

Залучення Сходу Європи: український виклик

Проект здійснювався з грудня 2010 по липень 2011 року за підтримки German Marshall Fund. Його основною метою було визначення шляхів допомоги інтеграції України до європейських інституцій.

Випуск № 7

Ukraine-EU Relations on a Bumpy Road

EU-UKRAINE RELATIONS ON A BUMPY ROAD

If rumors and leaks are any indication of “developing story”, there is growing suspicion that the last two rounds of negotiations on the creation of the comprehensive FTA between Ukraine and EU ended in a standstill. Agricultural quotas, access of Ukrainian transport enterprises to the EU market, energy and services are mentioned as the most important outstanding issues hampering further progress of talks.

Eurocommission has defined its “red lines” and is entrenched in the position that it’s Ukraine that enters European Free Trade Area and such an arrangement should be constructed according to EU rules, while Ukrainian leadership advocates an approach based on the presumption that negotiating parties have equal rights and the final document should include concessions on both sides (such an approach is supported by Ukrainian population and practically all political parties that have closed the ranks in defense of the “national producers”). Recently Prime-Minister and Chief of the President’s Administration has voiced an idea of the two-stage agreement, starting with the issues that were agreed upon followed by the rest. The EU deemed this proposal unacceptable.

It looks like that the margin of compromise on the part of the EU is exhausted (unfortunately, this is how the EU operates under similar circumstances) and the only way to reach the final destination will be for the Ukrainian leadership to demonstrate political will and seal the deal. To our mind, eventual benefits of the FTA in terms of modernizing Ukrainian economy and increasing its competitiveness will outweigh initial pain and losses inflicted on certain sectors of Ukrainian economy. It should be also borne in mind that FTA is an integral part of the Association Agreement that will, in its turn, can seal a geopolitical choice of this country. Too much is at stake.

This being said, one cannot but notice frantic attempts of Russian leadership to sink or at least delay signing of FTA and Association Agreement. In addition to backstage politics it has noticeably reinforced public messages disseminated both through official channels and Russian think tanks and NGOs: they emphasize the benefits of the Customs Union of Russia, Belarus and Kazakhstan and FTA area within CIS as opposed to “unequal” arrangement with EU and falsely claim that Ukraine’s membership in the former two wouldn’t contradict its aim of creating FTA with EU.

So, it’s a moment of truth as to the policy of European integration of Ukraine, though some degree of flexibility on the part of the European Union wouldn’t hurt. Anyway, earlier both parties have committed themselves to complete negotiations by the end of 2011. Andriy Kluyev, first vice–Prime Minister of Ukraine, who visited Brussels on February 2 was confident that 16th round of negotiations will contribute to resolving outstanding issues. He also said that Ukrainian side is willing to finalize agreement already during the first half of the year.

In the course of his meeting with S.Fule, Member of the European Commission responsible for enlargement and European neighborhood policy, Ukrainian official got a clear signal that EC would like to see not only economic, but also democratic development of Ukraine. He underscored importance of the reform of election law, judicial reform and some other steps aimed at democratization of the country. It cannot be excluded that only the progress in FTA negotiations won’t be enough to complete Association Agreement and issues of human rights and fundamental freedoms will merit further discussions.

Strains in EU-Ukraine relations in February were exacerbated by the controversy involving amendments to the procedure of government procurement passed by the Verkhovna Rada earlier in January: they included energy products and services of water supply into the list of products and services that can be bought waiving regular tender procedures. EU retaliated by suspending programs of budget support to the state bodies of Ukraine in the fields of energy and transport.

Fortunately, the problem was settled to mutual satisfaction as Ukrainian Government has agreed to remove energy products from the list while securing EU agreement to the use – in their regard – of the “simplified procedures”. When in Brussels Mr.Kluyev signed Memorandum between the Government of Ukraine and European Commission that will allow Ukraine to receive EU assistance worth 470.05 million euro that is to be spent for the purposes of good governance and rule of law, facilitation of coming into force of the future Association Agreement, including FTA, and sustainable development (energy, environment, transport and regional development).