



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 Q&A

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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Question 1:

Minister, you've made many statements tonight which I think we would all welcome on human rights and the like, but we read in the Western press about the incarceration of your former prime minister, Mrs Tymoshenko, who visited us here some while ago. How can you reconcile the two when we are told or led to believe that her imprisonment is really a political act?

Leonid Kozhara:

I am a poor Ukrainian foreign minister, instead of talking on bilateral business, on the OSCE chairmanship, so I have to actually in every single meeting here in London, to answer questions related to former prime minister Tymoshenko. So we have spread a formal paper from the Ukrainian government here on the latest judgement by the European Human Rights Court. And I am not an expert in the criminal law, but so what I should say here indeed – so the court ruled that the Ukrainian criminal court has violated Article 5 of the human rights convention, and the reason why the Ukrainian court violated was the contempt of the court by Mrs Tymoshenko, and this reason is not fixed in the European Convention on Human Rights. It means that there is nothing said in the judgment by the European court about political motives.

And another important thing to add, that the court ruled on procedural things and the court never ruled on the essence of the case. Millions of people in Ukraine do believe that former prime minister Tymoshenko committed a crime; she abused her powers as prime minister in office. The damage of the promoted-by Mrs Tymoshenko contract with the Russian Gazprom, signed in 2009, is huge today for Ukraine and Ukraine has to overpay to the Russian Gazprom annually not less than \$6 billion. It means that every single resident in Ukraine has to pay every year £100 actually for deliberate illegal actions did by Mrs Tymoshenko. Today we are in a position that respective bodies – in Ukraine specifically the Ministry of Justice is studying the judgment by the European court. We have three months for appellation [*sic*] according to the rules of the European court, and when we have our own judgment on that, so we'll make our position open. So that's all I can say now.

James Sherr:

Just before moving on, it's worth underscoring that in the conditions set out by Brussels for signing the Association Agreement, there was no reference to Yulia Tymoshenko or any other figure, but there is a requirement to

demonstrate that the practice of selective justice is stopped. And the question which is widely asked, not only in our part of the world but I think in parts of Ukraine, is surely: is Mrs Tymoshenko over the period in question the only senior state or official figure who has misappropriated public sums for private reasons?

Leonid Kozhara:

Thank you. I have found two questions in your one question.

James Sherr:

Because you have legal training and I do not.

Leonid Kozhara:

No, no, I am a former constitutional law teacher. And your knowledge is much wider than mine. You can come back to that point if you would like to.

Question 2:

You spoke quite excitingly about democracy and the powers of institutions, the one thing you didn't speak about is whether is – in your role as the OSCE chair or as a power in the region – is about the Arab world and the Arab Spring and particularly Syria and human rights. Does Ukraine have a position on it? Do you, can you, exert influence on it and would you like to do more?

Leonid Kozhara:

Thank you for this question, but firstly I will respond to what James asked me. Selective justice, for Ukraine it would be much more easy to communicate with the European Union specifically on the Yulia Tymoshenko's case. Why? Because this political formula, selective justice, is fixed in the EU documents, and as it is interpreted in the European Union, selective justice is a system of prosecution of the Ukrainian opposition through the judicial system in Ukraine. I am here to say that there is no such a system in Ukraine. The opposition works freely in Ukraine and in our parliament we have three opposition political groups, and maybe four because the communist party which has a strong representation in the Ukrainian rather doesn't support my party, the ruling party, on the European association, while the opposition supports us.

So the opposition acts free, and we are speaking today on one specific criminal case only, which doesn't make a system. That's why selective justice for me as a lawyer – this is a thing I cannot understand.

Responding to your question, what kind of actions the OSCE chairmanship can make regarding the Arab world. So formally, as we all know, Arab countries are not member states to the OSCE, but OSCE borders with the Arab world. So it is two hours flying from Kyiv, the capital city in Ukraine, to Damascus, and three-and-a-half-hours flight to London. So in Ukraine of course, as a country which is a thousand miles closer to Syria is extremely interested in a quick settlement of the military confrontation which caused 70,000 casualties in that country. But the problem of the presidency is that actually there are also other state unions inside of the OSCE, and one is the European Union and, as we all know, there is no common vision on the Syrian settlement inside of the European Union. Besides that, we have separate opinions by very influential countries in the OSCE area.

That's why our chairmanship really takes care [*sic*] of the conflict and we have announced several statements but we also rely on the assistance from all 57, and very soon 58 OSCE members when Mongolia will join us, in the OSCE. And it will make our position stronger on Syria. We applaud the latest visit by the US secretary of state, Mr Kerry, to Moscow, and we understand that there is a progress in negotiations with Russia, and the Russian position is extremely important in this case, and we all know that. And we also know that UK as a long-time partner, a strategic partner of the United States, has maybe similar position with regard to Syria. So that's why our chairmanship could be a strong instrument in the Syrian settlement as far as all OSCE members and unions inside of the OSCE can come to one opinion on that humanitarian tragedy in Syria.

James Sherr:

But just to carry on from that point, the areas you referred to that are directly within the responsibility of the chairman, at least the interest, the unresolved conflicts in Nagorno-Karabakh and Pridnestrovie/Transnistria, they are also the subject of considerable disagreement among OSCE countries, and for 20 years people in your position have spoken about the imperative of arriving at a permanent settlement. Should we infer that you are more confident than your predecessors have been, and if so can you give us a hint as to why?

Leonid Kozhara:

None of my predecessors were presidents of the OSCE and I'm the first Ukrainian minister to preside in this important organization.

James Sherr:

I meant your OSCE predecessors, not Ukrainian predecessors, OSCE chairmen.

Leonid Kozhara:

Yes. But maybe I start with saying that Ukraine is the purely OSCE nation. Why? Because we are a non-aligned country and we are not a member to any of the political and military organizations in the OSCE area, neither in NATO nor in the Moscow-led Tashkent defence bloc. So that's why we Ukrainians are extremely interested in promoting the role of OSCE as a forum to talk not on some important but not security matters, and will be active in participating in the so-called Helsinki+40 process to celebrate the 40th anniversary of the OSCE in 2015. Another specific of Ukraine is that if you also look at the map you'll find that Ukraine is simply surrounded by the so-called protected conflicts. And we have a 1,000 mile border with Moldova and 22 years ago I was a staff member, a professional staff member in the Ukrainian parliament. I directly dealt with dozens of thousands of refugees fled from Transnistria in Moldova into Ukraine, and that's why we are extremely interested in peaceful settlement in Moldova.

The next day – I opened our presidency in Vienna – I was in Chişinău and I talked to leaders from both sides of the ministry within Chişinău and Tiraspol, and this is our sincere desire that the settlement should not stop, it should go on. The same concerns three South Caucasus republics, and we have strong relationship to all of them; there are strong national communities of Georgians, Azeri and Armenians in Ukraine, that's why we are extremely sensitive on all protecting conflicts being, taking place in that area. And in my plans there is a visit to the three South Caucasus republics. We are extremely concerned of the recent escalation of tension between Azerbaijan and Armenia. We want that the situation is stable there, and my mission there will be first of all to speed up and to promote peaceful negotiations between the Azerbaijan and Moldova, but even more important mission, not to break dozens of checks and balances which were established in the last 22 years. That's also very important.

Question 3:

My question is regarding Ukrainians living outside of Ukraine, the number of which we are seeing is rapidly increasing, and the population of Ukraine is decreasing. The exact figures are debatable about the numbers, but it looks like it's millions of Ukrainians living outside of Ukraine. My question is what are your views and thoughts about either a French-style assembly representing these Ukrainians, or something like the Italians have, or even as Israel, a ministry of diaspora affairs?

Leonid Kozhara:

From your last point, we have a special governmental body, a council for Ukrainian diaspora, and actually Ukraine is giving possible assistance to Ukrainian communities all around. A few days ago I was visiting the United States and in New York I had a meeting with the Ukrainian community represented by a few Ukrainian diaspora organizations there, what concerns the latest waves of the Ukrainian migration. So of course many people left Ukraine because of poor labour conditions, because of poor standards of life in Ukraine, but in the recent years – the main wave was in mid-1990s when the economic financial systems collapsed in Ukraine. But today Ukraine is a much better place to live and to work in, and just if you compare the average incomes in Ukraine, you will find that incomes increased in times.

Some years ago I was in Portugal and starting from mid-1990s we had a strong immigration from Ukraine to Portugal. But when I was there, Portuguese complained that the number of Ukrainians decreased from 200,000 to 100,000. Not of course all of them left back for Ukraine, many left for other EU countries, but many people returned back to Ukraine. The same process is going with Israel, and after the Soviet Union collapsed thousands of Jews left Ukraine for Israel but now more and more people are returning back to Ukraine.

What we are doing – so first of all my ministry and other governmental agencies are working on conclusion of agreements on labour rights and social securities for Ukrainian labour migration people. And we have already signed such agreements with Portugal and Spain, and we are negotiating such agreements with other EU countries. Unfortunately as a former ambassador to Sweden, I should mention that I was trying many times to negotiate labour rights of Ukrainian migrants in Sweden, many of them, not many, all of them, are receiving tourist visas to come to Sweden, but what is interesting – so they are invited by some companies in Sweden, and everyone knows in

Sweden that those people are coming to work in Sweden, and my question was please, the Swedish government, grant labour visas for them. No way. And thousands of people come annually to that country and they get tourist visas, and they are not protected by the Swedish law on labour activities in Sweden. So that's why it's a big issue and really to our estimation not less than three million people left Ukraine in the last 20 years. So, but today, as I said, Ukraine is a much better, safer, much more wealthy place and we enjoy the return of many people back to Ukraine.

Question 4:

My question is about the arms deals, because the Stockholm International Peace Research Institute just recently ranked Ukraine as one of the top five arms exporters in the world. Could you kindly comment on Ukraine's arm deals in the Middle East, and particularly in Syria, but also in Africa and Asia?

Leonid Kozhara:

So it is important to say that Ukraine is a party to all arms control regimes. Moreover, our domestic laws on the arms control were elaborated with the help of the United States. More than 10 years ago Ukraine was allegedly convicted, accused in trading passive radar systems to Iraq, and the history showed that it was actually not true, and no Ukrainian radar systems were delivered to Iraq, and after that to show that Ukraine is cooperative with the Western countries on arms control, we worked along with the American experts on that and we adopted one of the best arm control legislation in the OSCE area. And today I am absolutely sure that Ukraine is not involved in any illegal arms trade with any countries on the UN and other universal sanctions with regard to arms control. Thank you.

James Sherr:

Do you mean to say that no Ukrainian state entity is in any way involved in illegal trade, or can you say with confidence that no Ukrainian citizen is involved in any aspect of illegal trade?

Leonid Kozhara:

James, we are talking on the responsibility of the state.

James Sherr:

I know, but after all we have the celebrated case of Mr Viktor Bout who certainly had no state function but was a very significant actor and whose incarceration has provoked quite some interesting outbursts from the Russian Federation, despite the fact that he is supposedly unrelated to that. We can let it stand.

Leonid Kozhara:

Are you sure that he is a Ukrainian national?

James Sherr:

No, I'm not suggesting he is. I'm suggesting that there are individuals who are significant in this area, who are not officially working on behalf of state. Why don't we move on, you've been very patient, sir, thank you.

Question 5:

Minister, I wanted to go back to the EU Association Agreement. I think it would be fair to say that the European Union has not itself done an enormously good job of explaining what this Association Agreement means for the Ukrainian population, and one could argue that the Russian Federation is doing a much better job of selling the Eurasian Union and its attractions. So I'd just be interested to know, from the perspective of the Ukrainian government, what are you saying to Ukrainian public opinion about the advantages and indeed in the short term some of the difficulties that will come if the Association Agreement is indeed signed and enters into force?

Leonid Kozhara:

I think this is a very important question, so I will start from saying that there is a majority in the Ukrainian society who think that the association for Ukraine with the European Union is better than any other integration of Ukraine. There is a strong majority in the Ukrainian parliament on the European integration and on the signature of the Association Agreement – but indeed, so if we are talking on the short-term implementation of the Association Agreement, Ukraine will face many difficulties. And I can give you briefly some examples why. We are not only going to open our markets for Ukrainian commodities and services; actually Ukraine will import the European law. They are key,

and many of our businesses are not ready to compete on the Ukrainian market with European companies, and that's also not a secret.

If we take agriculture for example, and you know that one of the European standards is strong subsidies to the agricultural businesses. There is none in Ukraine and Ukraine will have to compete with farmers and companies who really enjoyed those subsidies, and we predict that in the first years of implementation of the Association Agreement some of our businesses which are not reformed will simply die. But in the medium and long run we expect that the business attractiveness of Ukraine will raise significantly and, just the only fact that by the end of this year, Ukraine may appear as the only country in the world to have two free trade agreements, both in the West and the East.

Of course this will be very attractive to foreign businesses, and we expect a strong flow of investments in Ukraine, but the problem remains, and so in the course of negotiations on the association with the EU, so we got some confirmations of EU grants and technical assistance into some of our sectors of the economy. The Association Agreement will be implemented gradually as well, which is mutually beneficial both for EU and Ukraine – and by the way we have started from negotiating some quotas; if we take the entire body of the Association Agreement, so I would say approximately 98 per cent in the DCFTA, this is truly free trade, and two per cent we have still import quotas in the EU, import tariffs and quotas.

Just one example: Ukraine is one of the world's biggest producers of potato starch. The initial quota suggested by the EU was 200 tonnes, which may fit into this room. So in the course of negotiations, we succeeded to enlarge quotas and, for example with regards grains, we started from 200,000 tonnes of grains. Ukrainian export potential is annually around 10 million tonnes, and so, but at the end we got a quota of approximately 1 million, with big room to expand gradually. So that is not so easy to say that there will be immediately a big positive effect on Ukraine of the association. I think many European companies will have those immediate effects, not Ukraine, but in the long run both sides will benefit. Thank you.

Question 6:

I'm a former UK customs officer who worked on part of the EC projects in implementing modernization of the customs code, and was in Kyiv simultaneously with the introduction of the tax code, and I remember the

comments about how this is a very, very big step forward of international cooperation.

But my question is actually in relation to foreign policy in military cooperation. Last autumn the chief of the defence staff in Britain, Sir David Richards, was scheduled to visit Kyiv, presumably on cooperation and closer working issues. Now as of the end of 2012, that visit had not taken place. I'm just wondering if in that context, whether you'd like to comment on bilateral and multilateral cooperations between the foreign ministries and the defence ministries of Ukraine and Britain. Thank you.

Leonid Kozhara:

First of all thank you for your personal participation in drafting our new customs code, and so we think that this code is one part of the substantial Ukrainian reforms. So with regards military cooperation, I should say that Ukraine, one of the latest major partners and, as I said in my speech, when Ukraine decided on its non-aligned status, our society felt a sort of relief because this matter left our political discussions and our society became more quiet on that matter. But Ukraine's contribution into NATO activities sometimes is even bigger than from some NATO member states, and Ukraine participates in many NATO-led operations all around the world, and Afghanistan is one of that. And this is our sincere desire, to continue our cooperation with NATO and to expand it. With regards your specific question on the UK chief of staff visit to Ukraine, I need actually to check it.

James Sherr:

You have a very good check right sitting there.

Leonid Kozhara:

Here we have, yes, and here we have our military attaché. Can you add something?

Ukrainian Military Attaché:

Our main topic is cooperation in the education sphere. Every year we have a change in with some delegations, with some institutes, military and National Defence University of Ukraine, and so the cooperation between, on a higher level exchange of visit, in 2011 we had a visit of our Ukrainian chief of staff to

the UK, taking part in the Royal International Air Tattoo. In 2012 we had visit of the Ukrainian chief of the army also to the UK, and for 2013 we plan a visit of the chief of the defence staff at the end of this year. But, you know that due to some change in military authority, probably chief of defence staff, he'll be retired during this year, and then for sure I will follow his visit for his successor's visit at the end of this year.

James Sherr:

It's certainly the case that in the mid-1990s when I first began to work in Ukraine that at that point the UK-Ukraine bilateral defence programme was the largest UK bilateral defence programme with a partner country, and it is not as intense or as widespread any more but it is still substantial, as you have said. In closing, could I just underscore one point which should not arouse controversy; since Ukraine became independent after the Soviet collapse, every single Ukrainian president, including Viktor Yanukovich, has defined Ukraine as a European state. No Ukrainian head of government or state has ever referred to it as a Eurasian state, as a first and foremost a Slavic state, in any other way except as a European state, and a significant proportion of the country and even greater proportion of Ukraine's national elite have always defined Ukraine in this way.

So, just before thanking you, I would like to close by expressing a wish that whatever should and should not happen in November at Vilnius, next time in Riga, whatever should happen in Vilnius I hope, and I think many of us hope, that Ukraine's authorities will continue to uphold Ukraine's fundamental national interests.

At that, I would like to thank you very much Minister Kozhara for expressing the views of your government not only at an interesting time but a particularly delicate and difficult one, and giving us a very good insight into your own thinking as well. We're very grateful to you in the middle of this busy visit to set aside time for Chatham House, and I am sure our members in this auditorium will show their appreciation in the usual way. Thank you.