



*Editors' Note: This third issue of the CEPS Neighbourhood Watch leads with a commentary on post-election politics in Moldova by Nicu Popescu. It then offers the conclusions of the report by the International Commission on the Balkans published in April 2005. It includes also a recently delivered speech in Brussels by the*

*Deputy Prime Minister of Ukraine Oleg Rybachuk. Finally, Marius Vahl provides his thoughts on the EU and Black Sea regional co-operation.*

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### **The Revolutionary Evolution in Moldova**

**Commentary by Nicu Popescu, PhD Candidate, Central European University, Hungary**

Despite some expectations there was no revolution after the March 6, 2005 Moldovan elections in which the Party of Moldovan Communists retained power. Instead, an almost revolutionary evolution of the political spectrum underway since 2003 has been strengthened in two ways after the elections – by a new “partnership for the European integration of Moldova” between all the relevant political forces, and by a new momentum in the modernisation of the Communist party, which remains the most important political force in Moldova.

The elections were considered free, but not fair. The OSCE noted that “elections generally complied with OSCE standards”, but the political parties had unequal campaign conditions and access to media. The communists that have been in power since 2001 obtained 46% of the votes, which turned into 56 MPs in a Parliament of 101. Their electoral campaign was based on heavy pro-EU rhetoric and very critical views of Russia’s maladroit attempts to influence the election results and continued Russian military presence which supports Moldova’s breakaway region of Transnistria. The opposition “Democratic Moldova” electoral bloc (BMD) obtained 28 per cent of the votes and 34 places in parliament. And the Christian Democratic People’s Party (CDPP) obtained 9 per cent of votes and 11 places in parliament. The results were not surprising, and more or less reflected the preferences of the electorate, which, it should be noted, still do not enjoy access to objective information, as most of the media that matters, especially TV, have been careful not to be critical of the government.

The interesting developments came after the elections. The Communist faction in the legislature had enough votes to elect the government and the speaker. On March 24 Marian Lupu a liberal former minister for economy in the previous government was elected as speaker of the Parliament. The same day all the political parties in the parliament launched a declaration on political partnership for the European integration of Moldova. It stated that the “further development of the Republic of Moldova cannot be ensured only through the consistent and irreversible promotion of the strategic course towards the European integration, peaceful and democratic resolution of the Transnistrian problem, effective functioning of democratic institutions and ensuring of national minorities rights.” Declaratively, Moldova’s integration into the EU became the only game in town.

On April 4 Voronin was re-elected president with 75 votes in the parliament. The big surprise was not his re-election, but the number of votes he got and who voted for him. That the traditionally opportunistic Democratic Party (8 deputies) split from the “Moldova Democrata” bloc to vote for Voronin was a long-predicted move. However, nobody could have expected the CDPP and the Social Liberal Party (in fact other 3 deputies that left BMD) - the two parties with the most credible democratic, liberal and pro-Western credentials - joined forces with the communists and the democratic party to vote Voronin as president.

Two questions are pending. Why the Christian-democrats and the social-liberals voted for their

almost life-long political adversary? There are a number of factors that suggest an answer. Both parties insisted that they decided to do that because Voronin, a one time fan of the “Russia-Belarus State Union”, has drastically changed into a committed pro-European, who enjoys the support of the “the West” and is indeed actively despised by Moscow. Fair enough, Voronin’s stance on the conflict in Transnistria and Moldovan foreign policy is entirely in tune with what the other parties have been advocating for years. The two parties have openly stated that they voted Voronin because the Georgian president Saakashvili and the Ukrainian president Yushchenko, as well as their “partners in Washington and Brussels” suggested them to do so. This explanation, while mainly a scapegoating strategy aimed at explaining an extremely controversial move to their own electorate, partly corresponded to the truth. Saakashvili and Yushchenko indeed seemed like they supported Voronin before and after the elections (while Moldova and Georgia were the only two CIS countries that officially declared that they do not recognise the election of Yanukovich in November 2004). However, Voronin despite an active foreign policy and efforts to bring Moldova closer to the EU and the US, as well as strong partnership with Georgia’s and Ukraine’s new generation leaders, is far from impeccable at implementing the democratic reforms needed for a genuine rapprochement of Moldova to the EU. That Voronin obtained the support of democratic parties is explained by two factors. The CDPP would be strengthened in its quest to become the main opposition force in Moldova, and by the fact that the main fault-lines between Moldova’s parties are still marked by geopolitical thinking. East versus West is a more important cleavage than democracy and reform versus (soft) authoritarianism. Thus when Voronin’s foreign policy became visibly pro-Western and critical of Russia, he gained the support of opposition parties in that, despite centralising tendencies in his first term.

A second, more interesting, question is why Voronin sought the votes of the Christian democrats and social-liberals when he had more than 61 votes necessary to be elected by his own communist party (56) and the democratic party (8 votes). One possibility is that his rather radical turn to seeking deeper ties with the West and visibly distancing himself from Russia was not entirely supported by his party rank and file,

whose support cannot be taken for granted anymore. Indeed tensions in the Communist party are almost sure, even if not visible for the public. Orthodox members of the Communist party have been constantly sidelined in the recent years, and especially after the March elections. Their presence in the executive is low (and lower after the elections), with the main posts belonging to relatively young non-party members and/or Voronin loyalists. The same is true for the presidential administration as well as for the newly elected speaker of the parliament Lupu who is not officially a member of the Communist party. On the other hand, Voronin is the Communist party’s main asset, and it is probably more dependent on Voronin than vice-versa. He is popular and charismatic, and can still keep the party rallied behind his policies. Indeed, the very name of the Communist party is no more than a brand. It attracts the nostalgic parts of the electorate, while the moderate policies of the government attract other parts of the electorate, creating an effective vote-winning machine.

A second part explaining Voronin’s quest for the support of democratic parties is his desire for a new international and domestic credibility as a leader who is eager to break with his communist past and embark Moldova on a path towards the European Union. Obtaining the support from CDPP and social-liberals was not crucial for being re-elected, but is key to his new quest for international credibility and internal legitimacy. As part of an agreement with the opposition Voronin engaged to undertake a set of measures to ensure independence of the media, independence of the judiciary, decentralisation of local government, greater parliamentary oversight of law-enforcement agencies, reform of the Communist party and resignation from his communist party’s chairman position. In this sense it is probably a positive factor for the stabilisation of Moldovan politics that Voronin owes a part of his victory to CDPP and social-liberals, rather than to other political forces with deeper roots in the past. It looks like Voronin’s worldview is in a process of intense transformation. He is looking for answers, even if the break with his past convictions are more evident in foreign policy than in domestic affairs.

All this leaves us with a rather benign picture of Moldovan politics and its actors. This should not be the case. The post-electoral situation is a

window of opportunity, but there should be no complacency neither inside nor outside Moldova. It is true that the Moldovan authorities have seriously improved their relations with Romania and (Yushchenko's) Ukraine. Moldova signed a comprehensive Action Plan of cooperation with the EU, which if implemented would affect the whole Moldovan polity. The new government's program puts implementation of the EU-Moldova Action Plan and integration into the EU as its top priority; the foreign ministry became the Ministry of Foreign Affairs and European Integration with an enhanced standing in the executive, which allows it to coordinate the work of other ministries on European integration matters. Moldova is about to unilaterally abolish visas for the EU citizens. Voronin stated that he wants his first visit abroad in his new term to be in Brussels in order to reflect Moldova's European aspirations. However, there seems to be a profound lack of understanding in Moldova of what the EU is, and what European integration is about. Most major domestic players see it as a geopolitical and foreign-policy priority, but do not necessarily see the EU as a community of values.

However, the political elite in Moldova is in a process of reassessment of its system of coordinates and their values. The change of the Communist party is a very visible indicator for that. The fact that the concept of integration into the EU does not go hand in hand with political and economic reforms remains the main constraint on the development of EU-Moldova relations, let alone Moldova's prospects of eventual EU

membership. But still, Moldovan politics are changing rapidly. The choice for Europe is an interest-driven change of politicians that want to survive in a new environment marked by the failure of previous political regimes in Georgia and Ukraine, and more importantly by the enlargement of an EU whose normative superiority and attractiveness cannot and is not challenged in Moldova. However, even the communists start to reassess what are Moldova's "national interests" in a way that was unthinkable even two years ago. The political forces are approaching the point of no return in their pro-EU rhetoric, when only talking and not acting will start to be harmful for their internal standing, and that is when they will have to start to deliver on their promises to their own voters and international actors.

Voronin has two models to reflect upon, and choose between. That of Romania's president Iliescu from 1989 to 1996, or that of Georgia's Shevardnadze. The first started as a "not-so-genuine" democrat suppressing pro-democracy manifestations in 1990-91, but then changed considerably closer to his departure after free and fair elections in 1996, to come back in 2000 considerably more democratic. The second had heavy pro-West rhetoric but was not a democrat, and ultimately prepared the ground for a newer generation to overthrow his regime. Today Voronin still looks a little too much like Shevardnadze, but if he wants to survive as a politician he will have to learn from Iliescu.

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## **The Balkans in Europe's Future**

**Report of the International Commission on the Balkans chaired by Giuliano Amato, April 2005**

**Full text of the report available at <http://www.cls-sofia.org/projects/Report.pdf>**

### **Conclusions**

The Commission is convinced that current status quo in the Balkans has outlived its usefulness. There is an urgent need to solve the extant status and constitutional issues in the Balkans and to move the region as a whole from the stage of protectorates and weak states to the stage of EU accession.

The Commission advocates the convening of an EU-Balkans Summit in the autumn of 2006. The Summit should present a 'Balkan audit' to demonstrate how much money EU countries are spending on the Balkans. It should put forward a

consolidated 'Balkan Budget' that should in the future become an integral part of the Financial Perspectives of the Union. The EU would only convene the Summit after a resolution of all the status and constitutional issues that are currently open. At this Summit each Balkan country will receive its EU road map.

In the case of Kosovo, the Commission suggests a four-stage transition in the evolution of Kosovo's sovereignty. This should evolve from the status quo as set out in Resolution 1244 to "independence without full sovereignty" with re-

served powers for the international community in the fields of human rights and minority protection; onto "guided sovereignty" that Kosovo will enjoy while negotiating with EU; before finally arriving at "shared sovereignty" inside the EU. In the view of the Commission, the powers of UNMIK should be transferred to the EU.

In the case of Bosnia, after ten years since the Dayton Accords, the Commission envisions passing from the Office of High Representative to an EU Accession Negotiator. This implies moving Bosnia from "Bonn to Brussels" whereby the EU Negotiator will replace the OHR. Bosnia should join PfP as soon as possible.

In the case of Serbia and Montenegro, the Commission judges the current Federation of Serbia and Montenegro to be non-functional. The citizens of Serbia and Montenegro should decide by the autumn of the year 2006 whether to opt for a functional federation or functional separation. In the view of the Commission, the democratic future of Serbia is key to the progress in the region. The Commission therefore advocates that Serbia and Montenegro be extended an invitation to PfP immediately and that Serbia and Montenegro as one or as two countries should start negotiations or be offered a Europe Agreement at the Balkan Summit in the autumn of 2006.

The Commission regards the success of the Ohrid process in Macedonia as a model for other parts of the Balkans. Furthermore, it urges the European Commission to use the suggested Balkan Summit of the EU to start accession talks with Macedonia by the autumn of 2006 at the latest. In the summer of 2006, Macedonia should receive an invitation to join NATO. In the view of the International Commission on the Balkans, the dispute over the name of the Republic of Macedonia and the demarcation of the border with Kosovo are sources of potential instability in the republic. The international community

should concentrate on resolving these two issues.

The Commission regards the decision of the EU to start negotiations with Croatia and the prospect of Croatian membership as central to the integration of the region as a whole into the EU. The Commission also envisions Croatia being invited to join NATO in the summer of 2006.

The Commission highly estimates Albania's contribution to the general stability of the region and thinks that Albania should be invited to join NATO in the summer of 2006 and be offered negotiations or a Europe Agreement by the autumn of that year thereby triggering the process of member-state building in the country.

The Commission urges the US government to play a more active role in the region. What the Balkans need most is Washington's political attention to the problems of the region. The Commission is convinced that only co-ordinated EU-US policies can help the region to get on, get in and catch up with the rest of Europe.

In the spirit of supporting the European generation of the Balkans, our Commission suggests that member states establish a Balkan Student Visa Programme for 150,000 full-time students in Serbia and Montenegro, Bosnia and Herzegovina, Macedonia, and Albania by June 2005.

After the success in drawing Romania, Bulgaria and possibly Croatia into the European Union, the logic for a further enlargement is compelling: without the Balkans in the EU, the process of unification will remain incomplete. Alternatively, the EU runs a serious risk of allowing a black hole to emerge on the European periphery that could inflict considerable harm on the European project.

2014 is the year and Sarajevo is the place where the European Union can proudly announce the arrival of the European century.

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**Ukraine and the EU: How Close? How Soon?**  
**Speech of Oleg Rybachuk, Deputy Prime Minister of Ukraine**  
**EPC Breakfast Policy Briefing, Brussels, 21 April 2005**

1.1. My country is no longer on the crossroads. The Ukrainian people secured fair elections and

made their own choice. This choice is to build a new Ukrainian society - open, democratic, European.

The Ukrainian people faced the world as a modern nation. Neither languages that we speak, nor religions that we practice, nor political views that we prefer hamper us to feel our common destiny. Ukrainians are united by the desire to live in the country based on democratic values.

The Orange Revolution was an evidence to the world that the rule of law and respect for human rights came to guide Ukrainians in choosing their future. By the will of the people, freedom in Ukraine has been established as the fundamental value. The European choice of Ukraine has been made.

1.2. The victory of democracy in Ukraine opens new opportunities to achieve this goal. The Orange Revolution paved the way to a new quality of our partnership with the United Europe.

Ukraine is ready to move on from advocating common interests to establishing common values and standards.

Our goal is Ukraine in the European Union. History, economic prospects, interests of the people show clearly that the Ukrainian way to the future is together with the United Europe.

I want to assure you that Ukraine is ready to go as far in developing its relations the EU as the EU and its Member-States are ready to go. Ukrainians are striving to live in the united Europe free from any dividing lines and any political isolation or economic discrimination.

We stand ready to prove the seriousness of our declared aspirations by a practical hard day-to-day work. Because it is clear that deeds, not words are opening the doors.

Each domestic decision whether in economic, legal or any other area is filled with European integration spirit. Not in an episodic, selective or opportunistic manner, but in a systematic, consistent way - this is the European philosophy of the Ukrainian Government.

The Governmental Programme "Facing the people", which includes the basic elements of the Ukraine-EU Action Plan is the living proof of it.

We have elaborated the national strategy for European integration aimed at a swift attaining of the criteria for the EU membership. We understand that joining the EU makes it also possible to effectuate the great potential of my coun-

try. Every step on this road gives new opportunities for millions of Ukrainians.

Among the top priorities are democratisation of the country, freedom of speech and independence of the media, fair and independent judiciary, fight against government corruption, administration reform and enhanced powers for local self-governance.

These measures will go along with dynamic economic reforms, support of entrepreneurship, separation of power from business and improvement of the investment climate.

Implementation of European standards in politics, economy and society is our alpha and omega. We shall employ all efforts to make the high expectations of Ukrainians come true. In order to achieve the European standards in Ukraine as soon as possible. So that Europe finally rediscover Ukraine.

Now we suggest to start elaboration of the new enhanced agreement between Ukraine and EU in the shape of the European Association agreement that would replace the Partnership and Cooperation Agreement at the end of its ten-year period in 2007. It is important to avoid the legal vacuum in our o-operation after PCA expiration.

1.3. We are approaching the completion of formation of the internal institutional structure providing for European integration course.

I, as a Vice Prime Minister of Ukraine, will ensure the coherence of the European integration policy at the national level. The newly established Department for European integration will assist me in that. Each ministry, each authority will have a deputy minister responsible for European integration issues. We are also aiming at situation when each regional governor has a deputy who takes action on that scope of issues at regional level.

Great attention will be paid to raising the awareness concerning governmental policy line. People of Ukraine has the right to know all the "pro's" and "contra's" of the full EU membership and to understand why does he have to undergo the painful reforms and transformations. We count on the EU support in this public information campaign.

2.1. I am sure that the EU could only secure its leadership in the growing world's competition by

promoting the open door policy for others European nations.

That's why further EU enlargement, which must at any case include Ukraine, should be an EU strategic instrument of ensuring security and well-being of Europe in the long-term perspective. In other words, without Ukraine the EU powerful engine could overheat and, finally, break down.

I am happy that this reasonable logic is shared by the EU citizens. Recent survey by TNS Sofres of some 6000 people in the EU's six largest countries (France, Germany, Italy, Spain, Britain and Poland) found 55% of voters would like Ukraine to become part of the Union. Personally, I was pleased to know that 58% of voters in France support Ukrainian membership in the EU with only 37% against.

If the EU continue to strictly observe its democratic traditions and values it should take into serious consideration these results. The opinion of the European parliament which adopted this January corresponding resolution and the choice of the EU citizens could not be ignored by the EU politicians. Otherwise, the future of the EU and its Constitution would not be very promising.

At the same time Ukraine and its new leadership is determined to do its "homework" in terms of increasingly closer European integration, both internally and externally.

2.2. The external dimension of our co-operation is shaped at the moment, as you know, by the framework of the European Neighbourhood Policy.

As you are well aware, the European Neighborhood Policy has been elaborated as a EU response to the crucial question in the context of the enlargement: how to build up the relations with the countries, which are left beyond the membership.

Its aim, as defined by the EU, is to build special partnership between the EU and its neighbors, based on shared values and common interests. In other words, to create a so-called "ring of friends" alongside the borders of the enlarged EU, preventing the emergence of new dividing lines over the continent. The objective sounds rather promising and we admit that the

neighborhood initiative contains many valuable elements, which could be beneficial for EU neighbors, including Ukraine. I mean, first of all, greater financial assistance, the chance to participate in the EU programs and policies, as well as a stake in the biggest Single market in the world.

However, this initiative has been met in Ukraine with mixed feelings.

We understand that the ENP was elaborated in a difficult time of striking transformations facing the EU. Therefore, Ukraine has agreed to consider the neighborhood policy as a temporary *modus vivendi* in its relations with the EU.

We do not support the idea that the ENP should be distinct from the policy of the EU enlargement. On the contrary, we believe that by enhancing cooperation and encouraging reforms it could be of great help in supporting Ukraine's European aspirations. It should become a short-term model of relations, designed to prepare the ground for a Ukraine's progressive integration into the EU.

It is important for Ukraine that all roads of the co-operation with the EU should ultimately lead to Brussels. The legal basis for this progress is a well-known Article 49 of the Treaty establishing the EU. Ukraine is going to avail itself to opportunity provided by the Article in not that distant future.

2.3. In this respect we stand ready to use the potential of the Action Plan, endorsed by the EU-Ukraine Cooperation Council on 21 February, as well as ten additional points approved on the same day by the EU Council of Ministers.

We expect that the effective implementation of the Action Plan political priorities would create favorable conditions for advancing the perspective conclusion of the European Association Agreement with the EU, foreseeing clear eurointegration prospect for Ukraine.

We agree that the prior attention in the implementation of the Action Plan should be given to the efforts aimed at strengthening democracy, rule of law, respect for human rights, in particular ensuring democratic conduct of the parliamentary elections in 2006.

At the same time the Ukrainian side is looking forward to proceed with the implementation of

other important priorities of the Action Plan, such as:

review of the existing feasibility study on establishing a Free Trade Area between Ukraine and the EU so that negotiations can be launched swiftly, once Ukraine has joined WTO;

ensuring Ukraine's WTO membership;

establishment of the constructive dialogue on visa facilitation with the view for preparing for future negotiations on a visa facilitation agreement;

granting EU's assistance to the gradual approximation of the Ukrainian legislation to the EU norms and standards;

access of the Ukrainian goods to the EU market;

establishment of the high level dialogue on energy and transport;

development of the possibilities for enhancing EU-Ukraine consultations on crisis management;

strengthening of cooperation in the settlement of the Transnistria conflict.

2.4. Jointly with the EU we have finalized a list of concrete measures aimed at the implementation of the Action Plan priorities during this year. We plan to make the first review of its implementation at the regular meeting of the EU-Ukraine Cooperation Council and the EU-Ukraine Summit, respectively in June and October. And I believe that till that time Ukraine will be able to show first tangible progress in the implementation of the Action Plan priorities.

From the institutional point of view, we have agreed to reform the structure and principles of activity of bilateral organs established between Ukraine and the EU by the PCA. The main objective of such a reform is to provide that the functioning of the existing subcommittees fully reflects the relevant provisions of the joint Action Plan. There is also a common understanding that the subcommittees will dwell on the progress reached in the implementation of the Action Plan.

2.5. Now Ukraine is seriously thinking on the formal application for the EU membership. In this context I would like to underline that

Ukrainian authorities will seriously evaluate all pro and contra before formal application. We would like to be responsible, reliable and predictable EU partner. It is not our intention to complicate the internal situation within the European Union. That's why before applying we will take into account both - the real progress of Ukraine on the road of eurointegration, in particular in implementation of the AP political priorities, and the EU internal situation.

Ukraine's decision to formally apply for the membership is not a nice PR-gesture from Ukrainian leadership. Neither it is a conjectural step in order to complicate the life for the European Union. We consider it as a vivid manifestation of the seriousness of Ukraine about EU, in particular, in the context of absence of a clear-cut political signal on eurointegration perspective of my country from the EU side.

3.1. Construction of new Europe, of its security, economic and energy spaces can not proceed without active engagement of Ukraine. I am deeply convinced the Ukrainian State is able to make a considerable contribution in construction of our common *Maison de l'Europe*. In other words, Ukraine is ready from now on to be not only a recipient but also a contributor in the framework of implementation of targets of Common Foreign and Security Policy of the EU.

We suggest strengthening of co-operation in a view of settlement of crisis in Europe, especially in the common neighbourhood areas. Our strategic visions of establishment of European space of prosperity and good neighbourhood coincide.

That is why the EU can count on Ukraine as a reliable partner in settlement of Transnistria problem, in situation on Balkans and in other crisis.

In my view, it is high time to reconsider the effectiveness of the existing mechanisms of settlement and measures taken in order to fight the smuggling through Moldavian borders. At the moment Ukrainian side is seriously working over the additional steps that are supplementing and reinforcing the efforts of intermediaries on Transnistria settlement.

Ukraine wants to participate in implementation of European Security and Defence Policy. Its contribution should not be limited to providing personnel into the EU peacekeeping forces,

which is the case with participation in the EU police missions to Bosnia and Herzegovina and Republic of Macedonia. We stand ready to provide the EU with the full potential of Ukrainian long-haul aviation. In this respect we suggest an urgent launch of consultations with the EU on use of long-haul aviation.

The conclusion of an agreement on crisis management, which is expected soon, should facilitate co-operation in this area.

Ukraine will remain beyond any doubts a trusty partner to the EU in our common fight against terrorism, against proliferation of weapons of mass destruction and against organised crime.

3.2. Let me draw your attention to the issue of our bilateral trade relations that has been under assessing by the Commission since 2001. Now it seems that it could be finally and positively resolved in the nearest future. I mean granting to Ukraine the Market Economy status in the context of the EC antidumping legislation. The fresh impulse to this issue was done during my meeting with Commissioner Mandelson in February this year, since that time there were a couple of working discussions on high and expert levels between our sides. We have really made important progress in this case and this was admitted by the EU side as well.

At present our experts are cooperating very closely on finalizing the assessment of Ukrainian economy compliance with the MES criteria.

I believe that on the eve of the Ukraine-EU Cooperation Council meeting in June we witness the sufficient progress in this case and announce the granting to Ukraine the market economy status.

An artificial hold-back of resolution of the problem is not economically grounded.

I would like to emphasize once again that for us market economy status is the matter of access to the European Market. When we talk about anti-dumping investigations the picture is very different, especially taking into the account Ukrainian traditional trade flows with new 10 Member States during the past years. While Ukraine is not market economy country, our exporters are doomed to be in less favorable conditions than their counterparts from neighboring countries, for example, their Russian competitors.

I can only show you some figures. So, at the present moment imports of 8 products from Ukraine are covered by the EU antidumping measures. According to the results of the review on seamless tubes that was finalized in February 2005 very high antidumping duty was imposed for Ukraine - 64,1%. At the same time dumping duties for Russia and Romania for the same of tubes presently equal to zero. If we look at the picture in general we can easily find that almost in all procedures dumping duties for Ukraine were established at the biggest levels.

3.3. Another important issue in our relations which is of paramount importance for Ukraine in facilitation of visa-regime. Millions of Ukrainians look forward to liberalization of the visa procedures between Ukraine and the EU states.

Unfortunately, after the EU enlargement it is becoming more and more difficult to legally enter the EU countries for the ordinary Ukrainian citizen. The EU border are practically closed for Ukrainians. It has a negative effect on people-to-people contacts. On this sensitive matter the EU should demonstrate more transparent and consistent approach without any kind of discrimination vis-a-vis a concrete country.

In this regard we welcome the start of preparation by the European Commission of a draft mandate of the EU Council of Ministers regarding the initiation of visa facilitation negotiations with Ukraine. We expect that in this process the Commission will continue to maintain close contact with the Ukrainian side and strongly hope that our proposals, announced at Ukraine-EU technical consultations on 19-20 April this year will be seriously considered by the EU.

Ukraine, being aware of EU regulations in this sphere, calls our partners to get the full use of Shengen acquis flexibility as well as positive experience of facilitation of visa regime between Ukraine and the number of new EU Member States (Poland, Slovakia, Hungary, Lithuania), and expects:

considerable reduction of time and number of documents to be presented for issuing visas to Ukrainian citizens;

reduction of consular fees for issuing visas to certain categories of Ukrainian citizens, includ-

ing pensioners, students and other citizens with low income;

granting long-term multiple visas for Ukrainian citizens, involved in regular commercial, business, cultural, sport exchanges with the EU member-states as well as border area inhabitants;

establishing special regime for holders of diplomatic and service passports, etc.

Thus, Ukraine is prepared to launch the negotiation process with the EU on visa facilitation Agreement as soon as possible and urges the EU to speed up necessary preparations from its side.

From its part, Ukraine continues its open visa policy vis-a-vis Europe as a part of the wider European integration strategy. It is aimed at the opening up of the Ukrainian society, establishment of an equitable and transparent investment climate and the fostering of human contacts. The most recent step in this regard is a decree of the President of Ukraine of 31 March 2005 establishing a temporary visa-free regime for citizens of the EU member-states from May 1 till September 1, 2005.

It is also worth mentioning that during the recent elections in our state the Ukrainian people confirmed their adherence to democracy, rule of law, other common and European human values, as well as their, not only geographical, belonging to the European family of nations. In this connection, we believe, that existing artificial barriers, including those related to visas, creating obstacles in human contacts between citizens of Ukraine and citizens of the EU Member-States, could hardly be considered as appropriate and motivated.

Bearing that in mind, Ukraine considers concluding a visa facilitation Agreement to be only the first step on the way to the perspective introduction of a bilateral visa-free regime and is ready for joint drafting of the corresponding Action Plan, with proper respect to the EU criteria on introduction of visa-free regime with third countries.

3.4. Our strategic goal is to become a focal point of Europe for international transit and to integrate into global transport network. In this context Ukraine welcomes the EU initiative: "Wider Europe for transport". The initiative opens new

horizons for implementation of the priority projects of the Trans-European network for transport up to 2020. The recognition of Ukraine as a priority country in the ongoing preparations for the extension of Trans-European Networks brings an important added value to the international transport infrastructure co-operation in the interests of the united Europe.

3.5. Ukraine is willing to make its contribution to secure stable energy supply to Europe and to offer significant transit potential for its development. Now we can prepare and launch the high level dialogue on all energy issues.

The effective dialogue between Ukraine and the EU should not be confined to oil, gas and nuclear energy only. Ukraine believes that new proposals of the EU in the area of energy policy will be extended to a wider scale of our co-operation, including Ukrainian electricity export, alternative energy sources, diversification of routes of energy supply, energy saving, nuclear safety etc.

Ukraine is prepared to be a partner to the EU to jointly formulate the common energy policy, looking at its implementation in terms of relevant institutions and adaptation our energy legislation to the EU standards. In practical terms, we see further development of our energy co-operation on the basis of a High Level Energy Dialogue, setting up Ukrainian economic integration to the EU (Markets and networks) as the main objective, specifically:

the diversification of hydrocarbons' routes and sources of supply, where we have to concentrate, first of all, on the Odessa - Brody pipeline project; there will be a restart of co-operation on the extension of Odessa-Brody pipeline to Poland;

Regardless the recent progress stimulated by the EC initiatives on the Odessa - Brody project, Ukraine has to note that one outstanding issue is still pending. That is an experiment to pump 20 000 t of light oil through the Slovakian DROUZHBA pipeline to the Kralupy Refinery to check this way's commercial expediency of supply. The experiment should be viewed as an important step in promoting this project in the European direction. We hope the European Commission could help it come rather sooner than later, though it is about three years as we started talking it and meanwhile Slovakia became a member of the European Union.

the acceleration of the co-operation on the reforms in the gas transit sector in Ukraine, where the reform of the gas transport system comes first. So far, there has been understanding reached that the success in this area could help inviting strategic investors to the International Gas Consortium following the EC assistance to launch studies aiming at identifying most appropriate possible reform options;

closer co-operation with the EC for the integration of the Ukrainian electricity market to the EU.

4. Ukraine is on the point of implementing its ambitious goals. I am convinced that mentioned goals are realistic.

They have been made realistic by the will of Ukrainian citizens, who have set their country free from the burden of the past.

The goals have been made realistic by the will of Ukrainians as the modern European nation.

European values possess inexhaustible power. I am convinced that Europe has not yet spoken its main word and its future will come from the East.

I am deeply convinced that it would be bitterly unfair to deprive of its own place in the united European family a nation so closely linked to Europe in terms of history, culture, even mentality, the one that has recently proved its European nature.

For us it is a key factor for domestic economic development, political reforms, social cohesion in the society, and, if you wish, historic justice. The ideals and values promoted by the EU are close and dear to Ukraine.

Now we propose that the EU starts preparing a long-term strategy of relations with Ukraine which would envisage a clear-cut eurointegration perspective for Ukraine.

Because I sincerely believe that Ukraine's future lies in the EU.

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### **The EU and Black Sea Regional Cooperation: Some Challenges for BSEC Commentary by Marius Vahl, Research Fellow, CEPS**

It is often argued that the EU has no strategy towards the Black Sea region. But in fact, the EU has no less than three strategies towards the region: enlargement to South East Europe and Turkey, the European Neighbourhood Policy (ENP) towards its Eastern (and also its Southern) neighbours, and the four 'common spaces' with Russia. Indeed, therein lies part of the problem.

Within each of these separate strategies, bilateral relations dominate. This is incidentally supported by all the neighbours themselves. In the ENP, the EU pays only lip service to regional cooperation, and its principal mechanisms and instruments are bilateral.

One exception is the European Neighbourhood and Partnership Instrument (ENPI) of financial assistance, which provides significant opportunities for the Organisation of the Black Sea Economic Cooperation (BSEC). It is proposed that funding to the neighbours will be doubled under the ENPI, which will become operational from 2007 under the new EU budget. More importantly, it will target areas both inside and outside

the Union's borders, including all the countries of the Black Sea region.

Thus, a first and immediate challenge for BSEC is to put regional issues on the ENPI agenda, and develop a list of priority projects of Black Sea regional cooperation for funding from the new instrument.

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The dominance of the bilateral approach is a general feature of EU neighbourhood policies. But it is noteworthy that the EU has developed complementary regional policies in its relations with all of its neighbouring regions – for instance the Northern Dimension, the Stability and Association Process and the Euro-Mediterranean Partnership – except towards the Black Sea region. The EU participates actively in regional organisations and initiatives in the wider European area – such as the Barents and Baltic Councils, the Central European Initiative, the Stability Pact for South Eastern Europe and others – with the exception of BSEC.

This of course raises the question of why the EU has not developed a Black Sea 'dimension'. EU officials would respond, however, that the EU has a Black Sea regional policy, through regional sectoral initiatives and programmes in key areas of regional cooperation in the region. These include the INOGATE (Interstate Oil and Gas Transport to Europe) programme and multi-lateral agreement, the TRACECA (Transport Corridor Europe-Caucasus-Asia) and the Black Sea PETrA (Pan-European Transport Area) programmes on transport, and the DANBLAS (Danube-Black Sea Environmental Task Force) initiative, to mention the most important.

A second challenge for BSEC would be to explain why these programmes and initiatives are not sufficient, and what the added value of greater EU involvement in BSEC would be. The EU could further respond that indeed it does participate in BSEC activities when it finds it is useful, but that most of the time, in its view, such participation is not particularly useful. BSEC is regarded by many in the EU as an inefficient 'talking shop' without significant regional cooperation of any particular relevance to the EU.

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This is less true now than it used to be. BSEC has undertaken substantial policy initiatives in recent years, following a rather long period of consolidation. That this would take such a long time was however to be expected, considering the diversity and lingering animosities among many of the countries of the wider Black Sea region. These initiatives are all in line with EU goals and provide added value, increasingly also within areas falling within EU competences.

It is in the interest of the EU and BSEC that such initiatives are not thwarted by technicalities and misunderstandings. There have indeed been instances in the past when BSEC members and EU members and candidates (Greece, Bulgaria, Romania and Turkey) have been reluctant or unwilling to support BSEC initiatives because of (unjustified) uncertainty about their compatibility with EU membership requirements. It would be useful to have the EU machinery involved throughout the process of development of such initiatives within BSEC.

There have also been instances where opportunities to cooperate have been lost due to the EU's tendency to ignore the Black Sea institutions. An important current example concerns the High-Level Group on the extension of the Trans-European Networks to the wider European area. This was launched by the EU in the autumn of 2004, with discussions underway in five regional groups, one of which covers the Black Sea region. International Financial Institutions participate in this dialogue, but the Black Sea Trade and Development Bank (BSTDB) has not been invited to the talks.

This is an unnecessary omission which frankly should not have happened. It should be an immediate task for BSEC and the BSTDB, as well as the European Commission, to ensure that the BSTDB is invited to join the High-Level Group.

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Progress in substantial cooperation in BSEC increasingly takes place in non-economic areas, including agreements on emergency assistance, organised crime, visas and the growing emphasis on security issues. From an EU perspective, this is probably the area where the potential added value of regional cooperation in the Black Sea area is greatest.

Indeed, the BSEC – by bringing together countries that are not on bilateral speaking terms in some policies areas – is in itself an important confidence-building measure, which is often not appreciated in Western Europe. Correcting this oversight constitutes yet another challenge for BSEC.

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The principal reason for the absence of an EU Black Sea dimension is the lack of support inside the EU. Although Greece – the only BSEC member that is also a member of the EU – has been a driving force in the establishment and operation of BSEC, its efforts to elicit support for a more active engagement with Black Sea regional cooperation during its EU Presidency in the first half of 2003 were scuttled mainly due to the debacle over Iraq.

An interesting parallel was Finland's effort to develop the Northern Dimension initiative during its EU Presidency in late 1999. All EU for-

eign ministers except the Finnish host refused to participate at the first Northern Dimension Foreign Ministers meeting in November 1999, in protest against Russia's campaign in Chechnya. However, the Northern Dimension had other patrons. Sweden and then Denmark carried the Northern Dimension initiative forward during their EU Presidencies in 2001 and 2002, respectively, turning the initiative into a permanent fixture of EU neighbourhood policy.

A similar situation could emerge in the Black Sea region. A few years from now, three BSEC members will also be EU members, while most of the other members of BSEC will be, whether officially acknowledged or not, candidates for EU membership, most of them in a 'pre-pre accession'- phase. Being a candidate for EU membership requires that virtually all political energy and administrative resources are dedicated to the task of accession, making it basically the only foreign policy of the state concerned. This would weaken the push for regional cooperation in the Black Sea region.

But this tendency could be counteracted by the new BSEC EU member states, in the first instance Bulgaria and Romania. This could indeed follow the pattern of Finland and Poland, neither of which had an active neighbourhood policy of their own in their pre-accession phases – in the early 1990s in the case of Finland and for Poland from the mid-1990s to the early 2000s. Both became active in soliciting stronger EU engagement with their non-member neighbours – Russia and Ukraine, respectively – following their accession to the Union in 1995 and 2004 respectively. There are indeed signs that Romania and Bulgaria, seen for instance in the Joint Statement issued by the Bulgarian and Romanian Prime Ministers on 31 March 2005, are moving beyond their preoccupation with accession and are taking an increasing interest in promoting Black Sea regional cooperation in Europe.

Another initiative could be to develop a coordinated effort among the three soon-to-be EU members of BSEC to put Black Sea regional cooperation on the EU agenda. For this to be successful, however, it would be necessary to receive further support from other member states. Some of the new EU member states have shown a particular interest in strengthening EU policy towards the countries of the Black Sea

region, and could support an EU Black Sea dimension.

Indeed, the new EU member states and their Eastern neighbours are increasingly joining forces to promote cooperation between the EU and the countries of the wider Black Sea region, in what is increasingly referred to as the 'Baltic-Black Sea axis'. In early February 2005, four new EU members (Estonia, Latvia, Lithuania and Poland) and two candidates (Romania and Bulgaria) founded the 'New Group of Georgia's Friends'. The 'New Friends' propose to share with Georgia their experience in the process of accession to the EU and NATO and to promote such processes in the wider Black Sea region. Following the Rose and Orange revolutions, the members of GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova) are now looking to revitalise their grouping, and have invited the leaders of Romania, Bulgaria, Poland, Lithuania, Hungary and a representative of the EU to participate at their summit on April 22nd.

So far, these new configurations have been mainly limited to high-level meetings issuing high-sounding statements of good intentions. The challenge now is to translate this political rhetoric into practical regional cooperation, in which the BSEC clearly has an important role to play.

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It would also be necessary to find support from other EU institutions. The growing role of the European Parliament has recently been seen during the presidential elections in Ukraine, where its support for free and fair elections led President Yuschenko to refer to the European Parliament as the 'godparents of the Orange Revolution'. Developing closer relations with the European Parliament, principally a challenge for the Parliamentary Assembly of the BSEC (PABSEC) to handle, is thus likely to become increasingly important in developing EU-BSEC relations and a possible European Black Sea Dimension.

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## Strategic Agenda for the Greater European Neighbourhood (Stratagen)

*A Programme of the Centre for European Policy Studies (CEPS), for 2005-2010*

### StrataGen Mission Statement

- To define a vision for a Wider European order and the relationship between the enlarged EU and its Arab/Muslim neighbourhood;
- To develop these proposals in-depth and in policy-operational terms;
- To combine in-house research capacity with networks of individuals from leading research institutes in the EU and the neighbourhood, and to disseminate and advocate proposals throughout the region;
- To work independently from the EU institutions but in close interaction with them; and
- To decide on the sequencing and selection of priority topics with core stakeholders.

Over the last five years, CEPS has developed an exceptional expertise in European Union policies in the area often called the Wider Europe. This has been reflected in publications that have been both regional and thematic: *CEPS Plan for the Balkans* (1999), *Stability Pact for the Caucasus* (2000), *The Elephant and the Bear – EU, Russia and their Near Abroads* (2001), *Cyprus as Lighthouse of the East Mediterranean* (2002), *Norway, the European Economic Area and the European Union* (2002), *Europe's Black Sea Dimension* (2002), *The Rubic Cube of the Greater Middle East* (2003), *The Wider Europe Matrix* (2004), *Economic Transition in Central and Eastern Europe* (2004), *Europeanisation and Conflict Resolution* (2004), *Readings in European Security*, Vols. I (2002) and II (2004). These publications and related working papers are available from the CEPS' on-line bookshop, at <http://shop.ceps.be>

CEPS has decided to build on and strengthen its work in this broad area through the StrataGen programme over the five-year period 2005-2010. The rationale for this initiative follows from both the EU's historic enlargement on 1 May 2004, which now leads the EU to define a new neighbourhood policy, and the unprecedented turmoil in the Middle East in the aftermath of September 11th and the Iraq war, with its consequences for transatlantic relations.

The StrataGen programme will be organised under the following broad geographic areas:

- Northern neighbourhood policy, covering CIS states targeted by EU neighbourhood policy
- EU-Russian relations
- Southern neighbourhood policy, covering Mediterranean states, but reaching also into what is now officially called the Broader Middle East and North Africa (BMENA)
- Implications for transatlantic relations will be considered for all three regions above.

The analytical methodology will be multi-disciplinary: political science, international relations and European studies, economics and law.

The programme is led by Michael Emerson, CEPS Senior Research Fellow, together with Daniel Gros, CEPS Director. CEPS gratefully acknowledges financial support for the StrataGen programme from the Open Society Institute and the Compagnia di San Paolo.

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