



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org
F: +44 (0)20 7957 5710 www.chathamhouse.org

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Transcript

Ukraine's Foreign Policy Priorities

Leonid Kozhara

Minister of Foreign Affairs, Ukraine

Chair: James Sherr

Associate Fellow, Russia and Eurasia Programme, Chatham House

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James Sherr:

Good evening everyone and welcome. For those who don't know me, I am James Sherr, associate fellow of the Russia and Eurasia programme. We are very fortunate to have Minister Leonid Kozhara with us this evening. He follows now a well-trodden path, because his predecessor, Kostyantyn Gryshchenko has also spoken here. Some of you will remember President Yushchenko has spoken in the past, former Prime Minister Tymoshenko as well, so we at Chatham House are very flattered to be the object of so much high-level attention from Ukraine.

It is always a very interesting time for Ukraine in Europe, this time it is very interesting for two reasons. First because there is a feeling of momentum and an atmosphere that a climax is upon us in connection with the very significant negotiations being pursued between Ukraine and the European Union over the Association Agreement, which as many of you will recall, has already been negotiated, the terms are set, the document is initialled but it has not yet been signed and there are strong hopes in Kyiv that it will be at the summit in Riga in November. At the same time, there is some apprehension because some voices in the EU are suggesting that the Riga summit is a now or never chance for this extremely significant document, at a time when Ukraine is under pressure from other quarters and there are other integration projects in Europe and Eurasia to consider.

The second reason this is an interesting time for Ukraine is that Ukraine is now chairman in office of the OSCE, and there are always an agenda of significant problems at the OSCE, and Ukraine has some priorities of its own. So in both respects, Minister Kozhara has agreed this evening to speak about Ukraine's overall foreign policy priorities.

Leonid Kozhara is by training both a constitutional lawyer and a professional diplomat. He is a lecturer on constitutional law at the Kyiv State Institute of Law, he has served for many years in the Ministry of Foreign Affairs in the diplomatic corps, latterly as the deputy head of mission in Washington and as ambassador in Sweden, and he has occupied his current post as minister of foreign affairs since December last year. He is also the senior foreign policy spokesman of the governing Party of Regions, and the adviser on foreign affairs to President Viktor Yanukovich.

Leonid Kozhara:

It is my extreme pleasure to be here this evening with you, and not only because this is my final event in London and I am leaving back for Kyiv, and

not because the weather is fine here. Yesterday we had 28 degrees centigrade in Kyiv. I also respect this institution very much and, James, I believe that not only Ukrainian noble speakers were speaking at Chatham House, but many other European and overseas prominent leaders as well. So I would start my formal speech, because James said it is on the record.

Ladies and gentlemen, excellencies, and I recognize here ambassadors from some of Ukraine's friends, friendly countries, Azerbaijan and the others. First and foremost, let me cordially thank the Royal Institute of International Affairs for this occasion to present my country's foreign policy priorities before such a distinguished audience, in such a thought-provoking environment. It's an honour for me to speak in the research institution which has been ranked top non-US think tank for five years running. I don't believe in sterile and flamboyant monologues, so let me just make some brief observations regarding Ukraine's foreign and international policies and to return to the lively discussion afterwards.

When many talk about Ukraine *vis-à-vis* Europe as two separate entities, the Ukrainians sometimes get disappointed. Ukraine has always been Europe, it never in its history drifted away from it by its own will, nor geographically, neither culturally. Ukraine was a part of Europe when daughters of the Kievan prince Yaroslav the Wise became in the mid-11th century consort to western princes, possibly included Edward Aetheling, son of King Edmund Ironside. Ukraine was still a part of Europe when our nation fought the Nazis and founded the United Nations together with the United Kingdom and other nations of Europe and beyond.

Of course, history is not an excuse to pretend for something for free in the present. Today's Europe even under crisis means democracy, efficiency, solidarity. We should deliver on that, if we dare call our observations the European nation. Nobody will pay the bill for us. I am proud to say that notwithstanding all challenges, the current Ukrainian administration is able to combine sobriety and competence in governing economy and finance with large-scale reforms. There is no such notion in politics as popular reforms. Reforms are always unpopular and Ukraine is no exception to this rule.

Still, after three years of unpopular measures, Mr Yanukovich is the most popular politician and the Party of Regions is the most-voted-for party in my country. Reforms are the core and essence of Ukraine's policy of European integration. Making life better from within, recreating Europe inside Ukraine, that is our precise goal. The president and the Party of Regions team delivered quite a lot of reforms in the spheres that have not ever been tackled

in two decades; a new tax code, a pension reform, administrative customs, judiciary reforms, just to name a few of them. Some of them had a mixed output, some need a fresh restart, but there are also some widely acknowledged successes which have been praised internationally.

For instance, the pension reform was estimated as one of the most socially balanced reforms in Europe by the World Bank. The World Custom Organization has commended the new custom code for its compliance with international and European standards, and the Danish Helsinki Committee for Human Rights, together with the Council of Europe experts, regards the new criminal procedure code as indeed one of the best in Europe. Sometimes we even change good results for better, when there is room for improvement. This is the case with the electoral law that had been adopted by the majority and the opposition bi-partisan vote. It served well the 2012 elections. Nevertheless, following the recommendations by the EU and the international observers, we are improving this law once again.

I mentioned already the criminal procedure code. We have reformed the code which had not been changed since the Soviet rule, to bring its provisions and practices in accordance with Western jurisprudence. Up to 15,000 individuals have been released from remand detention facilities under the provisions of this new code. While we remain firm and devoted in continuing the reforms and clearly need support from Europe, and we take European standards and talking and reference point, the most effective support mechanism is certainly the Association Agreement with the European Union. Both sides have made clear that they want to sign the agreement by the Eastern Partnership summit in Vilnius this November.

We believe prompt signing of the agreement is in the interest of both sides. The association opens the EU market for Ukraine and starts a period of vigorous adjustments to the EU standards and norms in many spheres, but the association is essential for you too. With a highly educated population of 46 million, we offer the EU a skilled workforce, a growing market of middle-class consumers, the third-largest shale gas deposits on the continent, and farm land that has been called once the 'bread basket of Europe'.

The reforms I mentioned before fit perfectly with the preparation for signing the Association Agreement. We expect we could crown the Vilnius summit with this signing and count very much on the positive stand of the United Kingdom. Another sphere of intense dialogue with the European Union is visa-free regime. We are very near to finishing the first phase of the visa liberalization action plan and to starting its second phase. We strongly hope

the results will be judged by themselves and not by political arguments. The vote last month in the European Parliament on amending the current visa liberalization agreement is an encouraging step in the right direction.

Ladies and gentlemen, now let me make some remarks about other dimensions of Ukrainian foreign policy. I am here in my dual capacity, as rightly James said, as foreign minister and the OSCE chairman-in-office with 57 participating states, stretching from Vancouver to Vladivostok. The OSCE is uniquely designed as a comprehensive and inclusive platform for security dialogue in the Euro-Atlantic and the Eurasian area. We have deliberately and very carefully chosen topics for the chairmanship searching for compromise and avoiding schemes.

With the political–military dimension, we aim at updating and modernizing the OSCE political–military instruments. Progress in finding sustainable and long-term solutions to the protracted conflicts in the OSCE area is on the top of its agenda. Ukraine regards the Transnistria settlement process as a key priority. We call for a constructive engagement by all participants of the five-plus-two talks to work towards achieving a comprehensive political settlement. My first visit as chairman-in-office was to Moldova. I remain in close and almost everyday contact, by phone and other means, with the leaders in Chişinău and Tiraspol, doing my utmost to promote and to facilitate dialogue between the two sides. The Ukrainian chairmanship lends its full support to the means group co-chairs in assisting the parties to the Nagorno-Karabakh conflict. During my visit to the South Caucasus in June I intend to support the call of the co-chairs for a more active engagement in the negotiations.

It would hardly be possible to promote a lasting security in the OSCE region without addressing challenges in the economic and environmental spheres. In this context, we came out with the initiative to hold the high-level international conference on energy security under the auspices of the OSCE chairmanship in Ashgabat in October this year. We count on active UK engagement in implementing this initiative. The fight against trafficking human beings remains one of the key issues addressed by the OSCE under the Ukrainian chairmanship. In this respect, the chairmanship will organize an international conference on combatting trafficking in human beings in June in Kyiv.

We will also strive to achieve progress in the areas of free movement of people, promotion of tolerance and non-discrimination, freedom of association and assembly, inter-religious dialogue and promoting freedom of religion or belief, as well as democratic elections and election observation. Finally, we attach particular attention to the promotion of tolerance and non-

discrimination through youth education. In this regard we plan to host this summer the OSCE Youth Summit in Crimea, Ukraine. The chairmanship constantly gets wide support from many stakeholders. Today I had an extremely pleasant and substantial discussion with the secretary of state, William Hague, and I am glad to say here that the proximity of positions of Ukraine and UK was manifesto with a wide range of OSCE agenda issues.

Ladies and gentlemen, now let me resolve some minutes to the topic which is of high interest for every audience – that is our relations with Russia. First and foremost, Ukraine strives by all means to disallow any development under which Ukraine could be perceived by Russia as a security threat of any kind. I remember Prime Minister Cameron saying in his latest new speech that our geography has shaped our psychology, and that we can no more change this British sensibility than we can drain the English Channel. Ukraine cannot change its geography. We strongly believe that we are able to better defend our sovereignty and the independence in lasting peace and confidence with all our neighbours. Ukraine's current military and non-violent status stems deeply from this understanding. Paradoxically enough, one of the side effects of the non-alignment was a restart of the healthy and beneficial partnership with NATO.

The second pillar of Ukraine's relationship with Russia is economy. Russia is Ukraine's trade partner number one as a single country. The custom union of Russia, Belarus and Kazakhstan is Ukraine's biggest trade partner as a bloc. It is essential for Ukraine to possess instruments of defending its interest in the trade with the custom union and its members. We came to a conclusion that an observer status within the custom union would be better suit the country's interest, serving as an early warning system enabling us to react in advance when some interests are possibly affected. Ukraine is a unique nation, very close to Russia, sharing with it much of the same history and more or less similar cultural and religious heritage, but yet it is vividly different from Russia in many aspects. And Ukraine thus is of constant growing interest to Russians as a friendly Slavic nation which nevertheless builds up a different identity and has developed a different society.

Take up the city of Lviv for example. It's a common knowledge that Lviv is a cradle of Ukrainian national aspirations. How do you guess who of all the tourists visiting Lviv and leave more money? They are Russians, fascinated by the culture that is so familiar to them yet strikingly different. Well let's take this year's Russian May Day travel statistics. Kyiv was the number one destination to which Russian travel companies have fixed the densest tourist fluxes. Do those travellers suppose to see a reduced copy of Moscow on the

neighbour banks? No, they aspire to find there something different, and they are finding it indeed.

Finally, let me say some words about Ukraine's relations with the fastest developing markets including BRICS countries. Why BRICS? Certainly trade and investment are a focus for us in these relationships, but not them alone. I am deeply convinced that the one cannot build a working democracy in the poorest society. Institutions matter, of course, but the backbone of democracy is in the middle class. The only way to create the middle class is to produce more and more to sell from Ukraine. BRICS and other emerging markets are the most prospective trade destination, not only for Britain or for Europe as a whole, but for Ukraine as well. Ukrainian trading goods with China have grown 1.3 times just in three years. The Chinese are investing billions in our energy and food production sectors. Brazil uses our aerospace technologies. Many promising trade and investment projects are underway with India, Vietnam, Singapore and other countries. These projects mean to us more investments, new jobs, less unemployment, more middle class, and as a result, millions of new wealthy citizens ready to support democracy and influence proactively the country's politics.

Ladies and gentlemen, circumstances are beyond human control, but our conduct is in our own power. Benjamin Disraeli used to say more than a century ago Ukraine is a medium-sized country with its own unique face. Ukraine is not a superpower, it can neither change its history nor influence the world alone, but we can shape our future, the future of the own country and the future of Europe, together with the United Kingdom, together with other European nations. This year, a year of OSCE chairmanship, a year of association with the European Union, a year of intense reform, is the best year for shaping a better future for Ukraine and for all of us. I am deeply optimistic about this. Thank you.