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The EU and Its Member States: Pursuing Diverse Interests in the CIS Region

George Dura

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Abstract

The CIS region is of vital importance for the EU countries considering that both are interconnected through cooperation or membership in supranational political and economic institutions (OSCE, WTO, OECD, NATO, etc.), through transport and energy corridors, through investment, trade and migration trends. The interests of EU member states in the region are very diverse and are sometimes pursued in contradiction to one another. The overarching interest is of an economic nature, given the large reserves of natural resources (particularly gas and oil) and due to the size of the CIS market of 277 million consumers. Security and immigration issues also rank high on the list, whereas EU countries are less concerned with democratisation trends in the CIS. Russia is the most important CIS partner for a majority of EU countries. Energy plays a disproportionally high role in EU member states (MS) – Russia relations and is also a strong determinant of the overall heterogeneity of EU MS policies towards Russia. The type of bilateral relations which the EU MS maintain with one sub-region of the CIS (particularly the EENP, but increasingly also Central Asia) also affects their relations with Russia. Cultural closeness and a common history still play a large part in the development of bilateral relations. The accession to the EU of Central and Eastern European states has altered the existing relations between them and their eastern CIS neighbours, thereby also modifying their interests in the region. Regrettably, the EU’s policies towards Russia and the EENP region have not yet been able to provide a playing field able to compensate for this alteration. Thus, the present report studies the various interests (political, security, economic, cultural) which underpin relations between the EU member states and the CIS countries and also discusses the latest developments in EU policies towards a specific CIS sub-region (Russia, the Eastern ENP and Central Asia), thereby providing a broad picture of the type of interests, how they are pursued by the EU member states and where these intersect or clash.
Introduction

The establishment of the Commonwealth of Independent States (CIS) in December 1991 marked the end of the Soviet Union. Created with the purpose of preventing the total disintegration of the post-Soviet space, it was initially formed by a nucleus of states: the Russian Federation, Ukraine and Belarus. The five Central Asian states subsequently joined without much hesitation. The three Baltic States, Estonia, Latvia and Lithuania, refused to join the CIS altogether and opted for European and Euro-Atlantic integration instead. All the other former Soviet republics joined the CIS more reluctantly and mainly out of economic considerations.

Most of the CIS states embarked on political and economic reforms after independence, but in some of them such reforms have experienced a reversal or have stagnated, particularly in the field of democratisation. Some of the group is heavily industrialised and/or has vast energy resources at its disposal, while others have remained largely agricultural and economically underdeveloped. The region is still affected by separatist and interstate conflicts, a politically unstable neighbourhood, the threat of terrorist attacks, Islamic radicalism and other security threats (drugs and human trafficking).

The CIS is not a homogenous region but consists of countries which are diverse politically, economically and culturally. Some of them have rediscovered their shared historical, cultural and linguistic affinities with countries lying further westward, notably in the EU. The four European CIS states border the EU and their problems affect EU member states (EU MS) more directly than the more distant countries (for instance in Central Asia).

Taking into consideration the above mentioned CIS heterogeneity, the EU has also applied a certain degree of differentiation in the formulation of its policy towards the CIS. Initially, the EU signed and ratified the Partnership and Cooperation Agreements (PCAs) with all the CIS states in the 1990s (with the exception of Belarus and Turkmenistan, due their poor human rights record). Later, however, the EU introduced a measure of differentiation by adopting common strategies on Russia (June 1999) and Ukraine (December 1999), which were a sign of recognition of their political and economic importance, and an expression of a more ambitious agenda towards them in comparison with other CIS states.

In the years preceding its Eastern Enlargement (in 2004 and 2007), the EU further increased its degree of policy differentiation to the point that one could distinguish between three different groups of countries: Russia, the EU’s immediate neighbours and Central Asian states. For the latter two groups of states, the EU adopted the European Neighbourhood Policy (ENP) (European Commission, 2004) in 2003-2004 and the EU-Central Asia Strategy (European Council, 2007) in 2007. In addition, within these two EU policy frameworks (the ENP and Central Asian Strategy) additional differentiation is possible, allowing each country to establish a closer partnership with the EU on the basis of its own capabilities and ambitions. Russia rejected participation in the ENP and the EU and Russia established the four common spaces in May 2003 as the framework for closer relations.

The EU has also had to take into account the myriad and complex web of political, economic, security and cultural interests which individual EU member states (EU MS) have in the CIS region. The incremental strengthening of EU policies (for instance of the ENP in 2007) (European Commission, 2007) is a way of accommodating to these diverging interests. For instance, some EU MS may favour stronger ties with Russia without wishing to burden this relationship with talks on human rights, whereas other EU MS may insist on including such issues. Some EU MS are lobbying for Ukraine’s accession to the EU, whereas others prefer to put this on hold for the time being. This paper seeks to shed light on the main interests of the EU MS with regard to CIS states and present its findings against the background of the EU’s policies towards the CIS region. The companion study (Menkiszak, Konończuk and Kaczmarski, 2008) provides an analysis of the heterogeneity of CIS countries’ interests and policies towards the EU.

This report follows the EU’s categorisation, which divides the CIS into three parts: Russia, the Eastern ENP states (EENP) and the Central Asian states (CAS). The first part deals with Russia,

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1 See annex 1: “Freedom in the world” index.
2 See annex 2, Table 1: Main Indicators for the EU 27 and the CIS region.
the second part with the EENP and the third part with Central Asia. Political interests include political cooperation and dialogue (including issues of human rights and good governance), cooperation in the field of security and foreign policy, cooperation in justice and home affairs, cultural cooperation and cross-border cooperation. Economic interests include a review of the level of trade (the proportion of EU MS trade conducted with the three CIS sub-regions), trade disputes, bilateral investments, energy dependence and energy cooperation and investments. Each part will be preceded with a few paragraphs on the latest developments in EU policies towards a specific CIS sub-region.

The report is based on existing literature in the field (policy papers, books and reports) as well as official press releases, statements and speeches. In addition, press articles and information from the websites of the ministries of foreign affairs of the EU MS and CIS countries have proven to be valuable research tools. With regard to statistical data, the report has used the existing and freely available online databases (Eurostat, the World Bank database, the International Trade Centre statistics, the United Nations Commodity Trade Statistics Database and the CIA World Fact Book). The report is also based on a number of face-to-face interviews with EU MS diplomats in Brussels and EU officials, as well as experts and it incorporates the findings of questionnaires sent out to the embassies of the EU MS in all 12 CIS states. Work on this paper was finished prior to the outbreak of the Russian-Georgian conflict in August 2008 and hence does not take into account its repercussions.
PART I – Russia

I.1. EU relations with Russia

Russia has always been a rather odd partner for the EU and despite the declared ambition to build a strategic partnership the results have fallen short of expectations. Russia has to date not expressed its intention to join the EU, but does aspire to close and privileged relations between equals. The PCA has not brought any closer the EU’s ambitions and Russia’s expectations of building a solid partnership. The EU and Russia agreed on four common spaces at the Saint Petersburg summit in May 2003, composed of a common economic space, a common space of freedom, security and justice, a common space in the field of external security and a common space in the field of research and education. The pace of the implementation process of the common spaces has been rather slow, in particular in the field of external security and freedom, security and justice (despite the signature of a visa facilitation and readmission agreement at the Sochi EU-Russia summit in May 2006)\(^4\).

As Russia became stronger economically and more assertive on the international scene in President Putin’s second term, Russia showed visible signs of irritation towards EU criticism (on the second war in Chechnya, on the general human rights situation there and in other parts of Russia, on the level of state control over the economy and in the press and media and on the reversal of the democratisation trend), while Russia claimed it was merely implementing its own model of ‘sovereign democracy’\(^5\). The EU’s 2004 enlargement also caused frictions with Russia, notably on trade issues and with regard to the Russian exclave of Kaliningrad, which became surrounded by the EU after the accession of Poland and Lithuania. The EU’s regional initiatives, such as the Northern Dimension and the Black Sea Synergy, which involve Russia, the EU MS and non-EU states, have not been received with great enthusiasm by Russia. Russia has in general viewed the EU’s increasing involvement in its ‘shared neighbourhood’, through the ENP and the Central Asia Strategy, with mistrust.

However, political disagreements have not prevented bilateral trade from flourishing. The EU’s exports to Russia more than tripled and its imports more than doubled in 2006 compared to 2000 and Russia had a trade surplus of €68 billion in 2006, according to Eurostat data. Today, Russia conducts 50% of its foreign trade with the EU. In addition, the EU’s foreign direct investment in Russia reached €10.6 billion in 2006 and €17.1 billion in 2007. Russia accounted for close to 40% of the EU 27’s natural gas imports and more than 30% of its crude oil imports in 2007. As such, about 80% of Russia’s energy exports go towards the EU. This growing dependence on Russian energy supplies and the gas disputes between Russia and its neighbours, Ukraine and Belarus, in 2006 and 2007 has prompted EU attempts to develop a “coherent external energy policy”\(^6\) and to promote energy projects such as the Nabucco pipeline, which should decrease its dependence on Russian energy. In addition, the EU has also insisted that Russia ratify the Energy Charter Treaty and that it agrees to some form of its Transit Protocol (Behrens and Egenhofer, 2008; p. 23).

The EU and Russia agreed to develop a strategic partnership at the bilateral summit in Sochi in May 2006, but despite the expiration of the PCA in December 2007 (which was automatically extended for another year), there has been opposition within the EU to the terms of a new framework agreement following strained bilateral relations between Russia and certain EU MS (notably, Poland, Lithuania and also the UK), as well as a general dissatisfaction in Brussels with Russia’s internal and external policies. The list is long but includes dissatisfaction with the Russia’s ‘sovereign democracy’, suspicious circumstances surrounding the murders of ex-KBD agent Alexandr Litvinenko and Russian journalist Anna Politkovskaia, the only partially free parliamentary and presidential elections in December 2007 and March 2008 and the limitation on OSCE election observers, the aggressive commercial tactics of Gazprom in certain EU countries, Russia’s high-handed energy tactics in Ukraine and Belarus, Russia’s uncooperative attitude towards resolving

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\(^5\) This paper was finalised before the outbreak of the Russian-Georgian conflict in August 2008 and hence does not incorporate the very recent changes in the EU MS and EU policies towards Russia, Georgia and other parts of CIS.

the frozen conflicts in the post-Soviet region and various trade disputes and diplomatic rows with several EU MS.

I.2. Interests in political and security cooperation

a. Russia as a foreign policy priority?

All 27 EU MS have embassies in Russia. However, they represent different political and economic interests vis-à-vis Russia and hence not all of them aspire to the same level of bilateral relations. A limited number of EU MS (the big ones), such as France, Germany and Italy, view their bilateral relations with Russia as strategic (both politically and economically), as that between equal powers in the international arena, which must be maintained at a good level at all cost. Shifts in the domestic power-structure in these countries may temporarily affect the declaratory diplomacy on Russia, but without leading to major policy shifts or a marked worsening of relations with Russia. One EU MS missing from this group is the UK, which fits into a different category. Three EU MS, Cyprus, Greece and Bulgaria, have very strong political relations, based on historical and close cultural ties (including religious), which are also visible in strong cooperation over the full spectrum of political and security issues (including on foreign policy) and in the economic and energy field. Other EU MS, such as Austria, Belgium, Finland, Hungary, the Netherlands, Slovenia and Sweden, have established friendly (at least at a declaratory level) and pragmatic political relations, which are underpinned by strong economic cooperation, including in the field of energy. Spain also fits into this category, also mentioning that, due to its size, Russia treats Spain more on a par with France or Italy, although Spain itself does not aspire to the kind of political relations which France, Germany or Italy maintain with Russia. Some EU MS, such as the Czech Republic, Denmark and Slovakia, have relations which fluctuate between a more friendly and a more confrontational attitude towards Russia, depending on domestic politics and foreign policy orientation. However, economic relations remain very pragmatic and developed. Another category of EU MS, such as the Baltic States, Poland, Romania and the United Kingdom, have (at times) strained political relations with Russia, which does not impede strong cooperation in the economic and energy fields. However, strained political relations may impact negatively on trade, economic and energy cooperation, but also on cooperation in the security and the cultural field (the UK particularly). Finally, a limited number of EU MS, such as Ireland, Luxembourg, Malta and Portugal, do not consider Russia as a foreign policy priority and do not aspire to strong political relations with Russia, due to its geographic distance or size, but they may nevertheless have strong economic or financial interests.

An alternative classification is provided by Leonard and Popescu (2007), who divide the EU MS into the following categories: ‘Trojan Horses’ (Cyprus and Greece), who often defend Russian interests in the EU, and are willing to veto common EU positions; ‘Strategic Partners’ (France, Germany, Italy and Spain), who enjoy a ‘special relationship’ with Russia that occasionally undermines common EU policies; ‘Friendly Pragmatists’ (Austria, Belgium, Bulgaria, Finland, Hungary, Luxembourg, Malta, Portugal, Slovakia and Slovenia), who maintain a close relationship with Russia and tend to put their business interests above political goals; ‘Frosty Pragmatists’ (Czech Republic, Denmark, Estonia, Ireland, Latvia, the Netherlands, Romania, Sweden and the United Kingdom) who also focus on business interests but are less afraid than others to speak out against Russian behaviour on human rights or other issues; and ‘New Cold Warriors’ (Lithuania and Poland).

b. The choice of foreign policy type and bilateral disputes

The level of ambition in bilateral relations with Russia tends also to determine the type of foreign policy towards Russia. Many EU MS refrain from issuing strong public criticism of Russia’s democratisation process, human rights record and governance and give priority to developing strong economic relations. This is the case with Austria, Belgium, Bulgaria, Cyprus, Finland, France, Germany, Greece, Hungary, Italy, Luxembourg, Malta, Portugal, Romania, Slovakia, Slovenia, and Spain. However, concerns on human rights and democratisation in Russia may have been expressed during bilateral contact or in a multilateral setting, through international organisations (the UN, the EU, the OSCE, the Council of Europe). Germany or France, which maintain
strong relations with Russia based on trust, feel confident enough to confront Russia on these issues (underpinned by a strong civil society and activist press), but officials also tend to know where to draw the line on such criticism.

Other EU MS states, such as the Czech Republic, Denmark, Ireland, the Netherlands and Sweden are very vocal in their criticism of the domestic situation in Russia (in the field of human rights, notably in Chechnya, and on aspects of democratisation). This is due to the fact that these EU MS have traditionally developed a strong normative-driven foreign policy and raising such issues is part of the promotion of the national interests of these EU MS in Russia. Other EU MS, such as the Baltic States, Poland, and the United Kingdom, have also used normative arguments in their various disputes with Russia. Not surprisingly, those EU MS (Denmark, Ireland and Sweden) with a more value-driven foreign policy still provide substantial bilateral development assistance or economic and technical assistance to Russia.

Does value-driven foreign policy tend to induce bilateral disputes? In most cases, there is a direct link, provided that such a value-driven foreign policy is the result of a broader confrontational foreign policy vis-à-vis Russia. Bilateral disputes often emerge when EU MS foreign policy confronts Russian foreign policy and economic interests, rather than accommodates them, in addition to criticism of Russia’s domestic politics. In other words, an EU MS can conduct a value-driven (critical) foreign policy towards Russia, but one which at the same time also accommodates Russian foreign policy interests. Additionally, Russia makes a distinction between states which defend their own foreign policy interests (for instance in the EU neighbourhood, such as Hungary), and those EU MS who do this with the additional intention of diminishing Russia’s influence (in a zero-sum game scenario), such as for instance Poland. Certain EU MS, such as the Baltic States, the Czech Republic, Poland, Romania and the United Kingdom, maintain a foreign policy which confronts Russia’s foreign policy interests in the EU, by calling for increased intra-EU solidarity, by favouring a stronger ENP or outright EU enlargement to the EENP region7, and by favouring a stronger and expanded NATO (notably a comprehensive NATO missile shield and NATO enlargement to the EENP region). Most of these EU MS have paid the price for conducting confrontational foreign policy which hurts Russian political, economic and energy interests by becoming entangled in (or having only recently resolved) disputes with Russia.

The Baltic States have criticised Russia for undermining intra-EU solidarity, for not living up to its international commitments of withdrawing its troops from Georgia and Moldova, for not implementing the Energy Charter Treaty, for acting as a monopolistic energy exporter and for not honouring its obligations as a member of the Council of Europe and the OSCE8. Estonia has still not signed a border treaty with Russia and Latvia only signed it in 2007, after more than nine years of negotiations. The relocation of the “bronze soldier”, a Soviet war memorial, from the centre of Tallinn in April 2007 by the Estonian authorities9 also heightened tensions with Russia. Political frictions also stem from the unequal treatment of Russian minorities in Estonia and Latvia, which have created many “non-citizens” amongst ethnic Russians. The problem is more acute in Latvia, where the Russian community numbers 650,000 or 29% of the total population, of whom 54% have been unable to obtain Latvian citizenship (and hence the right to vote). In Estonia, the Russian minority numbers 300,000 people and represents 26% of Estonia’s total population, of which 35% do not have any defined citizenship. In Lithuania, Lithuanian citizenship was immediately offered to all residents, irrespective of their ethnic origin, including the 245,000 Russians (7% of the total population).

The poor state of Polish-Russian relations results, to a large extent, from Poland’s political activism in Russia’s ‘near abroad’, particularly in Ukraine and Belarus (Unge et al., 2006). In the years preceding Poland’s accession to the EU in 2004 Poland established the concept of the East-

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7 See more on this in the next section on the EENP region.
9 The Estonian embassy in Moscow was attacked and the Estonian authorities even claimed their governmental websites and websites of major Estonian companies were subjected to a cyber-attacks emanating from Russia.
ern Dimension in a non-paper in 2003 (building upon its Eastern policy of the 1990s, which sought to promote democratisation and human rights in countries such as Belarus and Ukraine and bring them closer to the EU). Russia vehemently criticised Poland’s (but also the EU’s and Lithuania’s) mediator role during the ‘Orange Revolution’ in November 2004. After its accession to the EU, Poland (together with Sweden) has also sought ways to increase the EU’s role in the region and has proposed an ‘Eastern Dimension’ policy at the EU level, which was adopted by the European Council in June 2008, on the proviso that the new initiative should respect the character of the ENP as a single and coherent policy framework and that it should bring added-value and be complementary to the Black Sea Synergy and the Northern Dimension. This has been seen as a challenge to Russia’s leading role in the region. Further frictions have been caused by Russia’s (Gazprom’s) energy policies, through the construction of the Russian-German Nord Stream gas pipeline, which bypasses Poland.

Romania’s relations with Russia have not been very cordial since the fall of the Berlin Wall, due to the historical dispute over Bessarabia (roughly, the present-day Republic of Moldova), a former Romanian province. Romania has repeatedly called for the withdrawal of Russian troops from Moldova. Romania also views the Russian influence in the EENP region and in particular in the Black Sea region as opposing its own regional ambitions, accusing Russia of treating the Black Sea as a Russian lake.

Poland and the Czech Republic have also experienced rocky relations with Russia due to their cooperation with the US and NATO on security-related matters, notably the US missile defence shield. To a more limited extent this has also been the case for Romania and Bulgaria, who accepted the hosting of US bases on their territory, a move which was strongly denounced by Russia.

The United Kingdom is the only one big EU member state that has had strained relations with Russia in recent years, despite attempts to develop a ‘strategic partnership’ under former Prime Minister Tony Blair. The former UK Ambassador to Russia, Anthony Brenton, was an outspoken critic of Russia’s domestic policy. Political relations worsened after BP and Shell were forced to sell (below their estimated value) their controlling stakes in exploration of the Sakhalin II and Kovykta gas fields to Gazprom. The trend continued after the November 2006 assassination of Alexander Litvinenko, a former FSB officer, in November 2006 in London. On 25 October 2007 Russia announced that it would close down two offices of the British Council (BC) in Saint Petersburg and Yekaterinburg. The UK and Russia have also been at odds on major international security issues, notably due the UK’s strong partnership with the US in the global anti-terrorist efforts, insistence on the ratification of the Conventional Forces in Europe (CFE) Treaty and NATO’s expansion efforts.

A number of EU MS such as Austria, Belgium, Bulgaria, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Portugal, Spain have given priority to accommodating Russia’s foreign policy interests and its economic and energy interests in the EU and the EENP region and their foreign policy is not conducted in confrontation to Russia’s on these issues. These countries do not favour the accession of EENP states to the EU and only push for a strengthening of the ENP insofar as it meets their own foreign policy goals, while giving due consideration to Russian concerns (the best example is Germany’s ‘New Ostpolitik’ in which a strengthened ENP is meant to replace an EU accession perspective for EENP states) (Kempe, 2007). Additionally, these EU MS are also more reluctant with regard to the enlargement of NATO to include Ukraine and Georgia. Nevertheless, France has softened its stance on Ukraine, and more recently seems to favour the signature of the Enhanced Agreement with Ukraine that would recognise Ukraine’s accession prospects.

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12 “Traian Basescu wants to do business with the Russia lake”, Cotidianul (Romanian daily newspaper), 4 April 2008.
Certain EU MS (the Baltic States, Poland and Romania) but also Sweden maintain a foreign policy that is confrontational to Russia’s economic or energy interests (for instance on the construction of the Nord or South Stream pipelines) in the EU and in the CIS (by favouring stronger energy links with the Caspian region). Sweden has rejected the application for permission to construct the Nord Stream pipeline through its territorial waters in the Baltic Sea on the grounds that the application lacks a substantial environmental consequence analysis. Romania also pays one of the highest prices in Europe for Russian gas. In contrast, Austria, Bulgaria, Greece, Germany, Hungary and Italy have made important energy deals with Russia and cooperate either on the Nord Stream or the South Stream projects with Gazprom, projects that are considered by some EU MS to undermine EU efforts at diversifying gas supply through projects such as Nabucco (Leonard and Popescu, 2007).

Finland has been involved in a commercial dispute with Russia due to Russia’s intention to raise export tariffs on unprocessed timber to about 25% in April 2008 and to 80% in 2009 in order to develop its domestic wood processing and manufacturing, as opposed to exporting the raw material. This could affect the Finnish pulp and paper industry. Despite this, Finland has sought a negotiated way out of this dispute and has not involved the EU (in contrast to Poland, for instance, in its dispute on the Russian embargo on Polish meat). The raising of tariffs on Russian wood has also angered Sweden, which has cast doubts at EU level about Russia’s commitment to join the WTO.

Hungary also seems to have a dual approach towards Russia. Hungary aspires to friendly and pragmatic relations with Russia, due to its heavy dependence on Russian energy and the strong presence of Russian capital in its economy. However, Hungary is divided along political lines, with the current socialist government seeking closer economic and political ties with Russia, whereas the main opposition party Fidesz is constantly denouncing the growing influence of Russia in Hungary. Hungary’s energy deals with Russia and cooperation on the South Stream pipeline have undermined its commitment to the Nabucco pipeline and the Prime Minister even remarked that the Nabucco pipeline is a “dream one cannot use for heating”. On the other hand, Hungary remains a strong supporter of greater EU involvement in the EENP region. For instance, Hungary has been in favour of sending an EU peace support operation mission to Moldova, which Russia opposes (Leonard and Popescu, 2007).

Russia is also considered as a very important player on the international arena and some states promote Russia’s interests in the hope that Russia will return the favour. For instance, Cyprus has received Russian support on the UN Security Council in its rejection of the Annan Peace Plan in 2004. Greece has traditionally also called on Russian support in its foreign policy over Cyprus and Turkey. France and Germany considered Russia’s support on the UN Security Council crucial in opposing the US-led invasion of Iraq in 2003. They have also coordinated their positions with Russia on Iran and on the Middle East. France also has strong cooperation on intelligence and anti-terrorism with Russia, whereas the UK broke off such cooperation due to worsening diplomatic relations in 2007. Germany considers Russia essential for cooperation on international matters (energy security, arms control, the fight against terrorism, stability in the Western Balkans). Russia’s support is also crucial for EU MS that are members of NATO and which have troops stationed in Afghanistan. At the NATO-Russia Council on 4 April 2008, Russia agreed to provide access through its territory for the supply of non-military equipment and food for NATO forces stationed in Afghanistan. Further, many EU MS also engage with Russia in various regional organisations, such as the Council of the Baltic Sea States, the Black Sea Economic Cooperation, etc. Interestingly though, France and the UK called in March 2008, in a letter addressed to the EU Presi-

16 Ibid.
18 “Geopolitical realities - Foreign Minister Kinga Göncz on Hungary’s new foreign policy”, Interview, Figyelö, Hungarian weekly, 12 April 2007.
dency, for the right collective response to a more assertive Russia, whose foreign, security, economic and internal policies have given many EU MS cause for concern over recent years19.

c. Influencing the EU-Russia agenda

Certain EU MS are considered the main ‘speaking-partners’ for Russia in the EU, such as France, Germany, Italy and to a lesser extent Austria, Bulgaria, Cyprus, Finland, Greece, Hungary and Slovenia, which at times defend Russian interests when shaping EU policy towards Russia or the EENP region. Such policies of smaller EU MS may sometimes be related to economic reasons or be linked to Russian political support in the international arena (Greece and Cyprus), and in the case of larger EU MS may stem from strong economic relations and a prioritisation of bilateral relations with Russia. A number of EU MS, such as Austria, Cyprus, France (due to its EU Presidency in the second half of 2008), Greece and Slovenia (due to its EU Presidency in the first half of 2008) strongly favour an early conclusion of the new EU-Russia partnership agreement without holding it hostage to bilateral disputes between certain EU MS and Russia.

France, under President Sarkozy and Foreign Affairs Minister Kouchner, has also adopted a more realistic approach towards Russia. However, France is still considered a ‘locomotive’ for EU-Russia relations20. It is expected to conduct the negotiations on a new EU-Russia partnership agreement under its Presidency of the EU in the second half of 2008. In Italy, with the return of Silvio Berlusconi (a well-known defender of Russian interests in the EU and close friend of Putin) to power in April 2008, Russia will regain a great ally in the EU. Germany has traditionally been Russia’s strongest ally within the EU with very close political ties based on personal relationships (H. Kohl and B. Yeltsin; G. Schröder and V. Putin). Germany considers Russia as an indispensable strategic partner of the EU and, along with France, has been the initiator and promoter of the four common spaces in EU-Russia relations. However, as part of its new ‘Ostpolitik’, Germany, under Chancellor Angela Merkel, has dropped its ‘Russia-first’ approach and chosen a more balanced policy which also takes into consideration the interests of EENP states (Kempe, 2007; p.3) 21. Merkel called for “intra-EU solidarity” with Poland and Lithuania (in their respective diplomatic rows with Russia) at the EU-Russia summit in Samara in May 2007. However, the presence of Frank-Walter Steinmeier, the former chief of staff of Chancellor Schröder, as the foreign affairs minister, provides continuity in Germany’s relations with Russia.

Lithuania, Poland and the United Kingdom have also tried to influence the agenda of EU-Russia relations by uploading problems onto it that have appeared at a bilateral level with Russia, with the effect of burdening EU-Russia relations with additional strains. Lithuania has conditioned the launch of negotiations over the new EU-Russia partnership agreement on the inclusion of a number of provisions, notably on common values or energy security and solidarity and on the resolution of frozen conflicts in Moldova and Georgia. An agreement was reached in May 2008 between Lithuania and the EU, whereby Lithuania’s interests have been taken into account “in the context of the general interests of the EU”22. Poland has in the past linked its acceptance of such an agreement on the resolution of a trade dispute over its meat exports to Russia. Poland blocked negotiations (alongside Lithuania) on a new Strategic Partnership Agreement between the EU and Russia in advance of the EU-Russia summit in Samara on 18 May, 2007 in retaliation against the Russian ban (on sanitary grounds) in November 2005 on Polish meat and poultry imports. On 19 December 2007 Poland and Russia signed a memorandum lifting the two-year Russian ban. Poland lifted its veto on EU-Russia talks but insisted on attaching a declaration on energy security

19 “Address by the Foreign Affairs Minister of Slovenia Dimitrij Rupel to the Committee on Foreign Affairs of the European Parliament - Briefing on the Conclusions of the Gymnich Meeting”, website of the Slovenian Presidency of the EU, 1 April 2008.

20 “Putin congratulates Sarkozy on his election as President of the French Republic”, RIA Novosti, 8 May 2007.


and solidarity to the agreement. The UK has received political support from the EU in the Litvinenko affair (see EU Presidency statements) and the EU-Russia Ministerial Council in November 2007 raised the issue of the threatened closure of the British Council offices in Russia. The UK also supported the Polish and Lithuanian positions in the Russian-imposed trade blockades and has urged Russia to lift its bans and the UK has been putting pressure on EU member states to adopt a common, united approach towards Russia, when dealing in matters of energy. The UK has not tied any conditions to opening negotiations on a new EU-Russia agreement.

Certain EU MS such as the Netherlands and Sweden have been pushing for a more critical EU approach towards Russia in the field of human rights and democratisation and new EU-Russia partnership agreement that is based both on respect for European values, including respect for human rights, and on common interests. Hungary would like a new strategic partnership agreement to be based on the four common spaces with increased attention paid to energy, environmental protection and human rights (EU-Russia Centre, 2007; p. 63). A special case is Finland, which despite a trade dispute with Russia over export tariffs, is eager to see the early conclusion of a new EU-Russia partnership agreement. This would open the way to an EU-Russia free trade agreement once Russia joins the WTO, thereby removing excessive tariff barriers on certain sensitive goods (which wood is in the case of Finland). Other states, such as Cyprus, support a new EU agreement with Russia without any new additions on human rights (EU-Russia Centre, 2007; p. 111). Sweden also intends to push for the adoption of a Baltic Sea Strategy at EU level (comparable to the EU Black Sea Synergy), when it takes over the EU Presidency during the second half of 2009, meant to address regional challenges, related to the environment and to competitiveness.

d. Bilateral visa regime and the effects of EU accession

France, Germany and Italy had signed separate bilateral visa facilitation deals with Russia, in breach of Schengen rules, which were suspended by the EU, but which prompted the EU to conclude an EU-Russia visa facilitation and readmission agreement in October 2005 (Leonard and Popescu, 2007; p. 16). This agreement entered into force in June 2007. However, this visa regime does not apply to Ireland and the United Kingdom, who are not part of the EU common visa policy. The UK, which was planning to negotiate a bilateral agreement on visa facilitation with Russia, has suspended bilateral negotiations on these issues due to worsening relations with Russia throughout 2007 (EU-Russia Centre, 2007; p. 21). Visas for Russians cost from £50 to £85 for long-term stays. Lithuania participated in the EU-Russia negotiations in 2002 on a transit regime with Kaliningrad, which established a Facilitated (Rail) Transit Document enabling Russian citizens to transit Lithuanian territory without a visa. Lithuania has expressed concern that the EU-Russia visa facilitation regime which entered into force in June 2007 may strengthen the position of the secessionist entities in the EENP region with regard to Moldova and Georgia, considering that many of the inhabitants of these secessionist regions have Russian citizenship. The introduction of visas by Cyprus following its adoption of the Schengen acquis upon its EU accession has prompted Russian demands to return to a visa-free regime. These demands have even been brought to the attention of the EU by Russia. The new visa regime may affect business and discourage Russian tourists, who may opt to sojourn in the Turkish part of the island, which has a more liberal visa policy (a stamp at the border for US$ 20-25). Around 40,000 Russians live in Cyprus (5% of the total population) (EU-Russia Centre, 2007; p. 112).

23 “Poland interested in lifting veto on EU-Russia talks”, Xinhua news agency, 19 February 2008, Poland had previously also insisted that the Energy Charter Treaty and its Transit Protocol should be included in the new EU-Russia Agreement.
26 Ibid., p. 18.
e. Cross-border cooperation

The EU’s Northern Dimension (ND) provides one framework for cross-border cooperation between some EU MS and Russia, which includes the facilitation of people-to-people contacts, the development of border management, judicial cooperation, the fight against organised crime, trafficking in human beings, drugs, illegal immigration and other cross-border crime. Since the accession of the Baltic States and Poland to the EU in 2004, the ND has mainly focused on Russia and the Kaliningrad region in particular. Other regional institutions such as the Council of Baltic Sea States (CBSS), which includes Germany, the five Nordic countries, the three Baltic states, Poland and Russia have also sought to integrate Russia into the wider processes of democratisation, modernisation and reform, through cross-border cooperation in various fields.

The core policy objectives of EU cross-border cooperation (CBC) are to support sustainable development along both sides of the EU’s external borders, to reduce differences in living standards and to address the challenges and opportunities following EU enlargement or otherwise arising from the geographic proximity of cross-border regions. EU-funded CBC programmes in which the Baltic States and Poland are involved are the Estonia-Latvia-Russia CBC programme and the Lithuania-Poland-Russia CBC programme. The Baltic Sea Region Programme (BSRP) 2007-2013 (which falls under the EU ENPI CBC Sea Basin Programmes) includes the three Baltic States, Finland, Sweden, Denmark, parts of north-eastern Germany, Norway, Belarus and parts of north-western Russia, including the Kaliningrad region. Other ENPI CBC programmes in which both Finland and Russia are involved, include, the “Kolarctic” (Finland-Sweden-Norway-Russia), the “Republic of Karelia” programme and the “South-East Finland-Russia” Programme.

Cross-border cooperation with Kaliningrad is of particular importance to Lithuania (see discussion in the previous section). A council on long-term cooperation between Lithuania and Kaliningrad was established in June 2000 which deals with a wide spectrum of issues such as border check-points, transports, cross-border cooperation and Euroregions, economic cooperation and trade, environmental protection, culture, education, etc. Poland also has strong interests in cooperation with Russia on cross-border issues as it borders Kaliningrad. Poland is among Kaliningrad’s most important trade partners and tourist destinations, but Poland eventually introduced a visa regime for citizens of Kaliningrad in October 2003.

Finland is the main EU destination and transit country for Russian visitors and hence the CBC with Russia is very important. In 2006, Finland issued 505,000 visas to Russian citizens (Leonard and Popescu, 2007). The amount of goods imported through Finland has doubled since 2002 to about three million tons in 2006, and the Russian Transport Ministry acknowledges that its officials cannot handle the growing number of vehicles crossing the border. While Bulgaria and Romania are part of the EU’s Black Sea Synergy together with Russia, neither Bulgaria nor Romania consider it a forum through which to engage in cross-border cooperation with Russia, but rather with the EENP countries. Russia has itself been very reluctant to get involved in any regional cooperation processes in the Black Sea region. Annex 6 provides a picture of the scale and nature of the phenomenon of cross-border movement across the EU’s eastern external land borders.

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30 See Annex 3: EU Cross-border Cooperation Programmes (and maps).
34 “Russia’s economy booms, and cargo traffic piles up at Finnish border”, The International Herald Tribune, 10 October 2007.
f. Cultural relations

A number of EU MS, such as the Baltic States, Bulgaria, Cyprus, France, Germany and Greece, have close cultural links due either to the existence of a sizeable Russian minority on their territory or due to a shared cultural and religious heritage. The Russian minority in Estonia and Latvia has been a cause for friction with Russia, but in general the presence of minorities leads to closer cultural relations and affinity between the EU MS and Russia. Bulgaria has traditionally close cultural links with Russia, both being Slavic and largely Christian Orthodox nations. Cultural relations between France and Russia are also very strong, with an estimated 200,000-400,000 Russians residing in France. France is also promoting the French language in Russia, which is the third most widely spoken foreign language in Russia (after English and German). German-Russian cultural relations are also strong due to an estimated 3.6% (2.9 million) German population that is believed to be Russian speaking (ethnic Russian, Russian-Kazakh or Jewish-Russian). The Greek community in Russia numbers about 128,000 and is mainly located around the Black Sea in Southern Russia or in Moscow. In addition, the Russian community in Greece numbers around 300,000 people and is mostly made up of Greeks who emigrated from the Soviet Union. The Greek Orthodox and the Russian Orthodox Churches maintain close and friendly ties. The only national Orthodox Church in the EU that maintains a strained relation with the Moscow Patriarchate is the Romanian Orthodox Church, after it reactivated the Bessarabian Metropolis in the Republic of Moldova, where the Russian Orthodox Church has its own church structure in place dating back to the Soviet period.

I.3. Interests in economic and energy cooperation

a. Trade volume, investments and the importance of Russia in bilateral trade

Russia is a very important trade partner for the EU as it absorbs 6% of its external exports (compared to 9% for the CIS as a whole) and provides 10% of its external imports (compared to 13% for the CIS). The EU’s trade with Russia has been growing dynamically since 2000, reaching €192 billion in 2006. Over this period EU exports to Russia grew much faster than imports, but given the starting imbalance, the EU27 trade deficit grew from €41 billion in 2000 to €69 billion in 2006, mainly on the back of rising energy prices. Mineral products were the most important commodity, accounting for just above 50% of total EU imports. Road vehicles and machinery were the EU’s most important export products.

The share of CIS and in particular Russia in trade turnover varies greatly among EU MS. In 2006, the average share of Russia in the trade turnover of the EU 27 was 2.6%, for the EU 15 2.3% and for the EU 12 5.7%. CIS countries are particularly important trade partners for Lithuania (19.4% share in total trade in 2006), Finland (11.9%), Estonia (11.2%), Latvia (8.2%), Poland (7.2%), Slovakia (6.7%) and Greece (6%). Russia accounted for more than 90% of Finnish foreign trade with the CIS region, compared to the EU 12 average of 66% and EU 15 average of 75%. The old EU MS (EU 15) accounted for 78%, whereas the new EU MS (EU 12) accounted for only 22% of total EU-Russia trade volume. Germany’s trade with Russia alone accounted for 23.3% and Poland accounted for 7% of total EU-Russia trade. In general, the new EU MS have more diversified trade patterns with the entire CIS region (in particular the EENP states) as opposed to the old EU MS, which mostly trade with Russia. This wide heterogeneity in trade intensity can be largely explained by typical economic factors (size of respective EU economies, distance from Russia, etc.).

The large majority of EU MS have significant trade deficits with Russia, the Netherlands (€11.5 billion in 2006), although this is mainly due to the ‘Rotterdam effect’ (when goods destined for other EU states enter the EU through the port of Rotterdam), Germany (€5.9 billion), Poland (€5.9 billion), the United Kingdom (€5 billion), France (€4.7 billion), Romania (€3.6 billion), Hungary (€3.5 billion), and only 4 countries had a positive balance (Austria (€0.4 billion), Denmark (€0.4 bil-
lion), Ireland (€0.1 billion) and Slovenia (€0.4 billion). Italy and Finland had broadly balanced trade. In the latter case this is due to the fact that Russia is its most important trade partner outside the EU and it has traditionally developed a very diversified trade pattern in both imports and exports.

EU Foreign Direct Investment (FDI) in Russia has also been growing in recent years, from €2.4 billion in 2002, to €17.1 billion in 2007\(^{40}\). Investments have been mainly concentrated in the energy sector (electricity), the banking sector, mining and quarrying.

**b. Bilateral economic cooperation**

This section discusses the volume of bilateral trade between the individual EU MS and Russia. The table below provides the figures for bilateral trade volume between the EU 27 and Russia for 2006. Subsequently, the type of bilateral cooperation between the EU MS and Russia is presented. According to Table 1, Germany with €52 billion worth of bilateral trade, accounts for almost 25% of EU-Russia trade turnover. The Netherlands and Italy account each for around 10%, followed by France, Finland and Poland (around 6.5% each), the United Kingdom (5%), Spain (4%), the Baltic States (3.9%), Belgium (3.5%), Hungary (3.2%), the Czech Republic and Sweden (each 2.7%), Austria and Slovakia (each 2.1%), Greece (1.9%), Romania (1.6%), Denmark (1%), Slovenia (0.5%), Portugal (0.4%), Bulgaria (0.3%), Ireland (0.2%), Luxembourg (0.1). Cyprus and Malta with, respectively €60 million and €4 million, account for an insignificant share of EU-Russia trade.

### Table 1: EU MS – Russia trade value in 2006 (billion euros)

<table>
<thead>
<tr>
<th>Russia</th>
<th>exports</th>
<th>imports</th>
<th>total trade</th>
<th>balance</th>
<th>% EU 27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>2.5</td>
<td>2.1</td>
<td>4.5</td>
<td>0.4</td>
<td>2.1%</td>
</tr>
<tr>
<td>Belgium</td>
<td>2.8</td>
<td>4.7</td>
<td>7.4</td>
<td>-1.9</td>
<td>3.5%</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.3</td>
<td>0.8</td>
<td>2.1</td>
<td>0.4</td>
<td>1.0%</td>
</tr>
<tr>
<td>Finland</td>
<td>6.2</td>
<td>7.7</td>
<td>13.9</td>
<td>-1.5</td>
<td>6.5%</td>
</tr>
<tr>
<td>France</td>
<td>4.7</td>
<td>9.4</td>
<td>14.1</td>
<td>-4.7</td>
<td>6.6%</td>
</tr>
<tr>
<td>Germany</td>
<td>23.1</td>
<td>29.0</td>
<td>52.2</td>
<td>-5.9</td>
<td>24.5%</td>
</tr>
<tr>
<td>Greece</td>
<td>0.4</td>
<td>3.5</td>
<td>4.0</td>
<td>-3.1</td>
<td>1.9%</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.3</td>
<td>0.1</td>
<td>0.4</td>
<td>0.2</td>
<td>0.2%</td>
</tr>
<tr>
<td>Italy</td>
<td>7.6</td>
<td>13.6</td>
<td>21.2</td>
<td>-6.0</td>
<td>10.0%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.0</td>
<td>0.1%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5.6</td>
<td>17.0</td>
<td>22.6</td>
<td>-11.4</td>
<td>10.6%</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.1</td>
<td>0.6</td>
<td>0.8</td>
<td>-0.5</td>
<td>0.4%</td>
</tr>
<tr>
<td>Spain</td>
<td>1.5</td>
<td>7.2</td>
<td>8.6</td>
<td>-5.7</td>
<td>4.0%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.9</td>
<td>3.8</td>
<td>5.7</td>
<td>-0.2</td>
<td>2.7%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.0</td>
<td>8.0</td>
<td>11.0</td>
<td>-5.1</td>
<td>5.2%</td>
</tr>
<tr>
<td><strong>EU 15 total</strong></td>
<td><strong>61.1</strong></td>
<td><strong>107.7</strong></td>
<td><strong>168.7</strong></td>
<td><strong>-46.6</strong></td>
<td><strong>79.2%</strong></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>-0.2</td>
<td>0.3%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1.5</td>
<td>4.2</td>
<td>5.7</td>
<td>-0.2</td>
<td>3.0%</td>
</tr>
<tr>
<td>Estonia</td>
<td>0.6</td>
<td>1.4</td>
<td>2.0</td>
<td>-0.8</td>
<td>0.9%</td>
</tr>
<tr>
<td>Hungary</td>
<td>1.6</td>
<td>5.1</td>
<td>6.7</td>
<td>-3.5</td>
<td>3.2%</td>
</tr>
<tr>
<td>Latvia</td>
<td>0.6</td>
<td>0.7</td>
<td>1.3</td>
<td>-0.2</td>
<td>0.6%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1.4</td>
<td>3.8</td>
<td>5.2</td>
<td>-2.3</td>
<td>2.4%</td>
</tr>
<tr>
<td>Malta</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Poland</td>
<td>3.8</td>
<td>9.7</td>
<td>13.4</td>
<td>-6.9</td>
<td>6.3%</td>
</tr>
<tr>
<td>Romania</td>
<td>0.3</td>
<td>3.2</td>
<td>3.5</td>
<td>-2.9</td>
<td>1.6%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>0.5</td>
<td>4.0</td>
<td>4.6</td>
<td>-0.3</td>
<td>2.1%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.8</td>
<td>0.4</td>
<td>1.1</td>
<td>0.4</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>EU 12 total</strong></td>
<td><strong>11.3</strong></td>
<td><strong>32.9</strong></td>
<td><strong>44.2</strong></td>
<td><strong>-21.6</strong></td>
<td><strong>20.8%</strong></td>
</tr>
<tr>
<td><strong>EU 27 total</strong></td>
<td><strong>72.4</strong></td>
<td><strong>140.6</strong></td>
<td><strong>212.9</strong></td>
<td><strong>-68.2</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

*Source: Eurostat (COMEXT).*

\(^{40}\) Eurostat.
In order to facilitate deeper analysis, the EU MS are subdivided into four groups in accordance with the share of their bilateral trade in the total EU-Russia trade. The first group includes EU MS with trade volumes above €10 billion in 2006 and includes the biggest three EU MS, Poland and a few smaller EU MS.

**Germany** imports mainly raw materials and energy products and Russia’s main imports from Germany include manufactured goods (machines, chemical products, cars and communications equipment). German investments in Russia totalled US$5 billion in 2006 (9.1% of all foreign investments)\(^41\). Germany and Russia cooperate on a number of joint projects in the field of high-tech, energy, aviation and space, car manufacturing, transport and telecoms. Major German companies such as E.ON. and BASF are present in Russia. Tourism was also an important bilateral economic activity as in 2006: 753,500 Russians visited Germany (EU-Russia Centre, 2007).

**The Netherlands** has a very strong economic relationship with Russia. In 2006, the Netherlands was the fourth biggest EU exporter to Russia (behind Germany, Italy and Finland) and the second biggest importer (behind Germany – this is partly due to the above mentioned ‘Rotterdam effect’). More than three-quarters of Russian exports to the Netherlands are fuel and energy products and 16% metals. Russian imports consist of agricultural products (37%), machinery (28%), and chemical products (24%). Dutch FDI into Russia stood at US$6.6 billion in 2006 (12% of all foreign investments)\(^42\).

**Italy** is Russia’s third biggest trading partner globally, after Germany and China. Italy is also the second biggest importer of Russian gas (after Germany) and energy cooperation is very important in bilateral economic relations (see next section). The close political partnership between **France** and Russia is not reflected in the total trade volume, which stood at €14.1 billion in 2006 (EU-Russia Centre, 2007; p. 15), representing 0.9% of France’s foreign trade and putting Russia as France’s 9th largest trade partner (Leonard and Popescu, 2007; p. 31). French exports mainly consist of luxury products, machinery and cars, whereas the main imports products are oil and gas: 88% in 2005 (EU-Russia Centre, 2007; p. 16). French FDI into Russia equalled US$ 3 billion in 2006\(^43\).

Russia is a very important trade partner for **Finland**, which ranks as its second largest import partner after Germany (14% of imports) and third export partner after Germany and Sweden (10% of exports). Finland is an important transit country, particularly for Russian imports, a quarter of which go through the country (Leonard and Popescu, 2007; p. 37). More than 80% of Finnish imports from Russia consist of crude oil, natural gas, electricity, wood and other raw materials. Finland mainly exports paper products, food, furniture, consumer goods and transport equipment. Finland is also important as a tourist destination or transit country for Russian tourists. There were more than 2.3 million visits from Russia to Finland, the highest number of Russian visitors in any EU country (EU-Russia Centre, 2007; p. 124).

**Poland** is Russia’s sixth largest trading partner among EU MS, mainly due to high Polish imports from Russia (10% of total imports in 2006, second only to Germany – 24%). During 2006-2008 the trade dispute over Russia’s ban on Polish meat exports attracted substantial public attention, although it did not affect overall trade values in any significant way. The main Russian companies investing in Poland are Gazprom and Lukoil. However, Russia was only the 21st largest investment partner in Poland in 2006.

Troubled political relations have not affected the flourishing trade relations between Russia and the **United Kingdom**, mostly UK imports from Russia. UK investments reached US$7 billion in 2006, accounting for 12.7% of all foreign investment in Russia, second only after Cyprus\(^44\). In sensitive areas such as energy, investments by UK companies have not been protected by a legal framework, as was the case for BP and Shell, which were subject to arbitrary treatment by Russia’s gas monopoly, Gazprom. The main areas of economic exchange are metallurgy, oil refining, tourism, investment projects, transport and roads, agriculture and food processing (EU-Russia Centre, 2007; p. 21). The official numbers of the Russian Federal Agency for Tourism, show that 233,300 UK citizens travelled to Russia and 120,000 Russian citizens travelled to the UK in 2006\(^45\).

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\(^{42}\) Ibid.

\(^{43}\) Ibid.

\(^{44}\) Ibid.

\(^{45}\) Second Report from the Foreign Affairs Committee, Session 2007-08, op.cit.
The second group includes a number of smaller EU MS plus Spain, whose trade with Russia ranges from €5 billion to €9 billion. The three Baltic countries have been grouped together for purpose of this analysis. Russia and Spain both account for approximately 1% of each other’s trade. Russia supplies about 13% of Spain’s oil needs but no gas (Leonard and Popescu, 2007; p. 33). Spanish Repsol and Tambeyneftegas are planning to construct a plant capable of producing liquid natural gas on the Yamal peninsula. Amongst the Baltic States, Lithuania has the largest trade values with Russia, €4.1 billion in 2006 (of which €3 billion were Lithuanian imports) 46. Energy dominates the Baltic countries’ imports from Russia. Belgian imports from Russia mainly consist of mineral products (above 50%) and diamonds and other precious stones account for another 23%. There are many joint ventures in the Russian food industry, construction and pharmaceuticals. In April 2007, Belgian bank KBC also entered an agreement with Absolut Bank, a leading Russian credit institution, to acquire 92.5% of its shares (EU-Russia Centre, 2007; p. 55). Russia is a very important trade partner for Hungary, accounting for 8% of total Hungarian imports 47. Gazprom invested in Hungary’s strategic gas storage and transport business and Russian business has a stake in Malev, the national air carrier. The Czech Republic (CR) has experienced a strong increase in bilateral trade, reaching €5.7 billion in 2006, up from €2.7 billion in 2000, mostly due to buoyant imports. Sweden had the same volume of trade as the Czech Republic in 2006, but slightly higher exports. About 84% of imports consist of crude oil (EU-Russia Centre, 2007; pp. 69, 123). Sweden’s main exports to Russia are telecom equipment, cars and chemicals. A third group of EU MS are countries whose trade turnover with Russia ranges between €1 and €5 billion. In this group Austria, Denmark and Slovenia stand out given their trade surpluses with Russia. Romania, Greece and Slovakia in contrast, are characterised by relatively very large trade deficits (mainly on the import of energy commodities account). In these countries there are many Russian investments in heavy industry and the energy sector.

The last group is constituted by states whose trade with Russia does not exceed €1 billion (except for Latvia, reviewed above). For Portugal, Ireland, Luxembourg, Malta and Cyprus Russia is not a significant trade partner, due to the distance and economic structure (in the case of Luxembourg). Russia is Bulgaria’s third most important trade partner after Germany and Italy. There is an agreement for Russian assistance in the construction of a nuclear reactor in Belene. There are Russian investments in finance, trade and tourism and wine-making. Bulgaria is an important tourist destination for Russians, receiving 209,000 visitors from Russia in 2006 (EU-Russia Centre, 2007; p. 124). Luxembourg and Cyprus are believed to be a haven for Russian capital (Leonard and Popescu, 2007; p. 37). Both countries are amongst Russia’s main foreign investors, accounting, respectively, for 10.7% and 17.9% of all foreign investments in Russia 48. The majority of these investments represent repatriation of Russian capital. Cyprus is the most important hub for Russian off-shore companies.

c. Energy cooperation and investments

Oil and gas are the most important commodities imported by the EU from Russia with a share of a little over 50% of total EU imports from Russia in 2005. Mineral products strongly dominate imports from Russia (with a share of above 70%) of EU MS such as Romania (90%), Bulgaria (90%), Slovakia (90%), France (89.4%), Hungary (89%), Austria (85%), Sweden (84%), Finland (80%), the Netherlands (75%), Lithuania (75%), Italy (74%) and Poland (73%). Germany is Russia’s biggest market for energy commodities, despite the fact that ‘only’ 53% of German imports from Russia are accounted for by mineral products. The Baltic States, despite their strong dependence on Russian energy, have quite a diversified structure of imports from Russia.

EU 27 strongly depends on imported oil and gas, which currently account, respectively, for around 83% and close to 60% of domestic consumption with a clear upward trend. Russia is the single most important supplier of both gas and oil to the EU, accounting for around 33% of total extra-EU oil imports and 38% of gas imports, as of 2007. This figure masks major differences in

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46 See annex 4: Share of EU MS trade with the CIS – Regional Comparison.
the importance of Russian oil and gas for particular EU MS (CASE, 2008 provides a detailed discussion).

Southern EU countries buy most of their oil from OPEC producers. At the same time the EU 12 mostly rely on imports from Russia (around 90% in some instances). For natural gas, Russia is the main supplier to the EU 12, covering above 80% of its gas needs (see Figure 1). Importantly, these countries fully rely on gas transported by pipelines and thus have quite limited diversification options. In several EU countries (e.g. Hungary, Slovakia) Russian gas accounts for a high share of total primary energy supply (TPES) or gross inland consumption. At the same time several EU MS do not buy any gas or oil from Russia.

Figure 1: Volume of oil (upper panel) and gas (lower panel) imports from Russia as a share of total imports, 2005 (% of total imports)

Energy cooperation is a dominant factor in bilateral relations which can either shape them positively or negatively. This is particularly true between Russia and the following EU MS: Austria, the Baltic States, Belgium, Bulgaria, Czech Republic, Finland, Germany, Greece, Hungary, Italy, Poland, Romania and Slovakia.

Russian companies, in particular the state-controlled gas monopoly Gazprom and private oil company Lukoil, have invested in the energy infrastructure of a number of EU MS, such as Austria (gas storage facility in Baumgarten), Belgium (gas storage facility in Zeebrugge), in Bulgaria (Lukoil investments and Bourgas-Alexandroupolis pipeline), Germany (pipelines and storage), Greece (Bourgas-Alexandroupolis pipeline), Hungary (gas storage facility), Italy (Eni-Gazprom deal on the
South Stream), the Netherlands (Gasunie-Gazprom deal, Gazprom participation in BBL pipeline), Romania (Lukoil investments, gas storage facility), Slovakia (important Russian take-over of oil and gas pipeline networks). Slovakia, the Baltic States, and Poland are important transit countries for Russian oil and gas that is transported westwards (CASE, 2008 provides further details).

A number of EU MS, such as Austria, Bulgaria, France, Germany, Greece, Hungary, Italy, Slovakia and to a lesser extent the Netherlands, Belgium, Luxembourg, have concluded major (long-term) energy supply deals with Russia, committing their involvement in major Russian energy infrastructure projects or committing to sell a part of their energy assets (distribution networks and storage facilities) to Gazprom in return for access to Russian oil and gas deposits. These deals have sometimes been seen as complicating the implementation of EU-backed energy projects (such as the Nabucco pipeline) or undermining the EU’s attempts to create a common energy policy (including unbundling and the access of energy companies of third countries to the EU market).

Looking at the character of energy relations between Russia and EU MS, several groupings emerge. First, some very large EU gas importing countries (primarily Germany and Italy and possibly also France) that have a well diversified import structure have been trying to intensify their relations with Gazprom, securing long-term supply contracts and trying to limit their reliance on transit countries. For this group of EU MS, increasing gas supplies from Russia is seen to be improving their overall energy security. Gazprom gas sales to the three countries listed above (67 billion cubic meters in 2006, according to Gazprom data) are roughly equal to sales to all other EU MS combined (around 70 billion cubic meters), illustrating the importance of these particular markets to Gazprom.

Among the three EU MS, Germany and Italy have the strongest link with Gazprom. Germany and Russia have gone ahead with plans to build a new pipeline to transport Russian gas directly to Germany under the Baltic Sea, known as the Nord Stream. The total investment for the offshore pipeline is estimated by the Nord Stream company to be around €7.4 billion. The company is chaired by former German Chancellor G. Schröder. Gazprom has a 51% stake in the project and the rest is divided between E.ON Ruhrgas, BASF subsidiary Wintershall and Dutch gas company Gasunie. Other EU states have been left out of the project, causing political frictions in particular between Germany and Poland, but also between Germany on the one hand and the Baltic and some Scandinavian states on the other.

In 2006 Italy’s main energy company ENI and Gazprom signed a long-term supply deal lasting until 2035. In June 2007, ENI agreed with Gazprom on the construction of a gas pipeline under the Black Sea (South Stream) at a total cost of €10 billion. ENI has, together with Gazprom, also constructed another gas pipeline under the Black Sea, the so-called Blue Stream.

Cooperation between Gaz de France (GDF) and Gazprom dates back to 1975, and relates to gas supply, transmission, storage, LNG production etc. A 2006 contract between Gazprom and GDF foresees the supply of gas until 2030, including through the Nord Stream pipeline from 2010, so France has a common interest with Germany in building the Nord Stream pipeline. French company Total signed an agreement with Gazprom on 13 July 2007 giving Total a 25% stake in the Shtokman Development company, which will develop the first phase of the Shtokman gas field (to feed the planned Nord Stream pipeline).

The second group comprises EU MS that are either important transit countries for Russian energy or already now heavily rely on gas imports from Russia, but do not see viable alternative sources of supply and/or believe that strengthened cooperation and joint projects with Russia could improve their long term energy security. Bulgaria, Hungary, Austria can be considered as belonging to this group. Austria’s OMV national energy company has welcomed Hungary’s accession to the South Stream project bringing gas from Russia to Italy and which will branch off northwards, in the expectation of larger deliveries from Gazprom via Hungary to Austria. OMV is also the initiator of the Nabucco project and has proposed bringing Gazprom in as an additional partner, which would undercut the rationale of the project, namely becoming less dependent on Russian energy supplies. Bulgaria and Greece have also signed into the South Stream project, which is considered a rival project to the EU’s Nabucco. Slovakia is an important transit country for Russian energy.

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51 Ibid.
(through the southern section of the “Druzhba” oil pipeline and Transgas natural gas pipeline, which supply the Czech Republic and Germany), with 50.3 bcm of Russian gas transiting Slovakia towards Western Europe in 2007\textsuperscript{52}. Russian oil company Promneftstroi bought a 49% stake in Slovak oil-pipeline operator Transpetrol after taking over the foreign assets of bankrupt oil company Yukos.

Some other EU MS have been more or less actively trying to diversify their import sources in order to decrease dependence on Russia, although the degree of success has been rather limited in most cases, owing partly to geography, existing pipeline infrastructure and European gas price developments. Alternatively, when gas import diversification has not been an option some EU MS have tried to increase security of their supplies by demanding a firmer international legal structure regulating international trade in energy resources (the discussion concentrates mainly on the Energy Charter Treaty) and supporting the development of the EU joint energy policy that would increase its bargaining power in relation to major suppliers such as Russia. Poland, Baltic States, Romania, and to a lesser extent Sweden, Denmark, Finland and the United Kingdom can be considered as belonging to this group. Poland and the Baltic States strongly oppose the Nord Stream project, which reduces their importance as transit countries and their security of supply. Gazprom also invited Romania to join the South Stream project, but Romania refused\textsuperscript{53}, since it is a strong supporter of the EU’s rival project – Nabucco\textsuperscript{54}. Romania may also impede the construction of the South Stream project (which would cross Romania’s continental shelf in the Black Sea) under article 79 of the UN Convention on maritime law, thereby increasing the costs and reducing the relevance of the project\textsuperscript{55}.

The Nord Stream runs through the Exclusive Economic Zones of Russia, Finland, Sweden, Denmark and Germany as well as through the territorial waters of Russia and Germany. Sweden has already made use of article 79 of the UN Convention on maritime law and rejected an application by Russia of the Nord Stream project on environmental grounds. Finland insists that the Nord Stream consortium conduct a thorough environmental impact study of an alternative, southern, route for its planned gas pipeline under the Baltic Sea\textsuperscript{56}. Environmental concerns have also been expressed by Denmark.

The UK is a staunch supporter of formulating a strong EU external energy policy and also supports the Nabucco project. The UK continues to press Russia to create transparent and stable conditions for foreign investment in the energy sector based on the G8’s energy security principles agreed at the Saint Petersburg summit in July 2006 (regarding market access, transparency of markets and favourable investment climate), especially after the forced sale of shares by Shell in the Sakhalin II oil and gas fields and BP in Kovykta condensate gas field\textsuperscript{57}.

Other EU MS have taken a more nuanced and varied position on different questions of energy cooperation with Russia or are less interested in the issue given that their gas supply sources are elsewhere.

\textsuperscript{52}“Jahnatek: Russia represents reliable partner for Slovakia”, Slovakia Today, 19 February 2008.
\textsuperscript{53}“Romania did not join South Stream”, Ziare, 29 February 2008, \url{http://www.ziare.com/}.
\textsuperscript{54}Currently, five states are associated to the project (Turkey, Romania, Bulgaria, Hungary and Austria), which has the backing of the European Union. The project has an estimated cost of €5 billion and foresees the construction of gas pipeline that would transport Central Asian and Middle East gas and would run from the Caspian Sea through Turkey and the Balkans towards Austria.
\textsuperscript{55}“Ukraine and Romania may block South Stream project”, Unian, 3 March 2008.
\textsuperscript{56}“Finland tells Nord Stream to study alternative routes”, Environmental News Network, 21 January 2008.
\textsuperscript{57}“Global Energy Security”, Document adopted at the G8 Summit in Saint Petersburg, 16 July 2006, \url{http://en.g8russia.ru/docs/11.html}.
PART II – The Eastern ENP region

II.1. The EU’s relations with the EENP region

In the run-up to the 2004 and 2007 accessions of 12 new member states the EU set up a framework through which it wanted to conduct relations with its new neighbours to the east and south: the European Neighbourhood Policy (ENP). The main aims of the ENP are to “share the benefits of the EU’s 2004 [and 2007] enlargement with neighbouring countries and to prevent the emergence of new dividing lines between the enlarged EU and its neighbours and to promote stability and prosperity by offering them greater political, security, economic and cultural cooperation, but stopping short of membership. However, the Commission’s 2003 conceptual document on the Wider Europe specified that “for those European countries who have clearly expressed their wish to join the EU, the prospect of membership remains open” (European Commission, 2003, p. 5).

Already at the conceptual stage of the ENP the EU needed to reconcile the heterogeneous interests of its northern/eastern and southern/western member states. Initially, the ENP was only conceived to include the EU’s Eastern neighbours as a response to the EU’s eastward expansion (Belarus, Moldova, Ukraine). However, after intense lobbying by France, Spain and Italy, the southern Mediterranean states of the Barcelona Process were also included in the ENP. The EU initially also excluded the three states of the southern Caucasus (Armenia, Azerbaijan and Georgia) from the ENP, but eventually included them following calls from Austria, Finland and other EU MS. The EU also wanted to add a regional dimension to the EU-ENP framework and following the accession of two Black Sea littoral states, Bulgaria and Romania in 2007, both having obvious interests in the Black Sea region, the EU adopted the Black Sea Synergy (BSS)59. The BSS includes the EENP states, Russia and Turkey and serves to tackle issues with wider regional implications such as transport, environment, energy, migration and security issues, etc.

The ENP is implemented by bilateral action plans between the EU and each ENP state and are concluded for a period of between three and five years, providing for differentiation on a country-by-country basis. The action plans provide comprehensive lists of priority areas and actions to be undertaken, mainly by given ENP states, but also by the EU, and include the establishment of political dialogue, economic cooperation, cooperation in the field of security, justice and home affairs, cooperation on the frozen conflicts in Moldova and the Southern Caucasus, amongst others.

The EENP states most advanced with implementation of their Action Plans (APs) are Ukraine and Moldova. The Southern Caucasus states started implementing their AP almost two years later (end 2006). Ukraine is currently in the process of negotiating a new enhanced agreement with the EU to replace its PCA and is also negotiating a deep free trade agreement in parallel. A similar agreement will also be negotiated with Moldova in the foreseeable future and later also with the countries of the Southern Caucasus. Moldova also benefits from a new trade regime with the EU, known as Autonomous Trade Preferences, since 1 March 2008. On 1 January 2008 the visa facilitation agreements between Moldova and Ukraine, on the one hand, and the EU, on the other, have also entered into force.

II.2. Interests in political and security cooperation

a. The EENP region as a foreign policy priority?

Only six EU MS have embassies in all six EENP states60. These are France, Germany, the United Kingdom, Bulgaria, Poland and Romania. Italy and Latvia have embassies in all EENP states except Moldova. The Czech Republic and Lithuania have an embassy in all EENP states but Armenia and Azerbaijan. Greece has an embassy in all EENP states except Belarus and Moldova. Austria and Hungary have embassies only in Moldova and Ukraine. Belgium has an embassy in Azerbaijan and Ukraine. The Netherlands and Estonia have embassies in Georgia and Ukraine. Slovakia has an embassy in Belarus and Ukraine. Slovenia opened its embassy in

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Ukraine in 2004 as the only one in the EENP region. Most EU MS have at least an embassy in Ukraine, the largest of the EENP countries, except for Ireland, Luxembourg, Cyprus and Malta, which do not have a single embassy in this region. In the discussion below, the three Baltic States (Estonia, Latvia and Lithuania) will be treated as a homogenous group. However, whenever necessary the author will focus separately on certain specific interests of each Baltic country.

The EENP region is a major foreign policy priority for the Baltic States, Bulgaria, the Czech Republic, Hungary, Poland, Slovakia, Romania and Sweden. These EU MS are usually direct neighbours of EENP countries or have strong political, historical or economic relations with them. Austria, Denmark, Finland, Greece (in the Southern Caucasus) and Slovenia and, to a lesser degree, Belgium and the Netherlands, are keenly interested in the EENP region, which is not, however, their major foreign policy priority in terms of political and security cooperation.

The larger EU MS such as France, Germany, Italy and the United Kingdom may have established diplomatic relations with (almost) all EENP countries but are not involved to the same degree in each of them. However, they usually maintain strong relations by virtue of their greater administrative capacity and resources. For France and the UK, this region is less of a priority area in foreign policy than for Germany, whereas for Italy it figures rather low on the foreign policy agenda (after the Balkans and the Southern Mediterranean region).

A number of small EU MS and those which are the most remote geographically have the least political interests in cooperating with the EENP region and it therefore does not figure very high on their foreign policy agenda. These are Portugal and Spain, as well as Cyprus, Ireland, Luxembourg and Malta.

b. Influencing the EU agenda on the ENP East and promoting regional cooperation

The same group of EU MS that see the EENP region as a national foreign policy priority (see previous section) also tries to positively influence the EU agenda towards its Eastern neighbours. This group of EU MS has been pushing for stronger EU involvement in the EENP region, including involvement related to ‘frozen conflicts’. Generally, these countries also support the future EU membership of the EENP states and believe the EU should adopt an open-door enlargement policy. Individual EU MS are more outspoken in respect to the potential EU accession of one or more EENP states. Poland and Sweden support the accession of Ukraine and Moldova, but also of Belarus (if it democratises). Both countries have put forward a proposal for establishing an Eastern Partnership with the EENP countries. The Eastern Partnership foresees the establishment of an EU27+EENP forum, aiming to negotiate visa-free travel regimes, free trade zones and strategic partnership agreements between the EU 27 and the EENP countries. Hungary lobbies in favour of Ukraine’s and Moldova’s accession. Romania mainly supports the accession of Moldova and Finland that of Ukraine. The Baltic States agree that the ENP needs to offer membership prospects for all EENP states, whereas Bulgaria, Slovakia and the Czech Republic favour the accession of EENP states to the EU, but only in the long term.

All these EU MS are also in favour of strengthening the ENP offer so it can become an intermediary step towards the future EU accession of EENP countries. They do not want a stronger ENP as a substitute for enlargement policy. The ENP offer should provide for the introduction of facilitated visa regimes (this already is the case for Ukraine and Moldova), the introduction of deep free trade agreements and integrating transport and energy networks of EENP states into the European system. Poland also strongly favours a more active dialogue between the EU and Belarus.

Bulgaria and Romania have been pushing for the development of a Black Sea regional dimension (the EU’s Black Sea Synergy). Finland was instrumental in extending the ENP to the states of the Southern Caucasus (during the Finnish Presidency, Action Plans were signed between the EU and the three Southern Caucasus states). A priority of the Swedish Presidency of the EU in the second half of 2009 will be the further strengthening of the ENP. In addition, these EU MS favour

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a stronger involvement of the EU in the resolution processes of the ‘frozen’ conflicts in the EU’s neighbourhood (in Moldova and the Southern Caucasus), even if this confronts Russia’s interests in the region. Finland remains reticent about greater EU involvement in the EENP region in terms of conflict resolution, precisely for fear of antagonising Russia in the region (Leonard and Popescu, 2007; p. 36).

The UK, through its then Foreign Secretary Jack Straw, launched the EU’s “Wider Europe” concept in 2002, which later became the European Neighbourhood Policy (ENP) in 2004, and the UK remains a staunch advocate of strengthening the ENP, together with Ireland, which has also welcomed the ENP’s extension to the Southern Caucasus, as did Austria. Additionally, the UK supports an EU open-door policy towards Ukraine, in particular. Other EU MS, such as Austria, Belgium, France, Germany, Greece, Ireland, the Netherlands, Slovenia and the United Kingdom, are strong supporters of the ENP. However, they tend to consider the ENP as a policy in its own right and not as a stepping-stone towards EU accession. Some of these states even favour a strong ENP in order to prevent calls for EU membership from EENP countries.

Germany has been a supporter of a strong Eastern dimension to the ENP (‘Ostpolitik’) and has lobbied in favour of including the Southern Caucasus in the ENP. Germany pushed during its EU Presidency in the first half of 2007 for the adoption of an ENP Plus, aiming at re-packaging the ENP offer into a more attractive, visible and clearly delineated offer that could provide better incentives for reform in ENP states. Italy favours the EU’s enlargement into the Western Balkans and Turkey, after which the limits of the EU’s borders would be reached for the foreseeable future. Accordingly, the ENP needs to be reinforced, particularly with regard to Ukraine. Denmark does not oppose further enlargement to the EENP region, but wants due consideration to be given to the EU’s absorption capacity, as does the Netherlands, which has adopted an active position within the EU on the ENP, and favours reinforcement of the policy as a real alternative to EU accession. Belgium is potentially in favour of possible membership prospects in the longer term, in particular for Ukraine, Moldova and Belarus, and therefore supports a stronger ENP.

A third group of EU MS, including Cyprus, Greece, France, Portugal and Spain, does not view the development of a strong Eastern dimension to the ENP very favourably, fearing that it may divert the EU’s attention away from its relations with the Southern Mediterranean. France and other EU Mediterranean countries are in favour of a balance between the ENP’s eastern and southern dimensions. France has focused its efforts on reinforcing the Southern dimension by launching the Union for the Mediterranean in July 2008. France, traditionally opposed to further EU enlargement, is favouring the conclusion of an Association Agreement with Ukraine (theoretically opening the door to Ukraine’s EU membership perceived by some as a possible means to delay Turkey’s accession talks). France has also led the opposition to stronger EU involvement in the EENP region’s ‘frozen conflicts’. Greece has strongly welcomed the inclusion of the Southern Caucasus in the ENP. When holding the EU’s rotating Presidency in the second half of 2007, Portugal made a point of refocusing the EU’s attention from the ENP East to the ENP South, after the German Presidency of the EU focused on enhancing the ENP offer. Spain also opposes greater EU involvement in the EENP region, including in the settlement of ‘frozen’ conflicts, principally for two reasons. Firstly, it does not wish to see a further shift in ENP priorities and resources from the Southern Mediterranean region to the EENP region. Secondly, Spain is also reluctant to confront Russia in the shared EU-Russia neighbourhood.

A number of EU MS have been strong supporters of the Black Sea Synergy and other regional initiatives in the wider Black Sea area and the EENP region, due to strong economic or historical links to the region. The most prominent of these EU MS are Austria, the Baltic States, Bulgaria, Greece and Romania, which have all been active in framing the EU Black Sea Synergy. Other regional initiatives are supported by EU MS on the basis of their own experience of regional cooperation (the Northern Dimension, Baltic Sea Council, Black Sea Economic Cooperation, Central European Free Trade Area, Visegrad Group, Baltic cooperation, etc.). Regional cooperation is encour-

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65 “UK supports Ukraine’s eventual membership to EU and NATO”, UK Embassy in Ukraine, press release, 5 May 2008.


aged because it strengthens the EENP states’ position vis-à-vis Russia’s interference in the region and also assists with democratisation and economic reform, thereby enhancing the EENP states’ European integration efforts. Cooperation among EU MS, by forming ad hoc or longer-term alliances (e.g. the Visegrad Group), also helps to lobby the EU in favour of strengthening the ENP or in favour of granting membership prospects to certain EENP states. In addition, the French initiative with the Union for the Mediterranean has an obvious knock-on effect, by prompting initiatives (from Poland, notably) to strengthen the Eastern ENP dimension.

The Baltic States favour regional initiatives in the EENP region and are very supportive of the EU Black Sea Synergy and of other regional organisations, such as GUAM, the Community of Democratic Choice (of which the three Baltic states are co-initiators). All three Baltic States are members of the New Group of Friends of Georgia, together with Poland, Romania and Bulgaria (founded in 2005). This group consists of former communist countries that have completed the Euro-Atlantic integration process and wish to assist Georgia’s internal reforms in order to help it qualify for eventual NATO and EU membership.\(^68\) Poland is a strong supporter of multilateral cooperation initiatives in the EENP region. As such it is an observer in the Community of Democratic Choice and has been involved in the activities of GUAM, via its participation in Poland-GUAM meetings\(^69\). Through these meetings, Poland has offered its assistance in the implementation of the EU Action Plans of the four GUAM members and pledged political support to Ukraine in its negotiations over a new enhanced agreement with the EU. A core foreign policy priority for Bulgaria and Romania in the EENP region is to develop regional cooperation in the Black Sea region (notably through the Black Sea Synergy). Romania is a strong supporter of other regional initiatives in the Black Sea region, such as GUAM, and is a member of the Community of Democratic Choice and the Organisation for Black Sea Economic Cooperation (BSEC).\(^70\) Austria has been a strong supporter of the EU Black Sea Synergy and is an observer (along with six other non-littoral EU MS) in BSEC.\(^70\) Austria is also interested in Black Sea regional cooperation, due to the region’s importance as a transit zone for Russian and Caspian energy. Greece’s political efforts within BSEC and the EU were instrumental in bringing about the Black Sea Synergy, operating on the organisational structure of BSEC.\(^71\) Greece is promoting the idea of creating a regional ‘ring-road’ around the Black Sea - the “Road of the Argonauts”, furthering regional communication and trade.\(^72\) Greece is also interested in the Black Sea region for historical and cultural reasons, due to the presence of Greeks around the Black Sea basin since antiquity. Bulgaria, Greece and Romania consider the Black Sea region as strategic for the transit and supply of energy resources, which impacts on their energy security.

c. Specific bilateral interests in political and security cooperation

Ukraine, Moldova and Belarus attract more political attention than the states of the Southern Caucasus and therefore have closer links with a larger number of EU MS. Due to its size, Ukraine has a priority importance for most EU MS and is often considered as a model for other EENP countries. Austria, the Baltic States, Finland, France, Germany, Hungary, Italy, Poland, Romania, Slovakia and Sweden are most prominently involved in Ukraine. The Baltic States, Bulgaria, Hungary and Romania have visible political interests in Moldova. The Baltic States, Germany, Poland and Sweden are strongly involved in Belarus. The Southern Caucasus receives most attention from Austria, the Baltic States, Finland, France, Greece and the United Kingdom. Certain states have special bilateral relations with EENP states, such as Poland with Ukraine, and Romania with Moldova.


\(^{70}\) “Regional cooperation and energy security are mutually dependent”, Speech by State Secretary Hans Winkler at the summit of Black Sea Economic Cooperation countries, 25 June 2007, http://www.bmeia.gv.at/.


Amongst the Baltic States, Lithuania maintains very close relations with Ukraine despite not sharing a common border. In December 2004, the Lithuanian President, together with other international mediators (Poland, the EU), took part in the talks on finding a solution to the post-electoral crisis which led to the ‘Orange Revolution’ in Ukraine. Lithuania also signed an agreement in October 2006 on providing assistance to Ukraine in implementing the Ukraine-EU Action Plan under the ENP. Lithuania and Georgia also signed a Joint Declaration on Regional Cooperation Assistance in European and Euro-Atlantic Integration. With regard to Belarus, Lithuania and Latvia - due to their proximity - have developed close cooperation with civil society. Vilnius hosts the European Humanities University, which is in effect exiled from Minsk. Estonia favours an increase in EU funds for the development of a free civil society in Belarus. However, political relations with Belarus have remained at a modest level without high-level contact.

Armenia and Azerbaijan receive comparatively less political attention and assistance from the BS. Lithuania was the initiator of EUJUST THEMIS, the EU rule-of-law mission that was launched in July on 2004 in Georgia. Lithuania is looking forward to making a more dynamic contribution to resolving the ‘frozen’ conflicts in Moldova and the Southern Caucasus when it holds the OSCE chairmanship in 2011 and is already providing development aid in this regard. Estonia calls for strengthening the mandate of the EU Special Representative to the Caucasus, Peter Semneby. Georgia, Moldova and Ukraine and, to a lesser extent Belarus (in the field of civil society projects), are the main beneficiaries of BS development assistance.

For Bulgaria, Ukraine is a priority EENP country, with which it also has close cooperation on international issues such as the Transnistrian conflict. Moldova is included in its priority area of South-East Europe and remains distinct from Bulgaria’s cooperation with other regions. Bulgaria pays less attention to Belarus or the Southern Caucasus. The Czech Republic has developed expertise in promoting democratisation and human rights issues in the EENP region. Czech bilateral development assistance has grown in recent years, reaching €7.2 million in 2005, of which €4.37 million was allotted to Ukraine (Kratochvil and Tulmets, 2007; p. 7). In 2007, only Moldova remained a priority country in the EENP region for Czech development aid. Czech NGOs are very active in Belarus in the field of democratisation and the development of a free civil society (EU-Russia Centre, 2007; p. 59). In 2005, the CR opened an embassy in Chisinau, one of the few new EU MS to have a diplomatic presence in Moldova. Hungary has been particularly active in its bilateral relations with Ukraine (which hosts a sizeable Hungarian minority) and in Moldova (particularly in resolving the Transnistrian conflict). The current EU Special Representative for Moldova (who coordinates the EU’s policy on Moldova, notably with regard to the Transnistrian conflict) is the Hungarian diplomat Kalman Mizsei and the head of the EU’s Border Assistance Mission is a Hungarian brigadier-general, Ferenc Banfi. The Hungarian embassy in Moldova hosts a Common Visa Application Centre on its premises. In November 2007, Hungary released a non-paper on Moldova together with Austria and Sweden that calls for increasing EU support for and involvement in Moldova. Ukraine is very important as a transit country for the supply of the Russian energy which Hungary is dependent on. Azerbaijan is also important to Hungary due to potential cooperation on energy projects that decrease Hungary’s dependence on Russian energy.

For obvious historical and cultural reasons, Poland seeks to develop a strategic partnership with Ukraine. Ukraine is considered a key EENP country that should receive the strongest possible EU ‘carrot’, i.e. that of EU membership, in order to stimulate a difficult reform process. Poland has been Ukraine’s strongest advocate with regard to EU and NATO membership. Former Polish President Kwasniewski’s intervention during the ‘Orange Revolution’ helped defuse the political crisis after the 2004 parliamentary elections, which set Ukraine on a pro-European course. Poland and Ukraine have also been discussing the situation on the ‘frozen’ conflict in Transnistria, attest-

73 See for example the list of development assistance projects implemented by Lithuania in 2006, http://www.urm.lt/index.php?-785566554. Out of 40 projects, 9 were implemented in Belarus, 7 in Moldova, 7 in Ukraine, 6 in Georgia, 1 in Armenia and 1 in Azerbaijan (in total 31 out of 40).
75 Bulgarian Ministry of Foreign Affairs on “Regional Cooperation”, http://www.mfa.bg.
ing to common security concerns in the EENP region. Poland has been calling for deeper engagement between the EU and Belarus, in particular on support of its civil society. Poland has also called on the EU to set up a (critical) dialogue with Belarusian President Lukashenko, who, together with a number of high-ranking officials, is under an EU visa ban. Improvement in the situation of the Polish minority in Belarus (4% of the total population) is a key issue in Poland’s bilateral relations with the country. Poland has also been urging the Belarusian authorities to take into account the EU’s conditions on democratisation and human rights, in order to achieve closer cooperation with the EU.

Poland provides bilateral development assistance primarily to Armenia, Azerbaijan, Georgia, Moldova, apart from Belarus and Ukraine.

Relations with Moldova are a clear priority for Romania, due to the strong cultural and historical ties. Romania lobbies in favour of Moldova’s EU accession. However, bilateral relations have deteriorated since Romania’s accession to the EU, partly due President Basescu’s repeated declarations of offering fast-track Romanian citizenship to an alleged 800,000 Moldovan applicants (or 1 out of every 5 Moldovans). However, despite the rhetoric, the process of issuing Romanian passports has virtually ground to a halt since 2002. Another contentious issue is Moldova’s insistence on the signature of a bilateral treaty and a border treaty with Romania, which Romania has so far delayed. Romania provides limited assistance to Moldova, notably in the field of culture and student scholarships. Romania’s relations with Ukraine, while friendly, are far from satisfactory, due to certain ongoing disputes (the opening by Ukraine of the Bistroe canal on the Danube river, the status of the Serpent Island in the Black Sea and the treatment of the Romanian community in Ukraine. President Basescu also publicly regretted the signature of the 1997 bilateral treaty with Ukraine (under the pressure of Romania’s EU accession), which, according to him, has been detrimental for Romania. Relations with Belarus are not very developed and the Southern Caucasus is important mainly as a transit area for Caspian energy resources.

Without any doubt, Ukraine is the most important country for Slovakia in the EENP region. The development of strong economic and cross-border cooperation with Ukraine are one of the main objectives of Slovakia’s foreign policy. Slovakia assists in implementing the EU-Ukraine Action Plan by means of a bilateral plan of assistance for Ukraine. Slovakia supports the Visegrad Scholarship sub-programme for Ukraine and projects aimed at enhancement of the ENP with Belarus, Moldova, Ukraine and other countries of the CIS. Belarus is not an immediate foreign policy priority, but Slovakia generally supports the democratic forces in this country. Slovakia favours greater involvement of the EU in ‘frozen’ conflicts, particularly in Moldova.

Sweden, was together with Poland the co-initiator of the “Eastern Partnership” initiative in 2008, which aims to strengthen the EU’s policy towards the EENP countries but which was prompted by the wish to strengthen the EU’s offer to Ukraine. Sweden, together with Austria and Hungary, also released a non-paper on EU-Moldova relations on 15 November 2007 that calls for increasing the EU’s support for and involvement in Moldova, particularly by offering the country a forward-looking new type of agreement to replace the PCA. Sweden will increase aid to support democracy and human rights in Belarus and the forthcoming opening of a Swedish embassy in Minsk can be seen in this context. Regarding the Southern Caucasus, Sweden also supports democratisation efforts there. Sweden favours a stronger EU involvement in settling the ‘frozen’

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78 Press release on the talks between the Polish Minister of Foreign Affairs and the Ukrainian Minister of Foreign Affairs on 29 January 2008, Polish Ministry of Foreign Affairs, 30 January 2008.
79 Press release on the meeting between the Polish Minister of Foreign Affairs and the Ambassador of Belarus to Poland on 14 January 2008, Polish Ministry of Foreign Affairs, 21 January 2008.
81 The Bastroe canal is on one of the branches of the Danube delta on the Black Sea coast, which at the same time also forms the natural border between Romania and Ukraine.
82 Romania and Ukraine depoliticise the Bastroe Canal and the Island of Serpents”, Romania Libera, 25 September 2007.
83 The Romanian community in Ukraine is estimated at between 400,000-500,000. Romania also accuses Ukraine of artificially dividing the community into ethnic Romanians and ethnic Moldovans to reduce the community’s numerical importance. Taken together, these two groups constitute the largest ethnic group in Ukraine after Ukrainians and Russians.
conflicts in the EENP region. Sweden is one of the main providers of development assistance to Ukraine, Moldova, Georgia and Belarus, which will increase in the coming years.

Austria has a keen interest in developing its political relations in the EENP region, based on its strong economic interests. Ukraine is Austria’s most important political partner in the region, due to Ukraine’s importance as a key EENP state, an energy transit country and common interests in the Danube basin. Prior to the establishment of the Common Visa Application Centre in Moldova, hosted by the Hungarian embassy, Hungary was issuing visas for Austria through a joint visa application office in Chisinau. Austria provides support to Moldova through the Austrian Development Cooperation programme.

Denmark’s foreign policy in the EENP region is very active from the point of view of promoting democratisation, good governance and human rights, strengthening civil society and an independent media. Denmark favours free trade regimes with the EENP states aiming to move towards setting up a pan-European Economic Area. Denmark also considers enhanced people-to-people contacts, including student exchanges and support for reform efforts, as other key issues in the EU’s neighbourhood policy. Denmark is a very important donor of development assistance to the EENP region, with aid pledges amounting to €233.5 million over the period 2004-2012.

Ukraine is clearly a priority country for Finland in the EENP region, as a potential democratic example. During Finland’s EU Presidency (in the second half of 2006), the EU agreed on a mandate to negotiate a new Enhanced Agreement with Ukraine and visa facilitation and readmission agreements with Ukraine. Relations with the rest of the EENP region are less developed. Finland has used its OSCE Chairmanship in 2008 to focus on the situation in Azerbaijan, Armenia and Belarus. Finland provides limited support for neighbouring area (Russia, Belarus, but also Ukraine) cooperation projects.

Greece has strong political and economic interests in the EENP region. Ukraine is considered an important partner for Greece due to the large Greek community (100,000 concentrated mainly in the Odessa region). This presence has spurred development of bilateral relations based and joint projects in the cultural and educational field. In the period of 1997-2003, Greece granted €12.2 million of development aid to Ukraine for this goal. The Greek community in Moldova currently numbers between 3,000 and 4,000 (down from 25,000 in the interwar period) to whom Greece provides cultural and educational support. There are no official high-level contacts with Belarus. Greece considers the Southern Caucasus as a strategic region between Europe and Asia and encourages the political and economic reforms in the region. Greece has traditionally close ties with Armenia and has officially recognised the Armenian genocide. The Greek community in Armenia has dwindled to 1,800 due to migration after 1991 and the Greeks in Georgia currently number between 15,000 and 20,000. Greece is in the process of building an energy partnership with Azerbaijan.

Under the Slovenian Presidency of the EU, on 18 February 2008, negotiations started on a deep and comprehensive Free Trade Area as a core element of the new Enhanced Agreement between the EU and Ukraine. As regards a more favourable visa regime between the EU and Ukraine, Slovenia favours local cross-border agreements, in addition to the EU-Ukraine visa facili-

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91 Ibid.
92 Ibid.
93 A detailed overview of Denmark European Neighbourhood development programmes can be found at http://www.um.dk/en/.
94 “The EU as a Global Player”, http://www.denmark.dk/.
95 “The European Neighbourhood Programme”, Danish Ministry of Foreign Affairs, Development Policy – Bilateral Assistance.
96 “Finland, the EU and Ukraine”, Speech by Foreign Minister Kanerva at STETE Seminar on Ukraine's European Perspective, 11 August 2007, http://formin.finland.fi/.
tated regime, which entered into force on 1 January 200898. There is no particular Slovenian interest in Belarus. Slovenia has joined the Common Visa Application Centre in Chisinau.

Belgian and Dutch political relations with the EENP countries are not strong. The Netherlands has provided development assistance to Ukraine, Moldova and the states of the Southern Caucasus through its Matra programme99. The Netherlands has also provided a limited amount of scholarships since 2006 to Belarusian students expelled from their universities due to their political activities. The Netherlands is a member of the OSCE Minsk Group100.

France considers Ukraine’s stability as important for Europe and was willing to enhance the EU’s offer to Ukraine ahead of taking over the EU Presidency on 1 July 2008101. Moldova is considered a Francophile country (French is still the most-taught foreign language in secondary education) and an important cultural partner of France as a member of the International Organisation of Francophony. France is not very involved in Belarus, but has condemned the human rights abuses there102. It has close relations with Armenia, providing this country political support in the international arena; it has recognised the Armenian genocide and hosts a sizeable Armenian community in France (around 0.5 million). France is as a member of the OSCE Minsk Group and has mostly sided with Armenia (see, for instance, France’s veto of a non-binding UN resolution of 14 March 2008 on the “immediate, complete and unconditional” withdrawal of Armenian troops from Nagorno-Karabakh)103. France’s relations with Azerbaijan are characterised mainly by dialogue on economic and energy cooperation (diversification of oil and gas supply routes). France has traditionally close relations with Georgia and is involved in the resolution of Georgia’s ‘frozen’ conflict in Abkhazia through its membership of the UN Secretary General’s Group of Friends of Georgia. It participated in the OSCE border mission to Georgia but opposed setting up a EU border mission to replace the OSCE one in 2005 after Russia vetoed the renewal of its mandate104. However, it established a domestic security attaché in Tbilisi, responsible for Georgia, Armenia and Azerbaijan. It provides limited assistance to the EENP region, mainly in training future elites and promoting the French language and culture.

Germany considers Ukraine as the key country in the EENP and there are intensive high-level contacts. Under the German Presidency of the EU, on 5 March 2007, negotiations were initiated between Ukraine and the EU on a new Enhanced Agreement. There is no high level political contact with Belarus in accordance with EU policy, but there exists a strong lobby in Berlin in favour of promoting democratisation in Belarus (Kempe, 2006; pp. 26-33). German civil society is also very active in Belarus (around 800 German NGOs) covering a vast spectrum of activities and Germany is the largest international donor, with annual aid of €20 million (Kempe, 2006; pp. 26-33). Moldova falls within Germany’s ‘Ostpolitik’, although ties are not as close as with Ukraine or Belarus. Germany is directly involved in the settlement of Georgia’s secessionist conflict with Abkhazia as the coordinator of the United Nations Secretary-General’s Group of Friends of Georgia. It has also provided 15 soldiers to the UN Observer Mission in Georgia (UNOMIG) and an additional four police officers. Germany has no major interests in Armenia and Azerbaijan and is not a mediator in the Nagorno-Karabakh conflict. Germany provides substantial development assistance to the EENP region105 on strengthening democracy, the rule of law, economic development, resolving ‘frozen’ conflicts, etc.

100 The Minsk Group is headed by a Co-Chairmanship consisting of France, Russia and the United States. Furthermore, the Minsk Group also includes the following participating States: Belarus, Germany, Italy, Portugal, the Netherlands, Sweden, Finland, Turkey as well as Armenia and Azerbaijan.
The UK has friendly relations with the EENP countries (except Belarus) and is a major donor of development assistance to the region. DFID assistance to Ukraine totals €4 million in 2007-2008 and is mainly geared towards reducing poverty. The UK assistance related to the Chernobyl disaster exceeds €130 million. The UK has continuously condemned the Belarusian regime for its human rights abuses and channels its assistance to projects in the field of human rights, democratisation, development and an independent media. The UK is also very concerned with the security situation in the EENP region, in particular with ‘frozen’ conflicts. The country is a member of the UN Secretary General’s Group of Friends of Georgia. The UK is also a generous donor of assistance in the field of conflict resolution, peace building, good governance and poverty reduction. The DFID annually provides assistance worth €1.6 million to Georgia and €2 million to Moldova.

Italy, while maintaining friendly relations with all countries except Belarus, has no major political or security interests in the EENP countries. In more recent years it has received many labour migrants from Ukraine and Moldova. About 7% of Ukrainian labour migrants (estimated at between one and two million) work in Italy (Ryabchuk, 2006; p. 23). In 2005, around 2.7% of legal immigrants in Italy were from Moldova (almost 100,000 people). Ireland strengthened its relations with Ukraine after the Orange revolution at the end of 2004, resulting in the first high level bilateral visits since Ukraine’s independence. The Irish Aid Partnership Programme for Europe and Central Asia focuses mainly on poverty alleviation, human rights, governance, strengthening civil society and democratic transition and is active in, among other places, Ukraine and Georgia. Luxembourg provides technical and economic assistance to Ukraine and to Moldova (notably in the field of financial training). Portugal does not have major interests in the EENP region and, as a result, its relations with these countries remain weak. Spain, as the 5th largest EU member state, provides very little development assistance to the EENP region. An estimated 7% of Ukrainian migrant labourers are believed to be working in Spain (between 100,000 and 200,000 people) and a smaller number of Moldovan labour migrants. Cyprus’ and Malta’s relations with the EENP region remain underdeveloped.

The Baltic States, Poland, Romania, Slovakia and Slovenia are among the EU MS that strongly support Ukraine’s and Georgia’s NATO membership aspirations. France (along with Germany) led the opposition to extending a membership action plan to Georgia and Ukraine at the NATO summit in Bucharest on 2-4 April 2008, out of concern of not antagonising Russia, and were joined by several other countries such as Italy, the UK and the Benelux. However, NATO eventually stated in its Bucharest Summit Declaration that Ukraine and Georgia will become members of NATO.

d. Bilateral visa regime and the effects of EU accession

Prior to accession to the EU, travel to the new EU MS was visa-free for citizens of most EENP countries, and open border policies were an important part of maintaining good neighbourly relations for several now-EU members. Upon accession the new EU MS had to adopt the Schengen acquis, resulting in a tightening of their border controls and the introduction of a visa regime towards countries on the so-called EU ‘black visa list’ (i.e. all EENP countries) (Trauner and Kruse, 2008; p. 4). However, as long as the new EU MS had not joined the Schengen Area they had the possibility of waiving fees for processing short stay visas for citizens of EENP states. The accession of a number of new EU MS (all except Cyprus, Bulgaria and

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107 Italy closed down its embassy in Belarus in 2003.

108 “In the last two years the number of Moldovan citizens who work in Italy and who obtained residence permits has increased substantially”, Centru Informativ, 7 December 2007, [www.migratie.md](http://www.migratie.md).


112 “Cultural and Humanitarian cooperation”, webpage of the Ukrainian embassy in Spain, [http://www.mfa.gov.ua/spain](http://www.mfa.gov.ua/spain).

113 Nato Bucharest Summit Declaration, 3 April 2008, [http://www.nato.int/docu/pr/2008/p08-049e.html](http://www.nato.int/docu/pr/2008/p08-049e.html).
Romania) on 21 December 2007 further enforced the barriers between countries which had had traditionally close relations (like Poland and Ukraine) or with sizeable minorities in EENP states (like Hungary) and affected cross-border movement between new EU MS and EENP countries, as the new EU MS were put in charge of protecting the EU’s external borders. This has spurred cooperation on justice and home affairs matters between new EU MS and EENP states, particularly for those with a common border. The most noteworthy developments in this field are reviewed below.

Upon their EU accession, which required the introduction of a visa regime, certain EU MS kept the visas free of charge (Latvia and Romania towards Moldova, Poland towards Ukraine and Moldova) whereas others (Poland towards Belarus and Russia, Lithuania, Hungary, Slovakia and the Czech Republic) charged a small fee between €5-15 (Batory Foundation, 2008). The Czech Republic withdrew from a visa-free regime with Ukraine in 2000, four years ahead of its accession to the EU (Kratochvil and Tulmets, 2007; p. 6). Amongst the old EU MS, Germany put in place a very relaxed visa policy towards EENP states such as Belarus and Ukraine since 2000, which, however, led to a ‘visa scandal’ after the German embassy in Kyiv issued over 300,000 tourist visas without appropriate verification of visa applications. A substantial tightening of the visa policy ensued. France also initiated what resulted in the EU Council Decision on 1 June 2006 foreseeing an increase in the price for a Schengen visa from €35 to €60. While this move was justified on the grounds that it covered the additional costs prompted by the introduction of biometrics and the Visa Information System (exchange of data between EU MS), the move was perceived by its opponents as playing to domestic fears in certain EU MS of a massive influx of labour migrants from the EENP region.

Poland’s accession to the EU on 1 May 2004 meant the introduction of visa requirements for citizens from the EENP states, in October 2003. This has impacted negatively on bilateral relations, particularly with Belarus and Ukraine (Poland’s immediate neighbours), as it heavily restricted the possibility of travelling for the citizens of these countries. In the case of Ukraine, the visas were made available free of charge. At the time Ukraine also scrapped the visa requirement for Polish citizens. This move was extended to the entire EU in 2005 and then extended to Romania and Bulgaria upon the entry into force of the EU-Ukraine facilitated visa regime on 1 January 2008.

Prior to entering the Schengen area Poland issued 560,000 visas to Ukrainians, compared to 290,000 issued by all Schengen states (Trauner and Kruse, 2008; p. 22). Latvia and Lithuania held negotiations with Ukraine in order to offset the negative effects of their accession to the Schengen Area by implementing bilateral facilitated visa regimes. Latvia has started implementing (in February 2008) the bilateral visa facilitated regime with Ukraine, issuing long-term visas free of charge and allowing for visa-free travel for bearers of Ukrainian service passports. The visa facilitation agreement between EU and Ukraine is aimed at partly counterbalancing the negative consequences of the new situation.

Upon its accession to the EU, Romania introduced visas for Moldovan citizens. On 1 July 2001, Romania had already introduced the requirement for Moldovans to hold a valid passport for crossing into Romania. Prior to this, Moldovans could enter on the basis of an ID card. Romania delayed the introduction of visas for Moldovan citizens as much as possible, despite introducing such a requirement for other post-Soviet states, including Ukraine in 2001. After accession, the Romanian consulate in Moldova could not cope with the demand for visas (as Romanian visas were also required for picking up Schengen visas in Bucharest, where the nearest EU MS embassies were located) resulting in long queues. In addition, this led to a surge in demand for Romanian citizenship, which worsened bilateral relations as Moldova views Romania’s intention of issuing passports en masse as undermining its statehood (Boniface and Wesseling, 2008; p. 17). Bulgaria also issued passports to Moldovans, due to the existence of a Bulgarian minority of 60,000-70,000. Between 2002 and 2007, Bulgaria issued over 10,000 passports to Moldovans, more than Romania in the same period (around 2,000) (Trauner and Kruse, 2008; p. 23). The situation came to the EU’s attention, which supported the opening of the Common Visa Application Centre (CVAC) in

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Chisinau (see above), which issues Schengen visas for a number of EU MS, such as Austria, Denmark, Estonia, Latvia, Luxembourg and Slovenia. The CVAC is a pilot project of the European Union (Boniface and Wesseling, 2008; p. 18).

The accession to the Schengen zone of Latvia, Lithuania and Poland has had a negative impact on the number of border-crossings by Belarusians since the EU does not have a facilitated visa regime with Belarus, as it currently has with Moldova and Ukraine. The costs for a Schengen visa varies between €35-60. Prior to their accession to the Schengen area, Poland, Lithuania and Latvia issued, in total, more than 400,000 visas every year to Belarusian citizens. That is three times more than all the visas granted to them by the old Schengen countries combined (before the last enlargement) (Batory Foundation, 2008).

The Belarusian authorities have made it easier for Latvians to cross into Belarus, by extending the validity period of visas from 90 to 180 days and by abolishing registration requirements if their stay does not exceed 30 days, a move which is expected to facilitate business contacts.

e. Cross-border cooperation

Different modes of bilateral cross-border cooperation (CBC) between the new EU MS and EENP countries, in particular Belarus, Moldova and Ukraine, have been introduced since the 2004 and 2007 EU enlargements. They seek to maintain existing links in the areas of human contacts, cultural exchanges, trade and seasonal migration. Their main objectives are to “support sustainable development on both sides of the EU’s external borders, to help decrease differences in living standards across these borders and to address the challenges and opportunities following EU enlargement or otherwise arising from the proximity between regions across the EU’s land and sea borders”.

The Baltic States and Belarus are included in the Baltic Sea Region Programme, which falls under the EU ENPI CBC Sea Basin Programmes. Another such cross-border cooperation programme is the Latvia-Lithuania-Belarus CBC programme. There are also Euroregions that include border regions from Lithuania, Latvia and Belarus. The “Nemunas” Euroregion comprises border districts in Lithuania, Poland, Belarus and Russia (Kaliningrad) and the “Ezeru krastas” Euroregion comprises border districts in Lithuania, Latvia and Belarus. In November 2007, Lithuania and Belarus held consultations ahead of Lithuania’s planned accession to the Schengen zone on 21 December 2007 on facilitated visa travel for people living near the border.

Bulgaria shares no land borders with EENP countries, but in terms of cross-border cooperation it is included in the Black Sea Basin Joint Operational Programme together with Romania. Romania is also included in the Romania-Moldova-Ukraine programme. With Ukraine, there are two Euroregions, to the north and south of the Republic of Moldova, where Romanian communities are mostly concentrated.

Hungary supports the Hungarian communities who live in Ukraine through a special visa regime that allows them to visit Hungary regularly, for longer periods of time (up to five years) for cultural or family-related reasons. Hungary is also included in a CBC programme together with Slovakia, Romania and Ukraine. Slovakia supports the establishment of working contacts between local and regional governments in Slovakia and similar authorities in Ukraine. Slovakia also puts special emphasis on the improvement of conditions for the development of culture and education of persons belonging to the Slovak minority in Ukraine, particularly in the Trans-Carpathian region. Poland is included in the Baltic Sea Region Programme (BSRP) 2007-2013 and in the Poland-Estonia-Latvia-Baltic Sea Region Programme (BSRP) 2007-2013.

118 “Inter-governmental agreement to ease travel to Belarus for residents of Latvia”, Latvian Ministry of Foreign Affairs, 5 February 2008.
120 See annex 3: EU Cross-border Cooperation Programmes.
122 “Lithuania and Belarus discuss visa issues as Lithuania accedes to Schengen agreement”, Söderköping Process, 13 November 2003.
123 EU Cross-border Cooperation Programmes.
Belarus-Ukraine CBC programme 2007-2013. Border traffic between Poland and Ukraine has not decreased since Poland’s accession to the EU. The new EU MS have used the possibility granted by EC Regulation No 1931/2006 to establish a system of local border traffic, to partially offset the effects of their accession to the EU and to the Schengen zone (Trauner and Kruse, 2008; p. 20). For instance, Hungary, Poland, Romania and Slovakia are considering setting up a local border traffic regime with Ukraine (Trauner and Kruse, 2008; p. 20), Romania started negotiations with Moldova on this issue in May 2008 and Lithuania has done so with Belarus (see above) and Poland and Belarus have held talks on the possibility of concluding a bilateral agreement on local border traffic. The local border traffic regime can only affect citizens in EENP countries who live up to 50 km away from the EU border. See annex 6 for an indication of the scale of cross-border movement in 2006.

II.3. Interests in economic and energy cooperation

a. Trade volume and the relative importance of the region

Until the accession of the new EU MS to the EU in 2004 and 2007, the economic importance of the EENP states for the EU was quite limited (Dabrowski, 2007; p. 9). In 2006, EU-EENP trade reached €38 billion, representing less than one fifth (18.4 %) of EU-CIS trade and only 0.7% of the EU MS total trade with the world. The EU 27 recorded a trade surplus of €4.6 billion with the EENP region. The largest trade partners on the EU side were Germany (21% of total EU 27-EENP trade), followed by Italy (15%) and Poland (13%).

New EU MS accounted for a substantial share (35%) of overall EU trade with the EENP countries. Latvia had, in comparison to the other EU MS, the highest percentage of trade with the EENP in proportion to its trade with the world (5.4 %), followed by Lithuania (4.6%), Poland (3.2%), Bulgaria (2.9%) and Romania (2.5%). For Italy, EENP accounted for 1.1% of its total foreign trade and this was the highest figure in the EU 15 group. Clearly, from a trade perspective, the EENP region is relatively much more important for the EU 12 than for the EU 15. Given its size and geographical proximity, Ukraine alone accounted for close to 60% of total EU-ENP trade value, followed by Belarus (19%) and Azerbaijan (15%), due to its oil exports.

b. Energy cooperation and investments

The importance of the EENP region in energy relations with the EU MS is primarily related to the fact that Ukraine, and to a lesser extent also Belarus and Georgia, are transit countries for Russian and Caspian gas and oil. Azerbaijan has been gradually increasing its crude oil exports to European markets, with the prospect of further increases and also potential natural gas supplies (via Turkey). Belarus and, to a lesser extent also Ukraine and Azerbaijan, export oil products (mainly diesel) to EU markets.

While Azerbaijani crude oil and Belarusian, Ukrainian and Azerbaijani oil products have been reaching various EU MS, the elasticity of the oil market in the EU implies that this does not lead to any important differences in EU MS interests or specific policies implemented towards the respective CIS countries. The Azerbaijani oil and gas sectors have attracted sizeable investments from energy companies with headquarters in various EU MS. BP is a particularly important player there, being the leading investor in the Baku-Tbilisi-Ceyhan (BTC) pipeline and operator of the ACG oil fields and Shah Deniz gas field and the largest investor in the South Caucasus gas pipeline.

Azerbaijani natural gas has a chance of reaching the EU via Turkey, with Italy and Greece being the key potential markets.

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125 Unless otherwise indicated this sub-section is based on the International Trade Centre dataset.
PART III – Central Asia

III.1. The EU’s relations with Central Asia

After completing the 2007 enlargement and with gradual advances of the ENP, the EU took steps to develop a framework for relations with the five countries in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan). Building on the 2002 European Commission’s strategy paper, the EU adopted a new strategy for Central Asia in June 2007, arguing that “the time has come for a new partnership” due to the fact that “the EU’s strong commitment towards its eastern neighbours within the ENP will also bring Europe and Central Asia closer to each other, both in terms of political cooperation and economic development.” The strategy foresees the establishment of a regional political dialogue at foreign ministerial level and a human rights dialogue with each Central Asian country. It also takes a strong differentiated approach towards individual countries, supported by the fact that 80% of the earmarked funds go towards bilateral projects. In addition, the strategy encourages EU member states to “study specific bilateral partnership programmes with individual states and to support Community programmes to contribute to a more coherent and visible EU policy in the region.”

The EU is interested in encouraging democratic development, good governance and improve the human rights situation by insisting on the rule of law. The Tulip revolution in Kyrgyzstan in March 2005 and the violent crackdown on protestors in Andijan, Uzbekistan, in May 2005 spurred the EU’s interest in promoting democratisation and human rights, where previously the focus was mainly put on alleviating poverty. It appears, however, that the EU-Central Asia Strategy will not condition any increase in high level political cooperation and cooperation in the field of energy on progress in democratisation and human rights.

The EU’s accrued interest in the region stems in part from its wish to diversify its energy supplies and reduce its dependence on Russian energy imports. Central Asia disposes of substantial energy resources, with the possibility of supplying gas to EU markets (Turkmen gas is particularly important for the EU’s Nabucco project). However, there is competition for these resources notably from Russia, which seeks to maintain its control over the exports routes for Caspian energy. Other competitors in the region are China, the US and Japan.

Central Asia has also become a strategically more important region as a result of NATO’s involvement in neighbouring Afghanistan. Several Central Asian countries (Uzbekistan and Kyrgyzstan) host rear bases supporting the military operations of several EU countries. The EU is also interested in the stability of Central Asia as a buffer against regional security threats emanating from its southern neighbours (Afghanistan, Pakistan and Iran). These threats include trafficking in weapons, drugs and human beings, terrorism and the spread of Islamist radicalism. A stable Central Asia will also be a more secure supplier of energy for the EU. Other problems the EU wishes to address are migration, environmental protection and water management.

III.2. Interests in political and security cooperation

Only Germany has an embassy in all five CAS. France and the United Kingdom have embassies in all CAS except in Kyrgyzstan. Poland and Romania have embassies in three CAS (Kazakhstan, Turkmenistan and Uzbekistan). Twelve other countries have at least an embassy in Kazakhstan, the largest economy in Central Asia. Denmark, Finland, Ireland, Luxembourg, Portugal, Sweden, Cyprus, Estonia, Malta and Slovenia have no embassies in Central Asia.

While still not a priority in the foreign policy agenda of most EU MS, Central Asia is becoming increasingly important, as attested by the recent or planned opening of embassies throughout the region. The EU MS can be divided in four groups, according to how developed their political coop-

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eration is and according to the nature of their interests. The first group consist of some large EU MS (France, Germany, Poland and the UK), who have developed relations over the full spectrum of cooperation (political dialogue, security, energy, development assistance, etc.). Amongst these states, Germany stands out as having the most developed relations in the region. A second group includes most EU MS (Austria, the Baltic States, Belgium, Bulgaria, Greece, Hungary, Italy and Slovakia) who are in the process of upgrading their relations with the region due to its growing strategic importance (especially for commercial and energy interests). A third group of EU MS includes states with less developed relations with the region and with a focus on human rights and democratisation issues in the region and which provide development assistance (the Czech Republic, Ireland, Finland, the Netherlands and Sweden). The fourth group includes Cyprus, Denmark, Malta, Portugal, Slovenia and Spain, whose political relations with the region are not very developed.

**Group 1:**

**Germany** has substantial economic interests in CAS that are primarily centred on Central Asia’s vast energy resources, regional security issues, support for German minorities and protection of German investments. As a region practising a moderate form of Islam, Germany sees it as a bulwark against the more fundamentalist forms of Islam present in neighbouring states (Iran, Pakistan, Afghanistan) and therefore considers that these countries must be supported politically. In addition, the region is strategically well-placed to support NATO-led efforts in Afghanistan, where Germany is also involved. Germany raises the issue of human rights, democratisation and good governance, but not to the point of endangering cooperation. The EU-Central Asia Strategy, which was adopted during the German Presidency of the EU, includes some of these elements.

Germany has established a political partnership with Kazakhstan, including close cooperation on international issues. There are 230,000 ethnic Germans living in Kazakhstan, who receive cultural support in order to counter the growing process of assimilation. Germany has since 1993 provided €115 million in development assistance and is the fourth largest bilateral aid donor to Kazakhstan (the first among the EU MS).

Germany has close relations with Kyrgyzstan particularly due to the German minority living there (which declined from over 100,000 in the 1990s to 15,000 today) and it has provided them with support in the social, cultural and educational spheres. Total German development aid since 1991 reached €215 million, making it the largest EU and the third largest donor globally.

Germany has supported the inner-Tajik peace and democratisation process aimed at fostering dialogue between the various ethnic groups and at upholding the rule of law and human rights. Since 1992, it has offered €100 million in development aid, including emergency relief, particularly in areas hard hit by the 1992-1997 civil war. It also has an interest in Tajikistan’s security, which, due to its 1,200-kilometer border with Afghanistan, is a key country in the fight against human and drug trafficking.

Uzbekistan is very important in terms of regional security and the German army uses the Uzbek air base in Termez as a rear base for its troops in Afghanistan. Germany was the only EU MS allowed by the Uzbek authorities to continue using its air space and territory after the EU imposed an arms embargo on Uzbekistan and a visa ban on the Uzbek leadership. Germany had sought to eliminate the EU sanctions, excluding the arms embargo, with support from France, Poland and Spain, claiming that they were ineffective and were preventing the resumption of a low-level human rights dialogue between the EU and the Uzbek authorities. The UK, the Netherlands, Denmark, Sweden and Finland opposed the relaxation of the sanctions. Germany has been promoting its business interests in Turkmenistan, but has been less convincing at encouraging democratisation and the respect for human rights in this country.

**France** considers the region strategically important from a security (logistical support for its troops in Afghanistan and overflight rights) and an energy point of view and is engaging with all countries in the region. Following the terrorist attacks of 9/11, France reinforced its security dia-

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**Footnotes:**

131 Most information and facts on Germany in this section are extracted from the website of the German Ministry of Foreign Affairs, (except where otherwise indicated).


133 Most information and facts on France in this section are extracted from the website of the French Ministry of Foreign Affairs (except where otherwise indicated).
logue with Kazakhstan notably with regard to France’s military efforts in Afghanistan and other regional security issues and showed support for Kazakhstan’s presidency of the OSCE in 2010. France re-launched bilateral relations with Kyrgyzstan following the 9/11 terrorist attacks and opened diplomatic representation in Bishkek in 2004. France (and Italy) were allowed in January 2008 to make use of the Manas air base (for one year) in view of operations in Afghanistan. France offers support in domestic security, including border management, combating drug trafficking and training police forces. Political dialogue with Uzbekistan intensified after the terrorist attacks of 9/11, with a focus mainly on regional security issues. Since 2005 France has had a domestic security attaché in Tashkent (Uzbekistan) which covers the entire Central Asian region and provides assistance (€4.4 million in 2003-2004) for border management, combating drug trafficking and training police forces in Central Asia. Political cooperation with Tajikistan has been prompted by France’s military involvement in Afghanistan and a bilateral agreement was signed on 8 December 2001 allowing French military forces to use the Dushanbe airport, followed by the opening of a French embassy in December 2002. France offered humanitarian assistance during the harsh winter in Tajikistan of 2007-2008.

Poland pays special attention to developing its cooperation with Central Asian countries, which is a part of its broader strategy of enhanced bilateral relations with CIS countries. A dialogue on security, trade, energy, democratisation and on the Polish minority in Kazakhstan has been particularly developed. Cooperation on anti-terrorism with Kazakhstan is spurred by Poland’s participation in NATO’s ISAF in Afghanistan. Poland’s bilateral dialogue with Kyrgyzstan focuses on anti-terrorism (Polish soldiers use the Kyrgyz Manas Air Base supporting their efforts in Afghanistan). There is a 800-strong Polish minority in Kyrgyzstan. Polish relations with Tajikistan also focus on anti-terrorism issues and on fighting drug trafficking. Due to Turkmenistan’s role as a gas supplier, its geo-strategic location and the presence of a Polish minority, Poland has opened an embassy in Ashgabat. Poland cooperates with Uzbekistan on security issues (anti-terrorism), democratisation and cultural issues (there is a 3,000-strong Polish community). It offers development assistance to all five CAS and is eager to share its transition experience.

The United Kingdom has established a regular dialogue on energy, democratisation, human rights, good governance and investment and views Kazakhstan as a strategic partner with which it consults on regional security issues (Afghanistan, anti-terrorism, drug trafficking, water management, etc.). Kazakhstan, for instance, has opened up its airspace and bases for delivering supplies to Afghanistan. In addition, the UK is training a battalion of Kazakh peacekeeping forces (Kazbat). The UK has in the last two years provided €3 million in aid for democracy building, educational, energy and nuclear (decommissioning) projects. The British Ministry of Defence provides assistance and training for the Kyrgyz army, with a view to strengthening control at Kyrgyzstan’s border and combating the trafficking of arms and drugs, complemented by €7.86 million annually from DfID. In Tajikistan, the UK provides assistance for conflict prevention in the Ferghana valley and the Khatlon region. The UK also assists with border management, through training and infrastructure, at the Tajik-Afghan border, with the aim of combating drug trafficking (in 2007, € 1.3 million). The UK has regularly criticised the Uzbek government on human rights abuses and the DfID ceased its bilateral aid programme in November 2005 after the Uzbek authorities crushed popular protests at Andijan. The UK is also concerned at the threat of terrorism and Islamic radicalism and the porosity of the Uzbek border with its neighbours.

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136 Information comes from the interview with Polish foreign minister Wlodzimierz Cimoszewicz before his visit in Kazakhstan in 2002 (http://www.msz.gov.pl/podstrona,18,1236.html) published on the website of Polish Ministry of Foreign Affairs.


140 Data in this section are mainly extracted from the website of the Foreign & Commonwealth Office of the United Kingdom, http://www.fco.gov.uk (except where otherwise indicated).
Group 2:

Due to the region’s links with the Black Sea region and vast energy resources, Central Asia is gaining in strategic importance for Austria. Austria’s only embassy in Central Asia was opened in Astana, Kazakhstan, in 2007 and can be viewed as a clear sign of the intensification of bilateral relations. Austria has welcomed the Kazakh Chairmanship of the OSCE in 2010, believing that it can have a positive impact in the region. Belgium’s political relations with CAS are not very developed. It is increasingly aware of the vast reserves of oil and gas in Kazakhstan and Turkmenistan and a Belgian embassy was opened in Kazakhstan in late 2005. The Baltic States’ interests in Central Asia have been rather low-profile, in part due to overstretched diplomatic resources. However, it is becoming a region of strategic importance due to its energy reserves, which represent an alternative to Russian energy. In particular, Lithuania is openly worried about Russia’s attempt to take control over the export routes for Caspian and Central Asian oil and gas and supports stronger EU-Central Asia energy relations.

Bulgaria considers Central Asia as a strategic region, due to its interconnectedness with the Black Sea region in terms of energy, which could enhance Bulgaria’s role as a transit country. Bulgaria’s main partners in Central Asia are Kazakhstan and Turkmenistan. Greece’s trade interests are also more important in Central Asia than in the EENP region (in particular energy imports from Kazakhstan). Greece has received assurances from Kazakhstan and Kyrgyzstan that they will respect UN resolutions on Cyprus. The Greek community in Kazakhstan numbers between 10,000-12,000 and Greece provides educational and cultural support to them. There remain around 6,000 Greeks in Uzbekistan. There is little contact with Tajikistan and Turkmenistan. Central Asia is not very prominent in Hungary’s foreign policy, but it is gaining in importance due to the vast energy reserves in the region and Hungary is developing its economic relations with Kazakhstan, Turkmenistan and Uzbekistan.

Italy’s interests in the region are mainly of an economic nature, particularly in Kazakhstan, where ENI/Agip has been involved in the Kashagan oil field. Other fields of economic cooperation include infrastructure, IT, agriculture, constructions and textiles. A diplomatic mission to all five CAS by a sub-secretary of state for foreign affairs in May 2007 served to consolidate bilateral political and economic relations. Italy is also involved in combating terrorism and drug trafficking. Romania considers the Central Asian region as strategically important in energy-terms, an alternative to Russian energy, for instance through the Nabucco project, which requires Turkmen gas. It considers the development of political and economic relations with Kazakhstan, Turkmenistan and Uzbekistan as a clear priority. It does not focus particularly on human rights or democratisation in its bilateral relations with CAS. Slovakia’s relations with CAS focus mainly on developing closer economic ties, in particular in the field of energy. As a major transit country in Europe, it is exploring the future possibility of connecting its pipeline network to oil and gas originating in the Caspian basin. Since June 2003, Slovakia has provided assistance to Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

Group 3:

Relations between the Czech Republic (CR) and CAS are mainly related to trade and economic issues. The CR is implementing projects in the field of healthcare and the environment in Kazakhstan and water management in Uzbekistan. The CR has also provided humanitarian
aid to Tajikistan\textsuperscript{147}. Central Asia is not a region that holds particular interest for Finland, despite a limited amount of energy imports from Kazakhstan. Finland’s presidency of the EU in the second half of 2006 was instrumental in pushing for the adoption of the EU-Central Asia Strategy, which occurred under the subsequent German Presidency\textsuperscript{148}. Finland provides some assistance for management of the Tajik-Afghan border\textsuperscript{149} and in the field of health to Kyrgyzstan\textsuperscript{150}. Relations between Ireland and Central Asia focus on trade and investment. The Irish Aid Partnership Programme for Europe and Central Asia focuses on fighting poverty and supporting democratic reform in the region. The Netherlands is closely following political reforms, the human rights situation and the democratisation processes in Kazakhstan, Kyrgyzstan and Tajikistan and provides assistance in this regard\textsuperscript{151}. The Netherlands is part of NATO’s ISAF and has made use of the Manas air base in Kyrgyzstan\textsuperscript{152}. Sweden’s policy focuses on providing development assistance to Tajikistan and Kyrgyzstan, mainly in the field of democratic governance and human rights, economic development, health, and improving public financial management (Kyrgyzstan)\textsuperscript{153}. Its assistance to the Central Asian region reached €20 million in 2007\textsuperscript{154}.

Group 4:

Cyprus, Denmark, Luxembourg, Malta and Portugal do not have any meaningful bilateral relations in the region. Luxembourg provides technical and economic assistance to Kazakhstan\textsuperscript{155}. Slovenia actively engaged in the region during its Presidency of the EU in 2008\textsuperscript{156}. Spain’s relations with CAS are underdeveloped (except for Kazakhstan)\textsuperscript{157} and focus mainly on economic cooperation. Spain welcomed Kazakhstan’s 2010 OSCE Chairmanship\textsuperscript{158}. Spain also provided humanitarian assistance to Tajikistan during the cold winter of 2007-2008.

III.3. Interests in economic and energy cooperation

a. Trade volume and relative importance of the region

The total value of trade between the EU and CAS reached €18 billion in 2006 and EU 27 had a deficit of €7.7 billion. The old EU MS (EU 15) accounted for 81% of total EU-CAS exchange. Germany alone accounted for a higher share of the EU-CAS trade (24%) than the EU 12 (19%). Other EU MS with large trade values with CAS included Italy (a 17% share of EU trade with the region), France (13%), Romania (7%), the United Kingdom (6%) and Poland (5%). Trade balances differ widely, from negligible exports relative to imports in the case of Portugal, Greece, Ireland,
Romania and Spain to trade surpluses vis-à-vis the CAS recorded by Malta, Luxembourg, Belgium, Sweden and Lithuania.

EU-CAS trade represented only 0.3% of EU MS total trade with the world. The share for the EU 15 was 0.3% and for the EU 12 it stood at 0.6%. The CAS region is therefore a more important region in terms of trade for the EU 12 than for the EU 15. In terms of shares in total trade, Romania had the strongest involvement in CAS (2.3% share 2006), followed by Lithuania (1%) and Greece (0.9%).

Kazakhstan clearly dominates EU-CAS trade, accounting for over 85% of the total in 2006.

b. Energy cooperation and investments

Crude oil imports from Kazakhstan accounted for around 4% of total EU oil imports in 2006-2007. Only minimal volumes of natural gas from the CAS region have been reaching EU markets, with Uzbekistan accounting for around 1% of EU gas imports in 2006-2007. Varying levels of exposure to oil imports from CAS have not been conducive for diversified EU MS policies towards the region. Given that gas supplies have been realised via Russia, this has also not impacted on any specific diversification of EU MS policies towards CAS.

Several EU MS consider the CAS region as a potentially important source of oil and gas and have been supporting investments made by EU energy companies in the region. In September 2007, the UK’s Energy Minister visited Turkmenistan and signed a memorandum of understanding on British access to Turkmenistan’s huge gas reserves, after BP had expressed an interest in investing in oil and gas a month earlier. British Gas, Shell and BP are present in Kazakhstan. In October 2007, Italian Prime Minister Prodi met with President Nazarbayev in Astana with the aim of defusing tensions around the involvement of ENI/Agip in the Kashagan oil field.

German-Turkmeni energy relations have resulted in the Turkmen President Berdymuhamedov offering the German side participation in development of gas fields on the Caspian shelf on the basis of a production sharing agreement. German companies have invested in energy infrastructure (refineries in Turkmenbashi and gas compressor stations).

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160 “UK secures energy deal with regime in Turkmenistan”, The Times, 6 November 2007.
161 “BP eyes ‘unique’ energy resources of Turkmenistan”, Reuters, 24 August 2007.
162 “Germany amplifies economic cooperation with Turkmenistan and Uzbekistan”, Ferghana Information Agency, 28 February 2008.
Conclusion

The CIS region is of vital importance for the EU considering that both sides (the EU and the CIS) are becoming increasingly interconnected through cooperation or membership in supranational political and economic institutions (OSCE, WTO, OECD, NATO, etc.), through transport and energy corridors, through investment and trade, as well as through migration trends. This results in increasing exchanges in the political, cultural and economic fields. The EU is increasingly becoming a pole of attraction for many CIS countries, particularly in economic terms, and also by setting the pace politically and normatively (through membership of EU MS in various institutions, such as the EU itself, but also NATO, the Council of Europe and the OSCE), with which the different CIS countries cooperate at various levels (some are even members or seek to accede to these organisations). Within the CIS itself, Russia provides an alternative model of development for the other CIS countries and the EU and Russia are currently locked in a soft form of competition. Several EENP countries, for instance, still face the choice of whether to adopt the EU’s or Russia’s model of development. However, the CIS itself has tended to lose its relevance as an integration structure and Russia has alienated some EENP countries, due to its coercive foreign policy in the CIS region. Instead, the EU is increasingly making inroads in the region, through the development of its policies (the European Neighbourhood Policy, the EU Strategy on Central Asia), which provide for closer forms of cooperation and integration with the EU.

The heterogeneity of EU MS interests towards the CIS region and CIS countries can be observed at several different levels. Firstly, the interests are very heterogeneous when it comes to the CIS as a region. As explained above, the CIS region is very important for the EU, but the question is whether this is also the case for individual EU member states. The findings of the report suggest that EU MS tend to disaggregate the region into several groups and subgroups and do not treat it as a homogenous entity (nor does the EU for that matter). The country clearly topping the list as a foreign policy priority for the EU MS is Russia and this is very logical considering its size, political clout and economic weight (and natural resources). Within the EENP and Central Asia sub-regions, most EU MS also tend to prioritise their relations with the bigger countries, notably Ukraine and Kazakhstan. The presence of EU MS embassies in the CIS countries may be indicative of the priority attached to the region as a whole in the foreign policy of EU MS and may also indicate where EU MS’s political and economic interests lie in particular within the CIS.

The nature of EU MS interests in the CIS is very diverse. However, the overarching interest is of an economic nature and especially due to the large reserves of natural resources (gas and oil, but also wood, iron, precious metals and stones) and due to the fact that with 277 million consumers, CIS countries constitute an attractive market for EU MS manufactured goods. On average, however, EU MS only conduct 3.6% of their overall trade with the CIS region. There are some notable exceptions, such as Lithuania (where the CIS accounts for 25% of its total trade), Estonia (14%), Latvia (14%), Finland (13%), Poland (11%) and Romania (10%), where proximity and traditional trade links still shape bilateral trade patterns. The CIS region is also seen as offering great investment opportunities, due to the very high growth levels in several sectors (construction, energy, banking sectors). However, EU investors are still too often dissuaded due to excessive red tape, corruption and state intervention in the economy.

Security issues also rank high on the list (in particular cooperation on anti-terrorism and combating all sorts of trafficking and organised crime), particularly for the larger EU MS. Migration is a prominent concern both at the EU level (through the conclusion of visa facilitated and readmission agreements) as at the bilateral level (to offset the negative effects of accession to the EU). A handful of EU MS (the Netherlands, Denmark, Sweden and to some extent the United Kingdom) also maintain a strongly principled foreign policy (based on promoting human rights and democratisation) towards the entire region. Unsurprisingly, these countries are also amongst the principal donors of foreign aid to the region.

Russia is by far the number one partner in the CIS for the EU and its member states and even the smallest EU MS have embassies in Moscow. The diversity of interests of EU MS in the CIS region is very well reflected in the varied bilateral relations that the EU MS maintain with Russia.

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163 Trauner and Kruse (2008) argue that the EU’s main concern was initially to sign readmission agreements with certain CIS states and only gradually tied it to the signature of a visa facilitation agreement, which was used as a sweetener.
The heterogeneity of EU MS interests towards Russia is primarily driven by long-established factors such as geography and the history of relations. Some new EU MS fully or partly belonged to the Russian Tsarist empire and to the Soviet Union/Soviet Bloc. Only with their accession to NATO and the EU have these states emancipated themselves from Russia's influence. This does not mean, however, that Russia does not continue to exercise some form of "droit de regard" (right to monitor) aspects of their policies. Upon their EU accession, Russia has sought ways to re-legitimise its say over the policies of certain new EU MS, using bilateral issues arising from common borders, Russian minorities (in the Baltic States), energy connections via existing pipelines and the structure of trade (Russia remains an important trade partner of many new EU MS). A very telling example of the fact that Russia refuses to relinquish its hold on these new EU MS is seen in the various bilateral disputes it has had with several new EU MS (Estonia, Lithuania and Poland): Russia has blamed these states for seeking EU-wide solidarity on these disputes and for delaying progress on a new strategic partnership between the EU and Russia.

Economic cooperation is the overriding element in bilateral relations for most EU MS. On average, for the EU MS, Russia accounts for 2.6% of their overall trade (and 73.1% of their trade with the CIS region). Political relations usually serve to advance economic interests and in cases of political relations not being in good shape, this can affect trade. However, so far the importance of economic interests in the bilateral relations of EU MS towards Russia has not led to a more unified position within the EU towards Russia. Some EU MS put economic interests first in their relations with Russia, at the expense of promoting human rights and democratisation. Others EU MS try to strike a balance between these two issues, whereas another group conducts a principled foreign policy towards Russia.

However, the heterogeneity of EU MS interests is also partly driven by the specific attitudes of the ruling political camps in EU MS, which determine the type of foreign policy pursued towards Russia. The states that have adopted a more confrontational foreign policy with regard to Russia (on human rights and democratisation, on limiting Russia's influence in the EENP region, on thwarting its energy projects) have also usually paid the price in the form of retaliatory measures undertaken by Russia, either in the economic or political sphere (good examples are Poland, Lithuania, but also the United Kingdom). Finland follows a distinctly different pattern and despite complicated trade relations at present, it does not want to jeopardize its very important economic relations with Russia for the sake of scoring political points.

The strategic considerations of the bigger EU MS also increase the heterogeneity of interests within the EU. France and Germany have developed a strategic partnership with Russia on the international scene (on Iran, on the Middle East, on the military efforts in Afghanistan, etc.) and are not willing to sacrifice cooperation in the sphere of 'high politics' for the pursuit of a normative foreign policy. Smaller EU MS (such as Greece and Cyprus) may also seek to enlist Russian support on the international scene. In addition, EU MS may tend to prioritise relations with Russia at the expense of relations with EENP countries, thereby preferring to leave a free hand to Russia in its dealings with the CIS region. This also has the effect of weakening the EU's policies towards the EENP region. Ironically, while Russia encourages such divisions in national policies (which weaken decision-making at the EU level), it often regrets the fact that the EU has difficulties in reaching a consensus on policies towards Russia.

Energy plays a disproportionally large role in EU MS – Russia relations and is also a strong determinant of the overall heterogeneity of EM MS policies towards Russia. This stems from major differences in EU MS reliance on gas imports from Russia (in some EU MS, Russia supplies practically 100% of gas consumed and in other EU MS no gas at all). The EU MS adopt various strategies in securing their energy supplies from Russia. Germany and Italy have succeeded in developing a strong energy partnership, by cooperating on a number of sizeable energy projects (Nord and South Stream, for instance). In order to secure their access to Russia’s vast energy reserves, many EU MS welcome investments by Russian state-owned companies in their energy assets (Austria, Belgium, Bulgaria and Hungary) in return. However, increasing energy prices, increasing overall EU gas import dependency, and Russia’s use of energy as a foreign policy tool has prompted several EU MS (the Baltic States, Poland, but also Germany and even more recently France) to call for greater intra-EU solidarity when dealing with Russia.

The impact of cross-border cooperation, whilst beneficial at a local level for border communities and for cultural and administrative exchanges, has failed to have an impact on bilateral relations at the national level. Practically all EU MS involved in cross-border cooperation with Russia...
have some form of strained relations with their neighbour. Cultural affinities remain an important factor in shaping the quality of the bilateral relations with Bulgaria, Greece, Cyprus, but also with France and Germany, serving to advance their political and economic interests.

Overall, the heterogeneity of EU MS approaches has prevented the emergence of a solid EU “common policy” on important matters related to Russia (whether on trade disputes, energy, the EENP region, human rights and democratisation). This has also resulted in delays with regard to negotiations on a new EU-Russia partnership agreement. However, Russia has also deliberately pursued a policy that pits certain EU MS interests in a particular field (for instance, energy) against other EU MS interests in other fields (for instance, human rights or the EENP region), thereby pre-empting the timely development of a common EU policy on Russia.

The EENP region ranks second in the CIS in terms of foreign policy priorities for the EU MS that tend to have developed bilateral relations with only a selected few and not with all of the six EENP states, except for some larger EU MS (Germany, France, Poland, Romania). A differentiation already exists in bilateral relations between the Western Newly Independent States (Belarus, Moldova and Ukraine) and the Southern Caucasus (Armenia, Azerbaijan and Georgia).

Many EU MS share similar political interests in the EENP region and alliances are formed within the EU (the Visegrad states, the Baltic States and other ad hoc alliances) in order to pursue a certain agenda with regard to EENP countries. In particular, the new EU MS are lobbying for a stronger ENP and for greater integration of the EENP countries with the EU or even their eventual accession to the EU. On the other hand, the EU’s Mediterranean states and smaller, Western European member states oppose such moves for fear that this may divert the EU’s political attention and resources from other regions (notably the Southern Mediterranean) where these states have bigger interests.

Ukraine receives most attention from the EU MS. This is the major trade partner in the EENP region for almost all EU MS. Bulgaria and Cyprus stand out, as for them EENP account for more than half of total trade with the CIS region. Taken together, the EENP region accounts for only 0.7% of the total trade value of EU MS.

The EENP region is not very important in terms of the volume of energy it supplies (despite Azerbaijan’s rising oil exports to the EU), but some EU MS still have strong energy interests there. The region is of strategic importance for Bulgaria, the Baltic States, Greece, Hungary, Poland, Romania and Slovakia due to the EENP’s role in transit of energy from Russia (Belarus, Ukraine) and the Caspian Sea basin (Azerbaijan, Georgia).

Cross-border cooperation is a means of offsetting the negative effects of the accession of the new EU MS to the EU, which put an end to their open-border policy with regard to EENP states. The introduction of local border traffic regimes between the new EU MS and Belarus, Moldova and Ukraine is becoming the established practice now that most new EU MS have joined the Schengen Area.

Central Asia attracts relatively less interest from the EU MS and not many EU MS have well developed bilateral relations with this region. Bilateral relations are mainly concentrated in the economic field, in order to protect investments or to conclude contracts (particularly in the energy sphere). Given the distance, trade relations are significantly weaker than with Russia or EENP. Mineral products dominate import structure, especially from Kazakhstan, Uzbekistan and Turkmenistan.

Germany stands out as the EU MS with the strongest interests in the region (including cultural interests due to existence of German communities in Central Asia), but France, the UK, Italy and several other EU MS also have strong political and economic interests in the region. The larger EU MS also consider Central Asia a strategic region from a security point of view, which they want to keep stable in order to secure alternative energy supplies and in order to contain Islamic fundamentalism and the spread of terrorist networks from countries such as Afghanistan or Pakistan. Security concerns comes also from the role of Central Asia as a transit zone for drugs and human beings who are trafficked towards Russia, the EENP region and into the EU. Human rights issues and good governance do not figure very high on the list of bilateral interests (Germany has for instance lobbied for putting an end to the EU’s sanctions on Uzbekistan). Instead, some EU MS provide assistance focused on poverty alleviation, water management and similar issues.

It is worth acknowledging that the EU MS are mainly guided by their economic interests in conducting relations with the CIS region. However, many factors shape the quality of economic cooperation. One striking fact is that cultural affinity and the role of history still play a large part in the
development of bilateral relations. A second finding is that accession to the EU of Central and Eastern European states has altered the existing relations between them and their eastern CIS neighbours, thereby also modifying the interests of these new EU MS in the region and the ways in which their interests are pursued. The EU’s policies, particularly towards Russia and the EENP region, have not yet been able to provide a playing field able to compensate for this alteration. The EU’s visa policies are not far-reaching enough, whilst the Schengen acquis is too constraining and rigid. Similarly, the EU has not yet negotiated deep free trade agreements with the most advanced CIS countries (Ukraine, Moldova, Georgia or Armenia) and Russia (the most important state from the trade point of view) is still not a member of the WTO, a necessary prerequisite.

EU membership has not reduced the heterogeneity of interests towards the CIS region among current EU MS and the EU’s various policies towards the region have not been strong enough to iron out any major differences between EU MS in their approach towards various CIS states. Finally, it is also necessary to note that the type of bilateral relations that the EU MS maintain with one sub-region of the CIS (particularly the EENP, but increasingly also Central Asia) also affects their relations with Russia, which in turn further increases the heterogeneity of EU MS interests in the CIS region.
References


Stefan Batory Foundation and the Association for International Affairs (2008), “How to avoid the iron curtain between the EU and Belarus”, Policy Brief, January 2008, Prague.


Annexes

Annex 1: Freedom in the World index

Table of independent countries: Comparative measures of Freedom (2008)

<table>
<thead>
<tr>
<th>Trend Arrow</th>
<th>Country</th>
<th>Political Rights</th>
<th>Civil Liberties</th>
<th>Freedom Rating</th>
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<tr>
<td>▼</td>
<td>Russia</td>
<td>6</td>
<td>5</td>
<td>Not Free</td>
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<tr>
<td>ENP East</td>
<td>Armenia</td>
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Table of disputed territories: Comparative measures of freedom

<table>
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<th>Civil Liberties</th>
<th>Freedom Rating</th>
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<td>Moldova</td>
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<td>6</td>
<td>Not Free</td>
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</table>

Notes. 1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

▲ ▼ up or down indicates a change in Political Rights or Civil Liberties since the last survey.

↑ ↓ up or down indicates a trend arrow.

The ratings reflect global events from January 1, 2007, through December 31, 2007.

http://www.freedomhouse.org/uploads/fiw08launch/FIW08Tables.pdf
Annex 2

Table 1: Main Indicators for the EU 27 and the CIS region

<table>
<thead>
<tr>
<th>Main indicators</th>
<th>Population (million)</th>
<th>Area (1000 km²)</th>
<th>GDP growth 2006 (%)</th>
<th>GDP 2006 (current prices in billion euros)*</th>
<th>GDP/cap. 2006 (current prices in euros)*</th>
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<td>4400.0</td>
<td>3.0</td>
<td>11642.9</td>
<td>23600.0</td>
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<td>780.0</td>
<td>5460.0</td>
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</tr>
<tr>
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Table 2: Eastern European Neighbourhood Policy – Action Plans

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<th>Action Plan</th>
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<th>Adoption by the ENP partner</th>
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* The PCA with Belarus and its Interim Agreement have not been ratified and Belarus has not been included in the ENP due to the undemocratic nature of the Belarus regime.

Annex 3: EU Cross-border Cooperation Programmes

The EU cross-border cooperation programmes that fall under the European Neighbourhood Partnership Instrument (ENPI-CBC) are listed below. The core policy objectives of CBC are to support sustainable development along both sides of the EU's external borders, to reduce differences in living standards across these borders and to address the challenges and opportunities following EU enlargement or otherwise arising from the proximity between regions across European land and sea borders. The total funding available for ENPI-CBC programmes for the period 2007-10 amounts to €583 million, of which €275 million is from the ENPI and €308 million from the European Regional Development Fund (ERDF). For the period 2011-13, it is foreseen that a further €535 million (€252 million from ENPI and €283 million from ERDF) will be made available, subject to the mid-term review of this strategy and the adoption of the Indicative Programme for the period 2011-13.

Under the EU ENPI CBC Sea Basin Programmes, there is the Baltic Sea Region Programme (BSRP) 2007-2013, which includes a number of EU states (the three Baltic States, Finland, Sweden, Denmark, Poland and parts of north-eastern Germany and regions and non-EU states and regions (Norway, parts of north-western Russia, including the Kaliningrad region and all of Belarus). The Programme has been designed under the European Community’s territorial co-operation objective, while integrating the objectives of the ENPI CBC. The programme is financed from the European Regional Development Fund by up to €208 million, Norway will put in €12 million, €2.6 million will come from the ENPI and €50.5 million from national public funding (total: €293 million). ENPI funding will be for the benefit of the eligible regions in Russia and Belarus. The main objective of the BSRP is to develop a sustainable, competitive and territorially integrated Baltic Sea region by improving the socio-economic situation, addressing pollution in the Baltic Sea, integrating the transport and ICT networks and by promoting co-operation of metropolitan regions, cities and rural areas, thereby enhancing its attractiveness for citizens and investors.

Another ENPI CBC Sea Basin Programmes is the Black Sea Basin Joint Operational Programme 2007-2013, which includes a number of regions of EU members - Greece, Bulgaria and Romania - and regions from non-EU members: Russia, Turkey, Ukraine and the entire territories of Armenia, Azerbaijan, Georgia and Moldova. The programme’s three specific objectives are support for cross-border partnerships for economic and social development based on common resources, sharing resources and responsibilities for environmental protection and conservation and supporting cultural and educational networks for the establishment of a common cultural environment in the Black Sea basin. The total allocated budget is €17.3 million.

Under the EU ENPI CBC Land Border and Sea Crossing programmes:
- The Estonia-Latvia-Russia CBC programme 2007-2013 includes border regions from these three states and the total budget foreseen is €47.8 million. The programme’s main objective is to promote sustainable and equal socio-economic development and has three priorities: fostering socio-economic development, supporting the protection of the environment and natural resources, cultural and historical heritage and promoting people-to-people co-operation;
- The Latvia-Lithuania-Belarus CBC programme 2007-2013 includes border regions from these three states and the total budget foreseen is €41.7 million. The main objective of the Programme is to enhance the cohesion of the cross border area through reducing regional disparities and securing economic and social welfare and cultural identity of its inhabitants;
- The Lithuania-Poland-Russia CBC programme 2007-2013 covers border regions from these three states (including Kaliningrad in its entirety) and the total budget foreseen is €132.1 million.
lion and aims to stimulate local and regional economic development through co-operation and better communications, thereby removing barriers to integration and mutual understanding:

- The Poland-Belarus-Ukraine CBC programme 2007-2013 includes border regions from these three states and the total budget foreseen is €68.6 million;

- The Hungary-Slovakia-Romania-Ukraine programme 2007-2013 includes border regions from these states and the total budget foreseen is €186.2 million. The main objective is to intensify and deepen cooperation in an environmentally, socially and economically sustainable way between the eligible border regions. The four priorities include economic and social development (develop tourism, supports SME’s), protect the environment (sustainable management of resources and natural disaster prevention), increase border efficiency and support people-to-people cooperation. It also foresees technical assistance in support of programme implementation;

- The Romania-Moldova-Ukraine programme 2007-2013 includes border regions from Romania and Ukraine and covers the entire territory of Moldova. The total budget foreseen is €126.7 million. The main objective is to improve the economic, social and environmental situation in the Programme area, in the context of safe and secure borders, through increased contact of partners on both sides of the borders. There are three priorities: the diversification and modernisation, in a sustainable manner, of the border economy, environmental challenges and emergency preparedness and people-to-people co-operation. It also foresees technical assistance in support of programme implementation.


### Annex 4: Share of EU member states’ trade with the CIS in 2006 – Regional Comparison

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<tr>
<th></th>
<th>CIS as % of World</th>
<th>EENP as % of CIS</th>
<th>EENP as % of World</th>
<th>Russia as % of CIS</th>
<th>Russia as % of World</th>
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*Source: International Trade Centre. Own calculations.*
Annex 5: Table: The presence of EU members state embassies in CIS countries by September 2008

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<td>x</td>
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<td>Kaz</td>
<td>Uzb</td>
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<td>x</td>
<td>x</td>
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<td>Kaz</td>
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<td>Russia</td>
<td>x</td>
<td>x</td>
<td>Russia</td>
<td>Russia</td>
<td>Russia</td>
</tr>
</tbody>
</table>

Note: An “x” in the box denotes the presence of an EU member state’s embassy in a particular CIS country. Where the name of a country is present instead of an “x”, this means that the given CIS country is served by the embassy from a particular EU member state in the country from which the name is inserted. Where there is a “0” in the cell this means that a given EU member state does not have an embassy in a particular CIS country, or that it is not obviously stated by the Ministry of Foreign Affairs of that particular EU member state. The table only refers to diplomatic representations of EU member states at the level of embassies, i.e. not consulates or honorary consuls.

Source: Websites of the Ministries of Foreign Affairs of the EU member states.
Annex 6

Table 1: Scale of movement of people and vehicles at selected border crossing points (in 2006)

<table>
<thead>
<tr>
<th>Border crossing point</th>
<th>people</th>
<th>vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narva-1 EST-RU</td>
<td>2 753 538</td>
<td>424 547</td>
</tr>
<tr>
<td>Koidula EST-RU</td>
<td>415 999</td>
<td>221 817</td>
</tr>
<tr>
<td>Bezledy PL-RU</td>
<td>1 443 057</td>
<td>616 501</td>
</tr>
<tr>
<td>Goldap PL-RU</td>
<td>1 125 539</td>
<td>319 043</td>
</tr>
<tr>
<td>Medyka PL-UA</td>
<td>6 601 669</td>
<td>995 876</td>
</tr>
<tr>
<td>Terespol PL-BY</td>
<td>2 389 576</td>
<td>930 147</td>
</tr>
<tr>
<td>Zosin PL-UA</td>
<td>1 668 795</td>
<td>678 070</td>
</tr>
<tr>
<td>Vysne Nemecke SK-UA</td>
<td>1 307 414</td>
<td>471 482</td>
</tr>
<tr>
<td>Velke Slemence SK-UA</td>
<td>185 787</td>
<td>n/a</td>
</tr>
<tr>
<td>Sighetul Marmatiei RO-UA</td>
<td>1460 000</td>
<td>328 500</td>
</tr>
<tr>
<td>Albita RO-MD</td>
<td>8 598 463</td>
<td>232 512</td>
</tr>
<tr>
<td>Sculeni RO-MD</td>
<td>773 138</td>
<td>2 181 163</td>
</tr>
<tr>
<td>Vaalimaa FI-RU</td>
<td>2 652 372</td>
<td>1 162 599</td>
</tr>
</tbody>
</table>

Source: Batory Foundation (2008); p. 83.

Table 2: Purpose of travel of people crossing the border crossing points (in percent)

<table>
<thead>
<tr>
<th>Border crossing point</th>
<th>To fulfil duties assigned by employer</th>
<th>To further business interests</th>
<th>Tourism</th>
<th>To visit your family</th>
<th>For other reasons</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narva-1</td>
<td>20.2</td>
<td>2.0</td>
<td>12.1</td>
<td>27.8</td>
<td>37.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Koidula</td>
<td>14.5</td>
<td>13.0</td>
<td>9.2</td>
<td>38.2</td>
<td>25.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Bezledy</td>
<td>18.3</td>
<td>22.2</td>
<td>41.5</td>
<td>4.0</td>
<td>13.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Goldap</td>
<td>3.5</td>
<td>10.6</td>
<td>60.0</td>
<td>6.0</td>
<td>19.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Medyka</td>
<td>7.9</td>
<td>14.8</td>
<td>30.6</td>
<td>12.7</td>
<td>34.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Terespol</td>
<td>10.1</td>
<td>19.7</td>
<td>33.0</td>
<td>5.3</td>
<td>31.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Zosin</td>
<td>2.7</td>
<td>31.7</td>
<td>41.9</td>
<td>5.4</td>
<td>18.2</td>
<td>100.0</td>
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<td>Vysne Nemecke</td>
<td>24.6</td>
<td>34.7</td>
<td>11.6</td>
<td>19.3</td>
<td>9.8</td>
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<tr>
<td>Velke Slemence</td>
<td>1.6</td>
<td>65.6</td>
<td>13.3</td>
<td>12.5</td>
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<td>100.0</td>
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<tr>
<td>Sighetul Marmatiei</td>
<td>8.9</td>
<td>23.3</td>
<td>16.7</td>
<td>28.9</td>
<td>22.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Albita</td>
<td>10.5</td>
<td>34.4</td>
<td>7.6</td>
<td>39.0</td>
<td>8.6</td>
<td>100.0</td>
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<tr>
<td>Sculeni</td>
<td>13.2</td>
<td>31.9</td>
<td>18.7</td>
<td>26.4</td>
<td>9.9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Batory Foundation (2008), p. 84.