

Event Transcript

Ukraine's Future: The Challenges and Impact of Governance in Ukraine

Introduction: Steven Pifer, Brookings Institution

Conversation with Pavlo Klimkin, Deputy Foreign Minister of Ukraine

Moderator: Damon Wilson, Atlantic Council

Conference cohosted by the Peterson Institute for International Economics, the Center on the United States and Europe at the Brookings Institution, and the Atlantic Council

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This transcript is unedited.

Fred Bergsten: Could I ask everyone to take her or his seat and we'll get started. I'm Fred Bergsten, the director of the Peterson Institute for International Economics. We're delighted to host this meeting along with our good friends and close colleagues from the Atlantic Council and Brookings.

We think Ukraine is a very important country. We spent a lot of time working on it here at the Institute, particularly through my colleague Anders Oslin. We're concerned about developments in the governance front in Ukraine now, and we wanted to hold this conference to address it.

We're very gratified that almost 300 people have signed up to come today. Fortunately, all 300 are not here right now or at any one time, I hope, or else we might run into trouble with the fire laws, but it is an indication of the keen interest in this topic and I'm delighted by the response to our effort.

Really, with no further ado, I want to start the program. I want to introduce Steve Pifer from our co-sponsors at Brookings. Steve works at the Center on Europe...on the United States and Europe at Brookings. He was a former US ambassador to Ukraine, and he will kick off the program. Steve.

Steve Pifer: Well thank you, Fred. Let me also say good morning and welcome you to today's event. At Brookings, we are delighted to be co-sponsoring this with the Peterson Institute and with the Atlantic Council. And we're also delighted with the turnout. I think you're going to find that we have a very interesting set of discussions.

I would like to recognize a couple of people in particular: His Excellency, Ambassador Olexander Motsyk and also Ambassador at Law [inaudible 00:06:08] from Ukraine. And let me just briefly introduce what we hope to cover today.

Sixteen months ago in March of 2010, after what observers regarded as a free and fair election, Viktor Yanukovich became president of Ukraine. Since then, there has been an increasing debate about the state and quality of governance within Ukraine. And that debate is taking place in Ukraine, it's taking place in Europe, and it's taking place here on this side of the Atlantic in the United States.

Critics, independent observers, and in some cases western diplomats have expressed concern that democracy in Ukraine is backsliding, that the political space that was developed in the previous 15 years is now somehow becoming more restricted.

And as evidence of this, they cite things such as pressure on the media; they cite the October 2010 local elections, which didn't meet the standards of the national elections conducted in the previous five years.

They cite inappropriate activities by the security service of Ukraine, corruption, and also the selective prosecution of key opposition political figures, most prominently former Prime Minister Juila Tymoshenko.

In 2005, Ukraine became the first post-Soviet state, other than the Baltic states, to achieve a ranking of Fully Free from Freedom House. Earlier this year, Ukraine became the first post-Soviet state to lose that ranking.

Now on the other side, President Yanukovich and his government say that they are not retreating on democracy, that they are not abusing citizens' rights. They argue that centralizing some power and authority in Ukraine is necessary for effective governance, and that it's also necessary to push through the sorts of reform that Ukraine needs. They also assert that they are implementing Ukraine's laws in a fair and unbiased manner.

So what we want to do today is explore two questions: what is the state of governance within Ukraine? And then second, how is that affecting the economy, decisions by foreign investors, and how does that reflect Kiev's foreign relations?

In order to do this, we've assembled two panels that we believe reflect very diverse viewpoints on these questions. We're pleased that we have panelists from Kiev, from Europe, and the United States, and we're very grateful for their participation.

Before turning to the panels though, we're first going to hear a perspective from the Ukrainian government. We're delighted that Deputy Foreign Minister Pavlo Klimkin is with us. And following the second panel there will be a short break for lunch, after which we'll have our concluding keynote conversation with former National Security Advisor Zbigniew Brzezinski.

We've organized this conference to keep prepared remarks to a minimum. We've asked each panelist to speak in their opening comments for no more than five to seven minutes; and Anders and I have discussed this; we've decided to be very brutal with regards to the clock. But we want to do that in order to maintain maximum time for discussion, and that includes discussion with the audience, and we do encourage you to participate fully.

And our hope is that this conference, through the discussions, and also perhaps through some argument and debate among the panelists, will shed light on how governance in Ukraine is really doing, and also how that is affecting both the economy in Ukraine and also Ukraine's relations with its key international partners.

So without anything further, let me now turn the floor over to Damon Wilson, executive Vice President of the Atlantic Council, and he's going to introduce and moderate the first discussion with Deputy Foreign Minister Klimkin. Thank you.

Damon Wilson: Thank you very much Steve, and thank you Fred and Anders, for hosting this event today at the Peterson Institute. My name is Damon Wilson, I'm Executive Vice President of the Atlantic Council.

We're pleased at the Council to be a co-sponsor of today's conference on Ukraine. In part, because we believe the Ukraine is such an important part of the Atlantic community. And I think today's discussion and today's turnout underscores that there are a lot of people in Washington that share that belief and have a set of concerns now, as well.

We're particularly pleased to kick off today with a conversation with Deputy Foreign Minister of the Ukraine, Pavlo Klimkin. This is a conference about governance in Ukraine and the impact on foreign policy, so it's fitting that we begin with a conversation with the minister.

Mr. Klimkin has served in the Foreign Ministry since 1993; he's had a variety of portfolios, ranging from arms control and disarmament, nuclear and energy security, postings in Germany and the United Kingdom, but

also importantly for today's conversation, worked in the Department for European Integration, and served as the director of the EU department.

Since 2010, Mr. Klimkin has served as the Deputy Foreign Minister, where he's continued to be a point person on the negotiations with the European Union, particularly regarding the association agreement, the deep and comprehensive free trade agreement.

So we wanted to begin our conversation today by having a discussion, asking you a question about the connection between what's happening internally in the Ukraine in terms of governance, and externally in terms of your foreign policy priorities, particularly with the European Union.

President Yanukovich has been clear that a close relationship with Europe, with the European Union, is the top foreign policy priority for his administration. And in many respects, this government has made tremendous progress in advancing that agenda. Arguably, significantly more progress than any other Ukrainian government to date.

You're on track to move forward with...to conclude, perhaps, by year's end an agreement...an association agreement with the European Union including a deep and comprehensive free trade agreement; yet, actions at home related to democracy, governance, are beginning to raise concerns, raise questions, not just in Washington, but in Europe as well. And in many respects, have the potential to put at risk, I think, that top foreign policy goal of the administration.

As Steve eluded to in his opening remarks, supporters of Ukraine and supporters of Ukrainian integration into Europe look at the record and are quite concerned, beginning with the local elections in October 2010 that were seen as a step back rather than a step forward in Ukraine's democratic progress.

The concerns that are at their height right now about allegations of selective prosecution, particularly surrounding the case of former Prime Minister, Julia Tymoshenko; issues related to the electoral code changes that could tilt the playing field in favor of the party of regions; these issues have been the topics of the conversations between Vice President Biden President Yanukovich.

Just yesterday, the EU Commissioner for Enlargement and Neighborhood Policy Štefan Füle reiterated his concerns about selective justice and political prosecution and the potential impact on talks with the European Union.

So I wanted to kick off our conversation today, Mr. Minister, with your understanding of the connection between what happens internally in Ukraine with what Ukraine aspires to in its foreign policy externally.

Do Ukrainian politicians understand the connection between the internal actions and external goals, and do you see what's happening within Ukraine as advancing and strengthening your hand in talks with the European Union, or is this putting at risk the top foreign policy goal? Please, Mr. Minister.

Pavlo Klimkin:

Many thanks Damon, and many thanks for your kind introduction. Excellencies, ladies and gentlemen, of course, I have quite a long speech here, but probably let me just try to map out a couple of points along with what Damon here has just said. And it would be great, of course, to engage in a good discussion here.

So, firstly of course let me thank you for such an interest in Ukraine. And I assume that getting such a great crowd here on Independence Day week is not easy, so my compliment goes to organizers, of course. And I do appreciate also, personally, the invitation to speak here, because it's my first time.

But even more importantly for me, I also take this conference as a good sign that America is interested in Ukraine's past, of its democracy, prosperity, and stability; it's a key point for me.

And actually, my first message here is that interest is quite mutual also on our part, because Ukraine does need America on [Inaudible 00:15:21] and especially on the backdrop of comprehensive, but rather painful, reforms. And it's actually the first time in Ukrainian history that the whole country is to be reshuffled by comprehensive reforms.

And exactly, because of that, not only, but also because of that, we are interested in a [Inaudible 00:14:48] constructive Ukrainian – American dialogue. And I just enjoy that kind of atmosphere here today.

My second point is, of course, about understanding Ukraine. You know, practically every week, I talk to new ambassadors coming to Kiev, also with, you know, presenting their [Inaudible 00:16:21] of credentials to me.

And my point to them is actually, Ukraine is now reborn, is what I keep saying about Ukraine. And it takes a great deal of patience, you know, and expertise and time to keep up with so surprising to Eastern nuances of Ukrainian politics. And in my understanding, in terms of my perceptions, that United States actually has the patience and expertise.

But, of course, the place and the time is a key point here, and United States cannot wait indefinitely for Ukraine's success as democracy and as successful market economy, and neither can Ukraine herself, actually.

If you take the whole thrust of reforms, which are still under planning and under implementation now, it's about 21 key dimensions, or 21 key spheres. And for anyone who is actually following what is going on in Ukraine to start with quite important tax reforms, and I would say it's working already, because the tax collections, you know, went up quite considerably.

After that, administrative reform, and quite painful one; could you imagine, you know, here in Washington? I'm not trying to draw any kind of parallels here, not at all. But I'm also responsible in the Ministry for different staff issues, and I have now to manage minus 20% cuts in the Foreign Ministry.

And, you know, I have a lot of friends in different foreign ministries around the world. Probably the foreign office in London, is also kind of, you know, sacrificing exercise with minus 20%, otherwise, could you imagine State Department cutting now 20% of all the jobs?

But it's a cost-cutting exercise. It's a cost-cutting exercise to make the whole system work effectively and to be up to the challenge. And it's only the first stage, because after that the administrative reform should come to the local level.

And local level, it's exactly the key challenge for Ukraine; because if you take some regional administration, some local administration, they are actually bigger than some Ukrainian ministers, so you could imagine the distrust of that and the scope of that.

And now we are dealing with pension reforms. You know pension reforms are never easy, pension reforms are never popular. But in Ukraine, after all years of independence, it's extremely unpopular, but there is a political wheel, not only behind the pensions reforms, but behind all the reforms there. And we have also education reform, we also have health reform; so practically in the pipeline.

So the idea to make a kind of comprehensive reshuffle; and for me, for me also personally, it's about two probably rather philosophical issues. The first one, about post-Soviet legacy, because we are approaching now the 21st anniversary of our independence. And we are still living somehow also on the basis of the post-Soviet legacy, which is still important in

Ukraine. It's not a point to break off with such a post-Soviet legacy, because the history is there and the mentality is there.

But at the end of the day, and it's also critical point for me, and probably my key message: Ukraine is a European country. European country, not in a purely geographical sense, but from the point of Ukrainian history, and quite complicated history, I would say; from the point of mentality; and also, could I put it, from a sense of direction. Because the sense of direction is what's so important for Ukrainian reforms.

Talking about all kind of reforms back in Ukraine, I would say that the European perspective and the idea, the future and, of course, ongoing reforms should be based and also framed up along the European standards. Is also the key idea of meeting the criteria for the future membership.

And again, for me it's not just about membership; even without membership, such reforms would still be extremely important, even crucial for Ukraine. But it's also important to understand that Ukraine belongs to Europe, and one day it should be a member of the European Union.

And for me, it's a point of ensuring Ukraine's security, and we could go a bit deeper in to that in our discussions. For me, again, it's a security point. For me, it's a point of framing up all democratic reforms in Ukraine, and for me it's also a point of creating a real market economy. Why?

We are negotiating now the new agreement between the European Union and the Ukraine. It's under negotiation now for three and a half years. It was probably eighteen or nineteen rounds of negotiations, both on the political part, in our free-trade agreement.

And it's a kind of [Inaudible 00:22:50]. It's an innovative agreement both for Ukraine and for the European Union. Why? Because it should put our relations on the completely new basis. Not just cooperation, because cooperation is important; you could cooperate closely, you could cooperate deeper, but at the end of the day, it's just about cooperation.

The new agreement should put relations between European Union and Ukraine on the basis of political association and economic integration. Economic integration is quite clear; you know, the definition, the rationale behind it is a kind of incremental and gradual, but at the end of the day, full integration of Ukraine into the common market. And common market, EU common market, actually means for freedoms.

Freedoms for movement of goods, services, you know, investments and capitals, it does not matter, a point of terminology here; and of course persons.

But the second point, which is also of primary importance here, is about political association. And actually, in the first part of the agreement, which is already, you know, fully agreed between the sides, between Ukraine and the EU, we are talking about enhanced political dialogue.

We are talking about convergence; not purely political convergence, but also convergence in our political positions. And we are talking about values. And actually, what you could find in the Lisbon Treaty, and Lisbon Treaty has probably the fullest account of all the values, which, you know, forms the prerequisite for the European Union; the same values will be included in our association agreement.

And for me, also the idea of the political association is not just any kind of enhanced political dialogue, because, you know, the EU has enhanced political dialogue with China; I'm not trying to compare us with China somehow, but it's about values. And it's about convergence, not only political positions, but values. The trust of political association.

We are now approaching the final game of the association agreement. If we take political part, it's probably just about one key political point. It's about European perspective for Ukraine.

And we know that also our American colleagues and friends could do a good job, could provide their good services in trying to influence somehow a kind of - I wouldn't say negative mood back in the European Union, but still quite a careful mood - let me probably use this word here - about the strategic vision for future European integration. But at the end of the day, it's a critical point for Ukraine, the European perspective as a sense of direction again, and as a future direction for Ukrainian reforms.

Damon Wilson: Mr. Minister, if I could pick up on that, because I think you've captured, you've captured the strategic intent where, this European perspective is important to you, is important to your government, you know, leaving behind a post-soviet legacy and joining Europe. And I think you very correctly capture the importance, I think, of negotiations.

This isn't just a process of negotiating a technical akee [ph. 26:51] with the European Union, but it actually is premised on more greater, increasing convergence and the value side of this.

And I also - you pointed out at the beginning the reform agenda and I think many of Ukraine's supporters in this room, in Washington, have been struck by the breadth and scope and desire, the range of reforms that this government is pursuing. The long overdue reforms that have been stuck, where there have been no movement [inaudible 27:20] now there's more legislation than ever. Many of these things are taking place.

As Americans we can appreciate your discussion about how to handle pensions is far more politically advanced than our discussion about how to handle social security. But again, how do you handle the sense of ambivalence that you might see, particularly with your European interlockers on this. That you aspire to Europe. You have this strategic intent, this vision, you're in the negotiation process.

There is an ability to see a whole reform agenda out there; but at the same time, what's happening on governance and democracy issues raises questions and concerns about that. How does Ukraine become more effective, more efficient at governance, at actually implementing government programs, these reforming systems, pursuing these negotiations with the European Union, yet at the same time, coupled with concerns about the state of civil society, media, political opposition prosecution.

How do you address those allegations that, you've got your strategic intent right. You've actually developed a reform agenda that could be quite credible for international markets and foreign investors, and yet it's being seeped, it's being challenged by concerns that folks have about some of the democracy issues?

Pavlo Klimkin:

Probably leaving out a couple of points on that. The first one, of course you know the way of reforms is definitely a difficult one. And you need a political will behind that, and you need a clear stirring up of the whole reform process.

The second point, of course nobody is perfect, you know, and taking a kind of comprehensive reform agenda with just 20, 21 different spheres of dimension, is, of course, a difficult challenge. But not taking it right away, and not taking it simultaneously would mean that, you know, the basic reason, the post-Soviet legacy will be still quite a point for Ukraine.

And for me, the lack of such reforms and post-Soviet legacy was the primary reason for reacting so badly, and reacting so negatively by Ukraine to the economic crisis. Because in 2009, it was, you know, citing just one important figure. Minus 15% in our GDP. It was because of the total lack of reform agenda.

And I'm not trying to analyze or criticize any previous guy, Ukrainian governments; but I am actually, as you cited, in the Foreign Ministry from 1993.

And for me, even the whole idea of European integration is not about foreign policy choice, it's about reforms. And from over just a year or a bit more, we see quite a reform drive.

Of course, again, in that complicated way, nobody is perfect. But to stir up such a reform drive, you need political will, you need political clarity, and you need a kind of political consensus. And there is a political consensus back in Ukraine.

Also with the president, with the government, and with our parliament rather actually working together. Also, not citing any kind of difficult discussions, but working together on the reform agenda.

And it's not about centralization, again. For me, it's about political consensus and it's about political will. Probably from outside there could be a perception of a kind of centralization, but for me, it's again, it's a different perception here.

Damon Wilson:

I want to allow time for a couple of questions from the audience, so I'm going to take the prerogative of the chair to ask you one more, but then catch my eye or come up to the microphone if you want to ask a question in the remaining time.

Let me turn to the nexus of how what we've been talking about relates to relations with Russia. You've actually outlined a fairly audacious vision of a Ukraine that aspires to Europe. And all of us traveling in Ukraine understand and feel that this is a sense of commonality that exists in many government officials and those in civil society and the opposition.

If you think about the issues that you've been talking about, from April 2010 at the time of the Kharkiev Deal, which was a controversial deal of essentially cheap gas in exchange for extending the Black Sea fleet for 25 years in Crimea. Since then, the relationship has been perhaps a little bit more bumpy.

Prime Minister Putin's visit to Ukraine in April 2011 was an opportunity for a real discussion; a frank and, in many respects, public discussion, about the choices facing the Ukraine in terms of the customs union with Russia, Belarus, Kazakhstan, the single economic space, and the tension

you bump up against in terms of your negotiations with the European Union on the deep and comprehensive free trade agreement. And it seems pretty clear to outside observers that the president, the government has been pretty clear, it's direction, it's priority is the European Union.

How do you navigate the nexus of what you're trying to achieve, politically, economically, and your negotiations with the European Union as you also have, knocking at the door, the issue of the customs union and the single economic space?

Pavlo Klimkin: Firstly, the momentum in our relations with Russia is definitely there, and we need to keep up this momentum, because we have considerable potential and far from exhausted in our economic cooperation. And again, for me it's about economic cooperation, to reiterate this term here.

It's of course about the potential which hasn't been used for years in the Ukrainian-Russian relations, and the whole dynamic of our relation probably shows that we are quite [Inaudible 00:34:13] The set point is, of course, about making choices. Because we were talking about strategic choice, it's European integration. But it's also about not making foreign policy choices.

For me, you know, good cooperation, benefit with Russia, does not hamper by our drive towards the European Union. And again, it's two different formats, two different mentalities with two different substances.

With the EU we are talking about political association and economic integration. The incremental drive towards a common market based on full approximation of our legislation to the EU ones. With Russia, we're talking about political and economic cooperation. We're talking about big projects, we are talking about [Inaudible 00:35:13] based approach, but we're not talking about economic integration.

And it's quite a clear position, I'll say political position, you've mentioned customs union here. Because we are not going to ask for formal membership in the customs union; but even theoretically, if we did, even purely theoretically, you know, that to reach such a membership, we have to renegotiate all conditions of our membership in the WTO, and the Ukrainian economy is quite different from the Russian ones.

To tell you a couple of points, the average import tariff for Ukraine is four plus, and for Russia at the end of the negotiations it could be probably ten plus. But if we talk about services, the discrepancy is even more important.

Ukraine is a local market in the sense of services. We have an open economy. And for example, Russia believes they have a critical potential for developing services inside Russia, financial services. So it's about different outlines, different [Inaudible 00:36:31] of our economies.

And again, for me it's about strategic choice, but not making foreign policy choice. You know, to cooperate effectively with Russia, and to proceed effectively with European integration. And I do believe we could do both quite successfully and quite effectively.

Damon Wilson: Thank you. Thank you. Let me turn to the audience and pick up a couple of questions at a time, given our time. Please come up to the mics. If you're in the audience, please come up to the mic to ask a question. These two women here, please. And if I may, given our time, I'm going to take these two questions together.

Pavlo Klimkin: Absolutely. No problem [Inaudible 00:37:12].

Alexa: My name is Alexa [Inaudible 00:37:16] I'm a journalist, and up until a month ago, I was based in Kiev for two years. I now live here in Washington. Ukraine's stated strategic goal is to move closer towards Europe, which presumably necessitates sharing common European values.

In this connection, the government of Viktor Yanukovych is vigorously prosecuting, for corruption, Julia Tymoshenko and other top-level members of the opposition. Meanwhile, no top-level members of the current leadership have been prosecuted.

How do you respond to international critics who question the president's privatization for his personal account, of a government-owned estate worth tens of millions of dollars for virtually no money? And by this of course I'm referring to Mezhyhirya.

How do you respond to international critics who question the so-called shady privatization of [Inaudible 00:38:17] Telecom? But for now, I'd like to focus on Mezhyhirya.

Who is paying for the construction and development of the golf course, the tennis court, the yacht club, the riding stables, the riding rink, et cetera? Is this corruption, yes or no, and why?

Damon Wilson: Let me pick up the second question with the woman here, please.

Mary Dominic: Yes, Mary Dominic, Member of the DC Bar. I have a question that relates to human rights and Ukraine's relationship with the Council of Europe. That very tragic case of Georgiy Gongadze, the Ukrainian journalist who died violently.

There's been great progress in Ukraine in very recent times, and I wondered if you could comment on that case, thank you. In compliance with the European Court of Human Rights decision. Thank you.

Damon Wilson: And let me pick up a third, given our time. Sorry.

Mubeyyin Altan: My name is Mubeyyin Altan, Crimean Tartar Research and Information Center. My question is about the human rights as well, and specifically on Crimean Tartars in Crimea.

You mentioned that Ukraine belongs to Europe and should become a member of the European Union. And you will not have a stronger supporter than the Crimean Tartars. The Crimean Tartars strongly support Ukraine's aspiration to become a European Union member.

However, there is an issue in Crimea. Crimean Tartars have been deported from Crimea in 1944, and for the past 67 years they have been trying to return to Crimea. We realize that the Ukraine inherited this from the Soviet era, but for the past twenty years, since the Ukraine became independent, Crimean Tartar issue problem has not been resolved. What...does the Ukrainian government has the political will to resolve the 67 year old Crimean tartar human rights problem?

Damon Wilson: Thank you very much.

Pavlo Klimkin: Since one by point on corruption. Corruption is probably one of the most difficult underlying problems for the country to proceed effectively with reforms. And any time you are trying to detect something, you are facing corruption.

And the idea is somehow to break off with the mind-blowing mentality of corruption in the Ukrainian society. But it's of special importance to break off with such mentality at the highest level.

And just a couple of points here; firstly it's of course not been true that only members of opposition are prosecuted for corruption. Quite a number of different members of the coalition are also under investigation.

Let me just mention quite famous and quite prominent case of the recent Crimean leader who is under investigation for different speculation with lands in Crimea. And it's not just the only case, but it's simply, you know, quite a blow.

Also for Crimean society, seeing politicians who are using...and there is always a chat about that - using extremely expensive cars, using extremely expensive clothes. And it's not a point where such politicians could be trusted by the Ukrainian society.

Second point, about presidential estate, as you've called it. According to my information, the president owns quite a small bit of this estate. Definitely not the whole one, and I'm not aware of any developments or any kind of infrastructure developments around this estate

Alexa: [Inaudible 00:42:43] took some Google satellite photos of the estate. This was in an April of 2011 report [Inaudible 00:42:49].

Pavlo Klimkin: Good point, but again according to the information which is known for me, the president owns really small bit of this estate, not the estate as a whole.

The second point about Gongadze case; also for me personally, Gongadze case is one of the most tragic cases, not for Ukrainian media history, but for Ukraine as a whole. And for me, it is, again, it's just extremely a shame that it took such a long time to understand and to make the case for Gongadze. And it's not only for Ukraine, it's a kind of symbolic name here.

So the Council of Europe and the decision of the court is of course critically important; not also, but especially on the backdrop of our presidency on the Council of Ministers, on the Council of Europe now. And, you know, it's probably one of the most important cases which will be somehow coined into the Ukrainian mentality, and definitely for the right cause.

On Crimean Tartars; of course it's quite a difficult issue. It's a difficult issue having in mind its historical, its historic legacy. It's a difficult point about reintegration; and reintegration is a contemptuous point back in the Crimea.

But if you take the policy, if you take the thrust of the policy, which is implemented now by the Crimean government, is the idea of, you know, continuous and sustainable reintegration of all the Tartars into Crimean society. And if we see also the role of the Tartars in the Crimea now, it's quite different even from the time, let's take, probably from five years ago.

I've been to the Crimea a few weeks ago talking also to the representative of the Crimean Tartars and talking about so-called EU joint initiative about Crimea. And a lot of the project was in such joint initiative, our focus on the Crimean Tartars.

So I believe the progress is definitely there, and I could mention a number of points, a number of details, but not to burden here, although the time. But again, the challenges are also there, and we should be up to the challenges.

Damon Wilson:

Thank you, Mr. Minister. I wanted to wrap up our conversation, unfortunately; I think we could go on for quite a while. But I just want to pick up on a couple of the themes in the conversation as we close.

I think the corruption issue is quite a critical one for Ukraine, for its future, for its own future, but also in relationship with the goals we talked about today. I recently was part of an assessment team with David Kramer, Bob Newark, Freedom House.

And in our report that we came back with on Ukraine, we talked about corruption as the leading- not just nuisance in Ukraine, or an economic drag, but really the leading national security challenge to Ukraine.

The threats today to Ukraine are not primarily external, they're actually internal. The good news about that is that I think Ukrainians have within their own control the ability to influence and determine their own future.

But the corruption issue seems so precarious and dangerous in Ukraine, because in many respects it makes government officials vulnerable to manipulation from nefarious actors, whether domestic or foreign. But it also creates a disincentive for democracy. It creates a disincentive for those in power to leave power for fear of prosecution.

And I think that's one of the reasons there's been so much attention in Washington and Brussels now on what's happening with the series of prosecution cases against former government officials, opposition figures.

The potential that that can have on undermining and impacting Ukraine's European aspirations. They have to be common goals rather than contradictory goals, as you say, of what happens internally on the reform process with the foreign policy aspirations.

So with that, I just want to wrap up our conversation. Thank you for your time this morning. I know you've got a full day of programs with your official meetings. We're glad that you were able to include this conference as part of your program. Thank you very much.

