

END NOTE

WHY ARE UKRAINE AND MOLDOVA UNABLE TO RESOLVE THEIR BORDER DISPUTE?

By Taras Kuzio

On 29 January, the first demarcation point on the Moldovan-Ukrainian is expected to be installed in Chernivtsi Oblast (formerly North Bukovina). The demarcation of the entire Moldovan-Ukrainian border is expected to take another two years to complete. In June 1996, delimitation of the 1,200-kilometer border was based on the administrative border established by the USSR on 4 November 1940. This resolved 70-80 percent of the delimitation. The remaining 20-30 percent took until 1999 to complete.

Why, then, the long delay in the border's demarcation? The border dispute between Moldova-Ukraine has always involved more than the issue of territory. The Moldovan village of Palanca is located exactly on the country's border with Ukraine. The Odesa-Reni highway runs through the village. When Moldova ceded a 7.7-kilometer section of the highway to Ukraine, the village of Palanca was effectively split in two. In exchange, Ukraine initially transferred to Moldova 100 square kilometers of land, to be followed by another 1,000 square kilometers near the mouth of the Danube River. This has allowed Moldova to begin building an oil terminal for the import of Azerbaijani oil, thereby reducing its dependency on Russia for energy and earning transit fees for the re-export of oil to other countries.

The agreement on the transfer of territory was signed in August 1999 after delimitation was completed. But Ukraine refused to withdraw its border troops from the Giurgiulesti region -- the area seceded to Moldova to give it access to the Black Sea -- because "an agreement on state borders has not yet been ratified." This, in turn, halted the construction of the oil terminal.

The ruling Communist Party of Moldova (PCM) has always supported the territory exchange. Opposition to it came from the Popular Party Christian Democratic and other the center-right parties. Those parties pointed to the constitution, which envisages making changes in the country's territorial integrity only through a referendum. In September, the Constitutional Court ruled in response to their objections that the transfer of land was constitutional. A Foreign Ministry official pointed out that the highway was not ceded but "transmitted into ownership" and that this "does not harm the sovereignty of Moldova."

An additional factor that complicates the border dispute is the Transdnister region. Since coming to power in 2001, the PCM has been a staunch advocate of Moldova's territorial integrity, hoping

that its close relations with Russia would lead Moscow to apply pressure on the Transdnierster separatists to reach an agreement with Chisinau. But while Russia first overtly and then covertly backed the Transdnierster separatists, it has been unable to force them to sit down at the negotiating table.

Although Russia has shifted its support to the Moldovans since the election of the PCM, Ukraine still backs the Transdnierster separatists. Earlier this month, Ukraine's special commissioner to the talks, Yevhen Levytsky, tabled a proposal that the Transdnierster be granted de facto independence "as a republic in its current manifestations and characteristics" until a final settlement is reached. The proposal envisaged that the Moldovans would desist from interfering in the Transdnierster while providing it with the new customs seals to undertake external trade. Ukraine is also seeking to open a consulate in the Transdnierster.

Moldovan President Vladimir Voronin has become exasperated at the Transdnierster stance and especially that of its intransigent president, Igor Smirnov. Moldova proposed installing joint Moldovan-Ukrainian customs checkpoints on its -- and Transdnierster's -- border with Ukraine.

The OSCE has backed that proposal. Joint checkpoints would, according to an OSCE delegation that visited the border in December, make it possible "to improve import- and export-control procedures from the Dniester region." But this was precisely the issue that neither the Ukrainian or Transdnierster sides wanted to resolve, and hence they both rejected joint checkpoints.

In 1996, the Moldovans issued eight customs seals for the Transdnierster. By 2001, this number had been augmented by an additional 348 forged customs seals. In September 2001, Moldova changed its customs seals and thereby deprived the Transdnierster of the possibility of "legal" involvement in international trade. The Ukrainian side has insisted that the new seals be given to the Transdnierster. The Moldovans have also demanded that countries refuse to issue visas to residents of Transdnierstr, many of whom have Russian citizenship.

Voronin has accused Ukrainian officials of involvement in illegal smuggling rackets operating out of the Transdnierster and through the Ukrainian ports of Odesa and Illichevsk. In both of these ports, the Transdnierster has individuals capable of fabricating documents facilitating such trade. Ukraine remains the only CIS state that has not recognized the new Moldovan customs seals.

One measure of the extent of Transdnierster officials' involvement in the smuggling trade is the fact that Smirnov's son heads the Transdnierster State Customs Committee. The scale of the trade Ukraine is facilitating for the Transdnierster is evident in the 12,000 freight rail cars allowed to cross since the new customs seals were introduced. Late last year, a tape recording made by former presidential security officer Mykola Melnychenko of a conversation between Ukrainian President Leonid Kuchma and Odesa Mayor Ruslan Bodelan was released publicly. The tape substantiated allegations by Voronin and others of Ukraine's long-standing involvement in Transdnierster smuggling rackets.

These smuggling rackets allegedly involve weapons, narcotics,

metals, oil, gas, cigarettes, and other commodities. As Voronin complained: "We in Moldova have understood that Smirnov is a bandit. It is not clear who he is for Ukraine." The Transdnister was the most industrialized region of Moldova, with many factories involved in military production. Since 1992, the region has been forced to create closed production cycles for many of these weapons, such as small arms, mortars, GRAD multiple-missile and grenade launchers.

The Transdnister's involvement in the export of such weapons -- some of which could fall into terrorists' hands -- was one reason why the issue was on the agenda during Voronin's December visit to the United States, where he met with President George W. Bush. U.S. awareness of Ukraine's involvement in the smuggling rackets might, in turn, contribute to worsening the already poor relations between Kyiv and Washington.

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