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NOTE
From : Eastern Europe and Central Asia Working Party  
dated: 14 March 2005  
to : COREPER/COUNCIL  
Subject : RELATIONS WITH RUSSIA  
– Key outstanding issues for the EU in its relations with Russia

This document gives an overview of key outstanding issues in EU-Russia relations on which the EU seeks progress from the Russian side and is a follow-up to the assessment report on relations with Russia adopted by the GAERC in February 2004.

The document serves as an internal reference document and is regularly updated. It does not prejudge the further evolution of these issues, the relevant EU objective or the line to take. Further, it does not exclude that other issues may be added at a later stage.
In addition to issues of a general nature, the listing reflects the four Common Spaces, without prejudging the form in which these spaces will be further developed or their final content. The document does not indicate a prioritisation of these additional issues.

The Working Party on Eastern Europe and Central Asia has agreed on the annexed draft Relations with Russia - Key outstanding issues at its meeting on 14 March 2005.
February 2005

Key outstanding issues for the EU in its relations with Russia

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In addition to issues of a general nature, the listing reflects the four Common Spaces, without prejudging the form in which these spaces will be further developed or their final content.

A number of additional issues have been included to reflect subjects which are of mutual interest or on which Russia seeks progress. The document does not indicate a prioritisation of these additional issues.

I. GENERAL ISSUES

Political dialogue

*The issue:* Large number of meetings (Summits and Foreign Ministers troika twice a year, Political Directors quarterly, monthly PSC troikas, six-monthly expert troikas in ten formats). Russia wants more, but is not ready to meet in COEST format.

*EU objective:* Streamlining of the high level dialogue (fewer meetings, more focused on substance with clear objectives and follow-up), and greater overall balance, dialogue notably covering also the common neighbourhood. Consolidate PPC (with EU represented by the troika) as the format for ministerial meetings. Agreement with Russia to reduce the number of summits to one per year, as discussed at the 21 May 2004 EU/Russia Summit. High level dialogue underpinned by frequent and productive working level meetings. Re-launch meetings in COEST troika format.
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**Line to take:** The EU wants a productive and balanced political dialogue with Russia, at political as well as expert level, covering all fields of common interest and the many opportunities for co-operation on the international scene, including in the common neighbourhood. The PPC format for Ministerial meetings is one that will allow real focus on substance with clear objectives and follow-up; it should now meet in its various formats; EU representation in the PPCs is for the EU to decide (troika format is most effective and efficient). The EU wishes to reduce the number of summits to one per year, in agreement with Russia.

**Socio-economic development of Kaliningrad Region**

**The issue:** While Russia’s focus has been principally on questions of transit of passengers and goods, it is now important to promote the overall development of Kaliningrad region as an integral part of the Russian Federation as well as of the Baltic Sea region. This shift of focus would recognise the shared interest of the EU and Russia to promote a prosperous and open Kaliningrad on the Baltic Sea. It would also reflect the goal of Russia’s regional development programme to narrow the gap in living standards between Kaliningrad region and its neighbours. The EU has already allocated considerable resources for this objective. The EU proposed – and Russia accepted, at the Summit in The Hague - to set up a sub-committee on regional cooperation to discuss, inter alia, Kaliningrad’s development. Russia has since backtracked on this agreement and has pressed for a High-Level Group to be established, to ‘take decisions’, in particular on transit questions, for which the EU view is that agreed solutions have already been identified in the joint statements on November 2002 and April 2004.

**EU objective:** Promote the socio-economic development of the Kaliningrad region by inter alia putting in place the conditions to stimulate private investment, facilitating trade, addressing environmental problems and tackling health and cross-border issues. Establishment of the proposed sub-committee on regional cooperation would be an important step.
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Line to take: The EU confirms its wish to work in a structured and comprehensive manner with the Russian federal, regional and local authorities to promote the socio-economic development of Kaliningrad region and address matters of concern to Russia. The EU’s work with Russia on the common spaces offers us an opportunity to do so, as does the EU’s proposal to set up a sub-committee on regional cooperation, which was agreed by Russia at the Summit in The Hague. We want to see the sub-committee become operational as soon as possible. The EU is not ready to establish a High-Level Group.

Additional issues, including issues of mutual interest to both sides or of particular interest to the Russian side:

- Kaliningrad transit (of interest to the Russian side)

- Northern Dimension (enhanced dialogue to secure Russia's commitment to the Northern Dimension)
II. COMMON ECONOMIC SPACE

Aviation relations/Siberian overflights

The issue: For many years the EU has requested Russia to eliminate payments made by EU airlines for flying over Russian territory, which are not related to normal payments for Air Traffic Control services and which are contrary to international aviation law. In the context of negotiations between the EU and Russia on the accession of Russia to the WTO, Russian Minister for Economic Development and Trade Gref in a letter to Commissioner Lamy undertook on behalf of the Russian government to “modernise the current system of settling accounts for the use of trans-Siberian routes” during a transition period of 8 years. After that period, and at the latest by 31.12.2013, all payments will have to be “cost-related, transparent and not leading to discrimination between foreign airlines.” Modalities should be “agreed upon in the context of Russia-EU negotiations”. The Russian Ministry of Transport is backtracking from its commitment given in May and is raising unexpected difficulties in reaching an agreement by (a) not recognising that royalties have to be fully abolished at the end of the transition period and (b) by refusing constructive consultations on the transition period and related issues.

EU objective: Rapidly implement the agreement to start the transition period as soon as possible, notably regarding the definition of modalities, leading to the abolishment of Siberian overflight payments, in line with the undertaking made by the Russian Government in May 2004.

Line to take: Insist that the Russian side must honour its commitments according to the undertaking made by Mr Gref to Mr Lamy in May 2004 on the phase out of Siberian overflight payments by 31 December 2013, which was tied to Russia’s membership of the WTO.
Satellite navigation/Galileo

The issue: Last official round of negotiations in July 2002, despite agreement at St. Petersburg Summit to instruct ‘experts to examine the possibilities of cooperation on political/technical aspects of Galileo/Glonass’ and further reference at the Rome Summit. COM wishes to resume negotiations as soon as possible, to include key issues such as interoperability of Galileo and Glonass, joint use of the two services and co-ordination in international fora (ITU, ICAO, and WRC), in addition to technical cooperation. The Commission transmitted a complete draft text for a possible agreement at the end of 2003 and technical talks during 2004 have made considerable progress on that basis. In December 2004, the Russian authorities confirmed their readiness to re-launch also the formal negotiations.

EU objective: Conclude an overall agreement with Russia in 2005.

Line to take: Cooperation could bring considerable benefit in this strategic sector and deliver quick and tangible results. Russia should re-engage in negotiations.

Discriminatory railway tariffs

The issue: The Russian system of tariffs for railway freight transportation discriminates between domestic and international destinations in relation to domestic freight and affects economic operators both in the EU and Russia. The existence of discriminatory fees to Russian ports has favoured the use of Russian ports and has negatively affected ports in several EU Member States. Russia has long since announced that it was developing a system of harmonised tariffs for both imports and exports, as compared to transport to domestic destinations. To date, however, this has not been the case.

EU objective: Elimination of the discriminatory pricing policy i.e. harmonisation of tariffs for domestic and international destinations.
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*Line to take:* Russia should harmonise tariffs for domestic and international destinations. The EU considers that the current system is not fully in line with WTO rules and principles and is looking for a solution on this issue in the context of Russia’s accession to the WTO.

**Veterinary and phytosanitary certification of EU exports**

*The issue:* EU Member States have now introduced common certificates for EU exports of animals and animal products to Russia. A number of issues in terms of the practical use of the new certificates need further discussion within the EU. If the new conditions cause major trade disruption, their revision will have to be raised with Russia. Veterinary talks with Russia will continue on fraud prevention, transit controls and the issues of regionalisation and residue monitoring. The conclusion of a veterinary agreement, for which negotiations are currently suspended, would address one of the main Russian concerns by formalising the role of the European Commission in EU/Russia veterinary relations.

Russia does not consider the veterinary agreement a priority at the moment. EU-Russia talks to solve problems in phytosanitary certification of EU exports of plant products to Russia have been launched. Russia has set a deadline of 1 April 2005 for the introduction of a common EU phytosanitary certificate. The first technical talks have yielded encouraging results as regards the harmonisation of the certificates but difficult issues in relation to controls of intra-Community movements and transits of plant products remain to be tackled. Bilateral talks will simultaneously continue between those Member States whose imports into Russia are currently banned and the Russian authorities.

*EU objective:* Review conditions in veterinary certificates, if necessary to avoid major trade disruptions. Conclude a veterinary agreement. Conclude EU-Russia talks on phytosanitary certification before the deadline of 1 April 2005 to avoid disruption of EU exports of plant products to Russia. Russia to lift bilateral bans.
Line to take: There needs to be a possibility to review the conditions in veterinary certification in case they cause major trade disruption. Discussions on fraud prevention, transit controls, regionalisation and residue monitoring should continue. Russia should engage seriously in negotiations for a veterinary agreement, which will facilitate trade and be of mutual benefit.

Serious efforts are needed from both parties to find solutions for phytosanitary certification of EU exports of plant products to Russia before the deadline of 1 April. Russia should lift the current bilateral bans imposed on certain Member States.

Protection and enforcement of Intellectual Property Rights

The issue: The PCA required Russia to adopt a level of protection similar to that existing in the Community by 1 January 2003. In addition, during EU/Russia negotiations on WTO accession, Russia confirmed its intention to apply the WTO TRIPs Agreement as from the date of accession. The level of protection of intellectual property rights in the Russian Federation does not yet meet the standards required by the PCA and the TRIPs Agreement. This applies mainly to enforcement of IPR, since new legislation has been adopted.

EU objective: Ensure that intellectual property rights, including geographical indications, are properly enforced in Russia. Ensure that Russia implements its PCA commitments and in particular that it complies with the TRIPS Agreement from its accession to WTO. Raise the profile of discussions on IPR e.g. in the context of the common economic space.

Line to take: Russia should reduce the current high levels of piracy and counterfeiting, which are unacceptable. Enforcement of intellectual property rights, including of geographical indications, remains the biggest problem and Russia should intensify its efforts to improve the situation.
Kyoto Protocol

The issue: Following Russian ratification of the Kyoto Protocol, it entered into force on 16 February 2005. Russia must now set up the necessary institutions, make the required policy choices and prepare to cooperate internationally on implementation of the Protocol. To assist Russia in these tasks, the EU is ready to offer its expertise and experience. It is also important to engage Russia in the follow-up of the Kyoto Protocol, after 2012. A more permanent dialogue amongst Environment Ministers on climate change, as already suggested by the EU, would be useful.

EU objective: Ensure Russia’s efficient and succesful implementation of the Kyoto Protocol in Russia. Continue expert discussions on climate change, reinforce dialogue in the format of a PPC on environment.

Line to take: Welcome entry into force of the Kyoto Protocol. The necessary legislation and institutions to implement the protocol need to be urgently set up. The EU looks forward to working closely with Russia on relevant measures (e.g. emissions trading and joint implementation projects). The EU is ready to offer its expertise and experience and suggests to soon hold a PPC on environment to discuss all possibilities. The Kyoto Protocol is in force until 2012. The EU and Russia should cooperate to ensure wide international cooperation to tackle climate change also after 2012.

Maritime Safety

The issue: The importance of maritime safety is underlined by recent catastrophes. The issue has been raised by the EU at all levels and in the CBSS context. Russia contributed to the agreement reached at the IMO in December 2003 on the accelerated phasing-out of single hull tankers and increased restrictions on their operation when carrying heavy grades of oil. This agreement comes into force in April 2005. The new rules make it possible for flag States to grant exemptions to certain types of ships and for port States to allow or deny operation of these exempted ships within their jurisdiction. The environmental threats facing a
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coastal State surrounded by international waters will not disappear, even when heavy oil is transported in double hulled tankers: there is still a need (pending the adoption of internationally agreed mandatory rules) to promote the safe transfer ship-to-ship of cargo oil, in line with industry best practice, where large amounts of such oil are transferred.

EU objective: Ensure Russia’s support for actions taken by the IMO on maritime safety, acknowledging the fundamental importance of effective Flag State Control. As a flag State, Russia should not grant exemptions to ships from the general rule of only transporting heavy oil in double hulled tankers. As a port State, Russia should deny exempted ships carrying heavy grades of oil to enter/leave its European ports. Ensure Russia’s cooperation in international fora in order to improve ship-to-ship operations in line with industry best practice.

Line to take: It is in the interest of both parties to take urgent measures to avoid serious oil accidents in European waters, including the Baltic and Black Seas. No exemptions should be granted with regard to international voyages from April 2005. Exempted ships should be denied entry to/exit from Russia’s European ports. Pending the adoption of mandatory rules at international level, Russia and the EU should promote ship-to-ship operations in European waters in line with industry best practice.

Nuclear Safety

The issue: The EU has requested that Russia's first generation nuclear reactors be closed as they are not upgradeable to internationally recognised safety levels at reasonable cost (a position shared with the G7). However, despite a cooperation agreement on nuclear safety and substantial technical assistance (Tacis Nuclear Safety) Russia has prolonged the lifetime of its first generation nuclear reactors, some of which are of the Chernobyl type and are close to the EU’s border. The EU/Russia joint working group on nuclear safety last met in early 2002.
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EU objective: To obtain a commitment from Russia to phase out its first generation nuclear reactors. The joint working group should meet as soon as possible to exchange position papers on the future of first generation nuclear reactors.

Line to take: The EU is willing to discuss options to avoid economic problems due to the closure of first generation nuclear reactors and proposes to continue expert discussions. Significant electricity trade between Russia and the EU should properly address nuclear safety concerns and take into account the principles of economic and environmental reciprocity. Look forward to revitalised dialogue between EU and Russia on nuclear safety, including through re-establishment of EU/Russia joint working group on nuclear safety.

Nuclear Waste in NW Russia

The issue: The situation of nuclear waste in NW Russia and more specifically the state of the Northern Fleet is an issue of particular concern. About 110 nuclear submarines from the Northern Fleet have been taken out of service. These vessels contain more than 200 nuclear reactors and some 20,000 spent fuel elements coming from dismantled submarines and icebreakers are stored in poor conditions. The EU through Tacis and several Member States bilaterally have contributed around €150 million for nuclear waste management within the Northern Dimension Environmental Partnership Fund (NDEP). Russia is also contributing financially and project selection will be conducted on the basis of a joint strategic management plan.

EU objective: To obtain full co-operation from Russia in the NDEP for the preparation of strategies and for project implementation.

Line to take: The EU expects Russia to demonstrate a high level of political commitment to the nuclear waste disposal project implementation phase.
Additional issues, including issues of mutual interest to both sides or particular interest to the Russian side:


- **Environmental issues**, with particular attention to the Baltic environment including oil drilling in the Baltic Sea and cooperation to reduce trans-boundary pollution.

- **Public aids**: adoption of an agreement implementing article 53.2.2 of the PCA.
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III. COMMON SPACE OF FREEDOM, SECURITY AND JUSTICE

Readmission

_The issue:_ The EU and Russia have repeatedly agreed to conclude negotiations on an EU/Russia readmission agreement in a timely manner. This is a key EU interest, with Russia a significant source/transit country for illegal migration. The Commission and Russia have agreed to arrange back-to-back negotiations on readmission/visa facilitation, which last took place in December 2004.

_EU objective:_ Conclusion of the readmission agreement and entry into force during 2005.

_Line to take:_ Recall commitments in framework of Kaliningrad package agreed in November 2002, and refer to declaration of the Saint Petersburg and Rome summits in 2003, the discussions held at the Hague Summit in November 2004, as well as to the Joint Statement on EU enlargement and EU-Russia relations of 27 April 2004.

Visa facilitation

_The issue:_ At the Rome Summit, the EU and Russia agreed to look at existing flexibilities within the Schengen agreement, in order to facilitate travel in the short term and on a reciprocal basis. On 12 July 2004, the Council adopted negotiating directives for an agreement on visa facilitation with Russia.

_EU objective:_ To facilitate visa issuance for EU and Russian citizens on a reciprocal basis by means of an agreement. Negotiations with Russia are to take place in parallel to negotiations with Russia on a readmission agreement.

_Line to take:_ The EU is committed to promoting the better use of existing flexibilities in the Schengen agreement on a reciprocal basis. The EU is ready to negotiate an EU-wide visa facilitation agreement with Russia back-to-back with negotiations on a readmission agreement. These agreements should enter into force simultaneously. The EU’s strong wish is to conclude both agreements and see them enter into force in 2005.
Border Agreements

The issue: The border agreements between Russia and Estonia/Latvia have not yet been signed or ratified, although technical negotiations have long since been successfully completed. Russia has recently proposed to sign the agreements in May 2005, but has offered no assurances on ratification. The demarcation of the Russian border with Estonia, Latvia and Lithuania should be completed according to international standards.

EU objective: Signature, ratification and entry into force of the border agreements with Estonia and Latvia, as well as the demarcation of all EU-Russia common borders.

Line to take: The EU wants legal certainty of its eastern border. The Russian authorities should unconditionally sign the border agreements with Latvia and Estonia and propose ratification to the Duma before the EU/Russia summit in Moscow in May. Ratification problems (if they really exist) should not be allowed to prevent signature of the agreements. Demarcation should immediately be undertaken in Kaliningrad region and with Latvia and Estonia. This would create the appropriate conditions for further discussions on movement of people.

Democracy and Rule of Law

The issue: Increasing concern about democracy, the rule of law and due process in Russia, with the Yukos case, OSCE criticism of the conduct of parliamentary and Presidential elections, questionable electoral reforms and a reduction in media pluralism and freedom.

EU objective: The upholding of standards and values to which Russia – as a member of OSCE and CoE is committed - on democracy, including democratic elections, the application of the rule of law and human rights, including media freedom. Reaffirmation of these values on which the EU/Russia strategic partnership is founded, as well as regular discussion.
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Line to take: A vibrant democracy at all levels of the Russian Federation, the application of the rule of law, an independent judiciary and full respect for human rights, including a free and independent media, are necessary to promote stability and prosperity in Russia. These conditions underpin the EU/Russia strategic partnership. Concerned that recent developments in Russia on the rule of law, apparent restrictions on media freedom and concentration of power do not contribute to these goals.

Human rights

The issue: Increasing concern about human rights situation in Russia, notably as regards harassment of human rights defenders, particularly in Chechnya, increased racism, xenophobia, and religious intolerance including anti-semitism. Question mark whether treatment of persons belonging to minorities in Russia is in full compliance with Russia's OSCE and Council of Europe commitments. For its part, Russia tends to politicise the situation of persons belonging to minorities in the enlarged EU. A first round of what should become regular consultations on human rights, including the rights of persons belonging to minorities, and fundamental freedoms, took place on 1 March (before the UN Commission on Human Rights) and allowed the EU to present its view of the human rights situation in Russia and the EU.

EU objective: To promote constructive discussion allowing for an exchange of data and views in view of improving the overall human rights situation. Defuse Russia's tendency to politicise the situation of persons belonging to minorities in the EU

Line to take: The EU follows with concern the human rights situation in Russia, notably as regards the treatment of human rights defenders and NGOs, particularly in Chechnya, racism, xenophobia and anti-semitism. It recalls Russia's commitments to the OSCE and Council of Europe as regards the rights of persons belonging to minorities in Russia. As regards the situation of persons belonging to minorities in the EU, the EU will continue to assist the Member States concerned in their efforts to promote naturalisation and integration, in line with OSCE and Council of Europe recommendations. It is important that the persons concerned,
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themselves, also choose to integrate. In any case, the Member States concerned meet their international commitments on human rights and the protection of the rights of persons belonging to minorities.

Chechnya

The issue: The ongoing Chechnya conflict generates widespread reports of human rights abuses and reprisals against civilians by security forces as well as rebels. The civilian population has suffered enormously. 75% of the population reports partial or total destruction of property. Meanwhile, IDPs have often been left with no option but to return to Chechnya. Russia has pursued policies of ‘Chechenisation’ of the conflict and ‘normalisation’, but claims that the political process has been successful are belied by recent events, including terrorist acts. There has also been manipulation of the electoral process and the media. Russia rejects international criticism of its actions, preferring to portray the conflict in Chechnya as exclusively part of the ‘war’ on terrorism. While there is a terrorist dimension, cooperation to combat terrorism must respect human rights and acknowledge the importance of addressing its root causes.

EU objective: A political settlement of the conflict based on the support and confidence of the population of Chechnya and respecting Russia’s territorial integrity, underpinned by the full respect of the rule of law, democratic principles, including the holding of early, free and fair Parliamentary elections, and human rights. Greater Russian openness to international assistance and scrutiny, notably by the OSCE and the Council of Europe

Line to take: The EU supports a political settlement of the conflict based on the support and confidence of the population of Chechnya and respecting Russia’s territorial integrity. This must be underpinned by the respect for the rule of law, human rights and democratic principles. It will be important to hold early, free and fair Parliamentary elections that comply with OSCE standards. There should also be no forced return of IDPs or reprisals against human rights defenders. In addition, human rights abuses should be thoroughly investigated in an independent manner and prosecuted. The EU welcomes recent signs of Russian willingness to co-
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operate with the EU in the north Caucasus, including from President Putin at November 2004 Summit. The EU would be ready to consider support for reconstruction and rehabilitation once the security situation permits. An EC needs assessment mission travelled to the region in April 2005. Russia should also permit publication of relevant reports by the Council of Europe’s Committee for the Prevention of Torture and inhuman or degrading punishment (CPT) and visits by UN rapporteurs on torture and on summary executions.

The EU fully rejects terrorism. It wishes to intensify its work with Russia to identify ways to prevent as well as combat terrorism, in full respect of human rights. A priority must be to tackle the underlying factors that may contribute to terrorism.

North Caucasus/delivery of Humanitarian Aid

The issue: Russia limits access to Chechnya by NGOs e.g. restricting access permits. Russia has also blocked access by NGOs to VHF frequencies for communication. The efficiency of monitoring of ECHO humanitarian aid operations is hampered by the absence of an ECHO office in Ingushetia and humanitarian aid workers are kidnap targets. There is growing pressure on IDPs to go back to Chechnya as camps have closed in Ingushetia.

EU objective: Improved access to Chechnya by aid providers. If access permits remain necessary, these should be of long duration. International humanitarian organisations and NGOs should be allowed to operate in accordance with usual security standards, including unrestricted access to the use of VHF frequencies. Russia should permit an ECHO office to open in Ingushetia. IDPs should be allowed to stay in Ingushetia as long as security in Chechnya does not allow them to return. ECHO should be allowed to build decent shelter for them in Ingushetia. Bring an end to the targeting of humanitarian workers in the region.

Line to take: Russia should facilitate the delivery of humanitarian aid, by lifting all unnecessary restrictions on access to Chechnya, in accordance with UN security standards, and in particular allow the use of VHF frequencies. Russia should permit ECHO to
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open an office in Ingushetia. Facilitating the delivery of humanitarian aid is closely linked to any expansion of EC assistance, which also depends on adequate security guarantees. There should be no forced return of IDPs to Chechnya and the Russian authorities should allow the construction of alternative shelters for those IDPs who do not want to return. The EU expects Russia’s active support in bringing an end to the targeting of humanitarian workers in the region.

*Additional issues, including issues of mutual interest to both sides or of particular interest to the Russian side:*

- Action plan against organised crime
- The fight against terrorism
IV. COMMON SPACE OF EXTERNAL SECURITY

Strengthened dialogue and co-operation on the international scene

The issue: The EU and Russia have agreed to reinforce co-operation in political and security matters and are currently negotiating the text for the road map for the Common Space on External Security. The European Security Strategy defines Russia as a key partner for the EU in international relations (e.g. in non-proliferation of WMD, Middle East Quartet, the Balkans etc.) While Russia largely agrees to the analysis and objectives of the European Security Strategy, practical co-operation remains to be developed in many areas. The EU should develop this co-operation with Russia as part of efforts to strengthen the international order based on effective multilateralism, in support of the United Nations and international and regional organisations, in particular the Council of Europe and the OSCE. Through a strengthened dialogue and exchange on EU and Russian security and foreign policy strategies and concepts, and through intensified academic exchanges, the EU and Russia should strengthen co-operation and mutual understanding.

EU objective: Strengthen the strategic partnership with Russia based on equal rights, obligations and mutual trust, in view of a genuinely co-operative partnership. Promote Russian respect for democratic principles and human rights in its foreign policy. Increase Russian understanding and knowledge of EU structures and EU foreign policy. Establish effective co-operation to address global challenges and key threats. Develop a productive political dialogue within existing framework.

Line to take: The EU and Russia share responsibility for an international order based on effective multilateralism, notably the upholding and developing of international law and the respect for democratic principles and human rights. The EU and Russia, as key actors on the international scene, also share responsibility for addressing global challenges and key threats, such as terrorism, proliferation of WMD, regional conflicts, and state failure.
EU-Russia co-operation in the common neighbourhood

The issue: Russia is reluctant to co-operate with the EU to promote security, stability, democracy and human rights in the common neighbourhood (in particular Moldova, Belarus, Ukraine, South Caucasus). Russia acknowledges Istanbul commitments to withdraw troops/bases from Moldova and Georgia, but implementation does not respect agreed deadlines.

EU objective: A genuinely co-operative partnership able to address problems of common interest and concern in the common neighbourhood, in particular the so-called “frozen conflicts”. Fulfilment of Russia’s Istanbul commitments. This will help ensure stability and prosperity in the common neighbourhood.

Line to take: The common neighbourhood is a fact. What happens here affects the EU as much as it affects Russia, in particular after EU enlargement. The EU is ready to undertake every effort to improve dialogue and co-operation with Russia to address the lingering conflicts on our borders: we can be more effective by working together and we ought to try to make existing conflict resolution structures function more effectively. However, we need to move beyond the status quo. We see great potential for productive co-operation. The EU is ready to consider using ESDP instruments for conflicts resolution, in particular for Moldova and Georgia. Closer EU security cooperation with Russia will follow from genuine Russian engagement in the common neighbourhood.

EU-Russia co-operation in crisis management operations

The issue: Russia and the EU have agreed in Rome in November 2003 to work towards a joint approach in the field of crisis management. The EU has offered Russia a standing framework for Russian participation in EU-led crisis management operations, reflecting the Seville conditions for third country participation in ESDP operations. Russia rejects these conditions, and wants co-operation “on equal footing”, shared decision making and joint operations, on the model of its agreements with NATO (NATO Russia Council). Russia also proposes EU participation in Russian-led operations. Russia participated in the first ESDP
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mission - EUPM in Bosnia and Herzegovina. Russia has also expressed interest in EU-NATO arrangements (Berlin Plus) and has proposed trilateral co-operation EU-NATO-Russia. It also agrees with the need for a legal and financial framework. Nevertheless, Russia has recently expressed reluctance to participate in ESDP operations on the conditions offered by the EU.

**EU objective:** To promote greater EU-Russia co-operation in ESDP through Russian participation in EU-led crisis management operations, for instance as part of specific efforts to resolve frozen conflicts in the common neighbourhood. Exchange of views on the possible development of principles and modalities for joint approaches in crisis management. Maintain EU decision making autonomy.

**Line to take:** With the Seville conclusions, the EU has set out arrangements for consultation and co-operation with Russia in the field of crisis management. The EU is ready to co-operate with Russia within this framework and wishes to finalise negotiations on a standing framework agreement on cooperation in crisis management. The EU is open for an exchange of views on the possible development of principles and modalities for joint approaches in crisis management. Nevertheless, the EU believes that progress is best made through practical co-operation in specific situations, in particular on frozen conflicts in our common neighbourhood.

**EU Member States’ admission to export control regime groups (MTCR, WA)**

**The issue:** The EU’s export control regime is based on the membership of all EU Member States in relevant export control regime groups (Nuclear Suppliers’ Group (NSG), Missile Technology Control Regime (MTCR), Wassenaar Arrangement (WA)). Russia, as a member of these regimes, needs to agree for the new EU Member States to be admitted to these regimes. It has already agreed to the admission of the new Member States to the NSG. Russia has also accepted to admit the new Member States to the Wassenaar Arrangement, although only one of them could be admitted at the recent Plenary due to opposition from other participating states. Russia must agree to admit the remaining Member States to MTCR and WA, but makes this conditional on their behaviour in WA and support for Kazakhstan’s
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application from membership. A silence procedure for entry of the remaining Member States (excluding Cyprus) into the WA is underway. In a letter to the EU Presidency, Russian Foreign Minister Lavrov indicated that Russia would not break silence against any of the applicants.

**EU objective:** Ensure admission of all EU Member States to export control regime groups, to ensure the coherence and integrity of the EU export control regime, as well as the MTCR and WA regimes themselves.

**Line to take:** Each of the new EU Member States concerned applying for membership in the export control regime groups has ratified the main international non-proliferation and disarmament instruments, including NPT, BTWC, CWC and the HCOC, and have shown its commitment to non-proliferation. They all support UNSCR 1540 and have submitted national reports on implementation. As EU member states, their laws and policies need to be fully in line with EU legislation and policy in the field of non-proliferation, and they have signed up to the EU Strategy on Non-Proliferation of Weapons of Mass Destruction. The EU export control regime is unique in the sense that Regulation 1334/2000 on export controls of dual use items legally binds the 25 members of the enlarged EU. Should any newly acceded Member State remain outside the regimes the coherence of EU export controls (on proliferation sensitive items) would be weakened. Given the single market within which customs controls and formalities have been abolished, each EU State is potentially a significant supplier of any item produced in the European Union. EU Member States cannot guarantee that their experts will respect EU Member State commitments in the regimes and the denials of other participating states unless all Member States become members.

**Additional issues, including issues of mutual interest to both sides or of particular interest to the Russian side:**

- The fight against terrorism.
- Russian proposal for military-technical co-operation with European Defence Agency.
- Non-proliferation of weapons of mass destruction and disarmament (including co-operation on implementation of Joint Action, assistance).
V. COMMON SPACE OF RESEARCH AND EDUCATION, INCLUDING CULTURAL ASPECTS

There are no key outstanding issues in this space at present.