evident leadership of President Yushchenko and foreign minister Borys Tarasyuk.
- Period 2 (August 2006 – December 2007) – ambivalent, passive, non-initiative policy with competitive leaderships of Yuchchenko and primer-minister Yanukovych
- Period 3 (started in December 2007) – re-gained leadership of Yushchenko with growing leader’s ambitions of primer-minister Yulia Tymoshenko.

During the first period, the control over the foreign policy activities of the state was in the hands of President Victor Yushschenko, while the Foreign Ministry headed by Borys Tarasyuk was the main actor in implementing the policy of the President. During that period, the Foreign Ministry gained the utmost influence on the foreign policy having the main mechanisms of shaping the everyday foreign policy activities and its conceptual sponsorship. The Verkhovna Rada and Cabinet of Ministers’ leadership had very limited effect on the Ukrainian foreign policy in those days.

Within the first period Ukraine launched important foreign policy initiatives, including “Plan of Yushchenko” on Transnistria solution, steps strengthening GUAM, and founding the Community for Democratic Choice (CDC) to promote democratic values in the Black Sea-Baltic-Caspian region. These initiatives were logically connected to post-revolutionary image of Ukraine and got positive reaction in the West.

The second period envisaged the beginning and further escalation of the tough conflict between the “anti-crisis coalition” in the parliament and Cabinet of Ministers headed by Victor Yanukovych on the one part, and the President (along with the Foreign Ministry) of Ukraine on the other part. The coalition was made by the Party of Regions, the Socialist Party, and the Communist Party. It was under no control of the President.

Different interpretation of the contradictory constitutional reform that fully entered into force upon formation of the 2006 parliament gave rise to a constant conflict as regards the authority to shape Ukraine's foreign political agenda. Political differences between the "Orange" sector of the political spectrum and the Party of Regions could be well seen during the 2006 parliamentary election campaign when representatives of the Party of Regions harshly criticized President Yushchenko's policy towards membership in NATO and accused him and his team in deteriorating Ukraine's relations with the Russian Federation, obstructing the negotiations on establishing the Unified Economic Area (UEA), policy on Transnistria etc.

Failure to create the "coalition of the democratic forces" in June-July 2006, followed by the unsuccessful implementation of the idea of the "broad coalition" lead to the formation of the government by political forces sharing different views at the tactics and strategy of Ukraine's foreign policy than those preached by the President. Whereas the Party of Regions and the Socialist Party of Ukraine have traditionally been against Ukraine's accession to NATO advocating its neutral status and moderate (pro-Russian) isolationism, the Communist Party of Ukraine has never made any secret of its radically anti-Western and pro-Russian positions.

In view of the fact that the Constitution entitles the President to nominate candidates for the posts of foreign and defense ministers, the "Orange" representatives, Borys Tarasyuk and Anatoly Grytsenko, have retained their posts in Yanukovych's government. However, some months later Yanukovych inspired resignation of Tarasyuk through the controversial parliamentary decision. It became clear that cohabitation of the two political lines within one and the same government was problematic political practice.

Persons with openly pro-Russian views, such as First Deputy Prime Minister Mykola Azarov and Deputy Prime Minister Dmytro Tabachnyk, took key positions in the Yanukovych's government. Control over the parliamentary majority gave the government leaders a powerful instrument to legitimize their actions, including those in foreign policy.

Loss of control over the parliamentary majority and government made Victor Yushchenko try to mobilize the available resources and utilize the existing constitutional mechanisms, such as the National Security and Defense Council (NSDC). Vitaly Haiduk was appointed a NSDC Secretary (later replaced by Ivan Plyushch), Oleksandr Chaly was placed as chief official in charge of foreign policy in the Secretariat of the President – both men being involved in big business through the Industrial Union of Donbass (IUD). Yet, actions of the President and

his Secretariat, NSDC and Foreign Ministry seemed to be worse organized and coordinated as compared with those of the anti-crisis coalition and its government.

Confrontation between the President and Prime Minister as regards foreign policy started in September 2006 when, during his stay in Brussels, the Prime Minister expressed views different from those of the President as regards Ukraine's accession to NATO MAP. The peak disagreement took place in late November – early December when the Prime Minister's planned visit to the United States was nearly frustrated as a result of the efforts of the presidential team to regain leadership in the foreign policy activities, as it is envisaged by the Constitution.

The “anti-crisis coalition” retaliated immediately – by dismissing Foreign Minister Borys Tarasyuk who was accused in deliberate actions aimed to frustrate the visit, although the Foreign Ministry was evidently implementing the will of the President in that issue. Some day after that, on 5 December, the Pechersk Court of Kyiv decided that Tarasyuk had been dismissed unlawfully and reinstated him in his position of foreign minister. However, finally Tarasyuk was forced to leave his position.

At present, there are no mechanisms in Ukraine ensuring effective harmonization of political views and tactical approaches under cohabitation of two political teams in the one and the same system of executive power.

According to Ukrainian experts, polled by the Center for Peace, Conversion and Foreign Policy of Ukraine (CPCFPU) ¹, implementation of the constitutional reform and formation of the “anti-crisis coalition” government have resulted in redistribution of influence on the foreign policy decision-making (see the table below). The influence of the Cabinet of Ministers' leaders rose considerably (from 30 to 91%), the same could be said about financial industrial groups, whereas the influence of the Foreign Ministry has dropped significantly. It should also be recalled that in the times of the “Orange” governments the Foreign Ministry was the pivotal generator of foreign policy decisions in Ukraine.

It is indicative that despite the President's efforts to enhance the role of NSDC as a legitimate institution to implement the head-of-state's positions including those in the field of foreign policy, the influence of this body, according to the experts, dropped considerably (even to the “zero” level in March 2007).

¹ The CPCFPU polls are conducted quarterly by traditional methods among the four groups of persons involved in the analysis, planning and expertise of Ukraine's foreign and security policy and political decision-making (employees of government executive and analytical structures, the military elite, NGOs, and media). Between 50 and 70 experts are involved in each stage of polling.

CPCFPU polls show also, Ukraine’s foreign policy decision-making is strongly affected by informal divisions of power, which is quit vibrant being a product of each current political situation. The weight and the role of the president (who is determined by the Constitution (Article 106) to “manage foreign policy activity of the state” may be challenged if the leadership of government belongs to other political force. This assessment has been proved within the period August-2006-December 2007, when the government of Victor Yanukovych was in power. At that time President Yushchenko failed to secure its foreign policy leadership which led to collapse of his principal initiatives and positions, the most important of them – the ambition of joining NATO Membership Action Plan (MAP) at Riga Summit of Alliance in November 2006.

Ukrainian experts detected that Yanukovych and his team managed to set their control over foreign policy of Ukraine in comparison to President’s office and MFA.

After the change of government (December 2007) President de-facto regained his leadership over the foreign policy of Ukraine. Now he personally and his staff (not MFA anymore) really manage foreign policy of Ukraine. However it is unlikely that Yulia Tymoshenko fully accepts this status-quo – she just started to create her own foreign policy “package” which in some important cases might me different form that of the President. Appointment of her foreign policy adviser Hrygory Nemyria on the position of deputy premier-minister for European and international integration indicates the intention of Tymoshenko to play the growing role in foreign policy decision-making.

Table 1. ”Which state institutions and elite groups in Ukraine have the utmost influence on Ukraine’s foreign policy at present?” (percentage exceeds 100, as experts could choose up to three options):

	August 2005	January 2006	December 2006	March 2007	December 2007
Leaders of Cabinet of Ministers	31.5%	29.8%	70.5%	91,5%	52,9%
President of Ukraine and his Secretariat	37%	29.8%	29.4%	46,8%	88,2%
Narrow informal circle of the President	41.1%	41.8%	27.4%	8,5%	33,3%
Regional leaders	0%	1.5%	7.8%	4,2%	3,9%
Ministry of Foreign Affairs	49.3%	58.2%	41.1%	14,9%	25,5%
National Security and Defense Council	43.8%	22.4%	3.9%	0	5,9%
Verkhovna Rada of Ukraine	13.7%	28.3%	31.3%	40,4%	7,8%
Finance industrial groups	27.4%	28.3%	49%	51%	35,3%
Independent analysts, experts, journalists	2.7%	1.5%	0	4,2%	3,9%

General oversight of the current quality of Ukraine's bilateral relations with the key foreign policy actors has been provided in the next indicative table (see below)

Table 2. Quality of Ukraine's Present-Day Relations with Key Foreign Partners (%)
(percentage exceeds 100, as experts could choose up to three options):

	European Union			Russian Federation			United States of America		
	August 2005	December 2006	December 2007	August 2005	December 2006	December 2007	August 2005	December 2006	December 2007
Rapprochement	60.3	29.4	51	6.9	23.5	1,9	51.7	15.7	35,3
Estrangement	8.6	9.8	3,9	50	5.9	27,4	6.03	15.7	5,9
Stability, maintaing status-quo	25.9	37.2	33,3	12.1	3.9	13,7	34.5	47	45,1
Integration	35.3	3.9	23,5	4.3	0	0	6.9	0	1,9
Stagnation in relations	12.9	33.3	7,8	29.3	5.9	15,7	6	23.5	7,8
Satellite dependence of Ukraine	7.7	0	0	33.6	25.5	3,9	21.5	11.7	9,8
Equal partnership	15.5	1.9	9,8	5.2	0	0	10.3	3.9	7,8
Unequal, asymmetrical partnership	34.5	29.4	39,2	42.2	51	25,5	58.6	29.4	21,6
Competition, rivalry	4.3	0	1,9	38.8	15.7	27,4	2.6	0	0
Tension	6	0	0	45.7	47	58,8	2.6	1.9	0
Hostility	0	0	0	5.2	9.8	17,6	0	0	0
Interdependency	6	5.9	3,9	25	17.6	23,5	3.4	0	0
Client-patron relationship	—	13.7	17,6	—	11.7	5,9	—	17.6	19,6

In the years 2006-2007 balance between “rapprochement” and “estrangement” in relations with the European Union and the United States has changed from “rapprochement” to “stability, maintaining the status-quo”. The Yanukovych government has not so far made any steps that would indicate its renunciation of the European integration policy. Neither there has been any indication of infringement on democratic freedoms. Therefore, there was no reason for deterioration of relations on the Western vector. Tymoshenko’s return to the government indicated re-emergence of “rapprochement” with the West.

The balance between “rapprochement” and “estrangement” in relations with the Russian Federation has shifted a good deal towards “rapprochement” under Yanukovych’s government and returned back under Tymoshenko with even dominant perception of “tension”. It should be observed, however, that the level of “tension” in the relations with Russia is practically the same within the period of 2005-2007 regardless the political “color” of the government. This fact proves high conflict potential in the Ukraine-Russian relations.

2. European Integration

Despite all the leading political parties declare European integration as their priority, the success of “European vector” of Ukraine’s policy depends rather on the capacity of Ukrainian authorities to implement existent commitments than on the intensity of pro-European rhetoric. Recent developments in Ukraine open a new window of opportunity for Ukraine’s European aspiration.

In December 2006 due to Yulia Tymoshenko’s initiative the position of the deputy primer-minister for European and international integration in the Cabinet of Minister was re-established (it existed in her 2005 government) and well-known expert on the EU, Hrygory Nemyrya was appointed on this position. Such an institutional decision is expected to be a positive step towards better coordination of domestic and foreign policies related to Ukrainian aspirations to become eventually an EU member state.

Political and diplomatic contacts between Ukraine and the EU are currently quite intensive. A number of contacts on different level increased in 2006 as compared to 2005 and in 2007 as compared to 2006. Ukraine’s President had a number of meetings with the EU top officials, the Prime Minister led Ukraine’s delegation at a meeting of the Ukraine–EU Cooperation Council. There were Foreign Ministry visits, expert meetings. In May, 2007, a delegation of the European Parliament visited Kyiv.

For the time being the crucial issues of the EU-Ukraine relations are assessment of implementation of the EU-Ukraine Action Plan (AP – signed in February 2005 for 3-years period) and negotiations on the New Enhanced Agreement (NEA) which is supposed to replace existing Partnership and Cooperation Agreement (PCA).

Regarding AP implementation parties agreed to issue joint assessment taking into account official monitoring of both sides as well as non-governmental think-tanks' independent monitoring.

As of January 2008, six rounds of negotiations on NEA were held where the parties agreed on the considerable part of the text of the future Agreement. The negotiations were oriented on the following subjects: *Political Dialogue and Reforms as well as Cooperation and Convergence in the Field of Foreign and Security Policy; Justice, Freedom and Security; and Sectoral Cooperation*. After the procedure for the Ukraine's WTO accession is completed (February 2008), the negotiations on the *Full-Fledged Free Trade Area* will be open. It ought to be recognized that the parties are far from reaching consensus on a number of matters of principle, and examination of the most fundamental debatable issues is postponed till the final stage of negotiations.

The crucial conceptual issue to be debated is the EU membership prospect for Ukraine. Ukraine insists on its ambitions to become eventually the EU full-fledged member and require this provision to be reflected in the NEA. The EU at the moment isn't ready to meet this requirement offering European Neighbourhood Policy (which does not stipulate a membership prospect) as the only framework for relations.

In March-April 2007 draft Report of the MEP Michal Kaminsky which contains recommendations for the EU Council to open the EU membership perspective for Ukraine was debated and finally approved by Foreign Affairs Committee of EP, then European Parliament finally approved this report, however such a position has not achieved a consensus within the EU Council yet.

2.1. Current state of implementation of existing commitments

In 2005-2007, the joint preliminary review of the Action Plan implementation was carried out at the Ukraine-EU summits, at the sessions of the Cooperation Council, at the sessions of Cooperation Committee, and meetings of Ukraine-EU subcommittees. Parties agreed that in March 2008 they will issue joint assessment of implementation.

Independent monitoring was conducted by NGOs and think-tanks. In particular, Ukrainian Center for Political and Economic Studies named after Oleksandr Razumkov initiated the foundation of expert's consortium which conducted and published independent monitoring. (National Security & Defence, 2007, #5)

Political Dialogue and Reforms. The main argument in favour of the progress in this sphere is holding the free and democratic elections on 26 March 2006 and pre-term elections of September 30, 2007.

Official reports refer to the OSCE/ODIHR report on the parliamentary elections of both 2006 and 2007: the parliamentary elections were held generally in accordance with commitments taken within the OSCE, CE framework, and other international standards of democratic elections.

Evident achievements are observed in the field of internal democratic transformations – freedom of media, expression, rights of national minorities, human rights, development of democracy and civil society.

As regards the fight against corruption, the independent monitoring stated that efforts in that area were at the initial stage.

The Ukrainian official “Position Paper”, issued by the government mentions that according to the Corruption Perception Index by the Transparency International in 2006, as compared with 2005, the ranking of Ukraine in fight against corruption has improved by 14 positions (Ukraine has moved from 113th to 99th position).

Ukraine ratified the Civil Law Convention on Corruption (the Law of Ukraine No. 2476). On 1 January 2006, Ukraine became a full member of the Group of States against Corruption (GRECO). With a view to establish criminal liability for misuse of computer systems and data the Convention on Cybercrime and Supplementary protocol thereto were ratified (the Law of Ukraine, adopted on 7 September 2005 No. 2824; the Law of Ukraine, adopted on 21 July 2006 No. 23). On 18 October 2006, Ukraine ratified the UN Convention against Corruption, the Criminal Law Convention on Corruption (Council of Europe) and Supplementary Protocol thereto (laws of Ukraine ## 251, 252, 253).

In the field of human rights the independent assessments mention not only positive changes, but also problems existing in the law-enforcement agencies (tortures applied to detainees), as well as the incident of 6 February 2006 when a group of Uzbek nationals were deported from Ukraine without legal grounds after they had asked for political asylum from political persecutions in their own country following the developments in Andijan.

Visa Facilitation. On June 18, 2007, the EU-Ukraine visa facilitation agreement was signed in Luxembourg. Since January 2008 this agreement is in force. The visa facilitation agreement (VFA) could be considered the biggest achievement in Ukraine-EU relations of 2006-2007. Ukraine became the second country after Russia that has completed visa facilitation negotiations.

The VFA can certainly be seen as a first step in the right direction. Of particular importance is the recognition by the EC, as referred to in the Preamble, of the ‘introduction of a visa free travel regime for the citizens of the Ukraine as a long term perspective’. As a result, it opens up the possibility of the gradual easing and eventual abolishment of visa requirements for Ukrainian citizens.

It should be noted here that the agreement has been negotiated at a time when the EC is working on amendments to the Schengen *acquis*, needed in relation to the planned introduction of Visa Information System and biometric data requirements.

The agreement offers several advantages. Firstly, fixes the fee for the processing of a visa application at EUR 35. This means that this fee will not be changed even though in June 2006 the Council amended the Common Consular Instructions and the Common Manual introducing a EUR 60 fee. In the cases of certain categories of persons (including minors) visa fee can be waived. Though in general, fixing this fee at EUR 35 is a positive achievement, from the point of view of the Ukrainian citizen, it does not constitute a positive change but only the continuation of the existing situation. In addition, VFA does not deal in practice with some additional visa submission fees imposed by certain EU consulates via intermediary “Visa Centres”. The obligation to submit application through these centres only means the real increase of visa expenses up to EUR 60 and even higher.

Secondly, the agreement fixes the length of the procedure for the processing of visa applications at 10 calendar days from the date of receipt of the application and documents required. However, it should be noted that in individual cases, this time limit may be extended to up to 30 calendar days (Article 7). CPCFPU/Stefan Batory Foundation monitoring of the consulates of the EU Member States in Ukraine showed that in the majority of cases the length of the visa procedure already takes less than 10 days, but that most time consuming is the process leading to the submission of the application and documents required. Therefore, the time limit laid down by the agreement should begin to run from the day of the establishment of the first contact between the visa applicant and the consulate concerned (whenever the whole process cannot be completed on the very same day).

Thirdly, it provides for the issuance of multiple-entry visas to certain categories of applicants and for a shorter list of documents required with their visa application.

Finally, the agreement provides for the introduction of a Joint Committee of experts that is to be responsible for, *inter alia*, the monitoring of the implementation of the agreement and suggesting amendments and additions. This is of particular importance when we look at the agreement as a first step towards the establishment of a visa free travel regime.

At the same time, the VFA divides Ukrainian society into two groups, namely the privileged few who can get a multiple-entry visa, benefit from a simplified procedure (a shorter list of documents required to submit visa application), or profit from the waiving of the application fee for the visa, and as to the remainder: the vast majority of ordinary citizens who cannot enjoy such advantages. This can create a feeling of discrimination and lead to the conclusion that the European Union is interested only in the Ukrainian elite. This in turn can lead to the EU being seen in a negative light. In addition, the privileged categories are to include journalists, business people and drivers, and that favouritism might easily lead to corruption (tempting some to submit counterfeit confirmation of their journalist or driver status). Should such practice become widespread, the mutual trust between the EU and the Ukraine will suffer.

It should be noted that Ukraine was the first CIS state to abolish unilaterally visa requirements for the EU citizens since the 1st of May, 2005. From January 1, 2008 visa-free regime was extended for Bulgaria and Romania – new EU member states – proving the continuity of Ukraine's good will policy towards the EU.

Readmission. Signing readmission agreement (June 18, 2007) the Ukrainian side managed to get accord on the 2 year-long transition period. Although this term is shorter than the one Ukraine has been seeking, it is longer than the period initially proposed by the European Union. Prior to that, the Ukrainian side indicated that it was discriminatory on the part of EU to demand a 1 year-long transition period in conditions when the 3 year-long period was granted to the Russian Federation. Eventually, the parties reached a compromise that would give the Ukrainian side some additional time to technically develop the relevant infrastructure and conclude negotiations on the readmission agreement with Russia, so that it could enter into force simultaneously with the one concluded with EU thus preventing Ukraine from turning into an accumulator of illegal migrants from third countries.

Cooperation on Border and Customs Issues. Another tangible success in the Ukraine-EU relations is fruitful cooperation on border and customs-related matters in the Ukraine-EU-Moldova triangle. Launching of the EU Border Assistance Mission at the Ukraine-Moldova border (December 2005) and establishing the new customs regime by Ukraine and Moldova on 3 March 2006 became the first example of such successful multilateral cooperation under the EU's sponsorship. However, the fundamental objective of this cooperation – settlement of the Transdnestrian problem – has not been achieved so far, and lack of progress in that issue gives rise to reasonable questions if the joint efforts by EU, Ukraine and Moldova have been sufficient. The increasing role of EU in the settlement of the Transdnestrian problem demonstrated serious differences in positions of EU and Russia on that issue that also affected the climate of the Ukraine-Russia relations.

In July 2006, the EU Border Assistance Mission expanded its presence: a new office and analytical center were opened in Illichivsk and Odessa respectively, staff of the mission was increased by 40 persons, and CEC allocated additional finances in the amount of 6 million EURO. The Mission's initial mandate, which expired at the end of 2007, was prolonged till the year 2009.

Economic and Social Reforms and Development. The issues of economic/social performance of Ukraine as well as related reforms are analysed in the Chapter 2 “*Economy, State of Finances*” of this report. General assessment provided by independent consortium initiated by Razumkov Centre made the conclusion that reforms in the socio-economic area are too slow.

Twinning. To start the twinning instrument for the first time envisaged by the EU policy vis-à-vis Ukraine:

- the Chief Department of Civil Service was empowered to guide and coordinate the preparation and implementation of the twinning program in Ukraine;
- Twinning Administrative Office started its operation in Ukraine;
- several acts of the Cabinet of Ministers of Ukraine on foreign training of civil servants and activity of foreign advisors were amended.

First twinning projects were launched in the fields of regulation of power engineering, competition, standardization, civil aviation safety.

Accession to WTO. Joining WTO is the biggest achievement of Ukraine if the field of implementation of the economic part of the Ukraine-EU Action Plan.

In October-November 2006, the Ukrainian government submitted and the Verkhovna Rada adopted the package of 20 bills adjusting the Ukrainian laws to bilateral protocols signed during negotiations with the Working Group member-countries, which was considered a remarkable success which opened a way towards completion of domestic WTO preparation procedures.

The last bilateral protocol within the framework of Working Group negotiations was signed with Kyrgyzstan on November 12, 2007.

At the last stage of negotiations the EU issued an additional requirement regarding customs duties for Ukrainian exports, demanding to fix Ukrainian obligation not to introduce such duties in the future. The compromise decision was achieved in January 2008 during the meeting of the EU trade commissioner Peter Mendelson and Ukraine's deputy primer-minister Hrygory Nemyrya. After this, on January 25, 2008 the Working group finally approved the package of documents regarding Ukraine's accession to WTO.

The WTO General Council took a decision on Ukraine's membership on February 5, finalising 15-year process of Ukraine's accession to this organisation.

Trade. There are statistical discrepancies between EUROSTAT data and the data of the State Committee of Statistics of Ukraine.

According to the State Committee the foreign trade turnover with the EU member-states in 2005 amounted to \$ 21.1 billion, that is by 10.0% more than in 2004. The volume of commodity export to the EU member-states shrunk by 5.9% and amounted to \$ 9.2 billion, while the import from these states to Ukraine grew up by 26.6% and amounted to \$ 11.9 billion. The EU member-states' share in Ukraine's foreign trade was 29.9%

In January – September 2006, the foreign trade commodity turnover of Ukraine with the EU member-states amounted to \$ 18.48 billion. During this period the volume of exported commodities from Ukraine to the EU member-states increased by 14.1% (\$ 7.84), while the import from the EU to Ukraine increased by 27.9% and amounted to \$ 10.64 billion. The EU member-states' share in Ukraine's foreign trade was 30.9%.

According to the Eurostat data, foreign trade turnover between Ukraine and EU in 2005 increased by 16.6% comparing to 2004 and amounted to € 20.68 billion, in January – March 2006 it constituted € 5.65 billion, which is by 28,9% greater than in the same period of 2005.

On the basis of Ukrainian statistics following table 3 has been drafted indicating correlation of Ukraine's exports of goods (services are not included) of the EU as a whole, biggest EU trade partners of Ukraine in comparison to Russia.

Table 3. Ukrainian exports of goods in USD mln and in percents to the total exports

	1996	1999	2004	2006
Russia	5577	2366	5888,6	8650,7
	38,7%	20,4%	18%	22,53%
Italy	769	498,8	1620,5	1893,9
	5,34%	4,3%	4,97%	5,54%
Germany	417,6	568,4	1891	1286,2
	2,9%	4,9%	5,80%	3,76%
EU total	3019,2	3277,3	9779,3	10866,4
	21%	28,5%	30%	28,4%

Ukrainian experts detected limited success in certain areas related to social standards. For example, no serious changes for the better occurred in nature conservation and public health. The situation with poverty reduction and employment is also unsatisfactory.

Overall assessment of Ukrainian independent experts regarding the AP implementation is following: although many of the Action Plan goals are formally attained, this does not result in systemic reforms in Ukraine. The reasons originate both from the Action Plan itself – its content, procedure of drafting, passage and implementation – and from the attitude to its fulfilment. (National Security & Defence, 2007, #5, page 8)

2.2. Ukraine – EU Talks on a New Enhanced Agreement (NEA)

Official negotiations on NEA were launched in March 2007. As of December 2007, six rounds of negotiations were held where the parties agreed on the considerable part of the text of the future agreement. The negotiations were oriented on the following subjects: Political Dialogue and Reforms as well as Cooperation and Convergence in the Field of Foreign and Security Policy; Justice, Freedom and Security; and Sectoral Cooperation. As WTO accession is completed, the negotiations on the Full-Fledged Free Trade Area will be open in the nearest future.

NEA is expected to embrace a wide range of issues of mutual interests, provides the in-depth detailed elaboration of priority fields and stipulates the system of consecutive steps towards the Ukraine's EU integration by proceeding to new integration stages. NEA is envisaged to become a foundation stone in contractual relations between Ukraine and EU at least during next 10 years.

Despite the evident success in some particular areas of negotiations, the parties are far from reaching consensus on a number of matters of principle, and examination of the most fundamental debatable issues is postponed till the final stage of negotiations.

Today the Ukrainian diplomacy attempts to win the EU's consent to define in NEA the possibility of getting the EU membership in the future. Ukraine's basic formula is "the political association and the economic integration". The highest possible achievement would be to mention in the NEA's preamble that "the final goal of Ukraine is the acquisition of membership in the European Union" and that "in the Parties' opinion, this association will assist in attaining this goal" (as mentioned in European agreements concluded with post-socialist countries of Eastern Europe in 1990s).

However, according to the dominant EU position, Ukraine's place is already specified, i.e. it is the EU neighbor within European Neighbourhood Policy (ENP). ENP countries are not in a position to be considered by the EU as future member. Most of ENP states have no such prospects even hypothetically (as they are "non-European" countries). In spite of the publicly expressed Ukraine's disagreement with being covered by ENP, Ukraine has formally accepted the rules of game having signed the *Ukraine-EU Action Plan* within ENP.

Despite of this, Ukraine is strongly dissatisfied by its position of country which has no officially recognized prospect of the EU membership.

According to the position of Ukrainian experts, published in December 2007 by Institute for Euro-Atlantic Cooperation and Konrad Adenauer Foundation if the EU does not agree to specify in the Agreement the prospective membership of Ukraine and Ukraine insists thereon, there appears the necessity in the compromise formula that would satisfy both parties.

Such compromise may be reached in the following cases:

1. No references should be made in NEA to the European Neighborhood Policy (ENP). NEA should rely not on the unilateral policy (such as ENP) but on the actual experience of Ukraine-EU relations, the aggregate of achievements and mutual practices as of the date of the new agreement.

2. To apply as much as possible the terminology used in the description of Copenhagen criteria to the extent of citing thereof without defining that these are precisely EU membership criteria.
3. To use monitoring mechanisms with the purpose of determining the level of Ukraine's compliance with the principle (criterion) of "stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities".

3. NATO and the Euro-Atlantic integration

In 2005 a positive internal political situation in Ukraine, as well as the improvement of international climate have created preconditions for the subsequent launch of the NATO – Ukraine Intensified Dialogue and made Ukraine intensify efforts aimed at military and security sector reforms. Besides that the invitation to start Intensified Dialogue on membership aspirations during the 2005 April's Foreign Ministers' meeting in Vilnius brought the NATO – Ukraine relations to a new level.

However, the already existing mechanisms for approaching NATO standards stay valid as well. Annual Target Plans in the framework of the NATO – Ukraine Action Plan have not become less important, as the adequate implementation of these documents enables the achievement of NATO standards by Ukraine.

By now it can be stated that during the current years Ukraine achieved some success, although regular efforts for improving the situation are still needed.

Military reform launched. In order to approach NATO standards, Ukraine has focused on two concepts that have also been central to defence plans in many NATO countries: rapid reaction forces and moving to an all contract service. But these are not a panacea; they are enormously complex tasks that carry enormous costs. It is crucial, therefore, that their introduction be well thought out, adapted to Ukrainian social, economic, and financial realities, and – most importantly – clearly linked to the effective and efficient execution of the defence concept.

It is on its personnel that any armed forces depend most for its effectiveness. In the long term, it is investment in personnel that must be the basis of any new army that Ukraine seeks to build.

In this regard, it is obvious that Ukrainian achievements are limited in certain sensitive areas. For example in 2004–2007 the Ukrainian authorities failed to

ensure the implementation of the State programme for training, retraining and improvement of qualification of Ukrainian experts on European and Euro-Atlantic integration for the period of 2004-2007.

In regard of democratic civil control and military reform Ukraine, though we can observe a significant progress in the recent years, not only in terms of downsizing the military and setting up a mechanism for democratic control of the security forces but also in terms of strategic thinking, might provide Ukrainian reforms with the added value.

The change of the minister of defence (Yury Yekhanurov instead of Anatoly Grytsenko) in December 2007 poses a question about the consistency of reforms mentioned. Besides that, definitely the security sector reforms are to be accompanied with the reforms in the other spheres which will assist Ukraine in approaching European standards.

2006 Missed chance. In 2006 Ukraine missed its chance to join NATO MAP due to inconsistency of domestic political elites, their inability to achieve consensus on current foreign policy priorities. Until June 2006, there was a real possibility for Ukraine to join the NATO Membership Action Plan at the NATO Summit in Riga (November 2006).

At the ministerial session of the Ukraine-NATO commission held in Sofia, Bulgaria in April 2006, the Ukrainian foreign minister Borys Tarasyuk was assured that NATO recognized considerable progress made by Ukraine in holding free and democratic elections, and if the newly formed democratic government had confirmed the aspiration to membership in the Alliance the decision on the NATO Membership Action Plan vis-à-vis Ukraine would have been adopted even prior to the Riga summit.

In the first half of 2006, however, the relations were seriously affected in a negative way by disruption of military exercises in the Ukrainian territory in which contingents of NATO's leading countries were to take part. The exercises were called off because the Ukrainian parliament had failed to adopt the law on admission of foreign military units into the Ukrainian territory. Disruption of the exercises was accompanied by well organized protests in Crimea against the arrival of foreign military personnel that was supposed to take part in the exercises. In fact, official Kyiv lost both the parliamentary and public debates, while the protest organizers, with organizational and media backing of the Russian Federation, could impose both on the Ukrainian and foreign public the idea of mass and passionate nature of the anti-NATO attitudes in Ukraine. This tendency

continued in December in the form of the “public referendum” against Ukraine’s accession to NATO organized by the Communist Party of Ukraine in the Crimea.

The failure in forming the “coalition of democratic forces” finally frustrated those plans. The government was created by the political forces which were against Ukraine’s membership in the Alliance, and accession to the NATO Membership Action Plan was withdrawn from the agenda already in July. Therefore, the statement by Prime Minister Yanukovich in Brussels on 14 September to the effect that it was necessary to separate the issue of membership from that of cooperation with the Alliance and to make a “pause” in Ukraine’s Euro-Atlantic integration only provided evidence that the issue of Ukraine’s membership in NATO and even of its accession to NATO Membership Action Plan had been postponed.

Due to the Yanukovich’s government position, Ukraine remains in transitional format of the Intensified Dialogue. This format does not exclude Ukraine’s preparation for membership from NATO’s agenda but still, it does not set political obligations that must be daily fulfilled in order to bring Ukraine closer to NATO standards by reforming political, economic and social sectors. The society by this has not obtained effective instrument of control over the authorities and its eagerness to carry out systematic transformations towards consolidating democratic institutions, rule of law, competitiveness of market economy and open society.

The main problem was, however not about Ukraine slowing down on its way towards NATO but about state’s ability to implement clear and coherent foreign policy is one of fundamental criteria that assess the country’s readiness to become a NATO member.

Doors to NATO membership are open for Ukraine. This is a very essential fact, especially with regard to the difficulties of recognizing Ukraine’s perspective of membership in the European Union. Key to NATO membership is in Ukraine’s hands and the speed of accession depends on three main facts: the first is a level of Ukraine’s correspondence to the standards of NATO membership, the second is the political will of the Ukrainian leadership and the third is effective mobilization of public opinion in favour of NATO membership.

Short-term priorities: making the best of existing mechanisms. Riga Summit Declaration reserved a consistent space to NATO’s policy of partnership, dialogue, and cooperation. It is considered as being essential to the Alliance’s purpose and its tasks. It has fostered strong relationships with countries of the Euro-Atlantic

Partnership Council (EAPC), the Mediterranean Dialogue (MD), and the Istanbul Cooperation Initiative (ICI), as well as with Contact Countries. NATO's partnerships have an enduring value, contributing to stability and security across the Euro-Atlantic area and beyond. NATO's missions and operations have also demonstrated the political and operational value of these relationships: eighteen nations outside the Alliance contribute forces and provide support to the Alliance operations and missions, and others have expressed interest in working more closely with NATO.

With this in mind, the Summit in Riga tasked the North-Atlantic Council to further develop this policy, in particular to:

- fully develop the political and practical potential of NATO's existing cooperation programs: EAPC/Partnership for Peace (PfP), MD and ICI, and its relations with Contact Countries, in accordance with the decisions of the Istanbul Summit;
- increase the operational relevance of relations with non-NATO countries, including interested Contact Countries; and in particular to strengthen NATO's ability to work with those current and potential contributors to NATO operations and mission, who share our interests and values;
- increase NATO's ability to provide practical advice on, and assistance in, the defense and security-related aspects of reform in countries and regions where NATO is engaged.

The NATO's member states will pursue these objectives, subject to North Atlantic Council (NAC) decisions, by:

- making consultations with PfP Partners more focused and reflective of priorities, including by adapting the EAPC process and by making full use of the different formats of NATO's interaction with Partners, as provided for in the EAPC Basic Document and agreed at our Prague and Istanbul Summits;
- enabling the Alliance to call ad-hoc meetings as events arise with those countries that contribute to or support our operations and missions politically, militarily and in other ways and those who are potential contributors, considering their interest in specific regions where NATO is engaged. This will be done using flexible formats for consultation

meetings of Allies with one or more interested partners (members the EAPC, MD or the ICI) and/or interested Contact Countries, based on the principles of inclusiveness, transparency and self-differentiation;

- strengthening NATO's ability to work effectively with individual countries by opening up for consideration those partnership tools currently available to EAPC countries to our partners in the MD and the ICI, as well as interested Contact Countries, on a case-by-case basis.

NATO will continue to follow closely how all Partners fulfill their commitments to the values and principles they have adhered to under the EAPC and the PfP. It is reiterated the right of any Partner to seek consultations with the Alliance. The progress made by Individual Partnership Action Plan countries is welcomed and Riga Summit encouraged further reform efforts.

The Allies are determined to continue their commitments to Eastern and South-East Europe, and to the need to bring more stability and security to the Caucasus and Central Asia

Objectives of the policy may be seen also into the following structure, according to NATO documents:

- (1) Dialogue and co-operation: it applies, in particular, on aspects related to terrorism and other evolving threats to security;
- (2) Reform: promote democratic values and foster democratic transformation across the Euro-Atlantic area; the Alliance provides political and practical advice on that and assistance in defense and security-related aspects of the domestic reform, including armed forces under civilian and democratic control; NATO will complement other international organization's efforts to encourage institutional reforms;
- (3) Operations: will continue train the interested Partners for participation in NATO-led operations through planning information, preparedness, and interoperability;
- (4) Enlargement: it will continue through PfP to support Partners who wish to join the Alliance, consistent with the Open Door Policy enshrined in the Washington Treaty, and PfP Invitation Document.

Current Priorities: Geographic Priority, with a special focus on the regions of Caucasus and Central Asia, on engaging with Partners in these two strategically

important regions; this is the result of the enlargement; there will be given priority to these countries implementing the existing programs, in particular: IPAP, PAP-DIB (Partnership Action Plan on Defense Institution Building).

Important for Black Sea and Caspian regions are: maritime and harbor security in order to combat terrorism, flow of WMD and small arms and light weapons.

There is also a growing need to address the challenges posed by organized crime, illegal immigration, illegal trafficking as in human beings, smuggling of small arms and drugs, which are all threats to the security of the Euro-Atlantic area, in view with their connection to terrorism and the proliferation of WMD.

NATO Membership strategy reconfirmed. NATO Open Door Policy can be seen from the article 29 of the Riga Summit Declaration: “NATO’s ongoing enlargement process has been an historic success in advancing stability, peace and cooperation in Europe and the vision of a Europe whole, free, and at peace. In keeping with our pledge to maintain an open door to the admission of additional Alliance members in the future, we reaffirm that NATO remains open to new European members under Article 10 of the North Atlantic Treaty. The Membership Action Plan (MAP) is a crucial stage in preparing countries for possible NATO membership. All European democratic countries may be considered for MAP or admission, subject to decisions by the NAC at each stage, based on the performance of these countries towards meeting the objectives of the North Atlantic Treaty. We direct that NATO Foreign Ministers keep that process under continual review and report to us.”

It should be mentioned also that US President George W. Bush has signed NATO Freedom Consolidation Act of 2007 that backs NATO membership for Ukraine, Georgia, Albania, Croatia and Macedonia. The bill that Bush signed on April the 10-th authorized US funds for military assistance for the 5 countries to implement democratic and economic reforms.

After September 30, 2007 parliamentary elections and the change of government in December 2007 the opportunity to achieve consolidated position of different branches of power re-emerged. Coalition agreement signed by the “Coalition of Democratic Forces” stipulated clearly accession to NATO MAP among short-term priority objectives. The same provision was articulated in the draft governmental programme approved by new government on December 21 (amendments approved on January 9, and final version – on January 17)

On January 16 Ukraine’s President Viktor Yushchenko, Prime Minister Yulia Tymoshenko, and Parliament Chairman Arseny Yatsenyuk made public a joint

letter to NATO Secretary General Jaap de Hoop Scheffer, declaring Ukraine's readiness to advance to a Membership Action Plan (MAP) with NATO and requesting a decision to that end by the Alliance at its Bucharest summit in early April.

The three Ukrainian leaders' letter states that *"the Euro-Atlantic integration policy is specified in the Ukrainian legislation; it is not directed against third countries, and it is aimed at Ukraine's prospective membership in the North Atlantic Treaty Organization to be deliberated with the Ukrainian people.*

Fully sharing the European democratic values our state identifies itself as part of the Euro-Atlantic security area and is willing, together with NATO and partners thereof, to counteract common threats to security under equal conditions. It is for this reason that Ukraine will deepen and broaden this trend of its cooperation with the Alliance ensuring continued participation in peacemaking and anti-terrorist operations conducted under the NATO aegis.

Ukraine is also a reliable partner of the Alliance in its foreign policy, supporting in various formats, specifically in the UN and OSCE framework or through accession to the EU position, current approaches concerning solution of outstanding issues of the European and global security.

Ukraine actively interacts with NATO member-states within the new mechanisms of cooperation in the compliance and implementation of fundamental treaties related to international security. In particular, our state has acceded to the Proliferation Security Initiative, the Global Initiative to Combat Nuclear Terrorism, the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

Ukraine is a recognized regional leader, and stands for strengthening the regional security, in particular in the BSEC, GUAM, CEI framework – under close cooperation with NATO and the European Union.

Profound and irrevocable democratic transformations have today become the objective prerequisites for resolving the critical issues to fully achieve all the criteria required for membership in the North Atlantic Treaty Organization.

Our main priority is deepening the large-scale reforms in the political, economic, defense, security, legal, and other spheres aimed to enhance democratic institutions, wellbeing and security of the Ukrainian people.

Activities aimed to raise, in a systematic and resolute manner, the public awareness of the broad range of issues of Ukraine's cooperation with NATO continue to be significant. It is envisaged to essentially increase budget allocations to this end in the Programme of the Government.

We hope that the progress achieved by Ukraine in the framework of the Intensified Dialogue on membership and relevant reforms will be recognized by the Alliance in the near future. Currently, Ukraine is interested in the accession to the NATO Membership Action Plan.

We expect that the level of our state's readiness for new commitments will become the basis for a positive response at the Ukraine-NATO forthcoming summit in Bucharest in April 2008".

Elaborating on the letter, Presidential Secretariat deputy chief (responsible for foreign policy) Oleksandr Chaliy told journalists that the key policy issue involves upgrading the format of NATO-Ukraine relations, after the 2004-2007 Intensified Dialogue has been fully utilized and by now almost exhausted its potential. Chaliy drew more explicitly than the letter a distinction between membership as such and the MAP process, which he described as one stage toward the ultimate goal of membership).

Declining to forecast a time frame for attaining that goal, Chaliy underscored the need to develop internal political support in Ukraine for NATO membership. At the end of the MAP process, the membership issue will be put to a referendum: "This is the clear position of the president, government, and parliament." However, this would be a "consultative" referendum. Chaliy pointedly noted that joining NATO is a matter for nations, not just leaders or governments.

Currently the request of Ukrainian leaders is being debated within NATO member states. On January 29, 2008 primer minister Yulia Tymoshenko met with NATO Secretary General Jaap de Hoop Scheffer to describe her position regarding further Ukraine-NATO relations.

4. Relations with the USA

The United States is one of the most consistent supporters of Ukraine's integration into European and Euro-Atlantic structures, one of the most active foreign actors in Ukraine to promote and support democratic and market reforms.

The nature and the content of bilateral relations, however, in vulnerable because of the different perceptions of the US role and policies in Ukraine. Political elites close to the former premier-minister Victor Yanukovych feel some distrust towards the US because of the stereotypic vision of the US support as one of the crucial reasons to ensure the victory of the Orange revolution and their opponent Victor Yushchenko in the year 2004. When they were in power, the

priorities of the Yanukovych's government do not entirely correlate with the would-be benefits from closer ties with the United States. In this context, formation of the Coalition of Democratic Forces (late 2007) and its government is expected to bring new energy into bilateral relations.

The Democratic Party's victory at the congressional elections in the year 2006 and obtaining the Democrats' majority in the House of Representatives makes certain modifications in the domestic political situation in the United States. It had some effect on critical components of the U. S. foreign policy. In particular, President Bush and his Administration found it much more difficult to carry out the policy of fighting terrorism globally, which ensued from September 11, 2001. The Democratic majority is to amend plans of the Administration as regards the future of the military operation in Iraq in its current format, as the criticism of the Bush policies in Iraq was one of the major components of the Democrats' election campaign.

On the eve of 2008 presidential campaign in the USA the reasonable question should be posed: whether possible change of Administration (in favour of Democrats) will affect the U. S.-Ukraine relations? On the one hand, it was with the Democrats in power in 1990s that the Ukrainian-U. S. relations reached the level of strategic partnership: President Clinton's visits to Kyiv became a usual thing making him totally different from his successor who during his two terms in power has not visited Ukraine at least once. On the other hand, the Republicans are more active than the Democrats in backing the idea of Ukraine's Euro-Atlantic integration; they are ready to assist Ukraine more effectively in its advancement towards NATO membership.

However, the attitude of American politicians to Ukrainian issues depends on his or her personal interest or disinterest in Ukraine rather than his or her partisanship. In this terms both leading presidential candidates (Hillary Clinton of Democratic Party and John McCain of Republican Party) are rather good options for Ukraine as both consider Ukraine as an important case, both consistently support Ukraine's European and Euro-Atlantic choice.

Absence of sensitive problems. At the moment no major problems exist in Ukraine's bilateral relations with the United States. Issues, such as denuclearization, privatization, the Gongadze case, the "Kolchuga" scandal, restriction of democracy and freedom of press in Ukraine, which used to generate problems in the relations between official Kyiv and Washington are now in the past.

Today, diplomats do not have to seek urgently how to resolve conflicts and scandals that used to emerge every now and then. There are some problems, of course, on the bilateral agenda, but these problems are definitely smaller and easily solved without spoiling the atmosphere of bilateral ties. One of such problems was the recent concern of the American side caused by the ill-reasoned and anti-liberal decision of the Ukrainian government to ban grain exports de-facto.

Ukraine–U.S. relations have entered a potentially promising and non-conflicting stage with a good opportunity to deepen and intensify the content of bilateral cooperation between the two countries according to their respective national interests. The question is whether this opportunity is going to be used by both sides.

After the change of government in December 2007 the new opportunities appeared with Ukraine’s declared ambition to join NATO MAP. Currently this issue is the most evident element of the Ukraine–U.S. cooperation as well as the dialog between the U. S. and their European NATO partners.

The dialogue within the non-government sector became an increasingly active component of bilateral relations along with projects promoting better communication between the authorities and the public (such as U.S.–Ukraine Policy Dialogue in 2005-2006)

Both governmental and non-governmental dialog demonstrates the surfacing of a new context of interest for Ukraine that is now taking shape in the United States. Effective Ukrainian–U.S. cooperation is possible in such areas as energy security and diversification of energy supplies, the Euro-Atlantic integration, trade and investment, regional cooperation, and settlement of “frozen” conflicts.

NATO. Issues pertaining to Ukraine’s membership in NATO unquestionably belong to the sphere of the bilateral dialogue between Ukraine and the United States. It is the United States that is known to have manifested, along with Poland and the Baltic states, the greatest interest in Ukraine’s accession to the Alliance. Unlike the countries of “Old Europe”, which have no consensus on whether they should welcome Ukraine’s membership in NATO, an absolute majority of political elites and influential expert circles in the United States would like to see Ukraine in the Alliance. For all this, everyone agrees that such membership would be possible only after an appropriately legitimized consensus between the ruling elites inside Ukraine has been reached on that issue. Therefore, Ukraine’s uncertainty as regards its membership in NATO gives rise to a certain concern in the United States: after all, to set the algorithm of integration, there should be a general understanding of the ultimate goal.

Hypothetical plan of Ukraine's fast accession to the Alliance envisaging potential invitation for membership already in 2008 failed due to the position of Yanukovich's government to refrain from MAP in September 2006. However, in general, Ukraine's membership was on the agenda within even during Party of Regions' governmental leadership: a top-level conference organized by the Center for US-Ukrainian Relations on that issue was held in Washington in mid-October 2006 was a proof of that.

Whereas several years ago Ukraine's membership in NATO was considered a feasible option in the United States only by some romantic Ukrainophiles, today it is a practical issue on the agenda. The NATO's door is open for Ukraine, but the final decision should be taken by Ukraine alone – such is the central premise of the U. S. position. In unofficial encounters, bureaucrats and experts frequently indicate that promoting Ukraine's accession to the Alliance is an utmost priority of the U. S. policy in the Eastern European region. In doing so, all of them assume that this process could be quite lasting. Both sides even under different governments understand that the current bilateral cooperation could be directed towards expediting the reforms in the security and defense sectors: modernization of the army where the progress is quite visible and modernization of security services where the progress is still lacking. Within the period 2006-2007 it was so important whether the Ukraine's government talks about NATO membership; what was and remains to be really important is to carry out reforms bringing Ukraine closer to NATO standards.

The support of Ukraine's eventual NATO membership has been supported by the U. S. regardless of the domestic conjuncture in Ukraine. President George W. Bush has signed NATO Freedom Consolidation Act of 2007 that backs NATO membership for Ukraine, Georgia, Albania, Croatia and Macedonia. The bill that Bush signed on April the 10-th authorized US funds for military assistance for the 5 countries to implement democratic and economic reforms.

After Ukraine's official application to NATO (see sub-chapter "NATO") the U. S. continues to play the most active role to promote this decision among the other NATO member states.

On February 1, 2008 Republican Party senator Richard G. Lugar submitted a draft resolution of the US Senat to support Ukraine's and Georgia's ambitions to join NATO Membership action Plan during Bucharest summit of the Alliance (April 2008). This is a first case among NATO member states of parliamentary efforts to back Ukraine's MAP ambitions.

Possible presidential nominee of Democratic Party Hillary Clinton also vocally backed Ukraine's NATO MAP aspiration.

Energy. Diversification of energy supplies is an important prospective issue of the bilateral relations. The United States is ready to promote filling the Odessa-Brody pipeline with Caspian oil, although the direct Ukrainian question about the U. S. readiness to contract certain amount of Caspian oil owned by American companies remains unanswered yet. The explanation for that, in addition to the existing Baku-Ceyhan pipeline, is, among other things, the Ukrainian and Polish governments' uncertainty as regards extension of the Odessa-Brody pipeline to Plotsk and Gdansk. Without such extension the pipeline cannot be profitable. A permanent dialogue between experts and relevant officials is required to make use of this window of opportunities, yet Ukraine has not been quite enthusiastic in seeking after such dialogue. Lack of consistency in this issue was a problem for all recent Ukrainian governments which failed to consolidate potential international support (in particular – from the USA) and joint efforts in the energy-related battles.

Top-level contacts. Regularity of contacts between heads of state has been and continues to be a major testing component of relations between Ukraine and the United States. Washington has traditionally been selective and accurate both in planning the U. S. President visits abroad and inviting foreign leaders to the White House. Whereas in April 2005 President Yushchenko was greeted with a triumph, already in June 2006 President George W. Bush renounced the idea to visit Kyiv following the failure of the ruling team to avail itself of the quite favorable returns of the March elections. In view of the circumstances that emerged in summer 2006, the visit was postponed indefinitely. Currently Ukraine and the USA resumed talks about eventual visit of the U. S. president to Kyiv, but the date has not been defined yet.

In December 2006 premier-minister Yanukovych visited Washington where he tried to convince the U. S. high officials in his commitments to follow the path of democratic and market reforms. This visit was aimed also to destroy a negative image of Yanukovych as anti-democratic leader in the West inherited from the events of 2004 and proved to be quite successful on this matter.

Last top-level contact was held by president Yushchenko and the secretary of state Rice in Davos, in January 2008 to debate Ukraine's aspiration do join NATO MAP and possible visit of President George W. Bush to Ukraine.

Regional issues. The USA express deep interest in Ukraine's continuing cooperation in regional issues, especially in the policy vis-à-vis Moldova and Transnistria aimed to support the territorial integrity of Moldova and maintain the

existing customs regime at the Ukrainian-Moldovan border. Among other regional issues: democracy promotion in Belarus, developing energy transit infrastructure, support for GUAM activity.

A difficult dilemma for Ukraine is to sustain its position in the issues that the European Union and the United States interpret differently. Ukraine has more indicatively identified itself primarily with the European context, thus refuting the opinion of those who consider Ukraine to be a pro-American element in Europe. This is especially the case with issues of value-oriented and humanitarian nature. For instance, despite the definitely approving reaction of the United States to the death verdict to the former Iraqi dictator, Saddam Hussein, Ukraine, through its Foreign Ministry spokesman, has identified itself with the European approach based on inadmissibility of death penalty as a kind of punishment. The difference in opinions in such issues is only natural and not detrimental to bilateral relations in general.

One of the issues where Ukraine and the USA express different positions is the Kosovo eventual independence: Ukraine is not enthusiastic about this issue considering Kosovo as possible precedent which can threaten territorial integrity and existing international order in Europe.

The United States continues to believe (quite reasonably so) that the European and Euro-Atlantic integration are the two wings of one and the same airliner capable of taking Ukraine out of the post-Soviet “gray zone” into a trajectory of sustainable development as an European state. The attempts to separate these processes artificially are not met with approval in America and can be construed as indication of the unwillingness to do either thing. If official representatives of Ukraine emphasize their commitment to the European integration and ask for the U. S. support in the dialog with the European Union without even mentioning NATO and the Euro-Atlantic integration, they fail to mobilize any effective support of the United States.

Currently there are some new opportunities to develop bilateral Ukraine-U. S. relations. Yet, to put them into practice, it is necessary to make use of all the “points of coincidence” of national interests of Ukraine and the United States.

5. Russia

Despite Ukraine and Russia made different choices in terms of basic political values and paths of development, both countries preserved some strong ties which posed them in a position which is closer than formal neighbourhood.

As neighboring states Ukraine and Russia are determined to have natural common interests, namely peace and security in the region, economic development, eliminating trade barriers, combating terrorism, illegal migration, illicit trade, conflict prevention, dealing with “frozen conflicts” etc. In the numerous bilateral and multilateral documents, including basic “Agreement on friendship and cooperation” (1997) parties expressed their commitments to build some kind of privileged partnership based of mutual respect, recognition of independence and existing borders. But in practice both countries have much more conflicting priorities than common ones.

“Russia needs strong Ukraine and Ukraine needs strong Russia” – such was a declaration of the Russian President Putin who was preparing to be elected for the second presidential term in the year 2004. The wording of this statement sounds positively. But interpretation of terms “strong Russia”, “strong Ukraine” may be quite different, depending of the values applied. “Strong Russia”, as seen by Russian mainstream thinking, is the country which is able to pursue its own domestic and foreign policies without restriction and limitations, posed by the West, including reference to European values such as democracy, human rights, and open society. Strong Russia in this meaning should be able to secure its sovereignty and protect its “natural” sphere of influence which should certainly include Ukraine. “Strong Ukraine” in this sense is a forefront of Russia capable to resist Western attempts to spread its system of values Eastward.

The roots of dependence. Russia is a biggest neighbour of Ukraine, deeply connected by economic and social links. Russian border is largest among all external borders of Ukraine (2292,6 kilometers). It is even longer, then combined length of all for neighbouring EU member state’ borders with Ukraine taken together: Poland, Slovakia, Hungary and Romania. Border trade between the two countries is very active, with as many as 20 million crossings being recorded annually within recent years.

After 16 years of independence Ukrainian and Russian societies, business and, to smaller extent, political elites are still deeply interconnected due to the countries’ common historical past. Ukraine is dependent on Russian energy

sources or their transportation via Russian territory. Third, Russia is a big market for Ukrainian goods. Russia consumes about 25% of total Ukrainian exports (January-October 2007). In the mid-1990s this indicator was essentially higher at around 40-45%, but between 2001-2003 it dropped to 19%. Within the last 5 years, however, the share of Ukrainian exports to Russia slightly recovered reaching 25%. In particular in 2007, exports from Ukraine to Russia increased by 49.7% – to US\$10.3 billion. At the same time, total Ukrainian exports increased only by 27.9%. Russia therefore remains the state which is the largest export market for Ukraine, although the EU as common market has a higher share.

Kremlin's 2004 failure. During the period of the Orange revolution and prior Russia openly supported the “official successor” Victor Yanukovych. As the project of a controlled ‘succession of power’ in Ukraine failed, Putin’s strategy of restoring Russia’s dominance over Ukraine collapsed, leaving the Kremlin’s entire strategy of reintegration of a corrupt and authoritarian ‘post-soviet space’ in tatters. Within the period 2005-first half of 2006 overall top-level Ukraine-Russia contacts were limited by mutual distrust and incapacity of both sides to find an appropriate way to conduct bilateral relations in a constructive way.

Gas crisis. The most vocal conflict at that time appeared in the gas supply sphere known as “Gas crisis”. In autumn 2005, Russia proposed that Ukraine buy Russian gas at \$230 per thousand cubic metres which was almost five times higher than the \$50 price fixed in the agreement valid till 2009. Naftogaz refused to sign any supply agreements with Gazprom for 2006 on that condition. Subsequently, Russia threatened to shut off the gas supply, promoting an aggressive public and media campaign which included a PR-action demonstrating shut off in the real time regime on January 1, 2006. As an outcome of emergency negotiations, contradictory agreements were signed on January 4. The price of gas on Russia-Ukraine border was set as \$95.

Non-transparency in the signing of the agreements and the unwillingness of the Ukrainian government to publish documents led to criticism from the Ukrainian public. The main point of criticism was directed against monopoly of intermediary company RosUkrEnergo AG, registered in Switzerland, which is a joint venture between Gazprombank and Raiffeisen Investment AG. Circumstances and the outcome of the gas crisis detected lack of political will of both sides to find a transparent and sustainable solution of this substantial element of bilateral relations.

Top-level contacts. After formation of the Victor Yanukovich's government (August 2006), intensity of the Russian-Ukrainian contacts has increased drastically. The Prime Minister visited Russia four times within his first 4 months in power (no other country he has visited even twice), and all those visits were unofficial ones.

On December 22, 2006 Russian President V. Putin visited Ukraine to take part in the first session of the Yushchenko-Putin Interstate Commission. It was the first visit of the Russian President to Ukraine after the Orange revolution. Up to January 2008 this visit remains to be the only one Russia's president visit to Ukraine within the 3-year period (in comparison to at least 3-4 visits annually during Kuchma's presidency). During the visit the parties signed the readmission agreement (not ratified yet) and the protocol on amending the intergovernmental agreement on check-points at the Ukraine-Russia border.

After formation of Yulia Tymoshenko's government she tried to arrange a visit to Moscow as soon as possible, in January, in order to start ambitious efforts to change a model of energy market, in particular, in gas supply sphere. However, President insisted to have a visit ahead of her. Yushchenko's visit to Moscow was scheduled for February 12, which determined re-scheduling of Tymoshenko's one for late February.

Indistinct mechanisms of decision making and economic relations continued to be the major problem in the Ukrainian-Russian relations. In Yanukovich's government there were officials directly or indirectly linked with Russian big business, in particular Gazprom and its opaque intermediary company Rosukrenergo (Minister for Fuel and Energy Yuriy Boiko).

Availing itself of the relatively favorable internal political situation in view of the dominating presence of pro-Russian forces in the Yanukovich's government, the Russian Federation tried to resolve issues in which it was most interested, such as the Russian language status in Ukraine, extension of the Black Sea Fleet stationing after 2017 or, at least, obtaining the possibility to freely use all the relevant navy infrastructure including training grounds located beyond the Fleet stationing area.

An important geostrategic objective of the Russian Federation is preventing Ukraine from its accession to NATO, and neutralizing Kyiv's role as an independent actor in the Black Sea-Caspian Sea region. Moscow aims to revise the Ukrainian stand vis-à-vis Moldova-Transdnistria, and to block Kyiv's involvement into arguments as regards Russia's policy vis-à-vis Georgia.

Gazprom seeks to further penetrate into Ukraine's domestic market of gas supplies, as it realizes that at the moment it is not in position to obtain control over the Ukrainian gas transit pipelines.

Humanitarian area disputes. Russia, being unable to challenge Ukrainian independence as such, tries to conduct assertive policies in humanitarian areas, permanently expressing concern about such sensitive areas as language, church, evaluation of history etc. It seems important to Russia to promote the Russian language in Ukraine, to maintain the primacy of the Orthodox Church subordinated to the Moscow Patriarchy, accusing Ukrainian authorities in “wrong” assessments of historic events of the Second World War and its aftermath, especially with regard to the Ukrainian Insurgent Army which struggled against the Soviet Union (in the Russian perception – they were traitors or collaborators), the Holodomor of 1933, which from a Russian point of view was not targeted against Ukrainians, and even more distant historic events and individuals of the 17th and 18th centuries such as hetman Ivan Mazepa, who in 1709 concluded an alliance with the Swedish king Charles XII to fight against Peter the Great. Russia on the official level consistently stresses on importance of these symbolic issues.

Crimean case. The case of Crimean peninsula (mostly inhabited by ethnic Russians) remains to be indicative for Ukraine-Russia relations. Within the Crimean leadership there are no persons and groups openly backing separatism. But some of parliamentary leaders, such as deputy speaker of Crimean parliament Serhiy Tsekov have reputation of strongly pro-Russian activists, gaining substantive support from Russia.

In 2005-2006 in Ukraine (especially in Crimea) branches of some pro-Russian radical NGOs were established, providing an aggressive campaign for renovation of Russian super-state, “Slavic union”, “canonic orthodoxy” etc. Some of them, such as “Proryv” (Breakthrough), “Sevastopol-Crimea-Russia” movement call for territorial decomposition of Ukraine, reunification of the Crimea with Russia.

The case of direct involvement of Russian politicians in Ukrainian domestic affairs was detected in Feodosia in June 2006, where anti-NATO actions were attended by a number of Russian citizens, including members of Duma, and Russian media reported on these news as top ones. In January 2008 Sevastopol City Council, dominated by pro-Russian forces, declared this city “The territory without NATO” which is in the evident conflict with the Constitution of Ukraine and local authorities' sphere of competence.

2008: New circumstances. After new Yulia Tymoshenko's government formation two well-known particular issues returned to the top of Ukraine-Russia relations namely gas supply and transit issue and Ukraine's aspiration to join NATO.

As current debate in Ukraine proves, there is a lack of consolidated position of Yushchenko and Tymoshenko on gas issue. Premier-minister insists on removal of Rosukrenergo intermediary company from Russia-Ukraine gas deals, and introduction of direct contractual relations between Gazprom and Naftogaz-Ukraine (state owned energy supply company). Tymoshenko also offers raising transit prices for Russian gas. President does not support such an idea arguing that current gas supply formula ensures the best possible price of gas for Ukrainian market.

This ambivalence of Ukraine's leadership gives Russia wider space for maneuver and better opportunity to continue manipulations with energy pressure on Ukraine.

NATO issue continues to be a subject to permanent diplomatic tensions. Russian MFA and other officials issued a number of statements threatening Ukraine to "reconsider the relations" if Ukraine goes ahead towards NATO membership.

Analysis of Russia-Ukraine relation within the recent years proves, that despite common problems and challenges, strategic national interests of two big neighbours are substantially different: Ukraine's main objective is to achieve European standards in all areas of political, social and economic life, to become eventually a full-fledged member of the EU and NATO; Russian mainstream interest is to restore Russia's regional dominance and prevent Ukraine from the move towards the West which means returning it into Russia's sphere of geopolitical influence.

In the future Russia is unlikely to drop its efforts to turn Ukraine back on its track. The major instrument is supposed to be **creation and strengthening of anti-western platforms within Ukraine**. Building such platforms in different segments of Ukrainian society (business, civil society, political elites) Russia will operate rather by informal means than by open policies. As the path of Russia towards re-emerging authoritarian power is unlikely to be changed, the success of Ukraine as a democratic western-oriented nation will be considered as a threat to basic interests of Russia (as a case that may become eventually attractive for Russian people). Therefore, Russian-oriented actors will try to discredit Ukrainian developments after 2004 and constrain reforms which can bring Ukraine closer to European standards of politics, economy and social life.

6. CIS, GUAM, CDC

CIS. Ukraine's policy in the CIS is not quite full of initiatives. It is rather based on inertia, although Ukraine tries to place its own accents. The experience of Ukrainian delegations' participation in the 2006 CIS summits in Kazan and Minsk demonstrates that Ukraine is trying to carry out its cooperation in the framework of the Commonwealth of Independent States with account of its strategic course towards the European and Euro-Atlantic integration.

In particular, this was reflected in the Resolution of the National Security and Defense Council (NSDC) of Ukraine of 17 November 2006 "On Further Cooperation of Ukraine within the Framework of the Commonwealth of Independent States" which was put into force by the Decree of President Victor Yushchenko on 15 December 2006.

According to that Resolution, the CIS is considered an important mechanism of holding interstate consultations and negotiations aimed to safeguard national interests of Ukraine in the post-Soviet area, inter alia, through coordination and implementation, in the CIS framework, of projects of multilateral cooperation in various fields.

Priorities for Ukraine's activities in the CIS framework have been set as follows: consistent implementation of a free trade area with participation of all CIS member-states taking into account the WTO requirements; initiating projects as regards realization of potential of Ukraine as a transit state, natural and man-caused disaster management, prevention of organized crime and illegal migration, etc.; deepening the multilateral cooperation in the fields of energy, transport, agro-industrial complex, health protection, science, social security; settlement of "frozen" conflicts in the post-Soviet area, prevention of trans-frontier crime, and cooperation between law-enforcement authorities.

GUAM. On 23 May 2006, the process of turning GUAM into a full-fledged international organization was finalized in Kyiv. Its updated title is "Organization for Democracy and Economic Development – GUAM". The Heads of State of Ukraine, Moldova, Georgia, and Azerbaijan signed Kyiv Declaration in which they declared establishing the international organization with its activities aimed at the "enhancement of democracy, adherence to the rule of law, respect for fundamental human rights and freedoms, economic development of States and assuring of security and stability"². Therefore, the

² Kyiv Declaration on Establishment of Organization for Democracy and Economic Development – GUAM, <http://www.guam.org.ua/188.565.0.0.1.0.phtml>

Organization has acquired all the necessary attributes of a full-fledged actor of international relations.

GUAM has convincingly demonstrated itself as an organization which collectively safeguards the principles of territorial integrity of its member-states. One should recall collective statements of GUAM as regards non-recognition of referenda on independence of Transdnistria, Abkhazia, North Osetia, and Nagorny Karabakh. The fact that the issue pertaining to settlement of frozen conflicts was included, by slight majority, into the UNGA agenda could be considered a diplomatic success of GUAM.

However, the years 2006-2007 did not see any breakthrough in the activities of the Organization. Attitude to the frozen conflicts was the only issue in which the member-states demonstrated their common will, although, as it was declared, the official GUAM agenda was much broader.

GUAM did not support Georgia in its conflict with Russia caused by economic pressure on the part of the latter. The Ukrainian parliament lingers with ratification of the GUAM Charter that potentially questions the legitimacy of GUAM biggest country's participation in the activity of the Organization. In December 2007 president Yushchenko re-submitted the law on ratification of GUAM Charter to Rada as a priority law.

CDC. The Community of Democratic Choice (CDC) can remain on paper, as the initiatives proclaimed at its first summit were not followed up. The second CDC summit (Vilnius) was held in May 2006 under the modified title – the Vilnius Forum. Although the Vilnius Summit agenda was confirmed and developed, and the most influential partners (EU and USA) were represented at a higher level, the identity of CDC as a project initiated by Ukraine and Georgia appeared to be eroded. No working groups were established, although such an idea had been proposed by the preparatory group that met in March in Tbilisi.

The third CDC round was greatly modified on the initiative of the host country (Romania) which preferred transformation of the project in the context of its own priorities – the forum was held in June under the title “The Black Sea Forum”.

The fourth summit was to take place in Tbilisi in autumn 2006. Its dates changed several times, and eventually it did not take place.

Although the CDC initiators have managed to attract international attention to their initiative, they have not been successful so far in backing it with regular agenda and consistent activities.