

UA: UKRAINE ANALYTICA

Issue 3 (29), 2022

EMISSIONS
UKRAINE
RECONSTRUCTION
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VISION

- CLIMATE CHANGE
- POST-WAR RECONSTRUCTION
- GREEN DEAL AND UKRAINE

CLIMATE

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Publisher:

Published by NGO "Promotion of Intercultural Cooperation" (Ukraine), Centre of International Studies (Ukraine), with the financial support of the Representation of the Friedrich-Ebert-Stiftung in Ukraine and the Black Sea Trust for Regional Cooperation – a Project of the German Marshall Fund of the United States

UA: Ukraine Analytica is the first Ukrainian analytical journal in English on International Relations, Politics and Economics. The journal is aimed at experts, diplomats, academics, students interested in the international relations and Ukraine in particular.

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ISSN 2518-7481

500 copies

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ROMANIA'S GREEN DEAL POLICY AND UKRAINE¹

Sergiy Gerasymchuk

Foreign Policy Council "Ukrainian Prism"

The Green Deal Policy causes contradictions between Romanian and European politicians, government officials and environmentalists, and business circles. From a quality of life perspective, the environmental benefits and social progress (offered by the EGD) are attractive and rightly deserve to be identified as long-term, worthy cultural and historical goals, but there is a risk of failure to reach them. If the EGD fails in achieving its goals, the level of political, economic, social, and military development will be significantly reduced, which is an unacceptable option in the light of the ongoing Russian aggression, and the task for both Ukraine and Romania is preventing such a scenario by all available means.

Romania's direct involvement in the European Green Deal policy is determined by its membership of the EU, which, after joining the Paris Climate Agreement, committed itself to playing a leading role in achieving the climate goals set out in the Agreement, and agreed the following energy and climate targets by 2030: a 40% cut in greenhouse gas emissions from 1990 levels, 32% of energy to stem from renewable sources, a 32.5% improvement in energy efficiency, 15% cross-border electricity interconnectivity.²

The nature of Romania's participation in the EU's EGD is determined by the fact that the country's national electricity grid (the transformation of which is one of the elements of the EGD) is technically outdated, and requires significant investments to ensure its compatibility with new types of renewable energy generators. However,

such investments require the development of a transparent regulatory framework and a significant period of time. It is noteworthy that as of 2020, 12.4% of electricity in Romania was generated by wind energy, 3.4% by photovoltaic solar panels and 27.6% by hydropower. In general, renewables accounted for 16% of total electricity production.

Reaction of Romanian Officials and Expert Circles to The European Green Deal

Bucharest's initial reaction to the EGD policy was mixed. Romania did not object to the introduction of the EGD. At the same time, Romanian officials expressed some reservations about the ability to single-handedly achieve the ambitious goals envisaged by the EGD, in a timely manner and without enhanced EU support.

1 The original research was published within the project "European Green Deal and Potential Consequences for Ukraine from the Introduction by Its Neighborhood States" with the financial support of the International Renaissance Foundation

2 The 2021-2030 Integrated National Energy and Climate Plan, European Commissions, April 2020, https://energy.ec.europa.eu/system/files/2020-06/ro_final_necp_main_en_0.pdf

It is also natural that the plans of the EGD supporters are at variance with those of the conventional energy lobby.

Activities of the legislature

Under the EGD, Romania has committed itself to preparing and advancing the required legislation on investments in the development of gas resources in the Black Sea, adopting the Decarbonisation Plan for the Oltenia Energy Complex (which is the country's main producer of electricity from coal), diversifying the sources of uranium supply for Nuclearelectrica (a nuclear energy company, 82.49% owned by the state), ensuring the longer operation of existing capacities and the construction of new nuclear capacities, improving the existing electricity and gas infrastructure and developing innovations to it. It was also envisaged to take into account the social aspects of a transition to hydrocarbon neutral energy.



Under the EGD, Romania has committed itself to preparing and advancing the required legislation on investments in the development of gas resources in the Black Sea, adopting the Decarbonisation Plan for the Oltenia Energy Complex

In this regard, an effective step was the regulation of the possibility of concluding Power Purchase Agreements (PPAs) under the green tariff. Such agreements allowed for the conclusion of long-term electricity supply contracts with large-scale consumers, which reduces the risks of market price fluctuations and allows for the freeing up of funds for renewable energy projects. In accordance with Regulation 943/2019, starting from January 2020, green-tariff energy purchase and sale agreements have

been allowed in all EU member states. Before Romania introduced the relevant legislative changes, all energy-related transactions were carried out in the centralised market only. This restriction led to a shortage of investments in new generation capacities, especially in the renewable energy sector.

There is also a need to establish a legal framework for Contracts for Difference (CfD), long-term contracts between electricity producers and consumers, which would stabilise producers' revenues. In Romania, it was assumed that producers would be able to conclude such contracts with OPCOM (Operatorul Pietei de Energie Electrica si Gaze Naturale S. A., a subsidiary of Transelectrica S. A., whose purpose is to administer the electricity market by ensuring long-term, efficient and transparent transactions and commercial contracts). This company carries out administrative activities in the centralised electricity and gas markets, ensuring impartiality, independence, transparency and non-discrimination, as well as organising and administering the green certificates market, and it acts as the administrator of the greenhouse gas emissions trading platform. In recent years, discussions on the launch of such a mechanism have been ongoing in Romania, but they have not been finalised and formalised, and later, given the priority of fighting the pandemic, they were postponed altogether. Currently, the Romanian government plans to resolve this issue by adopting a new electricity law, which is being developed with the support of the EBRD. The new law should also include the provisions of the EU legislation, ensure the flexibility of its systems, increase the interconnectivity of the networks, and liberalise the energy market.

Activities of the Executive

In this context, in the course of 2020, Romania presented its proposals for achieving the European climate goals to the European Commission, and the


latter in turn provided Romania with its recommendations. The National Energy and Climate Plan for Romania, which is one of the main instruments to support plans and mechanisms to ensure energy and climate transition, largely takes into account the above recommendations.

In particular, the EC recommended that the Romanian government should increase the share of renewable energy sources to at least 34%. The Romanian authorities partially heeded this recommendation and, instead of the planned share of 27.9%, agreed to increase the share of renewable resources to 30.7%. This figure was calculated in accordance with the recommendations of the European Commission, to take into account macroeconomic indicators. It is assumed that such indicators will be achieved by increasing energy production from renewable sources by 7 GW, of which about 3.7 GW will be solar energy projects.

By the end of 2020, the Romanian government had to develop the vulnerable consumer concept and legal framework, as well as appropriate support schemes. However, due to the COVID-19 pandemic, the development and implementation of these projects have been postponed. Vulnerable consumers will be sorted into four categories: by income, age (pensioners), health, as well as consumers living in infrastructurally remote areas. The government decided that the relevant legislation would enter into force on September 1, 2022, and not on September 1, 2021, as previously planned, given the need for local administrations, as well as energy and gas suppliers, to prepare for this. Accordingly, new subsidies under the legislation will be allocated, starting from the winter season 2022-2023.

At the same time, there are a number of measures that, despite their importance, have constantly been postponed. Among

them is the issue of state aid provision to the Oltenia Energy Complex. On February 24, 2020, the European Commission approved the Romanian government's state aid (loan) scheme for the complex in the amount of EUR 251 million. One of the conditions for providing assistance was either repayment of the loan within six months, or technological transformation of the complex to ensure its long-term viability, or liquidation of the enterprise. Considering the actual inability to repay the loan, as well as the inability to liquidate the complex, given that it accounts for about 25-30% of national energy generation, the only possible approach is the technological transformation of the complex and its transition to low-hydrocarbon energy sources.



because of the EU's decarbonisation plans, Romania risks losing 40% of its own energy generation (meaning electricity generated from coal), and solutions to compensate for this loss are required immediately

On December 4, 2020, with a noticeable delay, the Romanian government submitted to the European Commission a plan for the industrial restructuring of the complex for 2021-2025. On February 5, 2021, the European Commission announced the start of an in-depth study of the Romanian government's proposals. Depending on the European Commission's response, the Romanian government would have to develop measures to address the social consequences of cutting 14,000 jobs (7,000 of them by 2025), as well as the indirect loss of another 50,000 jobs in one of the poorest regions of Romania, where the complex is located.

Public discussion, opinions of the media, NGOs

According to Romanian MEP Siegfried Muresan, painful social consequences could be avoided by allowing power plants that have been working with coal to use gas. Muresan does not rule out the use of nuclear energy during the transition period, either. This is just one of the cases that is related to the strategy of technological transformation of the complex, as well as regulatory actions and the encouragement of new investments, in accordance with the EGD principles.

It is noteworthy that in January 2020, the then Prime Minister of Romania and current leader of the ruling coalition political force, the National Liberal Party, Ludovic Orban, expressed concerns about the prospects for decarbonisation under the European Green Deal. In particular, according to his estimates, because of the EU's decarbonisation plans, Romania risks losing 40% of its own energy generation (meaning electricity generated from coal), and solutions to compensate for this loss are required immediately. However, as compensation, the EU is to provide Romania with EUR 750 million in grants from the Just Transition Fund.

Thus, Romania is set to be among the three largest recipients of money from the fund, along with Poland and Germany. However, as former Romanian President and current MEP Traian Basescu noted in February 2020, many EU countries do not have enough resources to implement the EGD goals. The resources allocated by the EU for the shutdown of coal mines are not enough. Also, Basescu insists that Romania's true priorities should be the development of highways and railways, as well as the health care system. In addition, Basescu said that the differences between the EU's goals and the national priorities of individual member states could lead to fissures within the EU that could provoke the withdrawal of several states from the Union. Basescu believes

that the only way for Romania to achieve the European goals of reducing carbon emissions is to develop its own gas fields, and that Exxon Mobil (and thus Lukoil) are ready to prospect for these resources in the Black Sea.

In general, an analysis of the discourse and statements by representatives of the Romanian political establishment gives reason to believe that their message is that the EU has been imposing the European Green Deal on Romania.

European environmentalists are debating with Romanian politicians. In particular, Suzana Carp, head of environmental NGO Sandbag in Brussels, notes that, firstly, a significant proportion of the population (66% in 2019) supports the EU Green Deal. Secondly, the Just Transition Fund, as well as the European climate policy, will ensure that states like Romania will primarily benefit from the implementation of the Green Deal. She notes that in 2019, average energy prices in Romania were the fourth highest in the EU, and gradual decarbonisation would help to reduce them. Environmentalists also point out that Central and Eastern European states suffer from the heaviest air pollution in the EU, leading to early mortality. The shutdown of outdated and unprofitable coal mines, which lack proper filters, and the existence of which contradicts the European legislation, in her opinion, would help to solve this problem. As for the funds needed to ensure the transition, Carp noted that Romania can accumulate at least EUR 35-40 billion for energy transition over the next decade. She was primarily referring to the resources of the European Integration Fund, as well as revenues from the EU Emissions Trading System (according to preliminary estimates, Romania could additionally count on EUR 5.5 billion from the EU Integration Fund, including EUR 3.1 billion for the energy sector, as well as EUR 10.11 billion through the Just Transition Mechanism).

At the same time, environmentalists note that Romania, despite the modernisation of its power grid system, also needs to develop another component of the national infrastructure – motorways. At the same time, the movement towards the development of electric vehicles should be accompanied by decarbonisation of the energy system. In addition, one of Romania’s competitive advantages is that coal accounts for a small share of the country’s energy sector; and Romanian coal regions have a high potential for generating wind and solar energy.

Romania’s Possible EGD Specialisation

A window of opportunity for Romania to implement the goals of the European Green Deal is also provided by the fact that the EU Recovery and Resilience Facility (RRF) can and even should be used for green and digital transformation. One of the requirements for the use of RRF funds is that 37% of them should be directed to climate change³ mitigation and biodiversity measures. However, Romania has not been using this opportunity to the full extent. In particular, its national plans for recovery and resilience focus on mobility and water management, and therefore only EUR 1.3 billion (out of the available EUR 30 billion) is directed to renewable energy and energy efficiency.

Instead, the focus is on the use of natural gas, as well as on ways to supply natural gas to new consumers, despite the availability of renewable energy alternatives. This pragmatic approach of the Romanian government has become risky because, starting from 2022, the European Investment Bank will no longer finance

fossil fuel projects, including those involving natural gas. Gas production projects are not expected to be financed through the European Regional Development Fund or the EU Integration Fund either. Instead, one should not ignore the resource potential and soft interference/opposition of interested conventional energy companies, which act as a conditional global anti-EGD group.

An interesting area for the implementation of the EGD goals by Romania is the development of offshore wind farms in the Black Sea. According to World Bank analysis, Romania’s technical offshore wind potential (together with Bulgaria) is more than 100 GW⁴. This is significantly less than in the case of the North Sea, but five times more than Romania’s current energy generation capacity. The return on investment in wind capacities is not yet obvious, but the cost of developing such capacities is gradually decreasing. In addition, Romania already has the largest onshore wind farm in the EU, and the Romanian company Hidroelectrica announced the construction of a 300 MW offshore wind farm in 2020.

However, achieving this goal requires adequate funding from the EU, as in addition to investments directly in renewable energy production, it will also require funds for the development of sustainable and flexible infrastructure and stable power transmission lines, as well as the development of new energy saving technology.

Economic Relations Between Ukraine and Romania

Trade and economic relations between Ukraine and Romania have been showing positive dynamics. In 2020⁵, the volume

3 Towards a Green, Digital and Resilient Economy: our European Growth Model, European Commission, 2 March 2022, https://ec.europa.eu/commission/presscorner/detail/en/IP_22_1467


4 Bulgaria’s and Romania’s Offshore Wind Potential Exceeds 100 GW, Montel, 16 October 2020, <https://www.energetika.net/eu/novice/other%20countries/bulgarias-and-romanias-offshore-wind-potential-exceeds-100>

5 All statistics are according to the State Statistics Service of Ukraine, <https://ukrstat.gov.ua/>

of trade between Ukraine and Romania amounted to USD 1,760 million (USD 1,065 million in 2019), including USD 1,080 million in exports (USD 1,005 million in 2019) and USD 683 million in imports (USD 645 million in 2019). Ukraine had a trade surplus of USD 397 million with Romania in 2020 (USD 360 million in 2019). In 2021, the figures reached USD 1,543 million in exports and USD 796 million in imports.

In terms of economic cooperation, Ukraine and Romania mainly engage in macroeconomic diplomacy. Their bilateral economic relations lack dynamic intergovernmental contacts, strategic vision and a number of important elements of the contractual framework, which negatively affects the technological profile of Ukrainian exports and hinders sectoral cooperation. The lack of microeconomic communication impedes business activity, and reduces the countries' mutual interest in trade and investment cooperation. Ukrainian-Romanian economic cooperation does not live up to its potential, in particular in terms of dealings with customs and anti-corruption efforts, the automotive industry, the creative industries, container trailer transportation, and conventional and alternative energy, while competition for transit cargo flows in the Danube corridor and the story of the Kryvyi Rih Mining and Processing Plant of Oxidised Ores remain a bottleneck for the development of a strategic partnership. However, Romania's support for Ukraine's policy of partnership and integration into the EU and NATO, common security challenges in the Black Sea region, and solidarity in their positions towards Russia form a favourable international context for the advancing of economic relations. Still, the lack of information and communication, and sometimes a distorted view of the conceptual vision of the economic policy

of the parties, their strategic priorities, and certain peculiarities of business ideas determine the inherent extent of Ukrainian-Romanian economic relations.



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The positive dynamics of the Ukrainian-Romanian political dialogue in recent years⁶ has not spread to the strategic dimension of economic cooperation. Ukraine's strategic economic and sectoral documents do not offer a clear plan for building trade, economic, investment, energy and transport cooperation with Romania, or a future vision for cross-border relations. At the same time, the cross-sectoral export strategies provide an analysis that allows one to outline the direction of Ukrainian interests. In transport and trade facilitation, Romania is mentioned among the countries that are most successful in cross-border cooperation, automation, administrative procedures, and advance tax clarifications and information. In the export-oriented machine building sector, Ukraine and Romania are identified as commensurate players in the European automotive industry chain. In the creative industries, there is room for expansion of international cooperation in the European cinematographic and audio-visual organisations.

It should be obvious to Kyiv and Bucharest that economic issues are on the periphery of institutional cooperation between Ukraine and Romania. Security, infrastructure and education are among

6 See Annual Scorecards of the Ukrainian Foreign Policy, Foreign Policy Council "Ukrainian Prism", <http://prismua.org/en/scorecards2021/>

the priorities of interstate cooperation, while economic aspects, which should also be a priority, are mostly declarative. A number of intergovernmental agreements significant for the economy (on shipping, tax issues, etc.) remain uncompleted. The Ukrainian-Romanian Joint Commission on Economic, Industrial, Scientific and Technical Cooperation has met twice over the 13 years of its official existence. The key agreements on expanding bank cooperation and developing business infrastructure and special services, which were concluded at the last meeting of the Commission in 2017, have not been implemented. The microeconomic dimension of relations between the states is also weak. Opportunities to promote Ukrainian producers in the Romanian market, and to continue further cooperation within the framework of the Ukrainian-Romanian Bilateral Chamber of Commerce, have been neglected for a long time (the last mention of its activity dates back to 2017).

Despite the positive dynamics of bilateral trade, its qualitative profile is far below its potential, and needs to be adjusted to take into account strategic interests of the parties. In 2015-2020, the trade between the states doubled, with Ukraine maintaining a consistent surplus. Given the episodic nature of institutional economic cooperation, Ukraine owes the positive dynamics of exports to Romania primarily to the EU-Ukraine DCFTA. Although the basket of Ukrainian exports to Romania is quite diverse⁷ (the product concentration index fluctuated at the level of 0.2), more than 40% of its value is formed by raw materials (ferrous metals, ores, wood, etc.). Conductor and cable products, whose level of technological capacity is below average, accounted for 20% of Ukrainian exports. Thus, the technological breakdown of Ukraine's trade is disadvantageous: 75% of

its products exported to Romania are raw materials and low-tech commodity groups, while 60% of imports are medium- and high-tech products. In this situation, even taking into account the growing number of joint ventures, the governments' declared task of increasing trade in industrial goods with a high degree of processing is too optimistic as a means to identify potential areas of industrial cooperation between Ukraine and Romania.

An incomplete contractual framework, outstanding debts, corruption and raider risks deter Romanian investors from investing in Ukraine. Cross-border projects funded by the EU come to the fore against a background of the low potential of external investment and the multidirectional investment focus of both countries. Despite Romania's repeat appeals to Ukraine to speed up the ratification of the 1995 Agreement on the Promotion and Mutual Protection of Investments, the document has not entered into force. The stumbling block in this process is the case of the Kryvyi Rih Mining and Processing Plant of Oxidised Ores. Given that both countries are not leaders in terms of outbound investments even among Eastern European countries, bilateral economic projects of interregional and cross-border cooperation under the EU's financial umbrella are also important.

The points of contact between Romania and Ukraine in terms of transport currently create competitive friction rather than cooperation synergy. Despite important transport projects in the Ukrainian-Romanian border area, the spirit of competition for cargo flows continues to prevail between the two states. There has been no tangible progress in the implementation of the agreement of the bilateral Working Group on Transport and Infrastructure on the organisation of

7 Embassy of Ukraine in Romania, <https://romania.mfa.gov.ua/spivrobotnictvo/202-torgovelyno-jekonomichne-spivrobotnictvo-mizh-ukrajinoju-ta-rumunijeju>

RO-LA container trailer transportation through the territories of Ukraine and Romania. Its launch could partially solve the problem, with transit permits for Ukrainian carriers through the compensation mechanisms promised by the Romanian side as support for users of this system. Romanian seaports benefit from more moderate port dues and better transport infrastructure. Ukraine's desire to increase the volume of transit cargo handling in domestic ports has resulted in a long-term dispute with Romania over the construction of the Danube-Black Sea deep-water navigation course. Romania's arguments about the destructive environmental impact of the Ukrainian project are countered by evidence of its subversive significance for the Romanian monopoly on transit navigation on the Danube.

The lack of consensus on the economy of the Danube Delta negatively affects both countries' ecology, as well as the development of the common tourism and fishing resources, and hinders the implementation of the EU Strategy for the Danube Region. Obviously, this issue is directly related to the EU's EGD and should be high on the agenda in negotiations on EGD cooperation between Ukraine and Romania.

Energy is one of the most promising areas of interstate cooperation between Ukraine and Romania, whose benefits extend to neighbouring countries and contribute to strengthening regional security, as well as enhancing Ukraine's policy of partnership and integration into the EU and NATO. The signing of the technical agreement between the gas transport system operators of Ukraine and Romania has created legal grounds not only for the transportation of gas in the reverse direction, but also for the supply of gas via a new route – important from the point of view of energy security – from Southern Europe and Turkey through

Bulgaria and Romania to Ukraine, and further on to Moldova. Provided interconnectors between the gas transport systems of the two countries are built, Romania will be able to use Ukrainian gas storage services, as its own storage facilities are insufficient. There is potential for cooperation between Romanian and Ukrainian companies in the drilling of oil and gas wells. The equipment and experience of Romanian companies allow them to provide services to their Ukrainian partners at attractive prices and in a cost-effective way. A smaller but extremely important area of cooperation is alternative energy. Although Romania has been successfully developing this sector, it is not among the thematic priorities of cross-border cooperation. These aspects should also be addressed during negotiations on EGD cooperation between Ukraine and Romania. Moreover, a thorough analysis of the risks associated with the prospect of limited EU funding and support for gas projects is required.



Energy is one of the most promising areas of interstate cooperation between Ukraine and Romania, whose benefits extend to neighbouring countries and contribute to strengthening regional security, as well as enhancing Ukraine's policy of partnership and integration into the EU and NATO

There is a lack of information about public initiatives or bilateral negotiations on the European Green Deal between Ukraine and Romania. Their establishment should be among the current priorities of bilateral relations. The initiative should extend to establishing permanent contacts both at the sectoral and governmental levels, as well as between parliaments.

Recommendations for the Ukrainian Authorities and the Public

Working out foreign policy on Europe (including Romania) as far as the EGD is concerned, Ukraine should continue to make efforts to decarbonise its economy, in line with the Paris Agreement, the UN Sustainable Development Goals by 2030 and the EU Association Agreement (also emphasised in the Recommendations of the Parliamentary Committee Hearings on the European Green Deal on September 11, 2020). In the process of forming both state and European policy on the EGD, Ukraine should take into account the recommendations set out in the 2020 comprehensive policy paper "European Green Deal: Opportunities and Threats to Ukraine".

The study of the national analyses on the EGD and SWAT analysis of the EU's implementation of the EGD, the consequences for bilateral relations between Ukraine and Romania, and Ukraine's accession to the EGD in general, lead to the following generalisations that Ukraine should take into account in the framework of its departmental activities.

General Reservations about the EGD

1. Although it has been declared that while focusing on the environment, the EGD considers legal, economic, social and humanitarian aspects in a balanced way, it should be noted that the balance of EGD features and goals only appertains internally (within the EU) as evidenced, in particular, by the Romanian discourse on this topic. Intrinsic to the EGD are economic, social, institutional and humanitarian risks, which are directly proportional to the pace of implementation of measures to achieve the political goals of the deal.

2. It appears that in order to avoid hasty political and political-legal decisions, the scope and scale of the planned

economic transformations related to EGD implementation should be considered in the longer rather than medium term. After all, we are dealing not with a natural economic and historical transition to a new energy/technological basis of production and existence, but with a full range of front-on political and legal implications. The political history of the European Union offers several examples of dubious projects or those that failed due to insufficient political justification, or because the reality of inadequate state mechanisms and the inertia of socio-economic systems, plus the prevailing culture of political participation and the inherent conservatism of business were all ignored.

3. Among other things, in particular, the answer to one fundamental question remains unclear; which is the format of the governmental/EU control over maximisation of profits and minimisation of the costs of energy production by new monopolies during the transition period: how many will there need to be, and to what extent will market and administrative mechanisms be applied?

4. From the economically liberal point of view, the EU's EGD is considered excessive government interference in economic relations. One can even talk about indirect signs of political lobbying for certain corporate interests. The analysis of contradictions between Romanian and European politicians, government officials and environmentalists, and those in business circles, suggests that the European Green Deal announced by the EU is a violation of the political principle of decision-making based on the consensus of both elites and nations. It is not about getting approval by means of plebiscites/referendums, but about legitimisation – reaching a consensus between business circles, national governments and EU institutions, which would only then enact the EGD across Europe.

5. From a quality of life perspective, the environmental benefits and social progress (offered by the EGD) are attractive, and rightly deserve to be identified as long-term, worthy cultural and historical goals. However attractive and vibrant they are, they should not blind us to the fact that it would be foolish to ignore the seriousness of the risks of failure. Failure is fraught with the possibility of sectoral and regional decline, deindustrialisation of whole regions and countries, and, consequently, the economic degradation of the EU as a whole, with the inherent arrhythmia of competition, falling social indicators, limited professional employment options, social depression, festering corruption, paralysis of governance, possibly even a collapse of the EU's political system (both under the burden of its own problems and under the influence of external interference), which, in fact, is what the representatives of Romania in the European Parliament are worried about.

6. One of the explanations for the current European optimism and enthusiasm for the EGD – and its perception as a “new religion” – is that the EGD has a veiled potential to significantly sequester/annihilate both American and Sino-Russian influence on the EU. As most of the current EU establishment believes, such external influence will be totally eradicated. This reduction of influence (if the EGD is successful) is seen primarily (or only) in terms of reducing external energy dependence. It can also be predicted that in cultural and political dimensions, the EGD will give the EU the role of global leader. However, this policy does not address the problems of technological or security/defence dependence, as well as the threat of Russian geopolitical expansion into Europe. On the contrary, if the EGD fails to achieve at least one of its goals, the level of political, economic, social, and military development will be significantly reduced, giving the Russian project an advantage in terms of institutional resilience.

Actor-specific Proposals Concerning the EGD:

The Ministry of Economic Development, Trade and Agriculture, the Ministry of Energy, and the Ministry of Foreign Affairs should:

1. Hold a joint meeting with the Romanian-Ukrainian Bilateral Chamber of Commerce, and identify areas of institutional support for relaunching it, to develop a concept for the development of strategic dialogue on trade and investment, taking into account the EGD aspect at all possible levels – from intergovernmental contacts to joint events with the participation of representatives of the business circles, international institutions, concerned representatives of neighbouring countries, and the media, to exchange specific information on the relevant economic needs of each country's business environment; and to plan an information campaign, to promote the opportunities for doing business in Ukraine to Romanian companies.

2. *The Ministry of Infrastructure, the Ministry of Environmental Protection and Natural Resources, the Ministry of Energy, the Ministry for Communities and Territories Development, and the Ministry of Foreign Affairs should:*

3. Launch negotiations on preparing for the next meeting of the Ukrainian-Romanian Working Group on Transport and Infrastructure, with the agenda to include container trailer transportation, and cross-border projects in alternative energy, as part of the EGD goals and activities;

4. Focus efforts on the coordination of and communication among all responsible and competent institutions, to launch projects aimed at creating a system of joint environmentally-oriented management of the Danube Delta, using all available funding mechanisms (European Neighbourhood Instrument, Danube Transnational Programme, etc.) including the most promising one, the EGD.

The Ministry of Energy should:

1. Given the vague prospects for the Romanian gas sector (in the context of EGD implementation), while preparing a meeting of the Bilateral Working Group on Energy, it is necessary: a) to consider the possibility of involving Romanian companies in Ukrainian well drilling tenders, with the use of a contractor's drilling rigs and personnel; b) to propose to include on the agenda the discussion of possible Ukrainian-Romanian cooperation in EGD implementation, including by developing cooperation in alternative energy (as part of thematic priorities in cross-border cooperation), with regard to an analysis of the risks related to the EU's limited financing and support for gas projects;

2. Hold a meeting with PJSC Ukrtransgaz, to update the data on market demand and the interest of the leading gas market players in Ukraine and the EU (Romania) in the implementation of the project "Two-way natural gas transportation via the Trans-Balkan pipeline", so as to make a final decision on the feasibility of this project.

The Cabinet of Ministers of Ukraine, and the Ministry of Foreign Affairs should:

1. Initiate a direct intergovernmental dialogue with Romania on: a) interest in and opportunities for cooperation in EGD implementation; b) finding a political and economic consensus on the Danube

Delta economy, the lack of which affects the economic interests of both parties, the ecology of the subregion, the development of the common tourism and fishing resources, and the implementation of the EU Strategy for the Danube Region;

2. While developing a government policy, it is necessary to take into account the recommendations of the Parliamentary Committee Hearings on the European Green Deal on September 11, 2020, which, among other things, suggest exploring the possibility of strengthening the Lublin Triangle initiative by launching joint initiatives with its member states, and extending the initiative to Hungary and Romania;

3. Decide on an acceptable compromise, and offer Romania a final round of negotiations on the case of the Kryvyi Rih Mining and Processing Plant of Oxidised Ores, which is an unjustifiable obstacle to the development of investment cooperation between Ukraine and Romania.

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UA: UKRAINE
ANALYTICA

Issue 3 (29), 2022

ISSN 2518-7481