



Policy Brief

Analysing the current state of Russia-Belarus integration: The adoption and implementation of roadmaps

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Executive Summary

The aim of this policy briefing is to analyse 28 roadmaps of the Union State between Russia and Belarus. This briefing covers the roadmaps in detail and assesses their implementation to date. The key challenge with analysing the negotiating process on roadmaps is that it has been almost completely non-transparent. Also, public statements of the Russian and Belarusian negotiating teams have been different. The briefing suggests, overall, the quality of roadmaps varies and depends on the responsible entity and attention paid to a given field of integration. Based on the analysis in this policy briefing, four policy recommendations are offered.

Background

28 union programmes (roadmaps) were proposed as an integration strategy for the Union State of Russia and Belarus in 2018 by Moscow. They include tasks and tools for unifying the management of the economy of Russia and Belarus. In 2019, the number of programmes was 31, but due to the lack of transparency in the negotiation process, it is not clear when and due to what topics the reduction to 28 was made. The programmes were signed in November 2021 during a meeting between Lukashenka and Putin. On the whole, these programmes signify a new stage of integration or, rather, the gradual subordination of Belarus to Russia.

An analysis of the 28 roadmaps shows that a significant number remain unimplemented. Preliminary formal estimates suggest the following breakdown:

- 1) implementation is close to completion – 5 roadmaps;
- 2) implementation is fast and likely to meet the deadline – 5;
- 3) implementation is underway, but no accurate assessment of the implementation's speed is available yet – 5;
- 4) implementation is slow and unlikely to be finished by the end of 2023 – 9;
- 5) implementation is hard to verify (critical lack of information) – 2;
- 6) implementation has not started – 2.

It should be noted that assessing the integration is complicated by the non-public implementation of some programmes. Belarusian and Russian officials show an optimistic attitude when assessing the implementation of the roadmaps. For the assessment, they chose the methodology of evaluating the percentage of implementation of each roadmap. Since the information on a range of sector activities is not disclosed, it is impossible to trace progress in individual stages, hence verifying their conclusions is problematic. In June 2022, they talked about 30 to 34 percent.

The methodology for assessing the degree of implementation is as follows. Each union programme (roadmap) has the following sections in its structure: the major stages of implementation, a list of regulatory legal acts, and the required technical solutions. If the programme does not have the last section, technical solutions (which is noted in table 1), it most likely means that the implementation plan has not been elaborated completely. A number of

programmes have this section, but with no specific proposals in it. In some cases, this section states “already implemented.” This most likely means that when the roadmap was developed, its authors included in it steps for integration implemented before September–November 2021. The integration project of the Union State received a new impetus in 2018. Separate allied programmes were already in development and partly implemented. For example, integration in the field of nuclear energy. Typically, qualitative analysis was used for the assessment of implementation. For instance, a map may indicate a field of work, but it seems too difficult to implement because creating markets in two or three years and then integrating them seems impossible. A significant number of roadmaps imply harmonisation instead of integration. In general, it may be concluded that their implementation is underway, though they do not contain technical solutions, only proposing the approximation of legislation. The assessment of implementation may be rough due to the lack of information and transparency of the implementation stages. The author's assessment of the degree of implementation is based on the above principles and a qualitative assessment of each of the roadmaps.

Analysis of the issue

Adoption of the roadmaps in 2018–2021

The current form of Belarus–Russia integration takes its origin from the statement of D. Medvedev, Chairman of the Government of the Russian Federation, at the meeting of the Council of Ministers of the Union State on December 13, 2018: “I want to say that the Union project, the Union State project can be implemented in a completely different way if we make efforts to implement the agreement signed in December 1999, including the establishment of bodies that have not yet been established, but which are stipulated by that agreement.”¹ In fact, this meant the Kremlin's intentions to resurrect the project to establish supranational bodies: a parliament, committees, a single money issuance centre (Section III of the Treaty on the Establishment of the Union State).²

Following that statement, a joint working group was formed to prepare the official Agenda for Belarus and Russia to Implement the Provisions of the Treaty on the Establishment of the Union State. It was planned to be signed and adopted on December 8, 2019 (symbolically from the date of the Belavezha Accords).

Reviewing the timeline of formal integration (development of roadmaps, adoption of documents) from 2018 to 2021, it should be noted that the Russian side acted as the initiator, rushed the Belarusian side, and exerted pressure. The Belarusian side slowed down the terms of implementation, insisted on reducing the number of roadmaps, and formulated its “national economic interests.”

The Russian negotiation strategy may be characterised as mixed: from ultimatum-like to competitive, rarely partner-like. The Belarusian negotiation strategy was more often competitive and occasionally obstructive.

¹ <http://government.ru/news/35084/>

² <https://soyuz.by/dogovor-o-sozdanii-soyuznogo-gosudarstva>

In June 2019, Minister of Economic Development of the Russian Federation M. Oreshkin claimed the approaches were 90% aligned.³ The Belarusian side, on the other hand, insisted that the alignment remained at the level of 70%.

In fact, statements of this kind are difficult to verify, since the negotiation process and working documents were never presented for public discussion. Therefore, it was not possible to keep track of the number of roadmaps, their content, and debating points in the negotiations until September 10, 2021. On that day, a summary of the roadmaps (union programmes) was published for the first time.⁴

Part of the Russian strategy for pushing closer integration was carried out by a large team. Dmitry Medvedev made the sharpest statements on December 13, 2018 (cited above). On December 23, 2019, he spoke on the 31st roadmap saying it “provides for institutions such as supranational bodies, a single currency, a single issuance centre.” Later, the Ministry of Economic Development got involved (Minister M. Oreshkin and his first deputy Mikhail Babich), an important function was performed by the Russian Ambassador to Belarus, who actually carried out direct contact between the Administrations of the Presidents of the two countries. Also, four ambassadors (M. Babich, D. Mezentsev, V. Lukyanov, and B. Gryzlov) had been replaced during the entire period of “intensified integration” from 2018 to 2022. One of them (D. Mezentsev) has continued to work as the State Secretary of the Union State.

The Belarusian negotiating team seemed much more modest. A. Lukashenka made all significant political statements and D. Krutoi was directly involved in the negotiations from 2018. In addition, Prime Ministers S. Rumas and R. Halouchanka and Belarusian Ambassador V. Siamashka made public statements on integration.

A. Lukashenka formulated the general “national economic interests,” which he repeatedly voiced:

- 1) cutting gas prices to the level of Smolensk;
- 2) opening Russian markets for Belarusian goods;
- 3) compensating for the “tax manoeuvre.”

Russian negotiators have claimed the most difficult were the following three blocks of issues: oil, gas, and taxes (M. Oreshkin's statement on December 20, 2019, see fn3).

There was a timeout in negotiations from December 2019 to September 2020.

Despite ideas in the media that the project to renew the Union State project was timeserving in nature, dictated by the problem of 2024 for Putin (the end of two presidential terms), negotiations continued even after the adoption of the new Constitution in Russia on July 1, 2020.

As a result of the political crisis in Belarus, Lukashenka's room for manoeuvring in his negotiations with the Kremlin was significantly reduced. President Putin provided political and financial support to Lukashenka, with a purpose to further implement the strategy for the renewal of the Union State. In September 2020, negotiations on the roadmaps were resumed, and the negotiation process intensified.

³ <https://4teller.com/belarus-voynet-v-sostav-rossii>

⁴ A summary was published as part of the Joint Statement of the Chairman of the Government of the Russian Federation and the Prime Minister of Belarus on the Current Development and Further Steps to Deepen Integration Processes within the Union State. For more on this, see <http://government.ru/news/43234/>

The first significant results of the Belarus–Russia negotiations were announced on April 23, 2021. The heads of the governments of Russia and Belarus initialled (signed) drafts of 26 out of 28 roadmaps. Two maps, one on the unification of tax and another on customs legislation, were not agreed upon. On September 10, 2021, a summary of the 28 roadmaps (hereinafter referred to as the Union programmes) was published as part of the Joint Statement of the Heads of Government.⁵

However, between September 10 and November 4, 2021 (the date of signing the Union programmes at the Supreme State Council of the Union State), some changes were made. More specifically, Decree No. 6 of the Supreme State Council of the Union State provided for 27 programmes.

The challenge of analysing the negotiation process on the roadmaps is that it has been almost completely non-transparent. Public statements of the Russian and Belarusian negotiating teams have been different. The decision-making process and formal institutional hierarchy have not corresponded to the real process. Looking at the Belarusian team, it may be noted that the main technical negotiator since 2018 has been D. Krutoi. In 2018 he held the position of First Deputy Minister of Economy, and in 2021 he was appointed Deputy Head of the President Administration. Not long ago he was appointed Ambassador of Belarus to Russia. Nevertheless, all significant decisions have been made directly by Lukashenka. The Belarusian side made attempts to imitate a tough competitive strategy, which came close to being obstructive. It implies that the Belarusian side has not pursued renewing the project of the Union State. In fact, negotiations came to a standstill at the end of 2019. The 2020 political crisis, insufficient funds in the budget, and the narrowing of the negotiating field due to the political isolation from Western governments have brought Lukashenka back to the issue of building the Union State. Despite the rhetoric, during the negotiations from September 2020 to November 2021, the Belarusian side used a tough competitive strategy.

The Russian side acted as a broader team. Mr Medvedev voiced the goal and the toughest proposals, while the Ministry of Economic Development fully supervised the negotiations, and First Deputy M. Babich (former Ambassador of Belarus to Russia) supported the technical side of the negotiations. Russian Ambassador to Belarus D. Mezentsev, who later became State Secretary of the Union State, was in charge of operational communication. Putin played the key role, though not by manually managing the process, but by appointing the responsible persons, including the Ambassadors: Mikhail Babich, Dmitry Mezentsev, Vladimir Lukyanov, and Boris Gryzlov. Each of them belonged to the “inner circle” and performed a certain function and role. Babich laid the foundation of the modern trend, worked at different levels with Belarusian officials and civil servants, and was a crisis manager. Mezentsev, who replaced Babich, was more flexible, spoke the same post-Soviet language as Lukashenka, and was understandable to him and the Belarusian officials. That is why his appointment to the position of the State Secretary of the Union State went smoothly. Lukyanov, a career diplomat, was a paler figure. Boris Gryzlov, the leader of the United Russia Party, was appointed to give integration a political tinge.

It bears emphasis that those appointments have led to an increase in Russian cooperation with the Belarusian bureaucracy and systematic work with its representatives through a set of meetings of intergovernmental commissions, working groups, and joint ministerial boards. Considering the resources and experience of the Russian negotiating team, it is likely that they have found

⁵ <http://government.ru/news/43234/>

partners and “sympathizers” in some Belarusian bureaucrats and civil servants. The proposals of the Russian side have looked attractive for a number of ministries with respect to the decentralisation of managerial powers and liberalisation of economic legislation. Considering the worsening of relations with the West, the Belarusian government's internal resources have been decreasing. The “helping hand” that Moscow initially offered, looked promising.

Union programmes: A threat to national sovereignty, liberalization of economic legislation, assessment of the current implementation

On November 4, Decree No. 6 of the Supreme State Council of the Union State that set forth the Guidelines for Implementing the Provisions of the Treaty Establishing the Union State in 2021–2023 was signed.⁶ The document defined the main guidelines for the Belarus–Russia integration, known in the public space as roadmaps. All in all, seven guidelines were identified:

- 1) Conducting a unified structural macroeconomic policy and creating a common financial market.
- 2) Creating a common economic space and ensuring equal economic conditions.
- 3) Harmonising tax and customs legislation. Conducting a unified tax policy, as well as a unified trade and customs-tariff policy in relation to third countries, international organisations, and associations.
- 4) Forming and executing the Union State budget.
- 5) Conducting a coordinated policy in labour protection, social protection, and pensions.
- 6) Unifying civil legislation and defining the foundations for creating the property of the Union State.
- 7) Ensuring the implementation of the provisions of the Treaty on the Establishment of the Union State of 8.12.1999 and increasing Russian-Belarusian cooperation.

The document was designed to be implemented by December 31, 2023. A number of guidelines, in particular on tax and customs legislation, had a more detailed timeline. The Decree contained a detailed description of 28 union programmes (roadmaps), which identified the stages of implementation, responsible parties, national laws, and regulations to work with (amend, adopt new ones or use as a basis). In addition, a list of technical tools needed for implementation was attached to the document. However, not all roadmaps contained all of these sections. Accordingly, it may be assumed that they will be finalised in the next phase in 2024-2026. Such programmes may be labelled as undeveloped.

1. The Union programme on Convergence of Macroeconomic Policies of the Treaty Member States consists of four parts: synchronisation of strategic management, institutional support and development of small and medium-sized enterprises, harmonisation and synchronisation of approaches to the formation of official statistical information, harmonisation of insolvency and bankruptcy systems in Russia and Belarus. This programme assumes the development and signing of two agreements: on information interaction, and on developing the guidelines for the social and economic development of the Union State. In general, the roadmap is poorly elaborated, as it lacks clearly formulated technical solutions, and in a number of stages does not have them at all. The Ministry of Economy of the Republic of Belarus reported on June 30, 2022, that most of the activities under the planned programme were already implemented. The significant steps included **the preparation of the draft** Agreement on Information

⁶ <https://etalonline.by/document/?regnum=ad2100022>

Cooperation and Formulation of the Guidelines for the Social and Economic Development of the Union State; as well as the draft Law on Settlement of Insolvency. As part of the programme did not include a detailed list of technical solutions, it may be assumed that its full implementation is planned for the next stage.

2. The Union programme on Harmonisation of Monetary Policy and Macroprudential Regulation consists of five stages. Among the significant changes expected are the preparation of an interbank agreement on the principles and mechanisms of harmonising monetary policy (hereinafter referred to as MP), implementation of a package of measures for Belarus' transition to inflation targeting, preparation of a Law On Amendments and Additions to the Banking Code of the Republic of Belarus (providing for strengthening the operational independence of the National Bank, changing the status of the Main directions of MP), preparation of regulation on the main directions of Belarus' MP, as well as the Agreement on Cooperation and Exchange of Information, including classified. The roadmap is thoroughly elaborated. Technical tools for its implementation are proposed. Though necessary technical solutions are not outlined, it is proposed to sign an agreement or introduce a law for each stage. The roadmap suggests signing an agreement between the Central Bank of Russia and the National Bank of Belarus on the principles and mechanisms for the harmonisation of MP by December 2022. After signing this agreement, amendments will be made to the Banking Code and other regulations. The main field of work is expected from the Belarusian side. Domestic resistance is possible from the Administration of the President of Belarus, as through the implementation of this roadmap, the National Bank will gain greater independence from the Government and the Administration. **The roadmap has not yet been implemented.** Further monitoring is required. The assessment may be given in late 2022. The purpose of the roadmap is to create similar financial conditions for the economic entities of both countries.

3. The Union programme on Harmonisation of Requirements for Information Security in the Financial Sphere (within the framework of the Bank of Russia and the National Bank of the Republic of Belarus). The programme consists of seven stages. **Technically, most of the proposed solutions have been almost implemented. In particular, the fourth and fifth stages have been completed. Work has been performed at the level of working groups and drawing up protocols.** The document is partially classified, as it refers to national security.

4. The Union programme on Harmonisation of Currency Regulation and Currency Control. The programme consists of seven stages. It is sufficiently elaborated, as it provides a list of laws to be harmonised. No significant changes are expected at the level of legislation. **A decision is lacking** in the mutual provision of laws and regulations on currency regulation and currency control bodies.

5. The Union programme on Harmonisation of Regulations of Credit and Non-Credit Financial Institutions, as well as the Financial Market as a whole, including the Creation of Uniform Principles of Deposit Insurance. The programme consists of two parts: provision of interaction and information cooperation of supervisory bodies; and harmonisation of requirements in regulation and supervision of financial market participants. The programme provides for a number of agreements, including the Agreement on Cooperation and Exchange of Information, including Confidential Information in Supervision and Control of the Financial Market, as well as the adoption of the draft Law on Enhancing Financial Transactions Using the Electronic Platform. No draft agreements and laws have been reported. Accordingly, it may be concluded that **the programme has not been implemented**, despite being well-elaborated.

6. The Union programme on Harmonisation of AML/CFT Requirements for the Financial Sector. The implementation of the programme is difficult to assess as it does not specify which draft agreements or legal acts are required for harmonisation of the requirements. The roadmap states that most stages have been completed, but these stages do not reveal the essence of the harmonisation of approaches. **An assessment by a field expert** is required.

7. The Union programme for the Integration of Payment Systems in the Field of National Payment Card Systems, Financial Messaging and Settlement Systems, Implementation of the International Standard for Exchanging Financial Messages ISO 20022, Faster Payments System, Financial Technologies Development (in the application of distributed registers technology, digital identification, including biometric, open API, trade finance in terms of digital letters of credit, mortgages and bank guarantees), Harmonised Approaches to the Supervision and Monitoring of Payment Systems. The programme consists of five parts: improvement of cross-border financial information exchange mechanisms between Russian and Belarusian credit institutions; cooperation for the integration of Faster Payments Systems (FPS); cooperation in the field of financial messaging and settlements; cooperation in the field of supervision of payment services market participants; cooperation in the field of financial technologies development. This roadmap provides for the reliance on the Russian experience and the launch of a pilot project, which is to be developed. No other technical solutions are mentioned. An assessment by a field expert is required, though based on formal criteria, **the programme has not been implemented** and perhaps its implementation is not stipulated at this stage of integration.

8. The Union programme on Harmonisation of Protection of the Rights of Consumers of Financial Services, Investors, as well as the Prevention of Unfair Practices in the Financial Market. The programme consists of 11 stages of its implementation. A part of the stages has been passed. The responsible bodies (the National Bank of the Republic of Belarus and the Central Bank of the Russian Federation) have carried out the preparations, although the document does not specify them. The programme is stated as implemented. Significant changes provided for by the roadmap include the preparation of a project to amend the Law of Belarus On the Protection of Consumer Rights. **No reports of it** are available in open sources.

9. The Union programme for the Integration of Information Systems of State Regulatory Authorities on the Traceability of Goods. The programme consists of two parts: unification of the legislation of the Union State member states, providing for unhindered admission to their market of the goods subject to traceability; and organisational and technical measures. It is assumed that the implementation of the roadmap does not require regulatory and legal changes. On June 30, 2022, the Ministry of Economy noted the **implementation of this map** and reported on the already implemented integration of information systems on the traceability of goods.⁷ This had not been reported in the media prior to that announcement.

10. The Union programme for the Integration of Goods Labelling Information Systems. The feature of this programme is that Russia has already adopted relevant regulations, while Belarus has to adopt a relevant resolution by the Cabinet of Ministers. So far the integration of such systems **has not been reported** in open sources, although the mutual recognition of dairy product labelling codes has been achieved.⁸

⁷ <https://economy.gov.by/ru/news-ru/view/alesja-abramenko-neobxodimo-obespechit-effektivnuju-kooperatsiju-ekonomik-nashix-stran-46550-2022/>

⁸ <https://www.rbc.ru/economics/10/09/2021/613b66699a7947652d409f18>

11. The Union programme on Harmonisation of Tax and Customs Legislation of the Republic of Belarus and the Russian Federation and Cooperation in the Customs Sphere.

This programme is the most controversial and sensitive in terms of national sovereignty. Structurally, it consists of 14 stages. The main stages are: surveying the business processes of VAT and excise administration, as well as designing an integrated system of administration of indirect taxes (ISAIN); defining approaches, and developing the International Treaty of Belarus and Russia on Common Principles of Taxation on Indirect Taxes (in part of VAT and excises);

- 1) establishing a united working group to prepare a draft of the International Treaty;
- 2) conducting internal approval, signing, and ratification;
- 3) bringing the legislation into conformity;
- 4) giving legal effect to the legislation;
- 5) establishing a united advisory body of the Union State Committee on Fiscal Affairs;
- 6) developing the ISAIN;
- 7) introducing the ISAIN;
- 8) establishing fiscal parameters of oil refinery operations in Belarus in view of the Russian “tax manoeuvre” within the time and in the manner prescribed by the procedure agreed upon by the governments of Russia and Belarus;
- 9) deepening information interaction (transfer of real-time data on customs declaration in full, including exchange of electronic documents and information during customs transit of goods through the territory of the two countries);
- 10) forming the legal framework to establish an interstate body within the Union State Customs Committee;
- 11) extending the powers of the Union State Customs Committee;
- 12) unifying the institution of the authorised economic operator (AEO) in terms of national legislation.

The programme envisages a number of principal international agreements aimed at creating a single tax and customs space. The tax legislation in terms of indirect taxes is to be considered a model for other types of taxes in the future. The signing of this roadmap has caused fierce disputes. At the same time, it was the constant attention that led this roadmap to be one of the most elaborated. In 2022, the two countries signed and ratified the Agreement between the Russian Federation and the Republic of Belarus on Harmonization of Customs legislation of the Russian Federation and the Republic of Belarus and Cooperation in the Customs Field of March 4, 2022 (temporarily applied since March 15, 2022).⁹ In addition, on July 8, 2022, I. Klepcha, First Deputy Minister of Taxes and Duties of the Republic of Belarus, announced that the interstate treaty on the administration of indirect taxes had been to a high degree prepared.¹⁰ It remains unclear what exactly the “high degree” meant. In accordance with the stages of implementation, the draft treaty should be developed after determining the object of automation and concluding a state contract with a single contractor. The Deputy Minister has said such an automated system had been created by the Federal Tax Service of the Russian Federation (FTS of Russia). Does this mean that the ISAIN was developed by the Russian side? After the Treaty is signed, how fast will the Federal Tax Service of the Russian Federation get access to the Belarusian tax data? In general, how threatening is this for the national economic, commercial, and overall sovereignty?

⁹ <http://publication.pravo.gov.ru/Document/View/0001202203150003>

¹⁰ <https://neg.by/novosti/otkrytj/mns-belarus-i-rf-mogut-podpisat-dogovor-ob-administrirovanii-kosvennykh-nalogov-v-blizhayshee-vremya/>

How soon will the joint customs monitoring and control be implemented? Is the Union State Customs Committee a real supranational body? All these questions problematize the threat to independence and sovereignty. Therefore, detailed and professional constant monitoring (performed by specialists in the field of tax and customs) of the authorities' actions in Minsk and Moscow is recommended here. These questions need to be brought before field ministries and departments, the government, and the Presidential Administration of the Republic of Belarus, including in the public space. Preliminary assessment suggests that **the degree of implementation of the programme is quite high**. This is confirmed by the swiftness of development, signing, and even ratification of bilateral agreements.

12. The Union programme on the Integration of Information Systems of State Controlling Bodies in terms of Veterinary and Quarantine Phytosanitary Control is technically the most elaborate programme, which includes such solutions as the creation of integration modules for the transfer of information in the area of veterinary and phytosanitary control between the relevant services of Russia and Belarus up to the point of putting into operation. **No reports** of the creation of such modules **have yet been traced** in open sources.

13. The Union programme for the Integration of Information systems of Transport Control of State Regulatory Authorities. In accordance with the programme, technical solutions are foreseen. The adoption of new normative legal acts is not envisaged. It is planned to create unified regulatory and reference information, modernization of the existing system of the Russian Federal Service for Supervision of Transport and modernization of integration modules of the System of control of road transport control of the Customs Committee (SCRT-CC). Modernization includes the development of new software. **No information** on modernization **was found** in open sources.

14. The Union programme on the Unification of Transport Market Regulation. The programme consists of five parts: air transport sector; rail transport sector; road transport sector; maritime and inland waterway transport sector; road maintenance and road activities sector. The first part on air transport assumes orientation to international standards (ICAO). The signing of agreements on the training of flight personnel on similar programmes and the creation of joint training programmes is envisaged as well. As one of the final stages, it was assumed that: "Working out the possibility of accession of the Republic of Belarus to the Agreement on the establishment and operation of the International Aircraft Accident and Incident Investigation Bureau of November 22, 2018. It is also planned to sign an intergovernmental agreement on search and rescue. The goal is to create a level playing field and tariffs, and a more transparent transport tracking system. Belarus requires the development of a Law of the Republic of Belarus on the licensing of activities in the rail transport sector for admission to the infrastructure sections. It means the admission of Russian companies to the railway infrastructure of Belarus. In addition, it is planned to sign an agreement on the permit-free movement of all types of road transport, which in different forms has been provided in other integration associations (for example, the EAEU).

In general, a unified transport system is to be created based on similar fares, rules, and transport tracking. It is difficult to judge how far the **implementation of** this roadmap has progressed. In the open sources, there is a duplication of the main points of the programme.

15. The Union programme for the Formation of a Unified Gas Market. The content of the programme indicates that there is no roadmap following the stated goal. It implies a document named a Supplement. Of the four stages, only the third and the fourth provide not the adoption of unified principles and conditions for the creation of the unified gas market (which should be the content of this roadmap), but only the development and adoption of the Supplement (document), which will cover the formation of the gas market. In this case, it is not the implementation, but rather the very existence of the roadmap. The deadline for the submission of the Supplement to the Union programme (document) is December 1, 2023.

16. The Union programme for the Formation of the Unified Oil and Petroleum Products Markets. The programme includes four stages of implementation. The essential ones are the first and the fourth. The first stage involves the development and adoption of the draft intergovernmental treaty. It should include 8 conditions: 1) priority provision of the internal needs of the Union State member states in oil and petroleum products; 2) establishment of unified principles of regulation of the spheres of natural monopolies for oil and petroleum products transportation services by trunk pipeline system; 3) unified rules of access to oil and petroleum products transportation services by trunk pipeline system for subjects of the unified oil and petroleum products markets of the Union State; 4) application of market mechanisms for oil and petroleum products pricing, including on the basis of exchange and over-the-counter price indicators; 5) establishment of unified principles of exchange trade; 6) development and adoption of a unified methodology for determining prices (tariffs) for oil transportation services using trunk pipeline system; 7) determination of the powers of a single regulator (a joint board of state agencies of the Union State); 8) maintenance of the ban on exports of petroleum products from the Russian Federation to the Republic of Belarus beyond the indicative balances (protocols) until 31 December 2024.

The fourth phase of this programme highlights its particularity in that it is a "package" with the tax programme. That is, the withdrawal or compensation for the "tax manoeuvre" adopted by the Russian Federation will be synchronised with the implementation of the programme on taxes, which means the introduction of an integrated system of administration of indirect taxes (ISA OIT). The Russian side, encouraging the signing of the tax roadmap on an informal basis, makes statements regarding the possible cancellation of the "tax manoeuvre". For example, on March 21, 2022, A. Novak spoke about the possible abolition of the "tax manoeuvre" until 2024.¹¹ It is difficult to judge the degree of implementation, as it implies simultaneous execution with another road map on taxes and customs. Nevertheless, it is obvious that the Russian side **is forcing the implementation of** the tax programme, and hence the oil programme.

17. The Union programme for the Formation of a Unified Electricity Market. The programme consists of seven stages. It envisages the development and signing of a draft intergovernmental treaty on the formation of a unified electricity market, which should lay the groundwork. The issue with this programme is to unite these markets; the Belarusian authorities need to create their domestic market. This is mentioned in the description of the fifth stage of the adoption of the roadmap: "[To adopt] regulatory, legal acts of the Republic of Belarus providing for the formation of a subject composition on the internal wholesale electricity market, ensuring

¹¹ <https://www.forbes.ru/investicii/459717-novak-ne-isklucil-otmenu-nalogovogo-manevra-v-neftanoj-otrasli>

non-competitive and natural monopoly activities by the subjects of the internal wholesale market of the Republic of Belarus”¹². The roadmap requires a significant effort to implement: 1) to create an internal wholesale market in the Republic of Belarus; 2) to create a bilateral agreement. **It is difficult to imagine that this roadmap will be implemented in the next year or two.**

18. The Union programme for the Development of the Nuclear Power Industry. The programme includes four sections: commissioning and operation of nuclear power facilities; ensuring and regulating nuclear and radiation safety; ensuring emergency preparedness and emergency response; and handling nuclear fuel, radioactive waste, and spent nuclear fuel. Formally, all stages have been implemented. In the text of the Union's roadmap, all items are marked as implemented. This means that **the programme has been implemented**. But there is a question of the quality of implementation. For example, the operation of the Belarusian Nuclear Power Plant.

19. The Union programme for the Formation of a Unified Agricultural Policy. The programme consists of three sections: providing an identical legal basis for the implementation of a unified agricultural policy, including state support for agriculture and food security; ensuring unified requirements in the production and circulation of agricultural products sector; establishing unified rules for the application of veterinary and phytosanitary regulations. The essential characteristics are the principle of state support is the unification of rules. At the same time, there are obvious attempts to introduce elements of state planning: the methodology of compiling unified forecast balances for sensitive commodities (dairy, meat, sugar). To avoid or minimise the damage from the milk and meat trade wars, it is proposed to introduce a unified work procedure with The Russian Federal Service for Veterinary and Phytosanitary Supervision, in the case of implementing and cancelling restrictions. These are the rules for these trade wars. The Belarusian side paid considerable attention and lobbied to defend its interests. **The difficulty of implementation** is that the proposed **technical solutions are general**. Among specific proposals, one can single out the "joint act of the Ministry of Agriculture of Russia and the Ministry of Agriculture and Food of the Republic of Belarus/Resolution of the Council of Ministers of the Union State"¹³ on the methodology of drawing up unified forecast balances (see above). The act is not adopted, as there is no information in the media.

20. The Union programme for the Formation of a Unified Industrial Policy. The programme includes five stages. In the first stage, it was supposed to sign the Agreement between the Government of the Russian Federation and the Government of the Republic of Belarus on the unified industrial policy and the plan of measures for its implementation. The text of the Agreement is not publicly available. It is unclear whether it is or not signed. On June 16-17 at the SPIEF, Deputy Minister of Industry of Belarus D. Kharitonchik said, “An action plan has been developed and approved, which defines in detail the stages of work and what documents we should eventually reach and sign. This is the agreement on the industrial policy itself and the second, not less, important document on mutual recognition of technological

¹² “Decree of The Supreme State Council of The Union State, November 4, 2021 № 6”, Etalon.by, <https://etalonline.by/document/?regnum=ad2100022>.

¹³ Ibid

cooperation.¹⁴ The programme is being implemented, but the main documents have not yet been adopted.

21. The Union programme for the Introduction of the Uniform Rules of Access to Public Order and Public Procurement in the Republic of Belarus and the Russian Federation. The programme consists of two stages. An essential part is the launch of a test project to enable 4 Belarusian banks (Belarusbank, Belvnesheconombank, Belinvestbank, and VTB Bank) to provide guarantees for participation in government (municipal) procurements. The project runs from May 1, 2022, to December 31, 2023. <https://gozakaz.ru/belorussskie-banki-dopustili-k-uchastiyu-v-goszakupkakh-rossii/> The programme **is implemented but reduced** because it works for a certain period and only for certain banks. Failure to implement it will result in the project being phased out.

22. The Union programme on Development and Approval of the Uniform Rules in the Consumer Protection Sector. The programme consists of 14 stages. Its goal is to draft and adopt unified rules in the consumer protection sector. **Implementation will take considerable time** and effort. No information on the speed of progress was found.

23. The Union programme of the Unified Rules of Competition. The programme includes three stages. It is supposed to develop and sign the Agreements, but it is not specified which ones. Their purpose should be to unify competition rules. The map is not elaborated. **Its implementation will likely be delayed until the next phase of integration** after 2024.

24. The Union programme for the Unification of the Requirements for the Organization and Implementation of Trade Activities. The programme includes four stages and is detailed. An essential feature of the programme was the proposal to remove many restrictions and prohibitions in the sphere of trade for the RB, including the issues of coordination with local authorities. In addition, consolidation of the concept of "distance trade". Liberalisation also applies to the rules, and conditions of catering. In general, the alignment and facilitation of conditions for trade. **The implementation is being carried out.** Particularly, on August 16, 2022, the Ministry of Anti-Monopoly Regulation and Trade announced that the law "On the amendment of the laws on trade and catering" to unify the requirements for trade and catering following the road map submits for public discussion. <https://forumpravo.by/soobshcheniya/2914/>

25. The Union programme for the Formation of a Unified Market for Communications and Informatization. The programme consists of eight parts. It provides for the unification of normative documents and the signing of a number of agreements. However, the technical solutions seem to be abstract ones. All developments are entrusted to the expert working group of the telecommunications sector. The specifics of the road map are that some agreements have already been signed earlier and need to be corrected. The degree and quality **of implementation of the road map can be assessed by the supposed cancellation of roaming** within the Union State on 30 June, 2017, which has not been implemented so far.

¹⁴ <https://minsknews.by/d-haritonchik-o-sozdanii-edinoj-promyshlennoj-politiki-v-ramkah-realizaczii-soyuznoj-programmemy/>

26. The Union programme for the Unification of Accounting and Preparation of Accounting (Financial) Statements. The programme is aimed at creating conditions for the circulation of comparable consolidated financial statements of business entities for small and medium-sized enterprises. Since no significant legislative and regulatory changes were provided (except for changes in existing national legislation on accounting), as well as the signing of the agreements, it is not **clear how to evaluate the implementation**. Technically, the road map is poorly developed.

27. The Union programme for the Unification of Legislation of the Tourism Sector. The programme consists of six stages, worked out in detail. Not only legislative acts and normative documents where changes should be made but also specifically what items should be introduced are developed. The programme is mainly aimed at liberalising Belarusian legislation (enabling Russian private tour operators to be on an equal footing with Belarusian ones), and the provision of greater guarantees of quality tourist services. Despite the detailed development of the roadmap, **no information on its implementation has been found in open sources**.

28. The Union programme for Coordinated Policy in the Social and Labour Sector. The programme includes five parts: labour relations and labour protection, employment, social insurance and pensions, support for families with children, social services, and social support for certain categories of citizens. It is not supposed to be unified but harmonised. The maps are not technically elaborated. The laws that should be adjusted are only indicated, but not specified. **Implementation is expected to be postponed.**

Conclusions

The key challenge with analysing the negotiating process on roadmaps is that it has been almost completely non-transparent. Public statements of the Russian and Belarusian negotiating teams have been different. The decision-making process and institutional hierarchy formally have not been in line with the real process. Reviewing the Belarusian side, it is noted that the main technical negotiator since 2018 has been D. Krutoi. Nevertheless, all significant decisions have been made directly by A. Lukashenka. The Belarusian side has made attempts to imitate a tough competitive strategy, which came close to being obstructive. It implies that the Belarusian side has not been pursuing renewing the project of the Union State.

The political crisis of 2020, insufficient funds in the budget, and the limited negotiation opportunities due to the political isolation from Western governments have brought A. Lukashenka back to the topic of developing the Union State. Despite the rhetoric, the Belarusian side has used a tough competitive strategy. The Russian side has acted as a larger team. Medvedev vocalised the aim and the toughest proposals; the Ministry of Economic Development of the Russian Federation supervised the negotiation process. The Russian Ambassador to Belarus has been in charge of operational communication. Putin has played a key role as well, though not by personally managing the process, but by appointing the responsible persons, including Ambassadors from 2018 to the present. Each of them belonged to a small circle of people and performed a certain function and role. The ambassadors of Russia, in particular

Babich, acted as an "auditor", Mezentsev as an advertising agent for allied programmes. In any case, Russian ambassadors, starting with Babich, established close contacts with local authorities and actively visited enterprises. Mezentsev established close and active ties with the central bureaucracy, including government officials.

Accordingly, the appeal of the Russian team to the Belarusian bureaucracy has been enhanced, with Russia's systematic work with representatives of bureaucracy through meetings of intergovernmental commissions, working groups, and joint ministerial boards. Considering the resources and experience of the Russian negotiating team, it is possible to assume that they have found partners and "sympathisers" in some Belarusian bureaucrats and civil servants. The proposals of the Russian side have looked attractive for several ministries concerning the decentralisation of governing powers and liberalisation of economic legislation. Given that its relations with the West worsened, the Belarusian government has had fewer and fewer internal resources. The offer of "Moscow's helping hand" seemed promising to them. Due to the fact that economic indicators such as the export of goods and services, GDP growth fell under sanctions pressure, and Lukashenko's report became tougher. Russia was presented as a lifeline in solving these problems.

An analysis of the 28 union programmes shows that a significant number of the road maps remain unimplemented. Preliminary formal estimates suggest the following breakdown: 10 programmes have not been implemented, 3 have been implemented, 8 are likely to meet the deadline, and 7 are unlikely to meet the deadline. At the same time, it shall be noted that assessing the integration is complicated by the non-public implementation of some programmes. Belarusian and Russian officials show an optimistic attitude when assessing the implementation of the road maps. But for assessment, they have chosen the methodology of evaluating the percentage of implementation of each road map. Since the information on a range of sector activities is not disclosed, it is impossible to trace the implementation of individual stages, hence verifying their conclusions is problematic —reported about 30 to 34 per cent in June 2022.

In addition to quantitative data, the most important are qualitative characteristics. A number of allied programmes are in the focus of attention of both Belarusian and Russian authorities, as they are sensitive in terms of national interests. With A. Lukashenka's interpretation of "national economic interests" as the framework for the analysis, it may be concluded that none of the three declared priorities (reduction of gas prices to the level of Smolensk; opening Russian markets for Belarusian goods; compensation for the "tax manoeuvre") has been implemented. The roadmap for the Formation of the Unified Gas Market does not provide relevant guidelines. The Russian market has opened for Belarusian goods, but so has the Belarusian market for Russian ones. In addition, the mechanism of preventing import bans, by The Russian Federal Service for Veterinary and Phytosanitary Supervision, Russia's agriculture watchdog, has never been implemented. In the corresponding roadmap on the Unified Agrarian Policy, the proposal concerning the elaboration of the united procedure is named in the last stages of implementation, and so far, there has been no information about it in the media. Meanwhile, the negative trade balance has been growing. Besides, the Russian side has insisted on the liberalisation of trade activities, which means that a huge amount of work to change the Belarusian, not Russian legislation is to be done. Belarusian business entities engaged in trade and catering have much

less experience in competitive behaviour than Russian ones. Compensation for the “tax manoeuvre” has been tightly linked to the adoption of the road map on taxes. This Union programme is one of the most critical in terms of loss of state sovereignty. The “package” solution would entail benefits in exchange for the creation of the Integrated System of Administration of Indirect Taxes. Even the temporary presence of Russian troops seems less of a threat than the introduction of such a system. It is seen as a structural factor in the process of absorbing governing resources, especially considering that it serves as a model for the introduction of united direct tax administration.

The proposals contained in the Union programmes, including liberalisation of trade activities, creation of a domestic wholesale market of electric power, and greater autonomy of the National Bank of the Republic of Belarus, may attract large support for integration among Belarusian officials and businessmen. Considering that A. Lukashenka does not endorse the development of market relations and measures on liberalisation and decentralisation, Belarusian bureaucrats and businessmen may use the roadmaps as a Trojan horse. This implies two threats. First, the Russian negotiators may use this situation to promote other decisions which are beneficial to them, relying on the supporters of integration within the Belarusian bureaucratic apparatus. Second, A. Lukashenka may agree to implement other roadmaps as an off-ramp for not implementing the “liberal” ones.

Policy Recommendations

Based on the analysis and conclusions presented in this policy briefing, four recommendations follow.

- For a more accurate assessment, a more detailed assessment of the content of the roadmaps is needed. It should be carried out by experts from specific fields - economists, lawyers etc. In particular, three key issues are to be analysed: 1) the threat to national sovereignty (in strategically important areas: infrastructure, tax system, customs, exchange, and provision of information); 2) the extent and possibilities of implementation of each roadmap, with the emphasis on tax, energy, and integrated systems; 3) the risks of takeover of the Belarusian system of national economic management. Assessments in these areas on the identified issues will allow us to imagine how and at what speed the absorption of Belarus’ economic and administrative sovereignty is possible.
- A communication strategy should be formulated and implemented. It should be aimed at the media coverage of the real situation in the Union State integration: the threat to sovereignty, the Russian gambling on the lack of liberalisation in Belarus, and the sale of state governance in exchange for oil refinery profits. The main argument should be that the aim of integration is not improving the well-being of society, as evidenced by the state of the roadmap for a United Policy in the Social Protection and Employment Sector. It has not been implemented and will not be in the next year or two. And even with its implementation, Belarus will not have higher Russian pensions, benefits, and other social welfare instruments that Belarusian citizens may dream of. This argument is incorrect and its implications are socially significant. Therefore, a media campaign should be launched to discredit it as untrue.

- Monitoring of the situation with the implementation of sensitive roadmaps is required, as well as further coverage of the threats they pose, their poor elaboration, pretence of integration, and pretence of caring for the well-being of society. Monitoring should take place on a regular basis and possibly be accompanied by media coverage. In addition, it is necessary to discuss the results of such monitoring by the expert community in order to develop new recommendations.
- Attention of relevant Western partners should be drawn to a threat to the national sovereignty of Belarus. The focus should be organising a more detailed dialogue on these road maps (especially on taxes, oil, gas, etc.) as well as providing factual, logical, and axiological arguments. The dialogue should involve representatives of departments and offices for analysis and development of foreign policy strategies and decisions: foreign ministries of the EU countries, relevant committees in parliaments, think tanks, political foundations, and leaders of significant and ruling political parties in the EU countries.

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