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**Prospects of Belarus-Ukraine Relations
at the Inter-Regional, Bilateral and Multilateral Levels**

by

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Summary

Many challenges lie in the path of an improvement in the prospects of cooperation between Belarus and Ukraine. However, using a model whereby cooperation is beneficial to both countries, many areas of potential can be identified. The most promising spheres of cooperation are in energy security, economic integration and people-to-people contacts. The EU's Eastern Partnership program remains the most promising multilateral framework for Ukraine and Belarus.

Introduction

Despite the positive trends that took shape in Ukraine-Belarus relations in 2009, there remain a number of obstacles in the way of effective cooperation. As of the end of 2009, Ukraine and Belarus had concluded over 180 bilateral, intergovernmental, interagency, and inter-regional agreements. At the same time, efforts applied by the countries' leaderships to implement and fulfill these have been low. An example can be found in the Ukraine and Belarus State Border Treaty, which was signed in 1997, but is yet to be ratified by Belarus.

Trade and economic relations between the states have not reflected the new conditions of economic globalization but, instead, have been based on outdated standards. The bilateral policy of economic cooperation has been based upon the 1999-2008 Interstate Program for Long-Term Economic Cooperation. A new strategic framework for cooperation that was to have replaced the said document is yet to be developed.

Despite the geographic, historical, and cultural proximity of Ukraine and Belarus, genuine national interests and long-term goals of effective cooperation have been left out of bilateral dialogue. The recommendations presented here are aimed at identifying ways to optimize the existing political, organizational, legislative, and institutional instruments of cooperation between Ukraine and Belarus, as well as at generating new such instruments.

In order for the objectives and goals of the study to be reached, three levels of Ukraine-Belarus relations – multilateral, bilateral, and inter-regional – were identified. Concrete problems - as well as suggestions and recommendations on how to address them - were identified with regard to each level.

1. Principal Problems in Belarus-Ukraine Relations

1.1. The Inter-Regional Level

The legal bases of Ukraine and Belarus differ significantly in the ways they regulate inter-regional and border-area cooperation. Ukraine has its Law on Cross-Border Cooperation that defines the fundamental concepts and policies pertaining to the development of Euroregions. In Belarus, development of integration at the level of Euroregions is impeded by the lack of any special law. It is the State Program for the Development of Euroregional Cooperation that is called upon to help enhance cross-border cooperation.

Taking the regions of Homel and Chernihiv as examples, numerous challenges can be viewed in terms of inter-regional and cross border cooperation. Common problems include contamination of the Dnieper basin, unsatisfactory road conditions, and insufficient infrastructure of cross-national and inter-regional highways. Local authorities in these regions have no standalone subdivisions that can oversee regional cooperation. Reorganization towards economic issues restricts their potential in this field. But if an agency were to be established, coordinating rather than regulatory functions would need to be assumed. However, considering the underdeveloped legal and institutional environment, there would be every likelihood for such an agency to grow unjustifiably centralized and attempt to monopolize all bilateral contacts, which would impede the multidimensional development of inter-regional relations. The lack of a unified bilateral relations database or sectoral information database hinders local cooperation further.

1.2. The Interstate (Bilateral) Level

The pending Belarusian ratification of the State Border Treaty remains a principal and topical issue for Ukraine. The unsettled nature of the Ukrainian-Belarus border means the construction of border crossings has not been completed, which presents further problems in bilateral (and in particular, inter-regional) cooperation. At present, only 5 out of 13 vehicle border crossings operate on a permanent basis. The presence of unofficial visa requirements for citizens of Ukraine and Belarus is a further bilateral challenge.

Despite a positive dynamic in the growth of bilateral trade between Ukraine and Belarus in 2004-2008 (in the pre-crisis year of 2008, it reached the historic record of \$4.92 billion), some obstacles persist in the way of expanding trade and economic cooperation. Ways to address

these challenges are found mostly in the field of law and regulation. Belarus is yet to ratify the Free Trade Agreement with Ukraine signed in 2007. According to Ukrainian producers, Belarus has consequently taken strong non-tariff measures to regulate foreign trade, e.g. introducing licensing requirements and quotas in relation to tobacco, alcohol, confectionary and other types of products from Ukraine.

The 1999-2008 Interstate Program for Long-Term Economic Cooperation and the 1999-2008 Agreement on Economic Cooperation between Ukraine and Belarus have now expired. A regulatory framework to replace these strategic documents on economic cooperation is yet to be developed. Key issues, such as establishing a Eurasian oil transit corridor, organizing transit of Ukrainian electric power to the Baltic counties, and expanding the Viking, an international transport route are on hold.

1.3. The Multilateral Level

The principal problem in regard to formulating a multilateral dimension in relations between Ukraine and Belarus is that the two countries have different foreign policy priorities.

At present, Ukraine's foreign policy can be summarized as consisting of the following priorities: integration with Europe and the transatlantic community; building a strategic partnership with the U.S., Russia, and Poland; supporting bilateral relations with neighboring states; and cooperation in the framework of global and regional international organizations. Meanwhile Belarusian foreign policy has been based on the following priorities: cooperation with neighboring countries, especially Russia; cooperation with CIS partners; active participation in the EEC and the CSTO; development of relations with the European Union, and subsequent participation in the Eastern Partnership; development of relations with the United States; development of the Asia-Africa vector; supporting relations with China; and supporting relations with Latin American states.

In general, the foreign policy vectors differ significantly, which means the platform for multilateral cooperation is limited. However, the re-arrival of President Yanukovich in Ukraine may bring a change in the country's foreign policy priorities, although it is too early to tell.

2. Policy Models

As to policy options in regard to relations between Ukraine and Belarus, one could list a whole system of factors that might influence the choice of approaches to developing bilateral dialogue. Three main options can be identified for classifying potential approaches to the development of Ukraine-Belarus relations. The first is to continue developing trade and economic relations while maintaining the political dialogue on a consistently low level. This policy model may be considered the base model as currently it does not require making any significant changes in the established format of relations and is the most resilient to external influence. The second, more pessimistic model is based on the prospect that differences between the political systems of Ukraine and Belarus will increase, rendering cooperation difficult. Such a scenario may be incurred if the EU were to re-introduce sanctions on Belarus while Ukraine continues to implement its policy of integration with the EU by means of the Association Agreement and the establishment of a free trade zone.

The third and most optimistic scenario is that of a gradual rapprochement of Ukraine and Belarus based on their addressing chronic bilateral challenges, providing for the necessary regulatory and institutional basis for bilateral political and trade and economic cooperation, harmonizing to some degree their foreign policies and coordinating concrete actions. Because this policy model meets the needs of Ukrainian and Belarusian societies more than any other models described, it is practical to use this as the target model based on which to develop recommendations in the framework of this paper.

Under present circumstances, both Kyiv and Minsk have good chances of optimizing domestic social, economic and political situations by implementing a range of joint projects. Even so, influence on the part of such major international actors as the EU, the US and Russia will remain considerable. At the bilateral level, this policy model involves adopting strategic documents aimed at meeting the two countries' national interests most effectively. In 2009,

the process was initiated with the signing of documents regulating the spheres of trade and economy, energy security, and consular law. The multinational dimension of the desired model would involve extensive dialogue between Kyiv and Minsk to coordinate positions in regard to principal global and regional actors. One might suppose that presently, the EU's Eastern Partnership program remains the most promising multilateral framework for Ukraine and Belarus. Potential fields of cooperation for Ukraine and Belarus remain in the spheres of energy security; economic integration and consistency with EU standards; and people-to-people contacts.

A multilateral dimension of the target model also provides for the expansion of contacts among civil society institutions. As for the Eastern Partnership, it offers considerable prospects for cooperation of Ukraine and Belarus in the framework of the Eastern Partnership Civil Society Forum. As contacts with authorities are weak, representatives of the Belarusian civil sector are counting on this constituent part of the Eastern Partnership program. The forum might help establish connections between civil society in Ukraine and Belarus and at the same time, help dialogue between society and the state.

3. Recommendations on How to Improve Belarus-Ukraine Relations

3.1. The Inter-Regional Level (especially Homel and Chernihiv Regions)

The power to address many problems related to inter-regional relations belongs to top-level agencies and bodies. To enhance local cross-border cooperation, the following general recommendations have been developed:

1. On the national level, harmonizing laws that would provide for the following:
 - Establishing a simplified procedure of border movement for goods intended for sale in border regions, including conditions and control (e.g. a law on cross-border trade);
 - Setting conditions for cross-border trade fairs, including mutual recognition of product certification;
 - Bringing international transport corridors in border regions in line with European standards;
 - Establishing a simplified border-crossing procedure for delegations and individuals residing in border regions.
2. On the inter-regional level, bilateral steps ought to be taken to accomplish the following:
 - Identify officials at the regional State Administration level in charge of these activities (or establish municipal entities with charters to perform these functions);
 - In coordination, outline bilateral steps for the period of no less than two years to enhance cooperation in the Dnieper Euroregion;
 - Identify problem areas in laws and regulations pertaining to foreign trade, inter-regional and cross-border cooperation and have them addressed by corresponding state agencies by means of passing appropriate laws and regulations;
 - Establish an information center that would be responsible for creating and maintaining industrial bilateral cooperation databases and organizing information campaigns to promote activities of the Dnieper Euroregion;
 - Create centers in universities for inter-regional research, commission appropriate scientific studies, organize seminars and online conferences on the state and prospects of cross-border cooperation;
 - Continue organizing and promoting joint cultural, tourist and sporting events.
 - Address the common ecological task of decontaminating the Strizhen, part of the Dnieper basin, for which funds of European structures might be obtained;

- With the help of trade and economic missions and chambers of commerce, initiate and facilitate the establishment by enterprises working in border regions of representations and subsidiaries on the territory of the partner country;
 - Start joint activities in the framework of AEBR;
 - Implement projects involving the application of European cross-border cooperation experience to regions with no borders with the EU, in particular to the Chernihiv and Homel regions.
 - Introduce contemporary forms, methods and tools of inter-regional cooperation, e.g. regional planning and cross-border clusters (in particular, in tourism).
 - Address operational issues of inter-regional cooperation, i.e. establish cooperation between border-guard detachments, assess the expediency of constructing logistical centers in proximity of the borders and initiate signing of agreements between business entities to provide for joint production.
3. To increase the use of new European financial and technical tools:
 - Identify opportunities for cooperation in the framework of the Eastern Partnership. In addition to the good neighborhood programs already mentioned, funding should be obtained via programs of international organizations, ministries and Europeans embassies.
 - Effective efforts in this field will require enhancing the institutional capacity of civil society groups and professional training for project managers. To this effect, it is worthwhile to organize joint Ukraine-Belarus study visits to representations of the existing Euroregions, international and European foundations and programs capable of funding joint cross-border projects.
 4. Full membership of the Euroregion Dnieper in AEBR ought to be seen as an additional opportunity to receive funding, in-kind support, and counsel:
 - Regional authorities should formulate appropriate policies and ensure proper promotional efforts are made, making it likely that additional resources for cooperative regional development can be obtained.
 5. Provisions ought to be made for implementing joint projects funded by the states and regions themselves:
 - The state should fund the implementation of proposals winning tenders of cross-border cooperation projects.
 - It is also necessary to establish a joint working group that would include national and regional government officials, civil society experts, and representatives of business communities to develop a "mirror-reflection" way of forming budgets for cross-border and regional development in Ukraine and Belarus.

3.2. The Interstate (Bilateral) Level

1. Under the circumstances of the current financial and economic crisis, there is a need for innovative solutions in trade and economic cooperation as the traditional approaches resulted in an almost two-fold reduction in bilateral trade. In this light, it is necessary to step up cooperation in the field of banking and finance by means of opening representations of Ukrainian banks in Belarus and of Belarusian banks in Ukraine.
2. The inter-parliamentary commission ought to work more actively to address issues of importance to both sides, e.g. to eliminate legal barriers, ratify agreements, and cooperate in the framework of international organizations. In the first place, national law ought to be synchronized at the bilateral level, and issues of visas to third countries ought to be addressed in a coordinated manner.
3. Cooperation ought to be a lot more about the human dimension - educational, cultural and art events. This would involve implementation of the now expired 1999-2008

Interstate Program for Long-term Economic Cooperation that calls for the opening of culture and information centers – Ukrainian in Minsk and Belarusian in Kyiv.

4. It is necessary to finalize the adoption of the bill on state border and simplify the procedures for border crossing.

3.3. The Multilateral Level

The current foreign policy priorities of Belarus and Ukraine may not seem conducive to coordination. Nevertheless, considering the 2008-2009 tendencies, it is fair to expect that Ukraine-Belarus relations will intensify in the framework of the Eastern Partnership. This is especially important in regard to EuroNest, an inter-parliamentary platform in the framework of the Eastern Partnership. The platform will include members of parliament from EU and partner countries and will provide the opportunity for the formulation of a Ukrainian and Belarusian common position at EuroNest assemblies. This will also enable Eastern Partnership issues to be placed on the agenda of the Ukraine-Belarus Inter-Parliamentary Commission. Within this context, the following recommendations are supplied:

1. Create a Ukraine-Belarus working group consisting of government officials and civil society experts to develop a package of joint projects that can be implemented within the framework of the Eastern Partnership. This is especially important for the development of border regions and improvement of infrastructure.
2. Considering that the Civil Society Forum will operate as an annual international conference, it is recommended that the Ukrainian and Belarusian civil sectors develop common approaches to Eastern Partnership activities.
3. As Ukraine and Belarus are yet to develop a common approach to their participation in international economic projects (the Eurasian Oil Transport Corridor, transit of Ukrainian electric power to the Baltic states, establishment of a transport corridor between the Baltic and Black seas), these issues ought to be included in the new strategic document that is being prepared and that will replace the 1999-2008 Interstate Program for Long-Term Economic Cooperation.
4. Regular consultations at the level of Ukrainian and Belarusian foreign affairs ministries began in October 2008. The Ukrainian leadership has stated repeatedly that it is willing to provide assistance to Belarus in becoming a member of such organizations as the Council of Europe and WTO. Such assistance might be expressed in establishing concrete expert working groups to transfer the Ukrainian experience of accession.
5. The initiative of establishing an international transport corridor between the Baltic Sea and the Black Sea seems to be the most promising trilateral cooperation project of Ukraine, Belarus and the EU; it might be possible for the EU to provide funding towards the development of the infrastructure involved. In this light, both countries ought to develop a well-defined road map identifying each side's prospective share of domestic and external funding.

Conclusion

In general, the presented recommendations focus on addressing the principal challenges existing in the bilateral dialogue of Belarus and Ukraine. If the recommendations were to be followed by the countries' authorities, it would be possible to enhance the regulatory framework and institutional capacity of Belarus-Ukraine inter-regional, interstate (bilateral) and multilateral cooperation. The 2009 trends in the development of relations indicate that the year 2010 might offer favorable conditions for reforming and optimizing the present approach to configuring Belarus-Ukraine bilateral political and economic cooperation. The launch of the Eastern Partnership remains a key opportunity which offers the most promising opportunities for enhancing cooperation, to the clear and logical benefit of the citizens of both countries.