

Chapter 10

Title

**Development of Strategic Programs
During External Aggression**

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Shipping Register of Ukraine

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Today the future of Ukraine poses many rhetorical questions. The crisis that Ukraine faced at the end of 2013, became a kind of epicenter of political, legal, geopolitical and geoeconomic principles, and even that of the confrontation of values, not only in the post-soviet space but also within the Greater Europe and even in a global world. According to French researcher Jean Jeronimo¹, the Ukrainian crisis was the continuation of the struggle for influence between the two historical enemies, Russia and the US, with any rapprochement between Ukraine and the EU that could be considered a preparatory stage of its integration into NATO, which is the hidden purpose of the new US diplomacy.

However, political crisis triggered an economic crisis. Beside the external aggression and military operations in the eastern part, Ukraine faced internal socio-economic problems as well:

- Political crisis meant a high level of political dissent in society. Struggles of politicians' blocks continued, and as a consequence, internal disagreement hindered a successful economic recovery of the country under Russian aggression.

¹ Geronimo, J, Ukraine: Entre "Révolution" et déstabilisation, l'erreur occidentale. Accessible at: <http://www.humanite.fr/entre-revolution-et-destabilisation-lerreur-occidentale-548975>.

- Economic crisis meant a budget deficit and the indebtedness of Ukraine. The Russian annexation of Crimea deprived Ukraine of not only almost 4% of its GDP, but also of all the investments in the development of the Crimean economy and the shelf. The next reason is the armed conflict in the Donbas; who knows when will it end? Since the fighting occurs in the East, in many towns infrastructure has been destroyed, businesses have been forced to cut production or even temporarily stopped working. After the termination of the war with the militants, Ukraine will have to spend money on the restoration of the region, strengthening the army, the navy, the border guard service, the fight against terrorism and information warfare. Production has decreased by 4.6%, in particular, regarding the products of the processing industry by 7.2%. Active military operations are a cause of a further drop in economic indicators².

The situation in Ukraine has forced many leaders of the neighboring states of Ukraine to think not only about the issue of peace in Europe, but also to take concrete steps to strengthen the security of their countries. The increase in defense budgets, active military cooperation and military exercises of NATO member countries compared to the anti-Russian sanctions were not able to keep the Russian military aggression in Ukraine. European countries have witnessed the transition from policy statements to a policy of decisive actions.

² Kovbatyuk M. (2012). Rationale for the restoration work at GSH "Danube-Black Sea".

Poland- Until 2014 it was difficult to imagine a powerful strategic alliance between Poland and Romania, and even more so their **Romania-** union regarding the Ukrainian question. However, one and **Ukraine:** a half years is the geopolitical reality directly related to the **a triangle** events in Ukraine. **of strategic** **cooperation**

The occupation of Crimea and the Russian aggression against Ukraine rallied those who have never been close partners. Russia was able to do it much better than any conference, meeting and summit.

Bilateral relations between Poland and Romania were not very active until 2014, and it is not surprising because they had different priorities. Bucharest focused primarily on domestic affairs and relations with Moldova, while Poland engaged mainly in a regional alliance, the Visegrad 4 Eastern Partnership, of which Romania is not a member. However, after the start of the Russian aggression against Ukraine, the situation changed rapidly. Poland faced unexpected threats in the new geopolitical reality. It soon became clear that Romania is the only country in the region that shares the concerns and views of Poland. Therefore, priorities began to change. For Romania, the strategic direction was clear: it takes 230 km from the Romanian border to Crimea, while Transnistria is just 100 km from the Romanian border. The events destabilizing the region and the expansion of Russia take place very close to Romania, as well as an increase in the Russian military activity in the Black Sea is now the main threat to Bucharest.

Since the collapse of the Soviet Union, Ukraine and Romania had serious disputes over the borders in the Black Sea, the Romanian minority in Ukraine, as well as the navigation channel at the mouth of the Danube. Due to the favorable geographical position of the Ukrainian section of the Danube Delta, this is the intersection of transport corridors owning an extensive network of railways and roads, a building of a powerful maritime complex, the modern ports of Izmail,

Reni, Ust-Danube, and a ship repair and shipbuilding base in Izmail and Kealia - all this, of course, raises the attractiveness of the Ukrainian deep-water fairway. It provides convenient, safe and non-stop navigation throughout the year. However, the existence of the Ukrainian ship canal, from the beginning of the construction, underlines the problem: the route goes through the Danube Biosphere Reserve, and it is a trump card in the hands of the officials of Bucharest wishing to maintain a monopoly position in the navigation of the Danube Delta. Of course, Romania faces challenges to maintain dominance in the western part of the Black Sea, still, in the government program of Romania, one of the main objectives was the promotion of the state to become a regional leader in this space. Romania does not need a strong competitor who will control 40% of the traffic flow on the Lower Danube³.

Paradoxically, the ongoing events in Ukraine open favorable conditions for the realization of some common plans with the countries of the Danube Region. Because of the crisis, qualitatively new prospects for cooperation were possible within the Danube basin, particularly with Romania, with which the relations until recently have been quite problematic. Ukraine and Romania are still competitors in many areas, but the two countries have more common interests than differences. The Romanian side, by the way, makes extensive use of European mechanisms and funds for the development of its infrastructure. It should be understood that it is not about regional or narrow issues, but it is one of the strategic directions of the European integration.

It turned out that Romania and Ukraine have more in common than they might expect, mainly, a common threat from Russia, and their overall objectives and strategic interests. The request to restart the relationship was observed both in Kyiv and in Bucharest. Romania became the first country to ratify the Association Agreement between the EU

³ Ovsyannikov B. The fight for the Danube.

and Ukraine. On 17 March 2015, Romanian President Klaus Iohannis visited Kyiv to meet President Petro Poroshenko. Anyway, it was the first visit of the Romanian president in Ukraine for the last seven years⁴.

Romania has no direct border with Russia. Therefore, Romania feels relatively safe, compared to the Baltic states. However, Moscow's Donbas separatism and the Russian-Ukrainian war of 2014 affected the internal and foreign policy of Bucharest. The first event in the Ukrainian front affected the course of events in Moldova in varying degrees. Chisinau is a leader in the reform process within the current European programs. However, this does not eliminate the problems of Moldova or the frozen conflict in Transnistria, and none of the risks of escalation in Gagauzia. Prospects of the foreign policy of the state's pro-communist political blocks, who consider a pro-Russian and Eurasian direction of integration beneficial, are no less problematic. Nevertheless, the fate of Moldova concerns Bucharest even more.

Since Moldova geographically lies between Romania and Ukraine, it is obvious that the cooperation of Kyiv and Bucharest is the key influencing factor of the development of events in the region, the intensification of the process of the Transnistrian settlement, contributing to the positive dynamics of economic development.

In addition, the natural interests of Ukraine are the reflections of the Russian military aggression to maintain control over the southern regions. In this case, stability in South Ukraine is in the interests of Bucharest. It is unlikely that for Romania it will be easier to do business in the Black Sea, if Putin's Russia will be able to "hack" a land corridor in Transnistria and grab the entire Ukrainian Black Sea coast. Quite the contrary, the Russian control or lack of control of the Transnistrian section of the Ukrainian-Moldovan border

⁴ Bendarjevskiy A. (2014), Poland-Romania-Ukraine: Triangle strategic partnership created by Putin.

will lead to the fact that not only Transnistria but also the whole Moldova would be trapped in a “Russian world”. Romania seeks to strengthen its position in the international structures, primarily in the EU and NATO.

NATO's expansion in Central and Eastern Europe Back in 2002, the deployment of the European missile defense system appeared on the agenda of the NATO, but then the process stalled due to the ambiguous reaction of European countries and the “reset” of the US-Russian relations in 2008.

However, the actions of Russia in Crimea and eastern Ukraine have significantly influenced the willingness of member countries of the alliance to cooperate.

Until recently, the expansion of NATO, which is actively lobbied by Washington, has a very strong position in opposition, which has been represented by Russia. Moscow has lost confidence in the alliance and legitimized his defensive actions over the past year. Only a chance for Moscow to strengthen its influence would break the unity of the allies of European countries.

In the second phase of the missile defense system Aegis Ashore, which will cover the entire Southern Europe, was launched in Romania in 2015, and during the third phase, which will cover Northern Europe, it will be placed in Poland as well until the year 2018. The revitalization of the United States' presence in the region is an additional lever in cooperation in the framework of the “triangle”. In recent months, the US has repeatedly stressed that Romania and Poland are their most important allies in the region.

Already, NATO is ready to create an additional rapid reaction force within the Baltic countries, Poland and Romania. Bucharest would obviously welcome the international headquarters of NATO in Eastern Europe, the elements of which will be stationed in the Baltic states, Poland and Romania. In addition, the alliance decided to bring Ukraine to a special

program, which will set up four of the trust funds to facilitate the solution of the problems of logistics, communications, cybercrime and the social rehabilitation of the wounded, while Romania has already indicated its willingness to coordinate the activities of one of these trusts. Besides, for Bucharest a niche has opened, which cannot claim other states of the alliance but the flagship of the EU and NATO in the wider Black Sea region. In addition to reputational achievements and strengthening the role of Bucharest in decisions relating to the region, it would also benefit businesses.

Ukraine- The energy sector can simultaneously be a sphere of both cooperation and competition. After all, its own energy security is a key issue for each country. Ukraine is in talks with Romania on gas reverse supply. They have also discussed the possibility of filing through the border gas metering station Orlovka. However, energy cooperation is not limited to the current moment. Firstly, both countries are actively working on the production of hydrocarbons on the Black Sea shelf. Secondly, Romania is interested in the production of hydrocarbons from unconventional sources, in particular, from shale gas. In addition, according to certain estimates, the most significant deposits of gas hydrates (molecular compounds of gas and water), from which natural gas is extracted, are owned by Romania and Ukraine. Although this industry fosters cooperation in the field of science and technology, this step should be regarded as promising.

Romania: Romania produces oil and gas resources in the Black Sea shelf. They have enough to cover more than 70% of the energy consumption of the country. More recently, in the summer of 2014, the company OMV Petrom announced the discovery of new deposits of hydrocarbons in the Black Sea. Explorations of the field have begun, and investments of about 100 million euros for three or four years will make it possible to start commercial production. To attract such investments in the

unstable region would be difficult; therefore, Romania is extremely interested in stabilizing the situation in the Black Sea region.

The northwestern sector of the Black Sea contains deposits of gas hydrates. In general, geological explorations conducted at different times in different countries of the Black Sea estimated that 45-75 trillion cubic meters of natural gas resources are there in the form of gas hydrates. Due to the “shale gas revolution” we can observe a growing interest in the subject of gas hydrates - both in some EU countries and in Ukraine. Back in 1993, the Ukrainian government approved the program “Gas hydrates in the Black Sea”, providing funds for the exploration equipment and the development of production technologies. In addition, seismic studies were carried out by several scientific expeditions. However, the economic crises of the 1990s, the lack of investment resources and the inability of governments to implement long-term programs have inhibited the development of gas hydrate issues in Ukraine. Now, against the backdrop of the Japanese success in 2013—the first experimental production of natural gas from offshore methane hydrates has meant an intensifying attention to this subject in the leading countries of the world. A significant amount of gas hydrates (up to 7 bn cubic meters) is in the Ukrainian sector of the Black Sea, which was confirmed during a joint German-Ukrainian expedition in 2010. Thus, Ukraine, Romania and Bulgaria have significant potential reserves of gas in the form of methane hydrates in the Black Sea.

This could be the basis for multilateral cooperation funded by relevant EU programs in a region with a promising gas hydrate reservoir. The possibility of reverse gas supplies from the Caspian region to Romania in transit through Ukraine should also be taken into account. However, it is most likely that gas from the Caspian Sea will remain topical for Ukraine. This will be a benefit to Moldova too,

which depends on Russian gas supplies more than Ukraine and Romania. Furthermore, do not exclude that Russia will do everything to prevent the gas flow from the Caspian Sea route via the South Caucasus and Turkey to the EU. This gas is competitive on the EU market, thus, there is a high probability of Russia destabilizing the situation in the South Caucasus and the Caspian Sea in order to make it impossible to realize powerful investment projects to expand gas production and the construction of transmission infrastructure. Russia's aggression against Ukraine, on which territory and shores large-scale investment projects developing deposits of conventional and unconventional gas were launched, confirmed the likelihood of such a scenario.

All this motivates Romania to deepen and expand cooperation with Ukraine. Bucharest should be aware that its initiatives in the region would have greater weight if Romania continues the policy of supporting Kyiv. In turn, Kyiv must understand that occasional rapprochement between Ukraine and Romania should be used for the establishment of a full-fledged strategic partnership. Both states have partly brought their differences (for example, regarding the history of Zmiinyi Island, dual citizenship, the Danube canal, support for minorities, etc.) on the agenda that hindered the development of bilateral relations. Now, despite the background of common challenges, disputes should be postponed to focus on the initiatives of common interest.

The comprehensive renewal of the dialogue of Kyiv and Bucharest will strengthen political trust, the establishment and development of business and interpersonal contacts, cooperation in the sphere of production, trade, cross-border cooperation, energy and regional security as a whole. Things like the excessive sharpness of the tone of political statements, pretentiousness in diplomacy, the negative comments and rash decisions of the parties should remain in the past. It is necessary to actively introduce the practice of regular

diplomatic consultations and guarding against the intrigues of third parties aimed at the destruction of the atmosphere.

This time it is important to build regular contacts between politicians of both countries, enhance the theme of the Ukrainian information space in the Romanian one and vice versa. To realize the abovementioned plans and work out a compromise in the “traditionally complex” pattern of the Ukrainian-Romanian dispute and recriminations, it is inevitable to intensify the activities of the Ukrainian-Romanian Presidential Commission. This step is appropriate in the context of promoting political stability in Moldova. Deployment activities of this commission could give extraordinary impetus to the settlement of disputes, and would create the preconditions for accelerated economic development and safe humanitarian cooperation between the states, uniting their efforts in the Black Sea region and in the promotion of Ukraine’s European integration.

Regarding potential cooperation, from a European historical perspective, the two countries would have to seek for a sustainable level of strategic partnership. It should be one of the priorities of the foreign policy of Kyiv and Bucharest, and this would lead to the development of a concrete plan with drastic measures to change the paradigm of complementary relations, cultivating public opinion in their countries to enhance mutual loyalty. Obviously, primacy belongs to the safest initiatives.

An important area of bilateral cooperation can be the dialogue on the future development of the institutional model of regional security and cooperation in the Black Sea region with the capacity of existing regional initiatives and organizations (BSEC, BLACKSEAFOR, initiative for economic cooperation in South-Eastern Europe, Southeast European Cooperative Initiative, etc). Ukraine and Romania together would double the capacity of their influence. Firstly, by taking measures to counter Russia’s neo-imperial policy;

secondly, via the strengthening measures against the militarization of the Black Sea and the Caspian Sea basins, and the return of the idea of demilitarization. Lastly—in the short run—it would be essential to freeze the subregion’s action to strengthen military capabilities⁵.

In this regard, both sides should attach equal importance to consolidate positions and coordination on a bilateral and multilateral basis. Strategic affairs and safety in the Black Sea region are in the interests of all parties, e.g., the EU, NATO and the United States, especially in the prospects of the realization of the Russian Federation’s doctrine, the “Russian world”.

Joint action will lead to the strengthening of political stability and regional security, democracy and the development of the whole region. In the field of business cooperation between Ukraine and Romania, both countries should permanently promote their enterprises to establish direct contacts with potential partners, and to encourage them to participate in exhibitions and presentations organized in the partner country. They also need to take full advantage of the potential, the result of the ratification of the Association Agreement between Ukraine and the EU.

Cross-border Cooperation Programme between Romania and Ukraine for the period of 2014-2020 Although nowadays the international political agenda is radically transformed due to the Russian aggression against Ukraine, in the context of the Ukrainian-Romanian bilateral relations the question of uttermost importance is still cross-border cooperation. In this context, it means many efforts from Kyiv to support Bucharest in improving cross-border programs. Among the priorities, taking into account the regional political context, the first things to pay attention should be the followings. First, an agreement on borders and

⁵ Studennikov I. (2009), Cross-border cooperation as a means of fostering Ukraine’s move towards the European Integration and the European Neighborhood Policy, Center for Regional Studies, Odessa, Ukraine.

border security is needed, with special emphasis on opening new border crossings (firstly in the Chernivtsi and the Transcarpathian region) and ensuring the development of customs infrastructure of border crossing points. Second, the principles of environmental protection and the adaptation to climate change should be also taken into account. Undoubtedly, the main transboundary problem is flood control. Joint efforts in this area would ensure greater impact on the ecological situation in the region. It is an important area in the framework of this priority—sustainable water supply, efficient drainage and sewerage. This will be a useful experience in Romania, in particular, in the Suchavskogo district of Romania.

Among other things, Kyiv and Bucharest should develop coordinated approaches in the field of ecology and environmental protection to address transboundary environmental issues in accordance with the applicable international agreements. What is important in this context is the implementation of the initiative to introduce a system of joint monitoring of the environment in the Danube basin.

The issue that requires attention is combating poverty. Border regions in Ukraine and Romania, of course, suffer from a lack of investment, relatively high unemployment rates, and the presence of vulnerable groups. Therefore, it would be appropriate to form and implement common strategies to tackle these problems, the exchange of experiences on the social inclusion of vulnerable groups, and their employment providing them an adequate level of social services. Another important issue is to support education, science, research and innovation in this region via established contacts with Romanian scientific institutions and universities. At the same time, the Transcarpathian region has had positive experiences of effective innovation, the creation of technology parks, etc. Therefore, cooperation in this field

with Romanian partners could have a transboundary effect and a direct impact on the welfare of the regions⁶.

No less important area of cooperation is the joint action in the infrastructure development of border regions, in particular, the development of transport infrastructure and the mobility of persons and goods, and granting access to these areas. Finally, the development of small and medium-sized businesses is the element inherently associated with all of these priorities, while the support for entrepreneurs in areas such as agriculture and green tourism, and the formation of joint tourist routes could become a factor of deepening cross-border contacts, especially in the already mentioned prospect of revitalizing cross-border traffic. With regard to the large-scale joint initiatives, appropriate efforts to establish air links between the countries can be observed. Moreover, of course, a significant benefit of the initiative of Ukraine and Romania would be the creation of road infrastructure that would provide communication between the Ukrainian-Romanian border next to the Siret and the Kyiv-Chop highway near Stryi. Although this initiative requires outstanding investments, its implementation would facilitate the execution of requirements applied to shippers who are limited in Romania, in accordance with the prerequisites of the Carpathian Convention (The Framework Convention on the Protection and Sustainable Development of the Carpathians was adopted and signed by the seven Parties—the Czech Republic, Hungary, Poland, Romania, Serbia, the Slovak Republic and Ukraine—in May 2003 in Kyiv, Ukraine, and entered into force in January 2006). Concerning Ukraine, this initiative includes the establishment of adequate transport routes, which makes investing additional funds in the transportation of goods from the port of Constanta.

⁶ “Report of Parliamentary Assembly of the Black Sea Economic Cooperation” (2000), “Development of small and medium-sized enterprises in the Black Sea Region” (report, recommendation 42/2000).

Thus, Ukraine and Romania have to make a joint effort if they want to prevent and neutralize the negative scenario of Russia's relations with the EU and the United States. Finally, despite the current dominance of the realist discourse, both countries should remain optimistic and not forget the role of civil society.

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