

## UKRAINE'S PLACE AND ROLE IN THE BLACK SEA-CASPIAN REGION ORGANIZATIONS

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### *Introduction*

One of the priority vectors in Ukraine's foreign policy in the Black Sea-Caspian Basin is its participation in regional international organizations, which makes it possible to discuss and implement important regional projects. This study aims to define Ukraine's place

and role in the system of multilateral cooperation within GUAM and the BSECO. The author has deliberately limited the number of international organizations examined in this article to the two in which Ukraine is most successfully participating.

Ukraine's participation in multilateral regional cooperation is a priority vector of its foreign policy aimed at promoting European and Euro-Atlantic integration. Regional policy is an integral component of this process, since it helps to raise the country's international status and promote its national interests.

Ukraine's national security strategy emphasizes the importance of expanding and intensifying multilateral cooperation with all the countries that belong to the Black Sea-Caspian Region (BCR).<sup>1</sup> Correspondingly, one of the main tasks of Ukraine's regional policy is its active cooperation within the framework of the Organization for Democracy and Economic Development-GUAM (ODED GUAM) and BSECO.

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<sup>1</sup> See: Ukraine's National Security Strategy (approved by a Decree of the Ukrainian President of 12 February, 2007, No. 105/2007), available at [<http://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=105%2F2007>].

## ODED GUAM

The main vector of cooperation of the GUAM Participating States is cooperation in security, particularly in ensuring peace and stability and in settling the frozen conflicts in their territories.

The ODED GUAM Participating States jointly submitted a draft resolution called "Protracted Conflicts in the GUAM Area and Their Implications for International Peace, Security and Development" at the 62nd session of the U.N. General Assembly.

On 14 March, 2008, the U.N. General Assembly adopted the resolution "The Situation in the Occupied Territories of Azerbaijan" (A/RES/62/243) and on 15 May, 2008, on Georgia's initiative, the U.N. General Assembly supported the resolution "Status of Internally Displaced Persons and Refugees from Abkhazia, Georgia" (A/RES/62/249); both resolutions were supported by Ukraine.

Ukraine proved to be the only country among the ODED GUAM Participating States that officially supported Georgia in the Russian-Georgian war in August 2008.

In 2009, the GUAM Participating States were able to include a point entitled "Protracted Conflicts in the GUAM Area and Their Implications for International Peace, Security and Development" on the agenda of the 63rd and 64th sessions of the U.N. General Assembly.

In June 2009, a round table was held called "Security in the Changing Geopolitical Situation and a New Security Conception"; the GUAM Parliamentary Assembly and the Baltic Assembly participated in it. The meeting participants discussed the need for forming a new conception of national, regional, and global security which would meet the challenges and threats of today's world. Specific measures were also discussed for intensifying and developing cooperation between the EU countries and their neighboring states.

A Statement of the Presidium of the Baltic Assembly was adopted which designated its support of Georgia's territorial integrity and sovereignty. The conflicting sides were invited to confer the obligations of mediator on international organizations in order to establish a constructive dialog based on good-neighborly relations in the spirit of openness and universally recognized norms of international law.<sup>2</sup>

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<sup>2</sup> *Statement on situation in Georgia*, available at [<http://guam-organization.org/attach/declar2.pdf>].

In addition to conflict settlement, ODED GUAM also focuses particular attention on cooperation in the law-enforcement sphere; the countries are joining efforts and coordinating their activity in the fight against terrorism, drug trafficking, and other dangerous types of crimes. Certain results have been attained in this sphere.

The NarcoSTOP joint action plan approved by GUAM envisages combating the illicit circulation of drugs, psychotropic substances, their analogs and precursors. During the NarcoSTOP-2009 operation alone (there have been a total of three such operations), Ukraine carried out 144 operational investigations and more than 815 kg of drugs were confiscated (the total amount of drugs confiscated in the GUAM countries amounts to 20,210 kg).

Joint Interception operations are also being carried out to combat human trafficking and illegal migration. However, there is no official information about their results, so it is difficult to evaluate their effectiveness.

In 2007, the law-enforcement structures of the GUAM states successfully conducted the international Eastern Shield-2007 exercises in cooperation with colleagues from Rumania, Bulgaria, and Poland designed to intercept shipments of components of weapons of mass destruction. The purpose of the exercises was to develop mechanisms of interaction among the state structures of these countries. But no more exercises of this kind have been held.

The border departments of the GUAM countries are successfully interacting. Their cooperation is aimed at ensuring the security of transportation routes.

In April 2009, a meeting of experts of the border departments of the Organization's Participating States was held. They discussed the practical implementation of a project called "Improvement of Border Control in Accordance with International Standards for Securing the GUAM Transport Corridor" (GUAM-U.S. Framework Program) approved by a Decision of the GUAM Council of Foreign Ministers of 4 December, 2008. They examined proposals to implement a sub-project during 2009-2010 called "Improving the Methodology and Technology of Border Control in the GUAM Transport Corridor in Accordance with International Standards and Practice: Transport Inspection."

A GUAM Strategy of Sector Cooperation was adopted at the summit held on 19 June, 2007 in Baku. This event makes it possible to talk about the Organization's further development. The countries expressed their willingness to cooperate, develop common approaches in all vectors, and implement integration and security plans throughout the entire area. Development of the GUAM region's transit and transportation potential was defined as one of the main priorities. Further formation of the Europe-the Caucasus-Asia transport-supply line corridor is an extremely important task, in particular:

- organizing ferry transportation between Kerch and Poti;
- supporting the Central route within the framework of the New Eurasian Land Transport Initiative (NELTI)<sup>3</sup>;
- extending and joining up the combined Viking route.<sup>4</sup>

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<sup>3</sup> NELTI envisages several routes: the Northern, Central, and Southern. The Northern route will stretch 6,500 km from Uzbekistan through Kazakhstan, the Russian Federation, and Belarus to the EU. The length of the Central route is 5,000 km, it will go from Central China through Kyrgyzstan, Uzbekistan, Turkmenistan, Azerbaijan, and Georgia to the EU. The Southern route (4,000 km) will stretch from Kyrgyzstan through Uzbekistan, Turkmenistan, and Iran to Turkey. The approximate time of delivery via the first route is 20-28 days, via the second—14-18 days, and via the third—12-14 days.

<sup>4</sup> The Viking project is a joint project of the Lithuanian, Belarusian, and Ukrainian railroads to stations located in Latvia, Estonia, Georgia, Azerbaijan, and on along the TRACECA corridor. There are plans to deliver 20- and 40-foot

At the Batumi summit held in July 2008 under the motto “GUAM—Integrating Europe’s East,” a Memorandum on Cooperation between ODED GUAM and the International Road Transport Union (IRU) was signed. The purpose of this document is to assist the development of international transport corridors and transit routes in the territory of the GUAM states by implementing interstate GUAM-Transit programs. The document envisages coordinated action among the customs, border, and consular services of the GUAM countries, as well as among transportation operators (they are represented by IRU) and international organizations.

In addition, the heads of state announced their intention to develop the GUAM transport corridor. Their governments have been instructed to draw up a comprehensive conception of such a corridor keeping in mind the possibility of nongovernment entities participating in it. A draft of this conception was presented by Azerbaijan, which is the coordinator of the GUAM Countries’ Working Group of Transport Cooperation. At present, this draft is being actively discussed and, after official approval, should become a program document of cooperation in the transport sphere.<sup>5</sup>

In February 2009, a decision was adopted within the framework of development of the GUAM transport corridor on the Ukrainian Ukrferi shipping company opening the Kerch-Poti ferry service. This will help to expand economic cooperation in the transport sphere and increase commodity turnover to 500,000 tons.

According to Consul General of Georgia in Odessa Zurab Kvachadze, there are plans to build a new sea port within 1.5-2 years in the region of Poti, which will make it possible to increase freight turnover to 30 million tons. In addition, a free industrial zone (FIZ) will be created. Most of the construction material intended for building these facilities will be purchased in Ukraine. The Arab RAK Al Haima Investment Authority (UAE) will act as investor for the project; the investment volume amounts to about \$20 million.<sup>6</sup>

The project envisages launching a Kerch-Poti/Batumi rail ferry service, which was discussed during the signing of the Agreement between the Ukrainian Cabinet of Ministers and the Georgian Government on 26 August, 2007. This is evidence of the increasing freight turnover between the countries and their striving to meet the growing requirements of GUAM’s transport structure. Building a rail ferry bridge in Kerch and subsequent operation of the new crossing between Ukraine and Georgia will make it possible to reduce the length of the route by 550 km.

In addition to interaction in the indicated spheres, cooperation is also developing in the economic sphere, and interaction is being encouraged among the business circles of the GUAM countries. This type of partnership is being carried out at different levels, including within the framework of the GUAM Working Group for Economic and Commercial Affairs and the Steering Committee for Implementing the GUAM Commerce and Transport Support Project. Information is being exchanged on moving goods through the territory of the Organization’s Participating States and possibilities are being discussed for creating an institution of authorized operators and expanding cooperation among the customs and border administrations of the countries keeping in mind the possible changes in national legislations (with respect to the regulations for carrying out customs and border procedures).

A free trade zone is functioning in compliance with the Agreement on Creating a Free Trade Zone of 20 July, 2002 and the Strategy for Sector Cooperation approved at the Baku summit on 19 June, 2007.

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containers, semi-trailers, and road trains by sea to the Port of Klaipeda from Scandinavia and other Western European countries and on through Belarus and Ukraine via Odessa (in particular the Port of Illichevsk) to the Caucasus, Central Asia, and the Middle East.

<sup>5</sup> See: *GUAM—polnotsennaia mezhdunarodnaia organizatsiia*, Interview with Secretary General of ODED GUAM Valeri Chechelashvili, available at [<http://www.zerkalo.az/2009-09-05/politics/2532-quam-quzira-cechelashvili>].

<sup>6</sup> See: “V portu Poti sozdaiut svobodnuiu industriialnuiu zonu,” available at [[http://new-sebastopol.com/port/p\\_1\\_at1307\\_id4391/](http://new-sebastopol.com/port/p_1_at1307_id4391/)].

Domestic trade turnover in 2007-2008 increased on average by \$1 billion; according to the year-end results for 2008, it amounted to \$4 billion.<sup>7</sup>

But although cooperation in the economic sphere is more or less successful, several important tasks have still not been solved. They are related to ensuring the efficient operation and security of the transport corridors, creating the necessary conditions for full-fledged functioning of the free trade zone, harmonizing and adapting the legislations of the GUAM Participating States (using the example of adaptation in the EU), removing barriers that interfere with developing economic and commercial ties, developing infrastructure, and so on.

Power engineering is an important sphere of cooperation among the GUAM countries.

Since the EU has access to the Black Sea and energy resource flows from the Caspian are increasing, a Black Sea energy transit corridor has formed that could be based on the oil-transport and gas-pipeline routes, for example: Baku-Supsa (Batumi)-Odessa-Brody-P<sup>3</sup>ock-Gdansk (the Odessa-Brody project) and Baku-Supsa-Feodosia-Odessa (it could become the northwest branch of the Nabucco project). This route, which essentially coincides with the ODED GUAM zone, opens up wide prospects for developing energy supply lines.

It should be noted that all of these energy projects within the framework of GUAM depend on Azerbaijani oil, since Azerbaijan is the only GUAM country that has large volumes of energy resources (in 2008 its oil production amounted to more than 40 million tons; according to the forecasts for 2010, this figure will rise to 65 million). And the question of developing the GUAM energy transit infrastructure has still not been resolved due to Baku's intentions to deliver the main volumes of oil and gas through Turkey (Baku-Tbilisi-Erzurum, Baku-Tbilisi-Ceyhan).

In order to enhance cooperation among the national economies of the GUAM Participating States and within the framework of its own European integration strategy, Ukraine has drawn up a project called "The Danube Energy Transport Bridge," the end goal of which is to export electricity to the Balkans. But the project is presently at a standstill: its implementation requires borrowing resources from European financial institutions, which is only possible if GUAM cooperates closely with the EU.

At the Black Sea Forum for Partnership and Dialog Summit held on 5 June, 2006 in Bucharest, Ukraine, with Lithuania's support, proposed instituting an "Energy Dialog of Three Seas" as a consulting mechanism for discussing general European energy security strategy. This project envisages building corresponding infrastructure of strategic importance for both the GUAM states and for Europe as a whole. However, it does not have the necessary financial support.

So although power engineering has been defined as one of the cooperation priorities of the GUAM countries, actual activity in this vector is limited to declarations and initiatives. Thus, it can be concluded that cooperation in the energy industry is still the least successful.

## THE BSECO

Ukraine's participation in the Black Sea Economic Cooperation Organization (BSECO) gives it certain political advantages in the Black Sea-Caspian region.

One of the priority vectors in the activity of the BSECO is expanding cooperation with the EU,<sup>8</sup> which primarily implies interaction at the political level according to the so-called troika mechanism:

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<sup>7</sup> See: *GUAM—polnotsennaia mezhdunarodnaia organizatsiia*, Interview with Secretary General of ODED GUAM Valeri Chechelashvili.

<sup>8</sup> Three members of the EU are also members of the BSEC; 7 members of the EU have observer status in the BSEC.

joint participation in high-level functions; developing cooperation mechanisms in specific spheres; and involving observer countries that are EU members in the Organization's practical activity.

As a BSECO Participating State, Ukraine also actively cooperates with the EU within the framework of the Black Sea Border Cooperation Program, participates in the sessions of the Congress of Local and Regional Authorities of the Council of Europe, and supports various initiatives: creation of a Black Sea Euro Region, the European Commission's "Black Sea Cooperation: A New Regional Initiative" project, and so on.

In the BSECO, Ukraine primarily participates in projects to develop transport infrastructure, establish a common market of energy resources, recreation, and tourism, and introduce innovative energy-saving technology.

One of the main tasks in the BSECO is developing the transit-transportation sphere. This particularly envisages building the Black Sea Ring Road (BSRR) of approximately 7,000 km in length. It will take the following route: Istanbul-Samsun-Trabzon (Turkey)-Batumi-Poti (Georgia)-Erevan (Armenia)-Baku (Azerbaijan)-Novorossiisk-Rostov-on-Don-Taganrog (RF)-Mariupol-Melitopol-Odessa (Ukraine)-Kishinev (Moldova)-Bukharest-Constanța (Rumania)-Belgrad (Serbia)-Tirana (Albania)-Alexandroupolis (Greece). The project does not propose building a new road; the BSECO Participating States need only guarantee the use of all their available transport capabilities.

But there are several obstacles hindering the implementation of this project. There are frozen conflicts in the territories through which this route is to pass. Azerbaijan might refuse to secure the corresponding infrastructure from its territory to Armenia, which has occupied its land. The Russian Federation could help to resolve this problem since it is Armenia's strategic partner in the CSTO and a co-chair of the OCSE Minsk Group in the settlement of the Nagorno-Karabakh conflict. Russia is interested in successful introduction of the BSRR project, regarding it as a compromise alternative: the North-South transport corridor and revival of the pro-Western Silk Road would allow it to acquire large amounts of additional revenue.

A constructive dialog is being maintained in the transport sphere among the BSECO, EU, and international organizations and programs. The U.N. ECE (U.N. Economic Commission of Europe), U.N. ESCAP (UN Economic and Social Commission for Asia and the Pacific Ocean), IRF (International Road Federation), IRU (International Road Transport Union), TRACECA (Transport Corridor Europe-the Caucasus-Asia), and the EurAsEC (Eurasian Economic Community) are participating in it.

Energy cooperation among the BSECO states is a logical continuation of their interaction in the transit-transportation sphere. Coordination is concentrated on forming an integrated regional energy strategy.

The BSECO Declaration and Joint Statements on Cooperation in the Power Industry adopted by the ministers of energy of the Organization's countries in Baku (2003), Alexandroupolis (2005), Sochi (2006), and Kiev (2008) form the basis of energy cooperation.

On 20 March, 2009, during a sitting of the BSECO Working Group on Energy Issues, a Joint Declaration on Cooperation in the Power Industry was signed with representatives of the EU. This document presupposes:

- directing joint efforts toward creating common approaches to energy security in the Black Sea region;
- developing intersystem relations among the energy markets of the BSECO countries aimed at further integration of and reduction of their individual markets;
- assisting the development of infrastructure for ensuring integration of the BSECO and EU energy markets, as well as diversifying energy deliveries and intensifying energy security (both in the national market and at the level of the BSECO and EU);



- supporting cooperation with the EU Energy Community and further developing an integrated energy market of Southeast Europe and the EU;
- studying the possibility of creating BSEC and EU projects based on common interests in oil, gas, and electricity.<sup>9</sup>

According to the republic's State Agency on Investments and Innovations, Ukraine considers cooperation in introducing innovative energy-saving technology within the BSECO to be extremely promising (this particularly applies to the development program of the Autonomous Republic of the Crimea until 2017). For example, a project called "Raising the Oil Well Production Rate by Reanimating Old (Flooded) Fields (East Crimea)" proposes restoring 2,500 old fields and does not require large investments. Its introduction will make it possible to produce 1 million tons of high-quality oil a year.

In turn, Ukraine can offer its BSECO partners a project for introducing energy-saving technology developed jointly with the Crimean Academy of Sciences and for manufacturing equipment for the wind and solar energy industry at the Pnevmatika Open Joint Stock Company (Simferopol). This two-million-dollar innovation project can be implemented for 4 years.<sup>10</sup>

### *In Lieu of a Conclusion*

So the following conclusions can be drawn:

- First, the ODED GUAM is losing its influence in the region, particularly with respect to issues regarding the settlement of the frozen conflicts and energy cooperation. Activity in these spheres is of a declarative nature due to the domestic political instability in some countries, as well as the lack of political will and economic potential. Cooperation in transport corridors is the only promising vector, since Ukraine has something to offer in this sphere, i.e. its Black Sea ferry crossing potential.
- Second, today, cooperation among the BSECO countries looks much more successful and efficient than cooperation among the GUAM states, although much of the BSECO's activity is also declarative in nature. Positive changes in the BSECO's activity are associated with the EU's, as well as Russia's and Turkey's participation in this organization, which provides financial support to various projects.

Today, the vectors of the BSECO's activity are clearly defining Ukraine's place and role in the organization; the country is performing its obligations in a timely fashion in specific projects.

So developing national initiatives within the framework of regional BSECO projects is extremely important for Ukraine, which will ensure its financial support both from the organization's donor countries and beyond.

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<sup>9</sup> See: *Yerevan Declaration on Energy Cooperation in the BSEC Region*, Yerevan, Republic of Armenia, 20 March, 2009, available at [[http://www.mfa.gov.ge/index.php?lang\\_id=ENG&sec\\_id=30&info\\_id=9887](http://www.mfa.gov.ge/index.php?lang_id=ENG&sec_id=30&info_id=9887)].

<sup>10</sup> See: Gosinvestitsiy: uchastie Ukrainy v OChES budet sposobstvovat privlecheniiu investitsiy v ee ekonomiku, available at [<http://www.invest.gov.ua/index.php?lang=ru&get=152&id=1082>].