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**FOREIGN
POLICY AUDIT:
UKRAINE-
THE UNITED
KINGDOM**

DISCUSSION PAPER





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1. INTRODUCTION

Interaction between Ukraine and the United Kingdom demonstrates dozens, and perhaps even hundreds of examples of intensive collaboration, yet even more examples can be identified that testify to gaps and shortcomings in the work between the two nations. Although both sides show signs of a visible desire to revitalize relations, there are always all manner of obstacles in the way. Currently Kyiv considers that it receives an insufficient level of support from London. Meantime Britain ties its policy on Ukraine to the success of reforms, and if the country could finally show achievements in the anti-corruption, then the British would be more motivated to help further. Unless, of course, there would be stumbling blocks from internal British factors such as Brexit, early elections, a possible new referendum in Scotland on its withdrawal from the United Kingdom, or even the resumption of the instability in Northern Ireland.

Relations between the United Kingdom and Ukraine, which were established on 10 January 1992, during the 25 years of its existence have experienced several periods of activation and the subsiding of activity as well as interaction. Several periods of particularly active contact and interaction may be identified:

- 1992-1996 – the initial stage with the establishment of relations between the two countries;
- 2008-2009 – intensification of collaboration against a background of attempts by Ukraine to gain a NATO Membership Action Plan;
- From 2014 to the present – intensification of collaboration against a backdrop of Russia's aggression against Ukraine and the conducting of internal reforms.

The assessment of quality of internal processes has been, and remains, the determining factor in the perception of Ukraine by London. However, Kyiv has demonstrated a steady interest in developing relations with Britain more at a formal level, especially prior to the war between Ukraine and Russia. There is a striking imbalance in official visits: the number of official visits by Ukrainian officials to London is vastly greater than the number of visits of senior British politicians to Kyiv. Since independence, only one (!) full formal

visit of a British Prime Minister to Ukraine took place, which was John Major's visit in 1996. Back in 2008 the two sides declared a strategic nature of their relations in a joint statement. However, the situation remains even now more an ambition and perspective than the real state of relations. Quite a few British representatives dealing with Ukraine know that relations between the two countries have strategic character..

In its policy towards Kyiv, London has been guided during middle of 2000s by the vision that it's in British interests to transform Ukraine into a full-fledged member of NATO¹. However, later, during 2009-2013 the emphasis was shifted to supporting the drafting and signing of the Association Agreement between Ukraine and the EU, after Ukraine declared its «non-alignment»². Such a step was seen as a basis for future full membership for Ukraine in the EU through appropriate changes based on the Association Agreement^{3,4}. The aggression of Russia against Ukraine only strengthened the official London conviction that successful internal domestic reform will guarantee non-repetition of this in the future. These changes are believed by Britain to create a new foundation for bilateral relations.

Since independence, only one (!) full formal visit of a British Prime Minister to Ukraine took place, which was John Major's visit in 1996

At present, the official British Government defines its interests in Ukraine as follows:

- guaranteeing a resolution to the Ukrainian-Russian conflict in accordance with international law;
- ensuring the effectiveness of internal reforms by providing appropriate financial and technical assistance;

¹ *President Yushchenko and Prime Minister Brown sign a Joint Statement* – <https://www.unian.info/world/116293-president-yushchenko-and-prime-minister-brown-sign-a-joint-statement.html>

² *Foreign Secretary met Ukrainian Foreign Minister* – <https://www.gov.uk/government/news/foreign-secretary-met-ukrainian-foreign-minister>

³ *British Ambassador delivers Yalta Memorial Speech* – <https://www.gov.uk/government/speeches/british-ambassador-delivers-yalta-memorial-speech>

⁴ *British Ambassador's interview to Ukrainian Week* – <https://www.gov.uk/government/world-location-news/british-ambassadors-interview-to-ukrainian-week>

- transforming Ukraine into a reliable partner in the international arena;
- maximizing bilateral trade in the future⁵.

In this context, the British Government continues to declare and pursue a policy of active involvement in the Ukrainian-Russian conflict, and provide appropriate assistance for internal reforms, despite the Brexit decision to withdraw from the EU based on the referendum held on 23 June 2016. This was clearly demonstrated through contacts at the highest level that Kyiv managed to establish with Theresa May's government: visits to Ukraine by Secretary for Foreign and Commonwealth Affairs of the United Kingdom in September 2016 and March 2017, the visit of the Secretary of Defense of the UK to Ukraine in January 2017 and the working visit of the President of Ukraine to the UK in April 2017. These steps taken

Britain may be leaving the EU, but is not forgetting Ukraine

by the new leadership of Britain clearly fit into the motto "Britain may be leaving the EU, but is not leaving Europe". This can even be paraphrased as "Britain may be leaving the EU, but is not forgetting Ukraine"⁶. Last but not least, such attention to Ukrainians may be explained by the belief held by the UK that the success of changes in Ukraine will largely determine not only the fate of the country itself, but also the future development directions of the region as a whole⁷.

At the present moment, Ukrainian interests with regards to Britain are as follows:

- maximum involvement of the UK in strengthening defense capability and increasing pressure on Russia to implement the Minsk Agreements under the Ukrainian vision and for the ending of the occupation of Crimea;
- obtaining diverse assistance for domestic reforms;

- continuance by the British Government of an active policy in the international arena, despite the withdrawal process from the EU – thereby the UK continues to be one of the major international partners of Ukraine;
- attracting British investments.

So far it may be said that the interests of Ukraine and the United Kingdom are complementary ones. This in turn opens up the opportunity for Kyiv to ensure its own interests to the fullest extent in the process of joint work with British partners. Although both countries have enough skeptics, who don't anticipate drastic positive changes in relations between Ukraine and Britain at least until the British Government completes the process of "divorce" with the EU and for that Ukraine will have to stock up with patience for, at the very least, two years.

⁵ *Foreign Secretary statement: 2015 Yalta European Strategy Summit in Ukraine* – <https://www.gov.uk/government/world-location-news/foreign-secretary-statement-2015-yalta-european-strategy-summit-in-ukraine>

⁶ *We have voted to leave the EU, but not Europe: article by Theresa May* – <https://www.gov.uk/government/speeches/we-have-voted-to-leave-the-eu-but-not-europe-article-by-theresa-may>

⁷ *Change of Her Majesty's Ambassador to Ukraine* – <https://www.gov.uk/government/news/change-of-her-majestys-ambassador-to-ukraine--2>

2. INTERESTS OF THE UNITED KINGDOM TOWARD UKRAINE AND INTERESTS OF UKRAINE TOWARD THE UNITED KINGDOM: POINTS OF INTERSECTION

2.1. THE POLITICAL DIMENSION OF INTERACTION

Great Britain has always consistently supported the Euro-Atlantic and European integration of Ukraine. London favourably looked at the prospects of giving Ukraine the perspective of membership in the European Union in the future, which was still unbelievable, and even more so in the current circumstances. The role of Britain was particularly tangible on EU-related issues ahead of the Vilnius summit in 2013, where the Association Agreement was planned to be signed.

The UK perceived the Association Agreement as a first step towards future full membership of Ukraine in the EU

After the Russian aggression, the British demonstrated their partnership responsibility towards Ukraine through active efforts in sanctioning Russia, providing assistance in the defense sector, supporting reform efforts.

During 2009-2013, in its relations with Ukraine, the UK made the priority of promoting the Association Agreement, especially regarding a Free Trade Zone between Ukraine and EU, as the main mechanism for the transformation of Ukraine in accordance with British national interests. The vision of the British side was that the Association Agreement with the EU would allow to repeat the scenario used across Central and Eastern Europe (CEE) in 1990s – this approach would provide assistance to the democratization of Ukraine and the transformation of the country into a more economically auspicious entity through the access to the European market⁸. The UK perceived the Association Agreement as a first step towards future full membership of Ukraine in the EU⁹. This stance qualitatively distinguished the British side because such an interpretation of the Association Agreement between Ukraine and

⁸ *British Ambassador's interview to Ukrainian Week – <https://www.gov.uk/government/world-location-news/british-ambassadors-interview-to-ukrainian-week>*

⁹ *Ukraine and the EU: stronger together – <https://www.gov.uk/government/world-location-news/ukraine-and-the-eu-stronger-together>*

the EU was shared primarily by the Central European states (former Soviet bloc countries), while other European states were constantly emphasizing that this Agreement should not create illusions about EU membership perspective in Ukraine.

In this case, the British side saw its main function in the process in an active public awareness campaign, which in the end was aimed at explaining the advantages of the Agreement in a variety of areas to Ukrainians. By this it had to counter the spin and influence from Russia coming from the campaign that been implemented by Viktor Medvedchuk, ally of Vladimir Putin. It also had to promote reaching public consensus on the orientation of Ukraine's foreign policy. During October 2012 to January 2013 there was a research survey initiated and financed by the British side entitled 'Scoping Study on raising awareness about the EU in Ukraine'¹⁰. Based on this study the state of public awareness was determined regarding the Association Agreement with the EU, as well as the related problems and solutions. In fact, this study highlighted a lack of work in terms of informing Ukrainians regarding this key document and the subsequent interaction of Ukraine with the EU, as well as the need to counter common myths. The result of this study was an invitation to tender and kick-starting the 'Stronger Together' information campaign with other EU member states^{11,12}. In this respect, might seem absolutely amazing, almost unbelievable, that Great Britain made major efforts to bring together Ukraine and the EU, but then the UK decided to distance itself from EU.

Great Britain made major efforts to bring together Ukraine and the EU, but then the UK decided to distance itself from EU

¹⁰ *Scoping study on raising awareness about the EU – <https://www.gov.uk/government/publications/scoping-study-on-raising-awareness-about-the-eu>*

¹¹ *FCO Bilateral Programme: Tender Announcement, British Embassy Kyiv – <https://www.gov.uk/government/publications/fco-bilateral-programme-tender-announcement-british-embassy-kyiv>*

¹² *EU accreditation & Ukrainian products: expert talk for media – <https://www.gov.uk/government/world-location-news/eu-accreditation-ukrainian-products-expert-talk-for-media>*

Britain proved to be especially active during the most critical period of the 18 to the 21 February 2014 in order to achieve agreement between the parties of the crises in Kyiv. The British government led by David Cameron adopted a position that it was the primary responsibility of the Government to return the situation to a peaceful track¹³. On the other hand, the UK was one of the initiators of sanctions at an EU level in terms of the freezing of assets and denial of visas to representatives of the then Ukrainian authorities¹⁴. In addition, the UK Government actively coordinated its position with Germany and Poland, who were mediators in the dialogue between the Ukrainian Government and protesters¹⁵.

Britain took part in a backstage role on the eve of the signing of the Association Agreement, during the events of the Revolution of Dignity, in the process of the Ukrainian-Russian war: its efforts were crucial, sometimes decisive, but London did not always seek to demonstrate this or highlight any leading role

These recent examples demonstrate the desire of the British Government to play one of the leading roles in the choice of direction of Ukraine's foreign policy in 2012-2013. Britain took part in this in a so-called backstage role: its efforts were crucial, sometimes decisive, but London did not always seek to demonstrate this or highlight any leading role. Not all Ukrainian are by any means aware of the role of Britain in the public awareness campaign in support of the EU in Ukraine, as not all people recognize

the steps taken by London in the instigation of European sanctions against Russia.

With the commencement of the Russian aggression against Ukraine, the main objective of national foreign policy has been to obtain maximum political support from international partners. Of particular importance was the support from the signatories of the Budapest Memorandum – not least the United Kingdom. On 2 March 2014, the Ukrainian Parliament in its address to the Parliaments of the nations

¹³ *PM statement on Ukraine* – <https://www.gov.uk/government/news/pm-statement-on-ukraine>

¹⁴ *Foreign Secretary says EU will impose sanctions on Ukraine* – <https://www.gov.uk/government/news/foreign-secretary-says-eu-will-impose-sanctions-on-ukraine>

¹⁵ *PM's phone call with Chancellor Merkel to discuss Ukraine* – <https://www.gov.uk/government/news/pms-phone-call-with-chancellor-merkel-to-discuss-ukraine>

which guarantee the security of Ukraine (although most of these countries did not see themselves as guarantors), urged them to send observer missions to Ukraine as well as organize a group to negotiate with Russia¹⁶. The result of this address was that on 5 March 2014, consultations were held between the Heads of the Foreign Ministries of Ukraine, UK and USA in Paris. British side urged Russia to attend these talks in order to make them as a real platform for resolving conflicts. But the Kremlin ignored the invitation. Western participants to these discussions often reiterated the importance of this meeting, stating that every effort had been made to meet the requirements under the Budapest Agreements. Although many observers in Ukraine still pay attention to the untapped potential of the Budapest memorandum in the need for more active inclusion of the United Kingdom in the discussion process.

At the same time, the British side was in constant contact with the Russian side, Ukraine and international partners, carefully watching the developing situation in Crimea¹⁷. On 28 February 2014, David Cameron, Prime Minister of the United Kingdom, clearly stressed in a telephone conversation with the Russian President that all parties must respect the sovereignty and territorial integrity of Ukraine¹⁸. By 2 March 2014 the British Government chose a course of political and diplomatic isolation of Russia – the official London refused to participate in the preparations for the G8 summit in Sochi¹⁹. Also, UK, in concert with the United States, began to promote the idea of the need to introduce sanctions

Many observers in Ukraine still pay attention to the untapped potential of the Budapest memorandum in the need for more active inclusion of the United Kingdom in the negotiation process.

¹⁶ *Recourse of Ukraine's Parliament to those of other nations that guarantee the security of Ukraine and international organizations* – <http://zakon3.rada.gov.ua/laws/show/845-18>

¹⁷ *Foreign Secretary calls for de-escalation of tensions in Ukraine* – <https://www.gov.uk/government/news/foreign-secretary-calls-for-de-escalation-of-tensions-in-ukraine>

¹⁸ *PM call with President Putin: February 2014* – <https://www.gov.uk/government/news/pm-call-with-president-putin-february-2014>

¹⁹ *Statement on Ukraine: 2 March 2014* – <https://www.gov.uk/government/news/statement-on-ukraine-2-march-2014>

against Russia²⁰. The result of this mutual work was a joint statement by the G7 countries about the events in Ukraine, which effectively excluded Russia from this informal international association²¹. This statement was accompanied by a visit to Ukraine by William Hague, Secretary of State for Foreign and Commonwealth on 2 March 2014. The British Government used this visit as the means to make it clear that it fully recognized the legitimacy of the post-revolutionary Government now in place in Ukraine and was ready to actively resist Russian violation of international law.

From March 2014, an image began to form of Britain as a country that is part of an informal minority group within the EU, which advocated the most rigid stance on Moscow

Similarly, at a meeting of foreign ministers of EU Member States, the United Kingdom put on the agenda the need to introduce sanctions against Russia in response to the aggression against Ukraine²². The consequence of this approach was the decision of the Heads of State and Government of the EU on 6 March 2014 to terminate all negotiations with Russia on visa

liberalization and the new comprehensive agreement, and issued instructions to prepare sanctions²³. The possibility of sanctions was considered by the British Government as a means to force Russia to start a direct dialogue with the new government in Ukraine in the hope of resolving all conflicts by peaceful means in accordance with the principles of international law. From that point of view, an image began to form of Britain as a country that is part of an informal minority group within the EU, which advocated the most rigid stance on Moscow.

In London on 14 March 2014, with the active support of the British Government, a platform was put in place for talks between the

foreign ministers of Russia and the United States aimed at resolving this situation against the background of the illegal Russian occupation of Crimea²⁴. In fact, this was the last opportunity for the West and the Kremlin to find a mechanism for overcoming the crisis before the Russian referendum on 16 March 2014 on Crimea. British Secretary for Foreign and Commonwealth Affairs had said on 17 March 2014 that the EU was moving to impose sanctions on Russia by means of the freezing of assets and denial of visas to individuals²⁵. This step concerned 21 individuals and had been approved by the EU on the very same day. As this was set in place, the British Government believed that the EU should not stop on these steps, but should develop restrictive measures to apply sanctions to a wider range of political and economic issues²⁶. It was by means of this policy that the British Government sought to prevent further escalation of aggression by Russia.

The UK was not directly involved in the discussions in Geneva on 17 April 2014, which resulted in agreement on the militias to be disarmed and occupied administrative buildings to be liberated²⁷. Although the EU was represented at the talks by the British politician Baroness Ashton. As it happened, this was the first and last attempt of the EU to participate directly in the conflict between Ukraine and Russia, with Federica Mogherini assigned the role of High Representative of the European Union for Foreign Affairs with mediation responsibility moved to the level of Member States Germany and France (the so-called 'Normandy' negotiation format). There was no talk of the inclusion of a British representative in the negotiations, though such a presence

There was no talk of the inclusion of a British representative in the Normandy format negotiations, though such a presence would be more logical, given the Budapest commitments

²⁰ PM phone call with President Obama: 2 March 2014 – <https://www.gov.uk/government/news/pm-phone-call-with-president-obama-2-march-2014>

²¹ Joint statement on Ukraine – <https://www.gov.uk/government/news/joint-statement-on-ukraine>

²² FCO Minister comments on Ukraine at EU Foreign Ministers meeting – <https://www.gov.uk/government/news/fco-minister-comments-on-ukraine-at-eu-foreign-ministers-meeting>

²³ EU meeting on Ukraine: David Cameron's speech – <https://www.gov.uk/government/speeches/eu-meeting-on-ukraine-david-camerons-speech>

²⁴ UK, US and Russia in talks on Ukraine – <https://www.gov.uk/government/news/uk-us-and-russia-in-talks-on-ukraine>

²⁵ EU Foreign Affairs Council meeting on Ukraine – <https://www.gov.uk/government/news/eu-foreign-affairs-council-meeting-on-ukraine>

²⁶ Press briefing: morning 20 March 2014 – <https://www.gov.uk/government/news/press-briefing-morning-20-march-2014>

²⁷ Full text of the statement on the conclusions of the Geneva talks on the Ukraine issue – https://dt.ua/POLITICS/povniy-tekst-zayavi-za-pidsumkami-peregovoriv-u-zhenevi-z-ukrayinskogo-pitannya-141885_.html

would be more logical, given the Budapest commitments. This lack of volition by the British Government is based on the argument that the 'Normandy Format' itself exists with the United Kingdom's approval and thus reflects the position taken by Britain²⁸. The British Government believes that this format of discussions with Russia must not be extensive in order to be effective. This is not to say that London is distancing itself from the topics regarding settlement, with the dramatic example of insisting on tougher sanctions against Russia.

As a result, the ground rules of Ukrainian-British interaction during this period were set with both direct and indirect involvement of the British Government in attempting to stabilize the situation in Eastern Ukraine. In addition, the UK Government in its relations with Ukraine saw the main task in setting conditions for the presidential elections in Ukraine on 25 May 2014 to be held in accordance with OSCE standards. To enable this, the British side sent 100 observers (10% of the total) to participate in the elections and election monitoring, at a cost of 429,000 GBP²⁹. The election of a new president was to facilitate consolidation in Ukraine for carrying out reforms and resolving the conflict in the East and most importantly, to refute the Russian-imposed myth of the illegitimacy of power in Ukraine, of the 'inability' of Ukraine's Government as a "failed state"^{30,31} to negotiate on behalf of Ukraine.

At the time when the main format of talks on resolving the conflict in Eastern Ukraine became the Normandy quartet of the Heads of State and foreign ministers of Ukraine, Germany, France and Russia,

²⁸ *The Foreign Secretary's statement to House of Commons on the situation in Ukraine* – <https://www.gov.uk/government/speeches/the-foreign-secretarys-statement-to-house-of-commons-on-the-situation-in-ukraine>

²⁹ *Foreign Secretary updates Parliament on Ukraine and Russia* – <https://www.gov.uk/government/speeches/foreign-secretary-updates-parliament-on-ukraine-and-russia>

³⁰ *PM phone call with Petro Poroshenko* – <https://www.gov.uk/government/news/pm-phone-call-with-petro-poroshenko>

³¹ *Володимир Хандогій представив у британському парламенті мирний план з врегулювання ситуації на сході України* – <http://mfa.gov.ua/ua/press-center/news/24537-volodymyr-khandogiy-presented-in-the-british-parliament-a-plan-of-peaceful-settlement-in-the-east-of-ukraine>

collaboration between Ukraine and the UK in the political area was limited to a number of aspects as follows:

- close coordination of efforts by London and Kyiv in the international arena to counter Russian aggression;
- proactive efforts of the UK on building consensus within the EU to introduce further sanctions and maintaining them until the full implementation of the Minsk Agreements by Russia;
- active monitoring by Britain of the situation surrounding the Russia-Ukraine conflict.

The British Government now actively pursued a policy of coordinating their efforts with its European and American allies. At this stage, the main goal for the British side as they saw it was the need to maintain inter-European and transatlantic unity regarding sanctions. Close coordination between the Ukraine and the United Kingdom continued

at the highest level, as evidenced by meetings and telephone conversations between Petro Poroshenko and David Cameron. Petro Poroshenko in informal conversations often refers to the support of Western partners, calling Cameron "David" in a friendly manner; the Ukrainian President has achieved more amiable contacts with Western leaders only with the German Chancellor, whom the President refers to as "Angela" in non-formal environments. As Theresa May is more focused on the domestic agenda of the United Kingdom, and the Ukrainian leadership has not yet achieved such a level of credulity. However, in Ukraine it is emphasized with great pride that the British Prime Minister met in London with Petro Poroshenko at an extraordinarily busy time when she had to announce a decision on early parliamentary elections in the UK. In Kyiv, this meeting was perceived as an important political signal, given that the visit of the President might have been on the verge of collapse. In Ukraine, meanwhile, it is eagerly awaited that the Head of the British government could visit Kyiv, bringing to an end a twenty-year gap.

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Today the UK's position on the settlement of the Russia-Ukraine conflict in Eastern Ukraine has been reduced to a number of key stances. First and foremost, security should be ensured in 'Special areas of Donetsk and Lugansk oblasts' as necessary conditions to advance the political settlement. In addition, the United Kingdom supports the position that the lifting of sanctions against Russia is possible only in the event of full implementation of the Minsk Agreement³².

Regular statements and visits to Ukraine by the British Foreign Secretary can be interpreted as another proof of the preservation of interest in Ukraine in the context of the Ukrainian-Russian war, despite Brexit. So, on 23 December 2016, Boris Johnson welcomed the cease-fire agreement on the demarcation line, which, in his opinion, could be the basis for a final settlement of the conflict in 2017³³. On the other hand, with the escalation of fighting for Avdiyivka in January 2017, he reminded Russia that sanctions will be lifted only with full implementation of the Minsk Agreements, which includes not only a cease-fire, but also Ukraine regaining control over its national border³⁴.

In Ukraine, in both governmental and non-governmental circles, the low involvement by the leader of the UK Government in the resolving the conflict between Russia and Ukraine is considered quite unjustified

To a certain extent an impression was formed that Boris Johnson has become the figure responsible in the UK for the 'Ukrainian Portfolio', given the preoccupation of the Prime Minister with Brexit and with her apparent lack of interest in foreign policy in general. In Ukraine itself, in both governmental and non-governmental circles, the low involvement by the leader of the British Government in the matter of resolving the conflict between Russia and Ukraine is considered quite unjustified. It is said that the office of the British Prime Minister has

³² PM statement on European Council: 6 February 2017 – <https://www.gov.uk/government/speeches/pm-statement-on-european-council-6-february-2017>

³³ Foreign Secretary statement on the ceasefire in eastern Ukraine – <https://www.gov.uk/government/news/foreign-secretary-statement-on-the-ceasefire-in-eastern-ukraine>

³⁴ Foreign Secretary statement following increased fighting in eastern Ukraine – <https://www.gov.uk/government/news/foreign-secretary-statement-following-increased-fighting-in-eastern-ukraine>

been postponing a visit by President Poroshenko ten times. At the same time, Ukraine appreciates the fact that Ukrainian question was raised by Mrs. May during her meeting with Donald Trump.

The United Kingdom considers the OSCE Special Monitoring Mission to be one of the key mechanisms in ensuring compliance with the Minsk Agreements. On 18 November 2014, the British Government announced the decision to transfer 10 armored vehicles with the appropriate communication equipment to the OSCE Special Monitoring Mission and its willingness to increase the number of British members of the Mission³⁵. The pledge to transfer the promised equipment was fulfilled on 13 January 2015³⁶. In 2017 there are 45 British citizens participating in the OSCE SMM, which forms the second largest national contingent.

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Thus, the Ukrainian-British relations in the environment of Russian aggression experienced a significant upswing. The British side is not a member of the 'Normandy format', however, was one of the main proponents of the need to introduce and maintain the regime of sanctions against Russia. The British Government is also actively working on the reaching of a consensus on this issue both within the EU and within the framework of collaboration between the USA and European countries. Ukraine and the United Kingdom managed to compensate for the physical absence of British representatives at the negotiations through permanent contacts and coordination at the highest level. Although, to be fair, we should recognize that the Ukrainian Government is not happy with this situation, believing that the UK could and should be more active, given commitments made in Budapest in 1994. In addition, the British Government could

While the UK has never turned away from its at the very least, moral responsibility for the support of Ukraine, it does not always consider the expectations and claims made by Kyiv reasonable

³⁵ UK to send ten armoured vehicles to OSCE Ukraine mission – <https://www.gov.uk/government/news/uk-to-send-ten-armoured-vehicles-to-osce-ukraine-mission>

³⁶ Британія передала бронемашини для місії спостережачів на сході України та закликала Росію до де-ескалації ситуації – <http://uk.mfa.gov.ua/ua/press-center/news/31447-uk-delivered-armoured-vehicles-to-the-osce-monitors-in-the-east-of-ukraine-and-urged-russia-for-de-escalation>

have done much more in the blocking of Russian assets given the significant presence of Russian capital in Britain. While the UK has never turned away from its responsibility for, at the very least, moral responsibility for the support of Ukraine, it does not always consider the expectations and claims made by Kyiv reasonable. From British observers, it may be often heard in this context that the UK has done and continues to do everything it can, but the UK observers also refer to the most difficult political environment at present in Britain for many years.

The list shown below highlights only a few of the most important events that may have affected the focus of the British establishment over the past three years. It is clearly obvious that certain periods of the conflict between Ukraine and Russia were doomed to lie beyond British priorities.

Main events in Britain during 2014-2017

- 14 July 2014 – After William Hague resigns, Philip Hammond was appointed as a new Foreign Secretary of the United Kingdom
- 18 September 2014 – Scottish independence referendum
- 7 May 2015 – General election
- 23 June 2016 – Referendum on British withdrawal from the EU held
- 13 July 2016 – Theresa May becomes British Prime Minister
- June 2017 – General elections

2.2. ASSISTANCE WITH REFORMS IN UKRAINE

Another fundamental aspect of bilateral relations between the UK and Ukraine is the active provision of diverse support by UK for reform. It should be noted that after the Revolution of Dignity and in the environment of the Ukrainian-Russian war, this assistance has only been intensified. British politicians shared the view that only through effective internal reform Ukraine will be able to solve its problems of structural weaknesses through which Russian

aggression was largely made possible. The British Government is ready to play a proactive role in this process. In 2015, Philip Hammond, then Foreign Secretary, stated that the UK will continue to support Ukraine in the reestablishment of territorial integrity and sovereignty, as well as the implementation of reforms³⁷. This demonstrated that the British Government saw these facets of the bilateral agenda as equally important. In this case, it was seen that reforms will determine how well Ukraine will then be able to resist Russian aggression.

8 December 2014 the United Kingdom launched a project in Ukraine entitled UK-UA: Reform Assistance Programme in Ukraine to support reforms.³⁸ The priority objectives of this programme were the following areas:

- effective governance, accountability and transparency of government (with special emphasis on countering and preventing corruption);
- implementation of economic reforms (with special emphasis on improving the business climate).

As part of this project, the British side was ready to support some 4-5 projects to a total of 100,000-220,000 GBP.

In May 2015 at the Eastern Partnership summit in Riga, David Cameron said that 3.5 million GBP had been allocated to the Good Governance Fund to support good governance and economic reform. Ukraine was to receive 2 million GBP of this money. These funds were specifically aimed at establishing anti-corruption bodies (1 million

³⁷ *Foreign Secretary statement: 2015 Yalta European Strategy Summit in Ukraine* – <https://www.gov.uk/government/world-location-news/foreign-secretary-statement-2015-yalta-european-strategy-summit-in-ukraine>

³⁸ *UK-UA Reform Assistance Programme – Questions and Answers* – <https://www.gov.uk/government/publications/conflict-pool-in-ukraine-communications-questions-and-answers>

GBP), and 200,000 pounds to ensure the work of independent media and journalism³⁹.

A strong and successful economy is the basis of the interests of the UK in the nations of the Eastern Partnership

Key areas of work were designated as building economic growth and job creation through integration with the EU, combating corruption and strengthening the rule of law, transparency and the accountability of government⁴⁰. A strong and successful economy is the basis of the interests of the UK in the nations of the Eastern Partnership.

Britain is convinced that successful reforms will help to stop Russian aggression

However, with the provision of support for reform, expectations rose in the British side to see practical results being obtained. And so, the British Government clearly expressed the need to move from the creation of anti-corruption structures to the practical results of their activities.

Today the UK is assisting Ukraine with four funds, with a significant portion of programs of three funds concerns the facilitation of internal reforms⁴¹.

In its assessment of the success of reforms in Ukraine, given the large scale of its own direct and indirect involvement, UK has demonstrated a somewhat ambivalent approach

In terms of assessing the success of reforms in Ukraine, given the large scale of its own direct and indirect involvement, UK has demonstrated a somewhat ambivalent approach. On the one hand, during a visit to Ukraine in March 2017, Boris Johnson the new Foreign Secretary proposed to hold an International Conference in July to assess reforms. He believed that this conference was to show that significant progress was

³⁹ Prime Minister announces support for Eastern European reforms – <https://www.gov.uk/government/news/prime-minister-announces-support-for-eastern-european-reforms>

⁴⁰ Eastern Partnership Summit in Riga: PM press conference – <https://www.gov.uk/government/speeches/eastern-partnership-summit-in-riga-pm-press-conference>

⁴¹ UK programme assistance to Ukraine 2016-2017 – <https://www.gov.uk/government/world-location-news/uk-programme-assistance-to-ukraine-2016-2017>

being made in reforming Ukraine⁴². The event was conceived to demonstrate the success of Ukraine after the Revolution of Dignity: to show the transformation of the country into a different nation, in which, especially, business can be done.

On the other hand, a government document entitled Overseas Business Risk – Ukraine, published in September 2016 clearly stated that despite the fact that the last two governments have taken more steps towards reform than during the whole history of independent Ukraine, the rate of change was still slow.⁴³ Therefore Ukraine should clearly understand that the expectations of the British side on the practical results of reforms will increase, otherwise Kyiv should not exclude the decrease the amount of aid.

Another aspect of British aid to Ukraine during this period was the decision taken 6 March 2014 to send a group of experts that would deal with the return of stolen financial assets transferred overseas⁴⁴. However, the situation in this regard has not particularly progressed since the British Government has drawn attention to the lack of effort on the part of law enforcement agencies in Ukraine⁴⁵.

The expectations of the British side on the practical results of reforms will increase

Another form of assistance on the part of the British Government might be a maximum liberalization of the issue of British visas. However, under the present conditions, when the British public has voted for withdrawal from the EU, in particular in order to better control its borders; it is difficult to talk about the abolition of the

⁴² British Foreign Secretary and Polish Foreign Minister Waszczykowski on joint trip to Ukraine – <https://www.gov.uk/government/news/british-foreign-secretary-and-polish-foreign-minister-waszczykowski-on-joint-trip-to-ukraine>

⁴³ Overseas Business Risk – Ukraine – <https://www.gov.uk/government/publications/overseas-business-risk-ukraine/overseas-business-risk-ukraine--2>

⁴⁴ UK helps Ukraine recover misappropriated assets – <https://www.gov.uk/government/news/uk-helps-ukraine-recover-misappropriated-assets>

⁴⁵ The money machine: how a high-profile corruption investigation fell apart – <https://www.theguardian.com/world/2017/apr/12/the-money-machine-how-a-high-profile-corruption-investigation-fell-apart>

visa regime between the two countries. However, the problems that arise before Ukrainians, such as payments of substantial charges for a visa, and record additional charges for the acceleration of its issue, have long caused negative emotions in Ukraine. This situation has in general significantly worsened the positive image Britain's influence in Ukraine. One option that may be considered is extending to Ukraine a rule that was introduced in January 2016 for citizens of China – the possibility of issuing a two-year multiple-entry visa for 85 GBP. That's how much it costs today for a Ukrainian to get a visa for only 6 months⁴⁶. Another option would be to consider utilizing the Electronic Visa Waiver (EVW) scheme, which exists for a number

The examples of China and number of Persian Gulf countries show how the UK visa practices could be diverse and flexible and so in Ukraine it would be appropriate to address this question more strongly, given the achievements being made with a visa-free regime with the EU

of Gulf States⁴⁷. First, it's free, and secondly, it solely produces an electronic document without the need to visit a visa centre. These examples show how the UK visa practices could be diverse and flexible and so in Ukraine it would be appropriate to address this question more strongly, given the achievements being made with a visa-free regime with the EU

2.3. BRITISH MILITARY ASSISTANCE TO UKRAINE BY THE UK

Expectations of military assistance from the British side have been, and continue to be, particularly great

Russian aggression against Ukraine has made a priority of bilateral relations for the Ukrainian Government to obtain maximum possible assistance to strengthen its defense capabilities. Expectations of military assistance from the British side have been, and continue to be, particularly great.

Collaboration in military issues between Ukraine and the UK has been based on previous experience of relationships in this area.

⁴⁶ *The Home Office launches new two-year Chinese visa pilot* – <https://www.gov.uk/government/news/the-home-office-launches-new-two-year-chinese-visa-pilot>

⁴⁷ *UK electronic visa waiver introduced for Oman, Qatar and UAE* – <https://www.gov.uk/government/news/uk-electronic-visa-waiver-introduced-for-oman-qatar-and-uae>

During September 2009 to September 2014 the UK Ministry of Defense provided assistance of 3.9 million GBP to support and reform the Armed Forces of Ukraine⁴⁸. This assistance included the development of command, control and communications (C3) systems, conducting joint training, institutional development and the fight against corruption. This record of interaction made it logical at the Wales Summit in September 2014 that the UK was chosen as the lead partner country in the Trust Fund to assist Ukraine in the development of C4 (command, control, communications and computerization).

Along with assisting in multilateral mechanisms, the British Government supplied material and logistical assistance to Ukraine. In October 2014, the UK government decided to grant Ukraine the first major aid package to strengthen defense. The total amount of the aid package was 840,300 GBP. It was for some 1000 sets of body armor and helmets, 80 sets of equipment for ambulances, 500 sets of winter clothing for the military, and 500 warm ponchos⁴⁹. The transfer of the aid package from the United Kingdom was made in December 2014⁵⁰.

United Kingdom has provided material and logistical assistance to Ukraine to a total amount of 4.9 million USD, or 2.9% of the total international assistance looking at the five major international donors

Against the background of escalation of the Russian-Ukrainian conflict during January-February 2015, Britain decided in March 2015 to grant a second aid package to Ukraine⁵¹. That comprised of 2,000 mark 6 helmets, 150 helmets with night vision devices, 200 GPS devices, 220 rugged laptop, and 1,000 first aid kits. The

⁴⁸ *UK Military Assistance to Ukraine* – <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN07135>

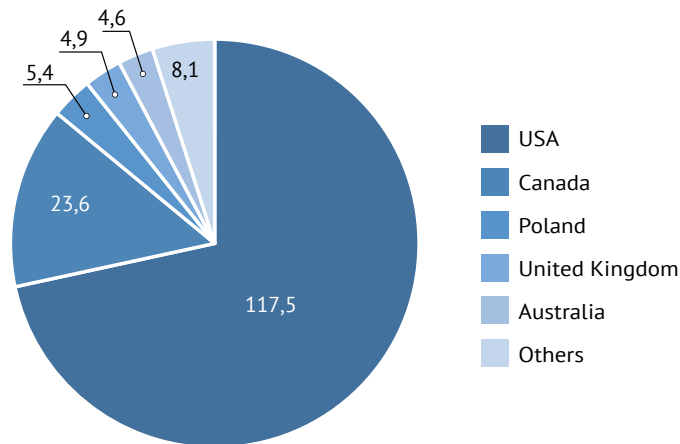
⁴⁹ *Gift of non-lethal equipment to Ukraine* – <https://www.gov.uk/government/speeches/gifting-of-non-lethal-equipment-to-ukraine>

⁵⁰ *Great Britain sent humanitarian aid to the Ukrainian Army* – http://zaxid.net/news/showNews.do?velikobritaniya_nadislala_gumanitarnu_dopomogu_ukrayinskiy_armiyi&objectId=1334210

⁵¹ *Defence Secretary announces further UK support to Ukrainian Armed Forces* – <https://www.gov.uk/government/news/defence-secretary-announces-further-uk-support-to-ukrainian-armed-forces>

cost of this aid package amounted to 850,000 GBP⁵². Finally, in November 2015 the UK Government announced that it was granting Ukraine a third aid package amounting to 971,000 GBP for the purchase of 170 large tents, 170 heating elements, and 600 sets of warm clothes⁵³. Overall, during the 2014-2016, the United Kingdom has provided material and logistical assistance to Ukraine to a total amount of 4.9 million USD, or 2.9% of the total international assistance looking at the five major international donors (see Table 1)⁵⁴

Table 1. Top-5 countries providing material and logistical aid to the Ukraine military⁵⁵



⁵² Britain sends Ukraine military aid worth £850,000 after Kiev asks for help with basic equipment – <http://www.dailymail.co.uk/news/article-2982778/Further-non-lethal-help-Ukraine.html#ixzz4d0HsLrpj>

⁵³ Ukraine crisis: UK to send tents and winter clothing – <http://www.bbc.com/news/uk-34870246>

⁵⁴ How and to what extent has international aid helped to strengthen the defence capability of Ukraine? – https://drive.google.com/file/d/0B_mp0v6tWhA3NEtaTjNXWVZGNnc/view

⁵⁵ “War in the Donbass: which Western countries have helped Ukraine” <https://apostrophe.ua/ua/article/politics/2016-08-03/voyna-na-donbasse-kakie-stranyi-zapada-pomogali-ukraine/6566>

Another important element to help Britain strengthen Ukraine’s defense capabilities was training programmes for Ukraine’s armed forces. The statements issued at the start of the initiative expressly noted that training was to take place away from areas where there was fighting in Eastern Ukraine. Thus, the British Government clearly showed that the training programme did not imply direct involvement by the British Government in the conflict between Ukraine and Russia. The goals of the British aid package were to reduce casualties in the Ukrainian military through training. The cost of training amounted to 6 million GBP⁵⁶. Deploying the first group of instructors took place at the end of February 2015. The first group of instructors sent out numbered 30 personnel, 25 of whom were engaged medical training. The total overall number to be deployed in this manner was forecast at 75 personnel⁵⁷.

The British Government clearly showed that the training programme did not imply direct involvement by the British Government in the conflict between Ukraine and Russia

At the end of 2016, British troops located in Ukraine were providing 30 different courses and training programmes, at 14 different sites⁵⁸. In December 2016, the British government announced the extension of training programmes to the end of 2018, which was re-emphasized by Michael Fallon, Secretary of Defense, during his visit to Ukraine in January 2017. One of the results of the British training was that 5,000 troops were made ready, 1,000 more than previously planned⁵⁹. Thus, the British programme helped prepare the biggest contingent of troops for the Armed forces of Ukraine. However, on the other hand, this same trend is evident in the shift from material and logistical

⁵⁶ Britain to step up training of Ukrainian armed forces – <http://uk.reuters.com/article/uk-ukraine-crisis-britain-idUKKBNOP42EQ20150624>

⁵⁷ Britain to send military advisers to Ukraine, announces Cameron – <https://www.theguardian.com/uk-news/2015/feb/24/britain-to-send-military-advisers-to-ukraine-cameron>

⁵⁸ British Government extends military training for Ukrainian troops ‘in face of a more belligerent Russia’ – <http://www.independent.co.uk/news/uk/home-news/ukraine-russia-uk-training-government-troops-programme-extended-michael-fallon-rebels-war-a7482366.html>

⁵⁹ UK To Expand Support To Ukraine’s Armed Forces – <https://www.gov.uk/government/news/uk-to-expand-support-to-ukraines-armed-forces>

support to the training under the auspices of United Kingdom policy to strengthen the defense of Ukraine.

The UK, along with other European countries such as Germany and France, has ruled out completely the possibility of transferring lethal defensive weapons to Ukraine

The UK, along with other European countries such as Germany and France, has ruled out completely the possibility of transferring lethal defensive weapons to Ukraine⁶⁰. This decision was based on the following logic: given the scale of Russia's military potential, the conflict in Eastern Ukraine has no military solution. In comparison with this, Washington has not completely closed the possibility of providing Ukraine with lethal defensive weapons if diplomacy fails.

Another key aspect in the collaboration between Ukraine and the UK in the military environment is the work of Phil Jones, British Civil Defense Advisor, at the Ministry of Defense of Ukraine. One of the priorities of his work is to assist in the implementation of the anti-corruption programme for 2015-2017 at the Ministry of Defense of Ukraine through the establishment of appropriate monitoring systems based on implementation and compliance with relevant standards in this area⁶¹. For this purpose, an anti-corruption expert advisory committee was established in 2016 at the Ministry of Defense, with Phil Jones designated as its Head⁶². In 2016, in his

estimation, the main achievement of activity at the Ministry of Defense of Ukraine with the participation of foreign experts was the approval by the President of Ukraine of a Strategic Defense Bulletin, involvement of the Ministry of Defense in public procurement through the

The extensive assistance by the United Kingdom has made possible the signing of the Memorandum on Cooperation in the military area on the 17 March 2016

⁶⁰ Andrew Marr Show With Philip Hammond 8th March 2015 – <http://www.bbc.co.uk/programmes/b055tsh1>

⁶¹ "Britain will always stand at Ukraine's side on the issues related to improvements in public administration standards" – <http://www.mil.gov.ua/news/2015/08/21/velikobritaniya--12881/>

⁶² Meeting of the independent Expert Anti-corruption Advisory Committee of the Ministry of Defence of Ukraine takes place in Kyiv – <http://www.mil.gov.ua/news/2016/11/18/u-kievi-vidbulasya-zustrich-nezalezhnogo-ekspertnogo-antikorpuzijnogo-konsultativno-doradchogo-komitetu-pri-ministerstvii-oboroni-ukraini/>

ProZorro system, and the creation of an Advisory Council on Defense Reform⁶³.

The extensive assistance by the United Kingdom has made possible the signing of the Memorandum on Cooperation in the military area on the 17 March 2016⁶⁴. Thus, military collaboration has been given a strong and stable nature. That this collaboration in the military sector has become such an important element in bilateral relations, is the fact that Michael Fallon, UK Defense Secretary, is perceived by the Ukrainian side as a person who could be in charge of the Ukrainian Portfolio at the British Government.

2.4. UKRAINIAN-BRITISH TRADE AND COOPERATION IN ECONOMIC SPHERE

Ukrainian interests toward the UK in the economic sphere are based on the intent to maximize foreign direct investments (FDI) and eliminate the imbalance in mutual trade. The UK still considers Ukraine as a state with significant business opportunities, which is why London demonstrated great interest in a free trade zone between Ukraine and the EU; however, British investors hesitate to enter Ukrainian market. The UK's withdrawal from the European Union could become a new obstacle, as both countries have not yet managed to envision the conditions for their cooperation in trade and economic sphere in two years, when the Association Agreement will not affect the UK anymore (unless, of course, London does not agree with the EU on the maintenance of this document after the Brexit).

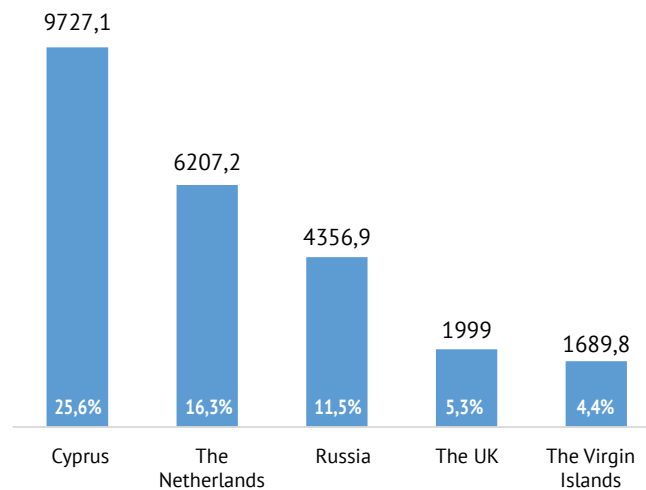
Both countries have not yet managed to envision the conditions for their cooperation in trade and economic sphere in two years, when the Association Agreement will not affect the UK anymore

⁶³ Military reform: summary for 2016 – <http://na.mil.gov.ua/43251-reforma-vijska-pidsumky-2016-roku>

⁶⁴ Memorandum of Understanding between the Cabinet of Ministers of Ukraine and the UK Government on collaboration in the military sector. – http://zakon5.rada.gov.ua/laws/show/826_038

As of April 1, 2017, British FDI in the economy of Ukraine amounted to USD 1.999 billion, or 5.3% of the total amount⁶⁵, which makes the UK 4th biggest foreign investor in Ukrainian economy. In 2008, British FDI amounted to USD 2.1 billion. On the other hand, calculating British investments in Ukraine is often a complicated task, since this country is an intermediate point for the capital coming from third countries, which are, however, counted as British, although, quite frequently, they might be even Ukrainian. For example, the Virgin Islands, a territory under the jurisdiction of the United Kingdom, invested another USD 1.69 billion in Ukraine, or 4.4% of the total FDI. This offshore area is often used by Ukrainian businessmen; thus, such investments in Ukraine can be considered British ones only in the formal sense.

Grafik 2. Top 5 foreign investors in Ukrainian economy (billion USD)



⁶⁵ Foreign direct investments (share capital) in Ukrainian economy, as of April 1, 2017 – http://www.ukrstat.gov.ua/operativ/operativ2017/zd/ivu/ivu_u_arh_ivu2017_u.html

In 2016, Ukrainian-British trade in goods amounted to USD 1.026 billion (317 million of exports to the United Kingdom and 709 million of imports). Ukrainian exports are dominated by metals and agricultural products, while British exports mostly comprise chemical products, vehicles, and hardware. This situation causes an imbalance in trade in favour of the UK. On the other hand, the situation in services trade looks much better: in 2016, USD 462 million worth of services have been exported to the UK, with 563 million worth services imported. Overall, in 2016 the mutual trade amounted to USD 2.051 billion, compared to USD 2.1 billion in 2015.

Which makes the UK 4th biggest foreign investor in Ukrainian economy

British companies were among the pioneers investing in production facilities in Ukraine, which allowed them to gain a foothold in numerous industries. There are several areas where the British presence is particularly noticeable and important. This in turn demonstrates the progress in trade and economic cooperation over past 25 years.

Food industry

In 1993, British American Tobacco has entered Ukrainian through the acquisition of Pryluky Tobacco Factory. In 2016, the BAT paid UAH 12.64 billion of taxes and had 500 employees on the payroll. Products of the company are exported to numerous countries of the CIS and Singapore⁶⁶. Imperial Tobacco operates in Ukraine since 1994, after acquiring the Kyiv Tobacco Factory⁶⁷. In 2016, the IT paid UAH 6.27 billion taxes and had 800 employees. Imperial Tobacco products manufactured in Ukraine are exported to the CIS countries, as well as to such states as the USA, the UAE, Lebanon, Cambodia, and Mongolia⁶⁸.

⁶⁶ British American Tobacco Ukraine - http://www.bat.ua/group/sites/BAT_84VDXZ.nsf/vwPagesWebLive/DO84VK4B?opendocument

⁶⁷ Imperial Tobacco production department in Ukraine - <http://imperial-tobacco.com.ua/about/production/>

⁶⁸ ITG in Ukraine - <http://imperial-tobacco.com.ua/about/ukraine/>

In 1994, the British company Ahmad Tea Ltd. started operating on Ukrainian market through a local partner. In 1999, they launched a tea packaging factory in Kharkiv⁶⁹. Another British-Dutch food and household products company Unilever has been present on Ukrainian market since 1993. Last year they launched a tea production factory in Gostomel, in Kyiv region⁷⁰.

In 1994, a joint enterprise with British company E.D. & F. has been established at the Lviv Coffee Factory⁷¹. Even today, this joint venture remains among the leading producers of coffee, especially popular in western Ukraine. Furthermore, in 2006, E.D. & F. launched the Ukrainian Sugar Company⁷². In 2007, they acquired 75% of Zaselsky Sugar Factory, and became the sole owner of the company in 2009, after having invested USD 30 million and established a sugar beet production line⁷³.

Oil and natural gas production

Another important sector where the British presence in Ukraine is particularly notable is oil and gas production.

In 1994, a joint British-Ukrainian company Poltava Petroleum Company has been established, with the British side represented by JKX Oil & Gas (27% of the company are owned by Privat group)⁷⁴. Overall, Poltava Petroleum Company operates in 6 fields; over the first half of 2016, the company extracted 91.3 million m³ of gas. However, the production is steadily declining due to insufficient investments and

swindling gas reserves⁷⁵. In 2016 and 2017, the National Police of Ukraine searched the company's offices in Poltava and Kyiv under proceedings for partial tax evasion, which forced the company to turn to the embassies of the US and the UK for protection⁷⁶. Subsequently, the company sued Ukraine for USD 180 million in 2015 following the increase of rent payments from 28% to 55%, which, as alleged by JKX Oil & Gas, was a direct violation of the investment agreement. As a result, in February 2017, the Stockholm Court of Arbitration awarded the company with a compensation of USD 12 million⁷⁷.

Royal Dutch Shell has been operating in Ukraine since 1992. Initially, they focused exclusively on sales of fuel and lubricants, in particular, through their own filling stations network. However, in 2005 Shell and Naftogaz of Ukraine signed a contract on the exploration and development of new gas wells, and in 2011, the contract with Ukrkazvydobuvannya has been renewed. Under this contract, in 2012-2014 two exploration wells have been drilled; however, in March 2015, Shell and Ukrkazvydobuvannya terminated the agreement on joint operations⁷⁸. In parallel, Ukrainian Government and Royal Dutch Shell have been negotiating on Shell's participation in the exploration and production of shale gas in Yuzivka field. As a result, an agreement on the distribution of products has been signed in January 2013, providing Shell's initial investment of USD 500 million in the exploration of shale gas deposits. Overall, this company with British capital planned to invest USD 10 billion in unconventional gas production⁷⁹. However, in August 2014, the company declared force majeure due to the conflict in eastern Ukraine and essentially withdrew from the

⁶⁹ Ahmad Tea London in Ukraine - <http://www.ahmadtea.ua/ua/trademark.html>

⁷⁰ Unilever launched a tea production factory near Kyiv - <http://glavcom.ua/news/kompaniya-unilever-vidkrila-pid-kijevom-chaynu-fabriku--359449.html>

⁷¹ Galca. The company history - <http://www.galca.ua/our-history.html>

⁷² Company Overview of Ukrainian Sugar Company LLC - <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=76034386>

⁷³ Factory history "Zaselsky sugar factory" - <http://edfmanua.com/eng/company/history/>

⁷⁴ JKX oil & gas «Ukraine» - <http://www.jkx.co.uk/where-we-operate/ukraine.aspx>

⁷⁵ Top natural gas production companies in Ukraine - <http://www.dancor.sumy.ua/news/business/183686>

⁷⁶ JKX reported new searches in their offices - <https://www.epravda.com.ua/news/2017/01/25/618687/>

⁷⁷ JKX Oil & Gas seized USD 12 million from Ukrainian Government - <https://economics.unian.ua/energetics/1764687-naftogazova-kompaniya-jkx-oil-gas-vidsudila-v-ukrajinskogo-uryadu-12-milyoniv.html>

⁷⁸ Shell and Ukrkazvydobuvannya intent to terminate a contract for joint venture in Kharkiv region - <http://www.epravda.com.ua/news/2015/03/12/533457/>

⁷⁹ Shell will produce shale gas in Ukraine. To be continued? - http://www.bbc.com/ukrainian/business/2013/01/130125_shale_gas_ukraine_shell_az.shtml

project⁸⁰, although the real cause of such a move could be decrease in oil prices and unprofitability of further exploration of Yuzivka field in such conditions. Thus, Shell has again focused exclusively on the sales of fuel and lubricants, reducing the filling stations network in Ukraine since 2014⁸¹. On the other hand, Shell has publicly complained of attempts of unlawful state intervention in their operations⁸².

Another British company present in the oil and gas sector is Regal Petroleum plc, operating in Ukraine since 1996. This company exploits two fields, producing gas condensate. The entrance of Regal Petroleum plc into Ukrainian market allowed to launch effective exploitation of old fields that have been discovered in 1960s⁸³. Today, this company, controlled by Vadim Novinsky, is among ten major producers of gas and has 16 gas wells⁸⁴. Another British company operating in the oil and gas sector of Ukraine is Cadogan Petroleum. As of late 2015, Cadogan exploited 9 fields in eastern and western Ukraine⁸⁵. In 2004-2007, British oil and gas company Cardinal Resources has been operating in Ukraine with a license to exploit 5 fields; however, in 2007, the company sold its rights to Kuwait Energy after the Government's decision to introduce a fixed price for gas sales, which was below market⁸⁶.

⁸⁰ *Shell is out. Who will replace them in the shale gas project* - <http://biz.liga.net/all/tek/stati/3141542-shell-vyshel-kto-mozhet-zanyat-ego-mesto-v-proekte-slantsevogo-gaza.htm>

⁸¹ *Shell filling stations in Ukraine are listed for sale* - <https://ukr.media/business/289942/>

⁸² *Shell: Ukrainian laws have retroactive effect* - <http://www.epravda.com.ua/news/2015/11/22/568569/>

⁸³ *Ukraine, Assets Overview* - <http://www.regalpetroleum.co.uk/ukraine.aspx>

⁸⁴ *Regal Petroleum plc* - <https://smart-energy.com.ua/ru/our-business/geological-exploration-and-commercial-development-of-hydrocarbon-deposits/regal-petroleum/>

⁸⁵ *CADOGAN PETROLEUM PLC ANNUAL FINANCIAL REPORT 2015* - <http://www.cadoganpetroleum.com/~media/Files/C/Cadogan-Petroleum/investor/reports/2016/ar-2015.pdf>

⁸⁶ *Cardinal Resources ceases operations in Ukraine following sale of assets* - https://daily.rbc.ua/ukr/show/cardinal_resources_prekrashchaet_svoyu_deyatelnost_v_ukraine_posle_prodazhi_aktivov_1193840549

On August 16, 2007, Naftogaz of Ukraine signed a memorandum of cooperation with the British company CBM Oil on exploration and development of oil and gas fields on the Black Sea shelf⁸⁷. The British company announced its plans to invest USD 25-30 million in exploratory wells, as well as an intent to establish joint ventures in case of discovery of significant hydrocarbon reserves. However, in June 2008, the Cabinet of Ministers of Ukraine ceased all joint operations with CBM Oil. In 2011, Chornomornaftogaz signed an additional agreement with CBM Oil, but its details were not disclosed⁸⁸. While active involvement of the British company is considered as one of the options to increase gas production to 21 billion m³ and thus reduce dependence on Russia⁸⁹, the risks of Russian occupation of Crimea deters CBM Oil from any further operations on the Black Sea shelf⁹⁰.

The entrance and the active presence of British oil and gas companies in Ukraine created an opportunity to introduce modern technology to maintain existing fields, increase their output, and develop new deposits

The entrance and the active presence of British oil and gas companies in Ukraine created an opportunity to introduce modern technology to maintain existing fields, increase their output, and develop new deposits. However, "British" capital in such enterprises is often rather nominal, as Ukrainian oligarchs gain access to oil and gas sector assets through London. On the other hand, this sector remains one of the most promising areas for the development of Ukrainian-British economic relations.

⁸⁷ *NJSC Naftogaz of Ukraine and CBM Oil signed the Memorandum on intent to explore and develop the Black Sea shelf* - http://mpe.kmu.gov.ua/minugol/control/publish/article?art_id=108313

⁸⁸ *The AMCU allowed Chornomornaftogaz to amend the agreement with CBM Oil plc* - <https://www.rbc.ua/ukr/news/amku-razreshil-chnomorneftegazuvnosti-izmeneniya-v-soglashenie-01042011171800>

⁸⁹ *Naftogaz could produce up to 21 billion m³ of natural gas in 2015* - <http://news.finance.ua/ua/news/-/304389/naftogaz-mozhe-vydobuvaty-21-mlrd-kub-m-gazu-v-2015-rotsi-azarov>

⁹⁰ *After the Chornomornaftogaz law is adopted, we will be able to extract gas not only from the Strilkove field* - <https://investigator.org.ua/publication/197110/>

Other production spheres

Donbas Clays JSC (co-founded by British company Sibelco UK Ltd.), engaged in mining of clay and silica sand in Donetsk region, has been operating in Ukraine since 1995^{91,92}. The company continues to operate despite the conflict with Russia in eastern Ukraine, where its production assets are located. On the other hand, ISTIL (Internal Steel & Tube Industries Ltd.) company with shares placed on the London Stock Exchange owned the Donetsk Metallurgical Plant and has invested about USD 150 million⁹³, but switched to investments in real estate, media and entertainment, and film production in 2009⁹⁴.

Banking

As early as in January 2008, one of the largest British banks, the HSBC, has opened an office in Ukraine. In 2008-2010, the bank applied to the National Bank of Ukraine to acquire a bank in Ukraine four times. However, after fourth denial, the British bank decided to close the office⁹⁵, while, several Ukrainian banks and even the Kyiv city state administration continued working with the HSBC. In October 2016, there was a news on the HSBC's alleged plans to acquire Ukrainian bank and establish the presence in Ukraine⁹⁶. Moreover, in March 2008, another British bank Morgan Stanley has established its office in Ukraine to provide investment and banking services⁹⁷.

⁹¹ *Sibelco Ukraine* - <http://www.sibelco.eu/sibelco-ukraine>

⁹² *Company Overview of Donbas Clays JSC* - <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=47692962>

⁹³ *Owner ISTIL Group* - <http://www.istilgroup.com/eng/owner>

⁹⁴ *ISTIL Group owner Mohammad Zahoor phases down his media assets in Ukraine and freezes a project in hotel business* - <http://interfax.com.ua/news/economic/323582.html>

⁹⁵ *The ice has broken: HSBC returns to Ukraine* - <http://forbes.net.ua/business/1422528-led-tronulsya-hsbc-vozvrashchaetsya-v-ukrainu>

⁹⁶ *Transnational bank HSBC returns to Ukraine* - <https://www.epravda.com.ua/news/2016/10/19/608367/>

⁹⁷ *Morgan Stanley is going to settle in Kyiv* - <https://delo.ua/ukraine/morgan-stanley-poselitsja-v-ki-72834>

Nevertheless, British banks always have been and remain more cautious than their continental European rivals on direct operations in the banking sector of Ukraine.

Retail and services

Several British companies are present in Ukrainian market of consulting services. For instance, High-point Rendel provides institutional capacity building services, including performance assessment and preparation of tenders, to Ukravtodor, under the World Bank's project within 2014-2017 program⁹⁸. Furthermore, since 2013, High-point Rendel has been overseeing the reconstruction of three sections of Kyiv-Odesa autoroute under the EBRD project⁹⁹. Among other British companies that offer a wide range of consulting services and have offices in Kyiv are Thomas & Adamson International Ltd and Baker Tilly Ukraine. Another British firm, Nai Pickard, engaged in real estate consulting, has been working in Ukraine since 1992, as well as Mott MacDonald, a versatile accounting and consulting company (transport, energy, environment, education, and health care)¹⁰⁰. Since 1997, British company Crown Agents has participated in 16 projects to improve the procurement system in Ukrainian public institutions¹⁰¹.

Another noteworthy fact in the context of Ukrainian-British economic cooperation is that numerous Ukrainian companies are present at the London Stock Exchange (LSE), which grants them access to international capital markets¹⁰². For example, the following companies that are owned by Ukrainian businessmen, despite being officially registered abroad, have placed their shares on the LSE:

⁹⁸ *High-point Rendel "Second Roads and Safety Improvement Project Component 3: Institutional Capacity Building"* - <https://www.rendel-ltd.com/icbp-ukraine.php>

⁹⁹ *High-point Rendel "M05 Kiev-Odesa Road Rehabilitation"* - <https://www.rendel-ltd.com/m05-kiiev-odessa-road-rehabilitation.php>

¹⁰⁰ *Mott MacDonald Ukraine* - <https://www.mottmac.com/ukraine>

¹⁰¹ *Crown Agents projects in Ukraine. Infographics* - <http://www.crownagents.com/uk/Проекту/Проекту/детайл/проекту-crown-agents-в-україні-інфографіка>

¹⁰² *UKRAINIAN PORTFOLIO AT THE LONDON STOCK EXCHANGE* - https://feao.org.ua/wp-content/uploads/2016/08/FEAO_Ukrainian_briefcase_A5_03.pdf

- Ukrproduct Group Ltd. (since 2005);
- MHP SA, Myronivskiy Khiboproduct (since 2008);
- AvangardCo Investment Public Ltd. (since 2010);
- Ferrexpo PLC (since 2007).

This rather extensive presence of British companies or companies with British capital that produce goods or provide services or distribute their own production in Ukraine creates certain illusions about the development of Ukrainian-British economic and trade relations. For comparison, British accumulated FDI in neighbouring Polish economy in absolute figures for 2014 amounted to EUR 5.873 billion, over three times more¹⁰³!

British businessman named the following obstacles to doing business in Ukraine: political and economic instability, corruption, bureaucracy and overregulation of the economy, inefficient tax and legal systems, problems with protection of intellectual property rights, and lack of transport infrastructure. Obviously, these problems are not exclusive to relations with the UK, they are essentially universal in cooperation with any international partner. Moreover, there are additional risks, such as occupation of Crimea and the war in the east.

As of today, the British side defines the following promising areas in Ukraine:

- agriculture, given Ukraine's plans to increase grain production to 100 million tonnes and double the exports;
- energy sector, including the development of new and existing fields, reconstruction and maintenance of the infrastructure, energy efficiency, and renewable energy sources;
- education, especially English classes;
- infrastructure projects via the EBRD funding to maintain existing facilities and construct new ones;
- retail and e-commerce;

¹⁰³ *British investment in Poland* - <http://bpcc.org.pl/contact-magazine/issues/13/categories/55/articles/397>

- development of the national security and defence system of Ukraine through the participation of British companies in the service contracts¹⁰⁴.

During the working visit of President of Ukraine Petro Poroshenko to the UK on April 19, 2017, among the elements of his program was a meeting with representatives of the local business circles. Essentially, Ukrainian leader tried to convince British businessmen in the overall improvement of the investment climate in the country through reforms. Petro Poroshenko announced a series of projects to be jointly implemented or intended to be implemented by Ukrainian and British sides: Antonov and Dowty Propellers are working on the AN-132D aircraft, Hutchison Ports is planning to enter Ukrainian market of maritime transport, etc. However, despite these positive developments, the real turning time will come when British investors would not have to be convinced to invest in Ukraine even at the top government level.

This task is dramatically complicated by the UK's withdrawal from the EU. Therefore, Kyiv and London should develop a qualitatively new basis for the economic dimension of bilateral relations to replace the Association Agreement between Ukraine and the EU. Interestingly, in this context, the British Parliament has tasked the Government to clarify this issue in a special report; on the other hand, Ukrainian side remains rather passive, believing that they first need to understand the future format of relations between the UK and the EU.

¹⁰⁴ *Doing business in Ukraine: Ukraine trade and export guide* - <https://www.gov.uk/government/publications/exporting-to-ukraine/exporting-to-ukraine>

3. WHO IS WHO: INTEREST GROUPS AND GROUPS OF INFLUENCE

The UK population demonstrates one the lowest levels of interest toward Ukraine among all major European countries like Poland, France, Germany and Italy (Вставка наступна - The UK population demonstrates one the lowest levels of interest toward Ukraine among all major European countries). The opinion poll, conducted by the IWP in 2015, showed unprecedented indifference of the respondents to Ukrainian issues: half of them refused to answer the questions, unlike any other European nation that participated in the poll¹⁰⁵.

The UK population demonstrates one the lowest levels of interest toward Ukraine among all major European countries

Britain mostly associates Ukraine with war (33%) and Russia (23%). All other associations (such as poverty, Kyiv, Chernobyl accident, national football team, crisis, and Europe) have been chosen by 3-6% of respondents; 11% had no association with Ukraine. 46% of respondents could not provide any argument in favour of Ukraine's accession to the EU, while 51% did not have any argument against it. Among the arguments in favour of Ukraine's accession to the EU, citizens of the UK named geography (26%) and EU membership as a tool to protect Ukraine from further Russian aggression (24%). This data shows a significant discrepancy with the pro-Ukrainian position declared by the official London, as well as with support and activity of numerous journalists and analysts within the UK.

Data of survey show a significant discrepancy between low levels of interest towards Ukraine among UK population and the pro-Ukrainian position declared by the official London, as well as with support and activity of numerous journalists and analysts within the UK

This situation may be associated not with support or non-support for Ukraine, but rather with the greater focus on the domestic British issues, especially in the context of London's intention to withdraw from the EU. Therefore, Kyiv has two objectives: to expand the circle of supporters, and to prevent spreading of misinformation on the situation in Ukraine among the citizens of the UK. In this sense, Ukraine has a considerable credit of trust, as Russia's

¹⁰⁵ What Do the Europeans Think about Ukraine? - <http://iwp.org.ua/eng/public/1570.html>

image is at a disadvantage due to the current aggressive policy of the Kremlin, daring and corrupt Russian moneybags condemned for unprecedented extravagance, covert operations of Russian special services in Britain (e.g. Litvinenko's poisoning), and violations of political freedoms and oppression of minorities in Russia.

3.1. BRITISH MEDIA AND OPINION LEADERS

British media is a key group of influence, and Ukraine should pay special attention to it. There are many supporters of Ukraine among British journalists, think tankers such as analyst James Sherr, journalist Tim Judah, analyst Andrew Wilson, journalist Edward Lucas etc. Moreover, Judah and Wilson have published books on Ukraine in the post-revolutionary years.

BBC is a key media covering the conflict between Ukraine and Russia. Furthermore, the conflict is also often covered by the quality press: The Daily Telegraph, The Guardian, The Financial Times, or The Economist. The importance of the British media is that they have not local, but global influence (like, for example, American press).

The importance of the British media is that they have not local, but global influence

Incidentally, offensive materials on Ukraine appear in the most popular tabloid, The Sun; however, it is important that the reaction of readers and Ukraine Embassy in UK forced the tabloid to correct mistakes. Moreover, in spring 2017, the paper published a lengthy article on Ukraine's attractiveness for tourists, "Ukraine's Time to Shine"¹⁰⁶. This example shows that any information bias or ignorance could be effectively corrected through the public pressure on the media.

¹⁰⁶ UKRAINE'S TIME TO SHINE Which country is hosting Eurovision 2017, where is Kiev and what do I need to know about taking a holiday in Ukraine's capital? - <https://www.thesun.co.uk/travel/3492832/hosting-eurovision-2017-kiev-ukranian-capital/>

Another tabloid, The Daily Express with almost half a million daily copies, associated with the UKIP nationalists, often publishes low-grade, tenuous materials on Ukraine. For instance, this paper supported the Dutch referendum against the Association Agreement with Ukraine and opposed the visa-free regime between Ukraine and the EU. For example, in March 2017, this paper published an article “EU to give Ukraine visa free travel within MONTHS despite referendum REJECTING it” about the Dutch referendum on the Association Agreement, which certainly had no connection to the visa-free dialogue between Ukraine and the EU¹⁰⁷. Deliberately or not, the media of this sort play along with Russian hybrid warfare in Europe; their publications are often reproduced by Russian sources and distributed among Russian-speaking audiences. The name of a British media under such materials is used to increase its respectability, as only a few of the ordinary Russian, Belarusian, or Kyrgyz readers are able to identify the quality of that media. For instance, The Daily Express is frequently quoted by the notorious TV channel Russia Today, the main propaganda outlet for the Kremlin¹⁰⁸.

3.2. THE INTERPARLIAMENTARY DIALOGUE AND COOPERATION WITH THE PARLIAMENT OF THE UNITED KINGDOM

The interparliamentary cooperation between Ukraine and the UK has become a separate self-sufficient dimension of the bilateral relations. On the one hand, the Deputy Group for Interparliamentary Relations with the United Kingdom of Great Britain and Northern Ireland (85 MPs, one of the largest groups) exists at the Verkhovna Rada

of Ukraine¹⁰⁹. On the other hand, the All-Party Parliamentary Group on Ukraine exists at the Parliament of the United Kingdom. As of May 2017, the Group included 7 deputies of the British Parliament (3 Conservatives, Labour MPs, and 1 Liberal Democrat)¹¹⁰. In 2015-2017, the All-Party Group has been headed by Conservative Party MP Gerald Howarth, who has repeatedly defended his pro-Ukrainian position at the Parliament, calling the Government to take more resolute steps to counter Russian aggression¹¹¹. Furthermore, Gerald Howarth appeared on British television, defending position of Ukraine and countering Russian propaganda¹¹². However, he refused to participate in the 2017 election campaign; thus, the question of the future leded of the All-Party Group on Ukraine remains open.

Russian aggression against Ukraine attracted attention of the British MPs to Ukrainian issues. Subsequently, in 2014-2016, a series of round-tables, expert discussions, and other events dedicated to Russian-Ukrainian conflict and situation in Ukraine had been organized at the Parliament of the United Kingdom¹¹³.

At the same time, the contacts between MPs of the two countries have intensified. One of the most indicative visits of British deputies

¹⁰⁷ *EU to give Ukraine visa free travel within MONTHS despite referendum REJECTING it* - <http://www.express.co.uk/news/world/774486/Ukraine-visa-free-travel-European-Union-Dutch-referendum>

¹⁰⁸ *Daily Express: Russia will show off its military might. Source news on InoTV:* <https://russian.rt.com/inotv/2017-05-05/Daily-Express-Rossiia-pokazhet-vsyo>

¹⁰⁹ *The Deputy Group for Interparliamentary Relations with the United Kingdom of Great Britain and Northern Ireland* - http://w1.c1.rada.gov.ua/pls/mpz/organizations.dep_group_members?grp=4

¹¹⁰ *Register Of All-Party Parliamentary Groups: Ukraine* - <https://www.publications.parliament.uk/pa/cm/cmallparty/170502/ukraine.htm>

¹¹¹ *Parliamentary debates «Eastern Ukraine»* - <http://myparliament.info/Debates/commons/2017-03-28/19852#contribution-1106983>

¹¹² *The Chairman of Britain's all Party Parliamentary Group on Ukraine on why Crimea was Annexed* - <https://www.youtube.com/watch?v=QR0cD9H9rF8>

¹¹³ *Expert discussion on Ukraine held in the British Parliament* - <http://uk.mfa.gov.ua/en/press-center/news/20147-expert-discussion-on-ukraine-was-in-the-british-parliament>

The expectations after Ukrainian elections discussed in the UK Parliament - <http://mfa.gov.ua/en/press-center/news/29234-the-expectations-after-ukrainian-elections-discussed-in-the-uk-parliament>

The House of Commons of the UK Parliament hosted an event in support of Ukrainian filmmaker Oleg Sentsov - <http://uk.mfa.gov.ua/en/press-center/news/51521-v-palati-gromad-parlamentu-velikoj-britaniji-vidbuvsya-zahidna-pidtrimku-olega-sencova>

to Ukraine occurred on October 16-18, 2016, when a group of British MPs, together with their Ukrainian colleagues, visited the liberated cities of Slaviansk, Kramatorsk, and Bakhmut. The results of this visit have been used in the report on the UK's relations with Russia, with special focus on Ukrainian issues. The report noted that lifting of sanctions, introduced after Russian aggression against Ukraine, can't be linked to any hypothetical cooperation in other areas¹¹⁴. The Verkhovna Rada organizes similar visits for MPs from other countries; in recent years, the region is often visited by the foreign ministers of European countries. Given lack of attention to Ukraine in the Western media, the continuation of Russian aggression is scarcely covered; therefore, such visits could increase the Western partners' understanding of urgency and seriousness of the challenges faced by Ukraine.

Visits to liberated parts of Donbas could increase the Western partners' understanding of urgency and seriousness of the challenges faced by Ukraine

Another interesting point is that cooperation with the parliament of the United Kingdom is established not only through the activities of Ukrainian MPs, as evidenced by constant interaction between the Embassy of Ukraine and British parliamentarians, as well as negotiations organized during the visits of Ukrainian government officials. For example, on June 23, 2014, then Ambassador of Ukraine Volodymyr Khandogiy presented the peaceful settlement plan developed by the President of Ukraine to resolve the conflict to the All-Party Group on Ukraine¹¹⁵. In 2015, the interim Chargé d'Affaires on Ukraine held meetings with the British Group of Inter-Parliamentary Union and the Conservative Foreign and Commonwealth Council, informing them about the situation within and around Ukraine. On January 13, 2016, current Ambassador to Ukraine in the UK with Natalia Halibarenko met with Gerald Howarth. On February 11, 2016, Howarth met with Foreign Minister of Ukraine

Pavlo Klimkin. Moreover, a dialogue has been established with the Head of the House of Commons Foreign Affairs Committee Crispin Blunt (as evidenced by the constant contact between this MP and Ukrainian Ambassador).

Cooperation with British colleagues is also in focus of the interparliamentary friendship group within the Verkhovna Rada. Svitlana Zalishchuk, the co-chairman of the Deputy Group for Interparliamentary Relations, had the unique (since as of today, the Prime Minister has been in contact with a relatively small circle of Ukrainian politicians) opportunity to exchange views with Prime Minister of the United Kingdom Theresa May. That conversation was crucial before the negotiations between the leader of British Government with the US President and was made possible through assistance and participation of Gerald Howarth and British Embassy in Ukraine¹¹⁶.

3.3. UKRAINIAN COMMUNITY IN THE UK

The number of Ukrainian community is about 30,000 people. This figure includes both British citizens of Ukrainian origin and Ukrainian migrants in the UK. As estimated by the British Office for National Statistics, as of December 2015, the country hosted up to 15 thousand Ukrainian citizens (labour and education migrants).

Ukrainians living in the UK actively supported the Revolution of Dignity and helped the Armed Forces of Ukraine. One of the most famous institutions of Ukrainian community in the UK, the Association of Ukrainians in Great Britain, has been established in January 1946¹¹⁷.

Ukrainians living in the UK actively supported the Revolution of Dignity and helped the Armed Forces of Ukraine

¹¹⁴ UK Parliament publication «The United Kingdom's relations with Russia» - <https://www.publications.parliament.uk/pa/cm201617/cmselect/cmfaff/120/12002.htm>

¹¹⁵ Volodymyr Khandogiy presented to British MPs the plan of peaceful settlement in the east of Ukraine - <http://mfa.gov.ua/en/press-center/news/24537-volodymyr-khandogiy-presented-in-the-british-parliament-a-plan-of-peaceful-settlement-in-the-east-of-ukraine>

¹¹⁶ Prime Minister of the United Kingdom Theresa May promised to maintain support for Ukraine during the meeting with the co-chairman of the Deputy Group for Interparliamentary Relations with the UK Svitlana Zalishchuk - <http://rada.gov.ua/news/Novyny/139824.html>

¹¹⁷ A brief history of Association of Ukrainians in Great Britain (AUGB) - <http://www.augb.co.uk/a-brief-history.php>

This organization united Ukrainians who fought on the side of the Axis or other allied countries armies during the World War II and those who were taken for forced labour to Germany. In addition to the headquarters in London, this organization has 24 local offices in England and Scotland¹¹⁸. Over its lifetime, the organization has had about 29,000 members, and current headcount is 2 thousand active members, mostly born in the UK¹¹⁹. Since the beginning of Russian aggression against Ukraine, the Association of Ukrainians in Great Britain appealed to the Government at least twice to convince them to provide Ukraine with maximum assistance required to counter the Kremlin. On August 28, 2014, the AUGB addressed then Prime Minister David Cameron on the need to fulfil the UK's obligations under the Budapest Memorandum.

The Ukrainian Institute in London, established in 1979, also aims to inform and spread knowledge about Ukraine in the UK through public events involving major opinion leaders of both countries.

3.4. THE BRITISH-UKRAINIAN SOCIETY

The British-Ukrainian Society has been established in 2007¹²⁰. This organization aims to enhance the contacts between Ukraine and the UK, as well as promote Ukraine through various events. For instance, the BUS publishes its own English-speaking periodical, the Ukrainian Dialogue. The major advantage of this organization is the fact that its leadership includes the representatives of the British political establishment. For example, the Society is headed by Richard Spring, Baron Risby, a member of the House of Commons of the Conservative Party in 1992-2010 and a member of the House of Lords since

¹¹⁸ *Branches of Association of Ukrainians in Great Britain (AUGB) - <http://www.augb.co.uk/branches.php>*

¹¹⁹ *Association of Ukrainians in Great Britain (AUGB) - <http://www.ukrainiansintheuk.info/eng/03/augb-e.htm>*

¹²⁰ *British-Ukrainian Society - <http://www.britishukrainiansociety.org/about-us/>*

2010¹²¹, while the Advisory Board includes the Earl of Oxford and Baroness Smith of Gilmorehill¹²².

However, this organization has been actually established with the assistance of Ukrainian oligarch Dmytro Firtash, who purchase a share in a British company in 2005¹²³. Dmytro Firtash's business group funded the Days of Ukraine event in the UK in October 2013, involving the British-Ukrainian Society and the British-Ukraine All-Party Parliamentary Group¹²⁴. As revealed in late December 2014, the British-Ukrainian Society has been also funding the British-Ukraine All-Party Parliamentary Group within the British Parliament, mainly through facilitating the visits of the British MPs to the annual Yalta European Strategy forum¹²⁵. It should be noted that oligarchic trail will not always promote the effective international cooperation. In fact, it is typical for not only British dimension of cooperation, but also, for instance, Austrian or German ones.

3.5. BRITISH THINK TANKS

Think tanks have a significant impact on decision-making in the UK. Therefore, it is vital for Ukraine to both maintain the existing level of support from the major think tanks and expand the range of involved organizations.

As of today, the official Kyiv has already managed to establish effective contacts with leading foreign policy oriented think tank in the UK, the Royal Institute of International Affairs (Chatham House). This think tank has essentially become one of the major platforms for communication with British intellectual elite during the visits of top

¹²¹ *Lord Risby - <https://www.parliament.uk/biographies/lords/lord-risby/139>*

¹²² *Advisory Board of British-Ukrainian Society - <http://www.britishukrainiansociety.org/leadership/>*

¹²³ *Firtash Reported to Have Allies in the British House of Lords - <http://www.theinsider.ua/politics/547eaf2634496>*

¹²⁴ *THE BRITISH PARLIAMENT HOSTED THE CEREMONIAL OPENING OF DAYS OF UKRAINE IN THE UK - <https://groupdf.com/en/press-center/news/the-british-parliament-hosted-the-ceremonial-opening-of-days-of-ukraine-in-the-uk/>*

¹²⁵ *Ukrainian Billionaire, Wanted by U.S., Builds Ties in Britain - <https://www.wsj.com/articles/ukrainian-billionaire-wanted-by-u-s-builds-ties-in-britain-1417517476>*

government officials and other influential representatives of Ukraine to the UK. In 2015-2017, the Royal Institute of International Affairs hosted former Prime Minister Arseniy Yatsenyuk (July 2015), leader of the Crimean Tatar people Refat Chubarov (March 2016), and President of Ukraine Petro Poroshenko (April 2017)¹²⁶. In July 2015, the Chatham House has launched a special project “Ukraine Forum” (headed by Ukrainian researcher Orysia Lutsevych) to facilitate discussions on the most urgent issues of internal transformations in Ukraine¹²⁷. This project has essentially become a platform for mobilization of the British political and intellectual elite for further support for Ukraine through the dissemination of information on the progress of reforms. Up to date, 24 events have been organized within this project¹²⁸.

Another important think tank is the European Council on Foreign Relations (ECFR) with headquarters in London. However, the ECFR aims to influence decision-making not only in the UK, but in the EU in general. Over the last three years, Ukraine has been constantly in the focus of this think tank. In the context of Ukraine, the ECFR studies not only the situation within the country or around it, but also the efficiency of the EU's assistance in the process of internal

reforms¹²⁹. This kind of research is particularly vital for the promotion of Ukraine's national interests in the UK and the EU in general.

Another think tank that actively promotes Ukraine in the UK is The Henry Jackson Society, established in 2005¹³⁰. It co-organized visits of Ukrainian MPs to the UK and numerous events involving the British political elite, where the issues related to Ukraine were discussed¹³¹¹³². Subsequently, this think tank has also become one of the most effective platforms for promotion of Ukraine's position in the UK¹³³.

International Institute for Strategic Studies (IISS) also has a significant international influence and authority. This think tank focuses on Ukrainian issues (especially in the context of military research). Some staff members of the institute argue with the idea of transforming Ukraine into a neutral state, which, in their opinion, can help to resolve the conflict with Russia¹³⁴.

¹²⁶ Arseniy Yatsenyuk at the Chatham House: “There are fingerprints of President Putin on the Minsk Deal. So, he is obliged implement the deal” - <http://yatsenyuk.org.ua/ua/news/open/2203>

Refat Chubarov: Today, Crimea is the Territory of Fear, Despair and Repressions Against the Crimean Tatars - <http://mfa.gov.ua/ua/news-feeds/foreign-offices-news/46015-refat-chubarov-today-crimea-is-a-territory-of-fear-desperation-and-repressions-against-crimean-tatars>

The Battle for Ukraine: Leadership and Solidarity - <https://www.chathamhouse.org/event/battle-ukraine-leadership-and-solidarity>

¹²⁷ Tracking Ukraine's Political Transition: The Ukraine Forum - <https://www.chathamhouse.org/event/tracking-ukraines-political-transition-ukraine-forum>

¹²⁸ Ukraine Forum - <https://www.chathamhouse.org/about/structure/russia-eurasia-programme/ukraine-forum-project?page=0%2C0%2C0%2C2#fragment-3>

¹²⁹ Publication «Keeping up appearances: How Europe is supporting Ukraine's transformation» - http://www.ecfr.eu/publications/summary/keeping_up_appearances_how_europe_is_supporting_ukraines_transformation
Publication «What does Ukraine think?» - http://www.ecfr.eu/publications/summary/what_does_ukraine_think3026

¹³⁰ The Henry Jackson Society - <http://henryjacksonsociety.org/about-the-society/>

¹³¹ Event Summary: 'Ukraine Crisis: Competing for Narrative and Countering Propaganda' - <http://henryjacksonsociety.org/2014/06/18/event-summary-ukraine-crisis-competing-for-narrative-and-countering-propaganda/>

¹³² Event Summary: 'Prospects for Ukraine Post-Election' - <http://henryjacksonsociety.org/2014/10/28/event-summary-prospects-for-ukraine-post-election/>

¹³³ Henry Jackson Society «Category Archives: Ukraine» - <http://henryjacksonsociety.org/category/regions/europe/ukraine/>

¹³⁴ Everyone Loses: The Ukraine Crisis and the Ruinous Contest for Post-Soviet Eurasia - <http://www.iiss.org/en/regions/ukraine/london-adelphi-book-launch-everyone-loses-18c4>

3.6. BUSINESS COMMUNITY

Another important tool for the promotion of Ukrainian interests in the UK is the interaction with the business community through existing organizations and venues. For that purpose, the Ukrainian-British City Club has been established in London in 2005. This organization aims to promote trade and investments between the two countries through events and networking between the business communities¹³⁵. In Ukraine, the British Business Club in Ukraine (BBCU), established in 2006, plays a similar role¹³⁶. The oldest organization promoting British business in Ukraine is the British-Ukrainian Chamber of Commerce (BUCC), established in 1997. For instance, the BUCC has organized a summit and negotiations with the British business community during Petro Poroshenko's visit to the UK¹³⁷.

¹³⁵ "Ukrainian-British City Club" - http://www.ubcc.co.uk/UBCC_About_Us.aspx

¹³⁶ British Business Club in Ukraine (BBCU) - <http://www.bbcu.com.ua>

¹³⁷ Meeting of President Petro Poroshenko with representatives of UK business - https://www.facebook.com/permalink.php?story_fbid=1446144895449633&id=100001624107443

4. EXISTING AND POTENTIAL RISKS AND CONFLICTS

4.1. THE UK'S POSSIBLE FAILURE TO MAINTAIN ACTIVE FOREIGN POLICY ON THE EUROPEAN CONTINENT IN THE CONTEXT OF THE BREXIT, AND THE COLLATERAL RISKS ASSOCIATED WITH THIS PROCESS.

In March 2017, the official London launched the process of Britain's withdrawal from the EU, following the referendum of June 2016. Over the next two years, the UK and the EU should resolve all issues related to this process. The parties will work on a separate agreement that would govern all aspects of the bilateral relations in the future. As of today, numerous contradictions exist between London and Brussels: the issue of conditions for the UK's access to the single market, the status of the EU citizens in the UK after the withdrawal, etc. However, the issue of signing the new agreement will be a major problem for the UK's foreign policy for the next two years, given the fact that the EU is a major trade and investment partner of London. In the context of negotiations on the UK's withdrawal from the EU and uncertainty about signing the new agreement, another risk is the future territorial integrity of the country, since such regions as Scotland, Northern Ireland, and (to a lesser extent) Wales oppose the idea of Brexit. This situation could also place the ability of the UK to lead an active global policy, including in continental Europe, in doubt.

Probability: *medium*. During 2017-2019, a new agreement on relations between the UK and the EU will be the main priority for the official London. Furthermore, it is hard to predict accurately the level of activity of the United Kingdom's foreign policy withdrawal from the EU, which could reduce the power capacity of the country. However, today the UK continues supporting Ukraine at the usual level in both countering Russian aggression and internal reforms.

How to avoid? In this situation, Ukraine will be mainly forced to reckon with the situation that arises as a result of negotiations between the UK and the EU. In such conditions, preserving at least the current level of

support on the key issues should become a top priority. On the other hand, following the shaping of the UK's new foreign policy strategy, Ukraine should understand how could the official Kyiv fit in London's regional policy as a reliable partner.

4.2. THE OFFICIAL KYIV'S FAILURE TO DEMONSTRATE REQUIRED PROGRESS IN REFORMS, WHICH WOULD LEAD TO A BRITISH VERSION OF THE "FATIGUE WITH UKRAINE," GIVEN THE LARGE SCALE OF DIRECT AND INDIRECT INVOLVEMENT OF THE UK IN THIS PROCESS.

The British side views the assessment of the progress of domestic reforms with certain level of caution. On the one hand, organization of an international conference on reforms in London in July 2017, initiated by Secretary for Foreign and Commonwealth Affairs Boris Johnson, is a sign of support for Ukraine. However, the British side keeps emphasizing that the progress is still insufficient. Therefore, the conference itself should be perceived by the official Kyiv as rather an incentive for further changes, than as an unambiguous recognition of the existing accomplishments. Thus, this initiative should not create excessive illusions in Ukraine.

Probability: *medium.* As early as in 2016, the British side raised concerns regarding the issue of transition from the establishment of anticorruption authorities in Ukraine toward their practical activities. Overall, in the nearest future, the UK's expectations toward the reforms progress will only grow.

How to avoid? The official Kyiv should consider financial and technical assistance received from the United Kingdom within the reform process as a kind of investment in Ukraine. This, in turn, creates certain expectations for the appropriate results. Ukraine should focus more on the critical areas (anti-corruption, judicial reform, etc.) and less on advertising the existing achievements. The real

measure of success will be the readiness of British business to increase the volume of direct foreign investments in Ukraine, as a significant portion of risks for British business is related to the aforesaid areas.

4.3. POSSIBLE DRAMATIC REVISION OF THE US POLICY TOWARD UKRAINE UNDER THE NEW PRESIDENTIAL ADMINISTRATION COULD FORCE THE OFFICIAL LONDON TO MAKE A CHOICE: EITHER TO MAINTAIN THE CURRENT COURSE TOWARD UKRAINE, OR TO MODIFY THE POLICY ACCORDING TO THE NEEDS OF THE OFFICIAL WASHINGTON.

As the UK withdraws from the EU, the official London regards enhancing relations with the US as a way to neutralize the negative effects of this process, which has been clearly demonstrated by Theresa May's visit to Washington in January 2017. Given Donald Trump Administration's uncertainty on the policy concerning Ukrainian-Russian war and support for domestic reforms, the risk of a radical change against Ukraine remains.

Probability: *low.* As of today, Donald Trump's Administration has not initiated any radical change of policy towards Ukraine or Ukrainian-Russian conflict. However, the full position on the war is just emerging, while Washington plans to cut the reforms-related assistance to Ukraine through the USAID.

How to avoid? Ukraine should use special relations between the UK and the United States as an additional channel of communication with the White House to convey its own position and convince the American side. Theresa May's visit to the US, when she publicly raised the issue of the need to force Russia to implement the conditions of the Minsk Agreements before lifting the sanctions at the press conference with Donald Trump, is a good example of such an approach. On the other hand, the official Kyiv should appeal to the official

London's declared intention to maintain an active role on the European continent, even despite the withdrawal from the EU. The UK could demonstrate this position through the extension of its policy on comprehensive support for Ukraine in terms of both Ukrainian-Russian war and domestic reforms.

The official Kyiv should appeal to the official London's declared intention to maintain an active role on the European continent, even despite the withdrawal from the EU

5. RECOMMENDATIONS

1. **Enhance London's involvement in countering Russian aggression.** The UK has been playing an active role in containing Russia's aggressive actions within the framework of the EU. Ukraine should maintain cooperation with London to preserve this role both during and after the Brexit. The Ukrainian side should present to the British government the idea of developing a plan to arrest the assets of Russian oligarchs and enterprises in the event of the resumption of active hostilities in the East or the beginning of a full-scale aggression to deter the Kremlin from such steps.
2. **Intensification of the interparliamentary dialogue.** The British Parliament has a significant impact on decision-making in the country. The official Kyiv could further use the parliamentary dimension to enhance the British Government's involvement in Ukrainian affairs.
3. **Develop a clear measure for the success of reforms.** Successful implementation of the reforms will encourage the UK to support. Ukraine should consider holding an International Forum on Reforms in London in July 2017 not only as a clear recognition of the progress made in domestic reform, but also as a further stimulus for reform. Agreement between Ukraine and the UK (other reforming partners) of clear criteria for the success of reforms will prevent not only speculation on the effectiveness of transformations, but also serve as an additional argument for the official Kyiv in dialogue with the West to maintain the current scale of assistance.
4. **Simplify the visa regime.** Visa regime for the citizens of Ukraine is obviously contemptuous, which is not in the spirit of partnership between the two states: the visas are not issued in Ukraine, while prices hit records. If London is not yet ready for the visa-free regime, at least it could minimize the present inconveniences. Examples of the People Republic of China and a number of Gulf states that have more favorable conditions for the British visa regime can be a benchmark for future negotiations between Kyiv and London.

5. **Cooperate with the opinion leaders.** Ukraine should not take the pro-Ukrainian position of numerous influential think tanks in the United Kingdom for granted. Kyiv could establish annual conferences involving influential British think tanks. Thus, Kyiv should seize the initiative of certain oligarchs and promote national interests under the brand of Ukrainian events in the UK.
6. **Counter the hybrid threats.** Special focus is required on countering misinformation in the British media, especially the tabloids that have the most significant impact on the public, not only in the UK.
7. **Fight for transparency.** Develop cooperation with London to counter money laundering by Ukrainian citizens, particularly in Britain.
8. **Start negotiations on mutual trade outside of the Association Agreement framework.** Ukraine and the United Kingdom should launch negotiations to prepare for the post-Brexit economic cooperation.
9. **Insist on all levels of the need for a visit of the Prime Minister of the UK to Ukraine.** The twenty-year break in top-level visits from the British side does not correspond to the strategic nature of the relationship.

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