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## The EU and Russia

Conflicts and Potentials of a  
Difficult Partnership

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**The EU and Russia.  
Conflicts and Potentials of a Difficult Partnership**

Russia and the EU are entering an important stage in their relations. January sees the beginning of negotiations over the future of the Partnership and Cooperation Agreement (PCA), which expires in November 2007. Germany's EU Presidency in the first half of 2007 will coincide with the decisive phase of negotiations.

Relations between Russia and the EU are loaded with tension. Despite political and value differences and rivalry in the post-Soviet region, both recognize that the interdependency of their relations makes economic and political cooperation unavoidable, although especially on the Russian side doubts are growing about whether a PCA-type agreement is still appropriate given the current state of Russia-EU relations. To find out whether that is the case we must first conduct a differentiated stocktaking of the bilateral relationship, especially for the period covered by the PCA. Since the end of the Cold War the EU and Russia have been subject to many changes that have had decisive effects on their bilateral relations. Furthermore, the transformation processes in Russia—as in the other post-Soviet states—have been influenced both by growing economic integration with the EU and by EU policies oriented on exporting democracy.

A stocktaking will have to cast light on the mutual contingency of internal transformation and mediation processes on the one hand, and bilateral relations on the other. This study aims to measure the PCA against the reality of Russia-EU relations and the Russian transformation. It also considers whether the normative goals of the PCA can influence the course of that transformation. At the end a brief survey of the Russian and European debates about Russia-EU relations shows where the decisive fault lines run between the different standpoints. Only on that basis is it possible to reach conclusions about the desirable and plausible future of the agreement.

Relations between Russia and the EU have steadily expanded and complexified since the PCA was instituted, but its normative goals have not been implemented. The EU continues to lack a coherent approach in its policies toward Russia and the other new independent states (NIS) and instead actually exacerbates

polarization tendencies in the region through its sometimes contradictory policies. Above all, the increasing competition between the EU and Russia for influence in the post-Soviet region holds considerable risks for the stability of Europe as a whole, which the talks on the new legal basis should deal with. Germany, which maintains particularly close and intensive relations with Russia, has a constructive role to play here.

German/EU policy should be orientated on the following principles:

**Reducing normativity:** The negotiations should do without inflated normative goals. Anyway, the factual pragmatism of EU policy has repeatedly subverted such goals in recent years. Despite the EU's pro-democracy policies Russia is not a democracy at the present time—but remains an important partner for Europe. The basic idea of the “rapprochement through interlinkage” strategy published in September 2006 by the German foreign ministry—continuing to integrate Russia in European cooperation—is correct. But the strategy also proposes the negotiation of a new “comprehensive” agreement that would push normative value debates to center stage again. It would be more effective to pragmatically adapt the PCA to the changed reality of relations. The negotiations are unlikely to be completed by November 2007, but because the PCA automatically extends by a year on expiry, the legal basis of relations is not endangered. The negotiating process could be accompanied by a joint declaration at the end of 2007 emphasizing the strategic importance of the partnership. Russia and the EU should then concentrate on deepening functional cooperation in the sectors defined by the Common Spaces. Value debates on the other hand should be continued at different levels in the scope of the political dialogue and in the negotiations over sectoral agreements in specific fields of policy.

**Multilateralizing EU policy in the post-Soviet region:** The EU can have no interest in a further polarization of the post-Soviet region. So it should negotiate goals such as economic, political, and security cooperation and convergence—up to and including the creation of free trade zones and the abolition of visa requirements—not just bilaterally but also multilaterally with all the states of the European Neighborhood Policy (ENP) and Russia. Sub-regional cooperation between the NISs should also be supported a good deal more decisively. For this it is necessary to enter into a critical dialogue with Russia about its integration initiatives in the post-Soviet

region rather than—as has been the case to date—ignoring them. The EU could also show more initiative in the conflict mediation processes in Moldova, Georgia, and Azerbaijan and include the Russian side in its activities, for example in the form of joint peace-keeping forces or observer missions.

Such a policy would not initially bring with it any strategic partnership, still less a value-based alliance of the kind that binds the EU to the EFTA states, Switzerland, the United States, and Canada, but it would be an important and above all realistic adaptation to the state of relations that would allow the EU to keep norms and values as an aspect of its policies toward Russia and indeed make them felt at all levels in a strongly diversified set of relations. There is no reason to expect Russia to be in any hurry to adopt much of the EU's norms and standards because of the absence of the necessary preconditions: Russia is not seeking membership, nor is the EU offering that perspective.

Due to the interdependencies in the relationship, Russia cannot simply ignore the dependencies involved in relations with the EU as its most important modernization partner and the biggest buyer of Russian energy exports. The new negotiations over the PCA therefore contain little risk of rupture. Whether relations between Russia and the EU move toward a “strategic partnership” that stabilizes the European continent will depend on the respective development trajectories of Russian transformation and European integration. A decisive factor will be how Russia and the EU shape their future relations at the bilateral and regional levels.

## Russia-EU Relations 1997–2007: Integration Rivals in the Post-Soviet Region\*

Since 1999/2000 regional relations in the post-Soviet region—and with them Russia-EU relations—have been subject to contradictory dynamics. The EU's eastern expansion has also influenced the foreign policy orientations of the western and southern Newly Independent States. In the post-Soviet region, which Russia regards as its sphere of influence (all the more so with its present resurgent hegemonic allures) the EU's importance as an actor has grown enormously.<sup>1</sup> This means that Russia and the EU are increasingly becoming rivals in the region, with negative effects on their bilateral relations.

### EU Policy in the Post-Soviet Region

EU policy in the post-Soviet region has an important internal dimension, because it is closely bound up with the development of the Union's foreign and security policy instruments and is the outcome of complex negotiating processes between EU institutions and member states.<sup>2</sup> Furthermore, the end of the Cold War left the EU confronted with completely changed external conditions: a fundamentally altered international environment and Eastern European transition states whose development toward market economy and democracy needed its support.<sup>3</sup> Unless we bring together these external and internal dimensions it is impossible to comprehend the character of EU policy and the associated effects on regional relations.

\* I would like to thank Yoriko Rach for her invaluable contribution to the preparation of this study, and for the comprehensive collection of information in the appendix.

<sup>1</sup> For critical discussion of Russian claims to major power status, which cannot be discussed in detail here, see Neil MacFarlane, "The 'R' in BRICs: Is Russia an Emerging Power?" *International Affairs* 82, no. 1 (2006): 41–57; Julian Cooper, "Of Brics and Brains: Comparing Russia with China, India and Other Populous Emerging Economies," *Eurasian Geography and Economics* 47, no. 3 (2006): 255–84.

<sup>2</sup> Knud Erik Joergensen, "European Foreign Policy: Conceptualising the Domain," in *Contemporary European Foreign Policy*, ed. Walter Carlsnaes et al. (London, 2004), 32–56 (33ff).

<sup>3</sup> Roy Ginsberg, *The European Union in International Politics: Baptism of Fire* (Lanham, 2001), 25.

The collapse of the Soviet system in 1989–91 forced the EU to adapt its foreign policy to the new international realities.<sup>4</sup> It quickly developed new instruments for its dealings with the states of the former Eastern Bloc and the successor states of the Soviet Union. Starting in 1994 the EU concluded association agreements in the form of the "Europe agreements" with the former Eastern Bloc states and opened up to them a clear perspective of membership.<sup>5</sup> In the subsequent accession processes the Commission played a decisive role relative to the member states and ensured that there was a relatively coherent EU policy. The shaping of relations with the other post-Soviet states, by contrast, is largely in the hands of the European Council or the member states themselves.<sup>6</sup> This gives particularly large scope for dichotomies between supra-national and intergovernmental EU institutions as well as contradictions between national governments.

The Russian Federation is the EU's largest eastern neighbor and the only one that claims a global role. This assertiveness derives not least from its energy resources, which are significant for the EU too. The expansions of 1995 (Finland) and 2004 (the Baltic states) considerably extended the shared border, and in 2004 Kaliningrad became a Russian enclave within the EU. Domestic and foreign policy developments in Russia are important determinants for the stability of the post-Soviet region and of Europe as a whole, so

<sup>4</sup> The specific expansion policy pursued by the EU since the mid-1990s toward the eastern European states and later the Baltic states must be largely left to one side here. Various authors describe expansion as the most far-reaching—and also most successful—of the EU's foreign policy initiatives. Ginsberg, *The European Union in International Politics* (see note 3), 40; Judith Kelley, "New Wine in Old Wineskins: Promoting Political Reforms through the New European Neighbourhood Policy," *Journal of Common Market Studies*, 44, no. 1 (2006): 29–55; Frank Schimmelfennig, Stefan Engert, and Heiko Knobel, "Costs, Commitment and Compliance: The Impact of EU Democratic Conditionality on Latvia, Slovakia and Turkey," *Journal of Common Market Studies*, 41, no. 3 (2003): 495–518.

<sup>5</sup> Karen E. Smith, *The European Union Foreign Policy in a Changing World* (Cambridge, 2003) 122–44 (56).

<sup>6</sup> Katrin Bastian, *Die Europäische Union und Russland: Multilaterale und bilaterale Dimensionen in der europäischen Außenpolitik* (Wiesbaden, 2006), 136.

obviously relations with Russia are of particular relevance for the European Union and its member states.

So far it has proved impossible to reach a consensus over an appropriate policy toward Russia, with several distinct groupings having formed. Guided by their economic interests, especially concerning Russian energy supplies, the large member states of France, Germany, and Italy call for a pragmatic stance toward Russia despite the anti-democratic tendencies of recent years. For Germany, the burden of its history also ensures that integrating Russia is a central foreign policy.<sup>7</sup> The idea of “rapprochement through interlinkage” that Foreign Minister Frank-Walter Steinmeier in September 2006 proclaimed as the motto for the EU’s Russia policy during the 2007 German Presidency stands in this tradition as “a modern interpretation of the tried and tested concept of ‘change through rapprochement.’”<sup>8</sup> Other states, such as Austria, advocate considerably stricter positions with regard to the realization of democracy and human rights in Russia. These contradictions within the EU came into the open during and immediately after the Italian Presidency in the second half of 2003 when Italian Prime Minister Silvio Berlusconi’s affirmative stance toward Russia’s Chechnya policy provoked sharp criticism within the Union.<sup>9</sup>

Furthermore, EU expansion brought new actors to the negotiating tables of European foreign policy processes. The new member states’ attitude is determined by very specific historic experiences, perspectives, and preferences with regard to Russia and the former Soviet Union.<sup>10</sup> The Baltic states, especially, continue to regard Russia as a security threat.<sup>11</sup> Since joining the EU, Poland has worked to occupy a leading position in the immediate region and push back

<sup>7</sup> Michael Emerson et al., *The Reluctant Debutante: The European Union as Promoter of Democracy in Its Neighbourhood*, CEPS Working Document No. 223 (Brussels: Centre for European Policy Studies, July 2005), 198; Hiski Haukkala, *The Relevance of Norms and Values in the EU’s Russia Policy*, FIIA Working Papers 52v (Helsinki: The Finnish Institute of International Affairs (FIIA), 2005).

<sup>8</sup> “Steinmeier: Europa neu denken,” *Frankfurter Allgemeine Zeitung*, September 1, 2006.

<sup>9</sup> *Report with a Proposal for a European Parliament Recommendation to the Council on EU-Russia Relations*, A5-0053/2004, February 2, 2004. *Communication from the Commission to the Council and the European Parliament on Relations with Russia*, COM (2004) 106, February 9, 2004.

<sup>10</sup> Emerson et al., *The Reluctant Debutante* (see note 7), 177f.

<sup>11</sup> Important questions here include unresolved border conflicts, the Russian minorities in Estonia and Latvia, and the Baltic states’ dependency on energy from Russia.

Russian influence.<sup>12</sup> The foreign policy emphases and activities of the new members became especially clear during the Orange Revolution in Ukraine, when the EU—at the initiative of the Poles and Lithuanians—clearly backed the democracy movement led by Viktor Yushchenko. After the change of leadership Poland and the Baltic states supported Ukraine’s membership ambitions.

Alongside these internal negotiating processes, which are closely intertwined with the expansion and deepening movements of European integration, EU policy also responds to external influences. On the territory of the former Soviet Union at the beginning of the 1990s it found itself faced with fifteen NIS all caught up in multidimensional transformation processes and dependent on outside assistance. In this early phase the post-Soviet political elites showed a very great degree of willingness to accept such help as well as conditionality clauses in partnership and cooperation agreements, to orientate their foreign policy on the West, and to integrate themselves in the European international organizations. But the picture has become more complex since the mid-1990s. Rather than following linear trajectories, the transformation processes in the post-Soviet states have brought forth hybrid political systems that are characterized by authoritarian elements, state dysfunctionality, corruption, and blurring of the line between politics and business. Even in Georgia and Ukraine, where democracy movements toppled corrupt semi-authoritarian regimes in 2003 and 2004 respectively, the new waves of transformation are already proving shaky. The precarious course of developments also changed attitudes toward Western actors among parts of the elites and the largely impoverished populations. The initially cherished belief in the West’s capacity to effectively support the establishment of democracy and market economies has been deeply shaken. At the same time as the political systems have been drifting apart, the foreign policy orientations of the post-Soviet states have also fanned out. While Ukraine and Georgia (after their latest transformation surges) together with Moldova are looking for ties with the EU and NATO, other states are turning more strongly to Russia. Finally, unresolved conflicts in Moldova, Georgia, and Azerbaijan continue to affect the regional environment.

<sup>12</sup> David Král, *Enlarging EU Foreign Policy: The Role of the New EU Member States and Candidate Countries* (Galveston, Texas: European Center of Excellence, Texas A&M University, 2005), 28.

The EU developed its foreign policy instruments for and in this fragmented and fluctuating regional context. Alongside the partnership and cooperation agreements these were:

- ▶ *Common strategies for Russia and Ukraine (1999/2000)*: The initiative arose out of the development of the EU's Common Foreign and Security Policy (CFSP), but also represented a response (with an eye to Russia) to international tensions before and during the Kosovo War of 1999. Neither strategy had any great effect and both were allowed to expire after five years.
- ▶ *EU special representatives*: This is another format within the CFSP framework, designed to allow the EU to intervene in a mediating role in international crises and conflicts. Since 2003 there has been a Special Representative for the Southern Caucasus. In summer 2005 the EU named Special Representative for Central Asia and for Moldova/Trans-Dniester.
- ▶ *Police missions*: Within the CFSP/ESDP framework the EU sent sixty police officers to the Ukrainian-Moldovan border at the request of the Ukrainians to support the Ukrainian border police in the fight against illegal cross-border trade from the Trans-Dniester republic.
- ▶ *European Neighborhood Policy (ENP)*: The ENP was developed from 2002 onward as a tool for shaping the expanded EU's relations with its new immediate neighbors to the east (and south). It provides a framework for cooperation with these states and for more closely binding them to the EU without necessarily offering a concrete perspective of membership.<sup>13</sup> The ENP is also designed to promote democracy and market economy in the partner countries. In the east it was originally to have included Belarus (subject to political change in the country), Ukraine, and Moldova. The states of the southern Caucasus were included in the initiative in 2004 after protests by Georgia.
- ▶ *Four Common Spaces with Russia*: Finally, as the last and newest EU foreign policy instrument in the post-Soviet region, the Four Common Spaces with Russia must be mentioned. One reason they were developed was as a response to Russia's refusal to join the list of partner states addressed by the ENP.<sup>14</sup>

<sup>13</sup> Heikki Haukkala and Arkady Moshes, *Beyond the "Big Bang": The Challenges of the EU's Neighbourhood Policy in the East*, FIIA Report 9 (Helsinki: FIIA, 2004).

<sup>14</sup> Derek Averre, "Russia and the European Union: Convergence or Divergence?" *European Security*, 14, no. 2 (2005):

So for the post-Soviet region as a whole—as for relations with Russia—we have a picture of a set of bilateral instruments that are refined to different degrees and not thoroughly coordinated with one another. These are often less the result of strategic policy planning than the outcome of internal inter-governmental negotiating processes within the EU, which can lead to unintended foreign policy effects.<sup>15</sup> The imperative of horizontal and vertical coherence (coordination of foreign policy between the three pillars on the one hand and between the EU and its member states and among the member states on the other) is not observed in the EU's policy toward the post-Soviet region.<sup>16</sup> So it is not possible to speak of the EU as a coherent actor with a consistent policy toward Russia and the post-Soviet region.

The EU has, nonetheless, become more and more visible in the post-Soviet region over the past fifteen years. In the first phase after the collapse it focused its policies on technical support measures for the political and economic transformation processes, which were complemented from the end of the 1990s by security components. With the ENP the EU has for two years been undertaking another, significantly broader attempt to shape its immediate neighborhood in its own interests and to stabilize it as a "ring of friends"<sup>17</sup> or "well-governed" states.<sup>18</sup> Thus the ENP represents a shift from an Ostpolitik concentrating on Russia to structural policies orchestrated for the whole region.

## Russia's Policy in the Post-Soviet Region

Russia's immediate neighbors play a central role in its foreign and security policy, but the balance has been readjusted under Vladimir Putin. Closely binding the NIS to Russia remained an important foreign policy

175–202 (5). At the same time, future development cooperation with Russia is to be financed through the European Neighbourhood instrument that succeeds TACIS as of 2007.

<sup>15</sup> Bastian, *Die Europäische Union und Russland* (see note 6), 137.

<sup>16</sup> Karen E. Smith, *European Foreign Policy* (see note 5), 65f.

<sup>17</sup> *Europa als globaler Akteur – Aktuelle Schwerpunkte Europäischer Außen- und Nachbarschaftspolitik*, speech by Benita Ferrero-Waldner, Commissioner for External Relations and European Neighbourhood Policy at the Bundesakademie für Sicherheitspolitik, Berlin, January 24, 2005, [http://ec.europa.eu/comm/external\\_relations/news/ferrero/sp05\\_30.htm](http://ec.europa.eu/comm/external_relations/news/ferrero/sp05_30.htm).

<sup>18</sup> Barbara Lippert, "Assoziierung plus gesamt-europäische Aufgabenkonföderation: Plädoyer für eine selbstbewusste EU-Nachbarschaftspolitik," *integration*, 2006, no. 2: 149–57 (149).

goal, but the center of gravity of Russian policy shifted more clearly than during the 1990s to the use of economic integration processes achieve this end. Along with this came a clear affirmation of cooperative relations with the EU, which was declared to be the most important modernization partner.<sup>19</sup> These two central foreign policy goals have increasingly come into contradiction with one another in recent years.

The shift in Russian foreign policy brought with it changes for the integration processes in the post-Soviet region. Although the new Russian leadership adhered rhetorically to the existence of the Confederation of Independent States (CIS), it simultaneously continued to create parallel structures and substructures that increasingly undermined the CIS. The two most important cooperation structures on which the integration policy of the Putin era is built are the Eurasian Economic Union and the Common Economic Area. Their development since 2000 also reflects the increasing integration rivalry between Russia and the EU in the post-Soviet region.

The Eurasian Economic Union (EEU) was founded in 2000 by Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan. But from Moscow's perspective the organization would not have the potential to become a new regional "integration core" without Ukraine. For that reason the Common Economic Area (CEA) was called into being in September 2003 with Kiev's participation.<sup>20</sup> The Ukrainian side, however, agreed to the treaty only with great reservations.<sup>21</sup>

2003/2004 can be regarded as the heyday of the "new" Russian policy in the post-Soviet region, the Ukrainian presidential elections of November and December 2004 the point when the tide turned. Previously, the Georgian "rose revolution" of November 2003 had already met with sharp criticism from Russia. But the abortive attempt to influence the outcome of the Ukrainian presidential elections in its favor and prevent a transfer of power from Leonid Kuchma and Viktor Yanukovich to Viktor Yushchenko was a signal of the disappearing Russian influence in the western post-Soviet region and at the same time the first open manifestation of the growing compe-

titution with the expanded EU in the "shared neighborhood."

The much more explicit pro-Western leanings of the new Ukrainian leadership under President Yushchenko quickly dissipated the perspectives of the Common Economic Area.<sup>22</sup> Since summer/fall 2005 there have been signs of Russian policy reorientating toward Central Asia, for example in the guise of a reactivation of the EEU.<sup>23</sup> Increased activity in the Shanghai Cooperation Organization (SCO) also represented an at least temporary shift in the balance in Central Asia and an increasing concentration of Russian policy on that region.<sup>24</sup>

At the current point in time—especially following the most recent domestic political developments in Ukraine—it is difficult to judge whether this is a merely transient response to developments in the western CIS region or an enduring trend. Either way, it is clear that in recent years Russia has had to accept painful losses of influence in the western NIS. This applies both to Belarus, whose President Aleksandr Lukashenko is attempting to escape Russian dominance and also Moldova, which is looking for the closest possible ties to Western international organizations. Russian diplomacy's "reorientation" toward the Central Asia region is therefore largely reactive and a consequence of the Russian leadership's failure to implement the goals defined for the post-Soviet region in effective policies. Energy relationships and economic interdependencies are being used increasingly repressively by Russia in order to bind its neighbors to itself.

After their respective "color revolutions" Ukraine, Georgia, and Moldova tried to work more closely together at the regional level.<sup>25</sup> Since spring 2005 they have been pushing forward various subregional alliances (GUAM, Community of Democratic Choice) designed to counteract Russian dominance in the region and become "locomotives of the third wave of democratic revolutions on the territory of the former

<sup>19</sup> Dmitriy Danilov, "Evropeyskiy Vybor Rossii" [Russia's European choice], *Mezhdunarodnaya zhizn*, 2005, no. 7–8: 57–78 (69).

<sup>20</sup> Belarus and Kazakhstan are also members.

<sup>21</sup> Sabine Fischer, "Rußland und die Ukraine: Fehlkalkulation oder neoimperialer Impuls?" *Osteuropa*, 2005, no. 1: 64–76 (70ff).

<sup>22</sup> "U Edinnogo èkonomičeskogo prostranstvo net buduščego" [The Common Economic Area has no future], *Nezavisimaja gazeta*, June 15, 2005.

<sup>23</sup> „Vynuzhdenniy Soyuz“ [The forced union], *Nezavisimaya gazeta*, October 10, 2005.

<sup>24</sup> Declaration of the Heads of State of the Shanghai Cooperation Organization, Astana, July 5, 2005, [www.sectsc.org](http://www.sectsc.org); "SHOS vystupala protiv chuzhich voennykh baz" [SCO resists foreign military bases], *Izvestija*, July 6, 2005.

<sup>25</sup> "Oranzhevaya Antanta" [Orange entente], *Kommersant*, March 3, 2005.

Soviet Union.”<sup>26</sup> Especially the Ukrainian leadership at that time wanted in this way to set foreign policy markers and underline its claim to a leading position in the region.<sup>27</sup> Ukraine, Moldova, and Georgia also worked to bring movement to the “frozen” conflicts by more heavily involving the EU. The domestic political changes in Ukraine could challenge recent developments in subregional relations in the western CIS.

The EU's eastern expansion has had repercussions on the post-Soviet region in several respects. By exporting its model of governance the EU generated an infection or socialization effect among its new neighbors, which probably played no small role in the color revolutions in Ukraine and Georgia and in the domestic political transformation processes in Moldova. Additionally, to some of the NIS the EU became a central foreign policy point of reference and a power resource in struggles with the Russian hegemonic claims in the region. In this way these states drew the EU ever deeper into the post-Soviet region and turned it into a geopolitical factor in regional relations and in their dealings with Russia.

Brussels responded to these moves with the ENP. Unlike the accessions policy towards the candidate states of Eastern Europe, the ENP is orientated not on integration but aims to cautiously bring states closer while at the same time maintaining the distance that is demanded by geopolitical imperatives.<sup>28</sup> These developments are causing increasing friction between Russia and the EU in the post-Soviet region. Brussels and Moscow face off with diverging attitudes toward governance. The EU pursues a “soft” policy, where it seeks to export its own economic and social model via its policies of conditionality. Russian policy, by contrast, is characterized the classical “realistic” idea of competing zones of influence. So far these two approaches appear neither communicable nor reconcilable.

<sup>26</sup> “Na grebne novykh revoliuciy” [On the threshold of new revolutions], *Izvestiya*, April 26, 2005.

<sup>27</sup> “9 stran sozdali ‘Soobshchestvo demokraticeskogo vybora’” [Nine states found the “community of democratic states”], *Ukrainskie novosti on-line*, December 2, 2005.

<sup>28</sup> Michael E. Smith, “Negotiating New Europes: The Roles of the European Union,” *Journal of European Public Policy* 7, no. 5, special issue, (2000): 806–822 (815).

## The PCA in the Context of Russia-EU Relations: Theory and Reality

Although the Partnership and Cooperation Agreement forms the legal basis for relations between Russia and the EU, it has been supplemented in recent years by a whole series of different bilateral and unilateral strategies, policy papers, and agreements. These appear to be generally situative responses to international or internal events affecting Russia or the EU and less the outcome of strategies consistently pursued by the partners. In this way relations between Russia and the EU have moved further and further away from the asymmetric structure laid out in the PCA. Since the end of the 1990s the Russian side has increasingly been seeking to shape relations with the EU to its own advantage. In the Road Maps to the Four Common Spaces of May 2005—if not before—this led to a clear weakening of the link to a system of values (democracy, rule of law, human rights) that had been characteristic for the EU's treaty relations with the transition states of Eastern Europe since the early 1990s. Furthermore, despite the technical and financial support for the Russian transformation granted under the PCA (Technical Assistance to the Commonwealth of Independent States, or TACIS), the EU had very little influence on the direction it took. So the functionality and efficiency of the PCA can only be determined if the agreement is placed in the overall context of Russia-EU relations and its effect on the Russian transformation is assessed.

### Origin, Content, and Function of the PCA

The Partnership and Cooperation Agreement between independent Russia and the EU came into effect on 1 December 1997.<sup>29</sup> It gave relations a clear direction: in contrast to the Europe agreements that were concluded with the states of central Europe in the same period, the PCA did not envisage membership or formal association. The form of relations between Russia and the EU was that of a “partnership” without a perspective of accession.

<sup>29</sup> *Agreement on partnership and cooperation establishing a partnership between the European Communities and their Member States, of one part, and the Russian Federation, of the other part*, Official Journal L 327, 28/11/1997, pp. 0003–0069; see Appendix 1, p. 24.

The PCA governs political and—above all—economic relations. The preamble emphasizes the historic ties existing between Russia and the states of the European Union, and the shared values. Article 1 of the agreement formulates specific goals, which can be divided into several categories.

**Russian transformation:** Russia is identified as a state whose economic system is no longer organized as a planned economy, but bears the hallmarks of a transformation economy. Both sides agree to strengthen political and economic freedoms. Cooperation should in particular promote democratization and the transition to a market economy in Russia (Article 1). The EU declares its willingness to provide technical support for the implementation of economic reform measures (Article 86).

Although the listed rules, norms, and values apply to both sides, there is no doubt that the PCA is tailored to the Russian transformation processes and formulates criteria for its success. This becomes particularly clear in Article 55, which suggests shaping the transformation of the Russian economic and legal system along the lines of the *acquis communautaire*: because a convergence of the legal systems represents an important precondition for intensifying economic relations, the agreement states, Russia should gradually bring its legal system into line with the EU's.

**International norms:** The preamble to the treaty also refers to the CSCE Final Act and the Charter of Paris, which gives it an additional value-based foundation—both with respect to democracy, good governance, and the observance of human rights, and at the international level with regard to the preservation of international peace and security and the principle of peaceful conflict resolution. The preamble of the PCA also emphasizes the need to reinforce regional cooperation in the post-Soviet region in order to promote prosperity and stability as an important goal of cooperation between Russia and the EU.

**Relations between Russia and the EU:** Lastly, the preamble and Article 1 define goals for relations between Russia and the EU. Here economic relations, above all, come foremost. The parties promise to liberalize their trade according to the rules of GATT (General Agreement on Tariffs and Trade) and the WTO (World Trade Organization). As well as economic

reforms in Russia, improvements in conditions for trade and investment and for setting up businesses and freedom of movement for labor, capital, and services are stated as concrete goals. Cooperation in the fields of environment, space travel, and culture is also mentioned. These individual aims are brought together in the wish to use the agreement to create a framework that could serve as the basis for gradual integration between Russia and the EU in a wider Europe. The PCA's most ambitious goal is probably the creation of a free-trade zone (Articles 3 and 53). As a first step in this direction the parties guarantee one another most-favored nation status in their trade relations, independent of whether Russia joins the WTO (Article 10).

The other parts of the agreement contain detailed provisions for implementing above all the formulated economic and trade policy goals.

Title III governs trade in goods between Russia and the EU. As well as the most-favored nation clause, the parties promise to not to subject imports to special internal taxes and also to ensure free passage of goods and protection against quantitative restrictions on exports and imports.

The longest part, Title IV, deals with questions of corporate and investment law. It governs the exchange of labor, the establishment of companies, and cross-border supply of services. Title V contains provisions concerning payments and capital, while Title VI covers the fields of competition, intellectual, industrial, and commercial property, and cooperation in the field of legislation.

Title VII on economic cooperation encompasses a broad catalogue of measures intended to promote Russia's integration in the European and global economy.<sup>30</sup> The short titles VIII and IX regulate cooperation in the fields of culture and fighting crime.

The PCA defines the form, levels, and frequencies of political dialogue between Russia and the EU. Article 7 provides for twice-yearly summits to be held between the Russian government, the Commission, and the

Council. At the ministerial level a Cooperation Council was established in which Russia and the EU meet in the troika format once a year and in urgent cases (Articles 7, 90, 91). It was also decided to set up a Parliamentary Cooperation Committee (Article 96). In 2004 the establishment of the Permanent Partnership Council was agreed, in whose framework meetings are held at ministerial level.<sup>31</sup> Numerous communication formats have also been added at lower diplomatic levels, such as for example the energy and human rights dialogues.

The PCA stakes out the territory for economic and political relations and for development cooperation under TACIS. Four-year country strategy papers and two-year national indicative programs were adopted for the actual application of the TACIS funds. Here too, bringing Russia closer to European norms and institutions is a central goal.<sup>32</sup> The funds allocated to Russia and other post-Soviet states in the TACIS framework lay—during the whole funding period—well below the sums promised to the states of Eastern and South-Eastern Europe in the scope of the PHARE program (Poland and Hungary: Aid for Restructuring the Economies). And with regard to Russia, the total sum involved fell from €212 million in 1991 to €65 million in 2004.<sup>33</sup> As well as through TACIS, EU funds flow to Russia via the European Initiative for Democracy and Human Rights (EIDHR) and the European Community Humanitarian Office (ECHO).<sup>34</sup>

The EU's technical support is subject to the principle of conditionality, which ties aid to the observance of democratic and human rights by the receiving state.<sup>35</sup> However, the effectiveness of a conditionality

<sup>31</sup> [http://europa.eu.int/comm/external\\_relations/russia/intro/index.htm](http://europa.eu.int/comm/external_relations/russia/intro/index.htm).

<sup>32</sup> *Country Strategy Paper 2002–2006*, 2, see Appendix 3, p. 29.

<sup>33</sup> Marius Vahls, *A Privileged Partnership? EU–Russian Relations in a Comparative Perspective*, Working Paper 2006/3 (Copenhagen: Danish Institute for International Studies, 2006). As of TACIS will become part of the European Neighborhood Policy Instrument (ENPI), from which the Action Plans for the ENP states will also be funded. ENPI was created in the ENP framework and focuses conceptually more on cooperation than on technical assistance.

<sup>34</sup> On EIDHR: [http://ec.europa.eu/comm/europeaid/projects/eidhr/index\\_en.htm](http://ec.europa.eu/comm/europeaid/projects/eidhr/index_en.htm).

<sup>35</sup> Karen E. Smith provides a useful definition of conditionality: “Political conditionality entails the linking, by a state of international organization, of perceived benefits to another state (such as aid), to the fulfilment of conditions relating to the protection of human rights and the advancement of democratic principles. Positive conditionality involves promising the benefit(s) to a state if it fulfils the con-

<sup>30</sup> The areas of cooperation were defined as follows: “development of their respective industries and transport; exploration of new sources of supply and of new markets; encouragement of technological and scientific progress; encouragement of a stable social and human resources development and of local employment development; promotion of the regional cooperation with the aim of its harmonious and sustainable development” (Article 56). This outline of the scope of EU technical support for Russia in the TACIS framework is then fleshed out with more detail.

policy depends on the incentives that the EU (or any other external actor) is able to offer the receiving state. The greater the incentives tied to the conditions, for example in the form of membership in an attractive organization, the greater is their range and effectiveness.<sup>36</sup> Because Russia at the present time (like the rest of the NISs, apart from the Baltic states) has no perspective of accession and the volume of technical support is accordingly lower (and has fallen still further since 2003) one must assume that the conditionality effect will be weak. The lack of positive or negative sanction mechanisms and the EU's lack of political will to use those that do exist became clearly apparent in its response to the de-democratization of the Russian political system and the war in Chechnya. Even when faced with the worst of human rights violations and abuses of democracy in Russia, the EU failed to make use of its sanctioning options.<sup>37</sup>

### Russia-EU Relations: Authorship in Transition

Developments since 1997 show that the *authorship* of the treaties and strategy papers on which EU-Russia relations are based has changed. In the first years the EU took the lead, developing foreign policy instruments and using them to shape relations with its eastern neighbors, at least at the legal and declaratory level. The explicit grounding in values and norms (democracy, human rights, market economy) played

ditions; negative conditionality involves reducing, suspending, or terminating those benefits if the state in question violates the conditions." Karen E. Smith, "The Use of Political Conditionality in the EU's Relations with Third Countries: How Effective?" *European Foreign Affairs Review* 3, no. 2 (1998): 253-74 (256).

<sup>36</sup> Alex Pravda, introduction to *International and Transnational Factors*, vol. 2 of *Democratic Consolidation in Eastern Europe*, ed. Jan Zielonka and Alex Pravda (Oxford, 2001), 1-28 (15).

<sup>37</sup> One more or less visible exception occurred in 2000 when large parts of the TACIS funds were diverted into projects promoting democracy and human rights under the European Initiative for Democracy and Human Rights in response to the outbreak of the second Chechen War. But the very next year the EU returned to the old funding practice after the "official cessation" of hostilities. The same applied to the EU's refusal to ratify the PCA before the end of the first Chechen War, when an interim agreement governed relations until the PCA came into force in 1997. Holger Moroff, "Die EU als Akteur und Regisseur in ihren Beziehungen zu Russland," in *Die Europäische Union – Marionette oder Regisseur?* ed. Patricia Bauer and Helmut Voelskow (Wiesbaden, 2004), 257-72 (267).

a central role and fed accordingly into treaties not only with Russia but also with the other transition states. Since 1999/2000 the Russian side has been increasingly firmly stating its wish to have its own ideas about the chronology and conceptualization of relations taken into account. The Russian leadership is increasingly calling into question the idea of accepting parts of the *acquis communautaire*, in whose drafting Russia played no part.<sup>38</sup> In the course of this development the value basis is also visibly relativized. In relations with Russia, joint authorship and also joint ownership, which have become guiding principles in the conditionality and development policies of the EU and other international organizations,<sup>39</sup> do not lead to more emphasis on shared values. On the basis of its self-understanding, the Russian side refuses to accept the perceived asymmetry in relations with the EU.<sup>40</sup> This development is also reflected in the documents produced on both sides in the course of the partnership.

The Partnership and Cooperation Agreement stands alongside numerous other documents that have been produced in recent years for relations between Russia and the EU. "Alongside" is quite the right word, because these different formats do not necessarily build on one another and the connections between them often remain unclear.

In June 1999 the European Council adopted the "Common Strategy of the EU" toward Russia, which defines the most important goals of EU-Russia relations and measures to implement them.<sup>41</sup> Large parts of the catalogue of instruments and measures of the Common Strategy reflect the PCA. They should be seen above all in the context of two developments that are not primarily about bilateral relations between Russia and the EU. On the one hand the Common Strategy toward Russia represented the first application of the option—established in the Treaty of Amsterdam in 1997—for the Council to adopt Common Strategies within the CFSP and thus the first concrete manifest-

<sup>38</sup> Timofey Bordachev, "V obyatiyach *civilian power*" [In the embrace of civilian power], *Pro et Contra* 8, no. 1 (winter 2003): 47-62 (55).

<sup>39</sup> *European Neighbourhood Policy Strategy Paper*, COM(2004) 373, May 12, 2004, 8. See also Andrea Schmitz, *Konditionalität in der Entwicklungspolitik*, SWP-Studie S 12/06 (Berlin: Stiftung Wissenschaft und Politik, May 2006), 16f.

<sup>40</sup> Haukkala, *The Relevance of Norms and Values in the EU's Russia Policy* (see note 7), 15.

<sup>41</sup> *Common Strategy of the European Union on Russia*, see Appendix 1, p. 24.

tation of this new EU foreign policy instrument.<sup>42</sup> Secondly, at the time it was adopted it had an important symbolic function, because in spring 1999 considerable friction had arisen in relations between Russia and “the West” over NATO’s Kosovo War. After the end of the war in May 1999 the EU heads of state and government wanted to use the Common Strategy to defuse tensions between Russia and “the West.”

In response to the EU’s Common Strategy the Russian government, already under Prime Minister Putin, published a “Middle Term Strategy towards the European Union (2000–2010)” in October 1999.<sup>43</sup> This document, too, contains an extensive catalogue of means, in which numerous overlaps are to be found. At the same time, however, the Russian side here outlines a clearly defined position that differs from the underlying tone of earlier documents.<sup>44</sup> It explicitly states that during the period covered by the strategy paper neither Russian membership of the EU nor formal association are on the agenda. The document emphasizes Russia’s special role as a power straddling over two continents. As such, it says, Russia must have the freedom and independence to determine its own domestic and foreign policy. For the partnership with the EU, the document proposes creating an effective system of collective security in Europe that would have to be based on the principle of equality and must not allow dividing lines through Europe to arise. This medium-term strategy is embedded in Russia’s general foreign policy, with one of the principal goals for which it aims being the establishment of a multipolar world in which Russia claims the role of a world power. The strategy also names a series of issues where the Russian side offers the EU support.<sup>45</sup>

Here a trend is already apparent that has marked Russian positions in debates and negotiations about relations with the EU at least since 2003. While the EU’s official pronouncements still remained strongly focused on the transfer of European legal and normative models to Russia, the Russian side demanded increasingly firmly that Russia be recognized as an equal and powerful actor on the international stage. Accordingly, the Middle Term Strategy calls for recognition of Russia as the leading power in the CIS in return for Russian support for the EU.<sup>46</sup>

This development came to the fore even more clearly in the negotiations over the European Neighborhood Policy and the Four Common Spaces. Citing Russia’s special role in the post-Soviet region, the Russian leadership signaled skepticism regarding its integration in the ENP. In the phase between the ENP’s launch in summer 2002 and the EU expansion of May 2004, Russia and the EU therefore agreed to expand the concept of a common economic area into the Four Common Spaces (1. Economic; 2. Freedom, Security, Justice; 3. External Security; 4. Research, Education, and Culture), in which the bilateral relations were to be developed.<sup>47</sup> In connection with the development of EU-Russia relations it would appear significant that the value foundation in the Road Maps to the Four Common Spaces is no longer placed at the beginning of the whole text (as was the case with the PCA). Instead there is an explicit mention of values as a preamble to the second Space (freedom, security, justice). The emphasis has also gradually changed. Now it is said that the cooperation is based on shared values, but at the same time that a balance must be found in the mutual relationship between security on the one

<sup>42</sup> A few months later the EU adopted a Common Strategy on Ukraine. “European Council Common Strategy of 11 December 1999 on Ukraine” (1999/877/CFSP), *Official Journal of the European Communities*, December 23, 1999, [http://ec.europa.eu/comm/external\\_relations/ceeca/com\\_strat/ukraine\\_99.pdf](http://ec.europa.eu/comm/external_relations/ceeca/com_strat/ukraine_99.pdf).

<sup>43</sup> *The Russian Federation Middle Term Strategy towards the European Union (2000–2010)*, see Appendix 1, p. 24.

<sup>44</sup> See also Debra Johnson and Paul Robinson, editors’ introduction to *Perspectives on EU–Russia Relations*, ed. Debra Johnson and Paul Robinson (London and New York, 2005), 1–18 (7f).

<sup>45</sup> “1.8. On the basis of reciprocity and the existing potential, Russia could contribute to the solution of a number of problems facing the European Union, and to the strengthening of Europe’s common position in the world: facilitation of the economic growth and employment in Europe through trade and investment channels; long term and stable supplying of the EU on a contractual basis . . . with energy resources and raw materials; profound integration of scientific potentials of

the parties and commercialization on the EU market of achievements by Russian fundamental and defense researchers, networking and infrastructure . . . and information systems . . . ; facilitation of outer space research and exploration . . . ; participation in the modernization and safeguarding of European nuclear energy installations; facilitation of the strengthening of the Euro as an international currency through officially including it into the foreign currency reserves of the Bank of Russia; military and technical cooperation with due account for the prospects of establishing a European ‘defense identity’; joint prevention and eradication of local conflicts and combating organised crime in Europe.” *Russian Middle Term Strategy* (see note 43), 2–3, 9.

<sup>46</sup> *Russian Middle Term Strategy* (see note 43), 2, 9f.

<sup>47</sup> For a detailed treatment of the content of the Four Common Spaces see Hannes Adomeit and Rainer Lindner, *Die “Gemeinsamen Räume” Russlands und der EU: Wunschbild oder Wirklichkeit?*, SWP-Studie S 34/05 (Berlin: Stiftung Wissenschaft und Politik, 2005).

hand and justice and freedom on the other.<sup>48</sup> In the list of principles on which the cooperation is based, equality of the partners and mutual respect for one another's interests are mentioned before democracy, freedom, good governance, and human rights.<sup>49</sup>

Another format in relations between Russia and the EU is the Northern Dimension (ND), which was initiated in June 2001 by the Council in the form of a first Northern Dimension Action Plan (NDAP).

The Northern Dimension stems above all from Finnish initiative. It is a cross-border cooperation project involving both EU member states (Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, and Germany) and non-members (Norway, Iceland, and Russia). Since the EU's eastern expansion of May 2004, the ND has become a foreign policy instrument in relations between the EU (and its associated states Norway and Iceland) on the one hand and Russia on the other. The subject-matter is cooperative cross-border action on "soft" security problems.<sup>50</sup>

One aspect of the Northern Dimension is particularly interesting for the present discussion. Although it was created by the EU and most of its the financial means are provided by the EU too, the Northern Dimension grants the partner states outside the EU a significantly more active share in decision-making and priority-setting processes.<sup>51</sup> This breaks out of the unilateral approach of the CFSP in relations with partner states. The ND contains no explicit mention of questions of promoting democracy and protecting human rights. This aspect made it easier for the Russian side to join the Northern Dimension and led to successful cooperation in a number of fields. At the same time, concentrating on "soft" security questions and bracketing out difficult but crucial issues has greatly limited the significance of the ND in the overall context of EU-Russia relations, because conflicts about the real, hard security problems are conducted elsewhere.<sup>52</sup>

<sup>48</sup> *Road Map for the Common Space of Freedom, Security and Justice*, see Appendix 1, p. 26.

<sup>49</sup> *Ibid.*, 21, 53.

<sup>50</sup> Council of the European Union, *Full Report on Northern Dimension Policies*, June 11, 2001, [http://ec.europa.eu/comm/external\\_relations/north\\_dim/doc/full\\_report.pdf](http://ec.europa.eu/comm/external_relations/north_dim/doc/full_report.pdf).

<sup>51</sup> Anne Haglund, "The 'Northern Dimension': North-western Russia in Focus," in *Perspectives on EU-Russia Relations*, ed. Johnson and Robinson (see note 44), 93–109 (101).

<sup>52</sup> Grzegorz Gromadzki et al., *Friends of Family? Finnish, Lithuanian and Polish Perspectives on the EU's Policy towards Ukraine, Belarus and Moldova*, Report 12/2005 (Helsinki: The Finnish Institute of International Affairs, 2005), 19.

## The EU as External Democratizer in the Russian Transformation—A Successful Model?

One central goal of the PCA is to promote democracy and market economy in Russia. A critical glance at the progress of the Russian transformation and the EU's technical support shows, however, that in the case of Russia the EU's conditionality policy has been able to contribute little to democratization and liberalization.

The term of office of Russian President Putin has been characterized by simultaneous processes of domestic political reform and increasing erosion of the democratic system. Putin's reform project was launched in the first legislative period by the federalism reform and fiscal reform. After the parliamentary and presidential elections of 2003/2004 a program of reform of the public sector was launched, comprising three components: administrative reform, reform of the civil service, and budgetary reform.<sup>53</sup> Since the beginning of the decade the Putin administration has also been pushing reform of the Russian welfare state.<sup>54</sup> Until 2005 welfare and health services were being thoroughly monetarized while at the same time the private-sector share in these systems was strengthened (for example in the medical field or by promoting private old-age pensions)—in other words, a liberal economic program that postulating the unity of economic and social policy was followed. But since then the state, boosted by energy export revenues, has returned increasingly to social policy and is trying to ameliorate social inequalities through a social program funded from the state stability fund. This altered approach can be traced back to government fears that the increased social protests (as occurred following the monetarization of state social services in early 2005) and the possibility that they could explode along the

<sup>53</sup> Stefanie Harter, "Reformen des öffentlichen Sektors in Russland im Jahr 2004," in *Wirtschafts- und sozialpolitische Herausforderungen für Russland*, Arbeitspapiere und Materialien 62, ed. Heiko Pleines and Hans-Henning Schröder (Bremen: Forschungsstelle Osteuropa, November 2004) 45–50.

<sup>54</sup> Jakob Fruchtmann, *Die sozialpolitische Konzeption Putins: Wirtschaftsliberalisierung als Sozialpolitik*, Russlandanalysen 49 (Bremen: Forschungsstelle Osteuropa, 2004); Heiko Pleines, *Auf der Suche nach einem neuen Sozialpakt? Russlandanalysen 86* (Bremen: Forschungsstelle Osteuropa, 2006).

lines of the color revolutions.<sup>55</sup> At the same time, the pace of reforms as a whole has slowed noticeably.<sup>56</sup>

The domestic political situation as a whole in Russia changed during the same period. What began as a campaign under Vladimir Putin—supported by Europe and the United States—to restore state capacities transmuted into a highly ambivalent process involving the recentralization of the federal system, a clampdown on the media and civil society organizations, disempowerment of the Federation Council and the State Duma, and a successive razing of the Russian party-political scene.<sup>57</sup> The Chechnya conflict, which despite assurances to the contrary from the Kremlin is being conducted with violence to this day, has not been helpful for democratization processes either.

The domestic political tendencies toward recentralization of the political system have been accompanied since the turn of the millennium by an unprecedented stabilization of the Russian state budget and by rapid economic growth. Both are based on a huge increase in foreign currency revenues from energy exports under conditions of sustained high world market prices. At the same time, the diversification of the Russian economy is progressing only sluggishly despite the growth in possibilities and openings. The profits from the energy exports flow into the national Stabilization Fund, but there is little systematic investment in expansion of manufacturing industry and infrastructure or modernization of outdated production equipment and pipeline systems in the energy sector.<sup>58</sup> So even the “reinvigorated” Russian state turns out not to be up to the challenges presented by the structural deficits of an economy inherited from Soviet times.<sup>59</sup>

The TACIS Country Strategy Paper 2002–2006 explicitly refers to the Russian government’s reform projects and aligns the EU’s technical assistance accordingly: “. . . the EU should lend its full support to the Government’s socio-economic reform programme and should concentrate on building the legal, institutional and administrative framework to allow eco-

nom development through private initiative and market forces. Legislative, regulatory and institutional convergence on the basis of European models and standards should be supported.”<sup>60</sup> Accordingly the EU conducts TACIS projects, twinning programs, and expertise transfer in all areas affected by reforms, jointly with Russian partners in political institutions and government agencies. However, any claims as to efficiency of the TACIS projects and the influence of TACIS on the progress of the transformation processes in Russia would have to be very modest. Stated reasons include on the one hand the difficult conditions of implementation, institutional resistance, corruption, and the lack of an overall state concept for the reform programs, and on the other complex, bureaucratized, and inefficient project procedures on the EU side.<sup>61</sup>

As well as the obstacles at the micro-level of project implementation, the de-democratization of the macro-political context—which proceeds hand in hand with the growing resistance of the political elites to attempts by external actors to exert influence on the development of Russia’s political and economic system—must not be forgotten either.<sup>62</sup> Moreover, economic growth and revenues from raw material exports are increasingly putting the Russian government in a position to fund the reform measures from Russian means, whereas TACIS funds for Russia have steadily shrunk in recent years.<sup>63</sup> Here we see the interconnectedness of rising income from energy

<sup>60</sup> *Country Strategy Paper 2002–2006* (see note 32).

<sup>61</sup> As well as the secondary literature already cited, see Kevin McCann, “EU Technical Assistance Programmes and Projects: An Assessment of Energy Sector Programmes in Eastern Europe and the Former Soviet Union,” in *Perspectives on EU–Russia Relations*, ed. Johnson and Robinson (see note 44), 194–213; European Court of Auditors, *Special Report No 2/2006 Concerning the Performance of Projects Financed under TACIS in the Russian Federation Together with the Commission’s Replies*; EuropeAid Co-operation Office, Directorate-General for Development and External Relations Directorate-General, *Evaluation of Council Regulation 99/2000 (TACIS) and Its Implementation*, synthesis report, vols. 1–5, January 2006; *Report from the Commission: The TACIS Programme Annual Report 1999*, COM(2000)835 final, Brussels, December 20, 1999, and the corresponding passages in the *Country Strategy Papers*.

<sup>62</sup> These tendencies are currently being discussed under the heading of sovereign democracy. See Vladislav Surkov, “Suverenitet – eto politicheskiy sinonim konkurentosposobnost’” [Sovereignty is the political synonym for competitiveness] and Andrej Kokoshin, “Real’niy suverenitet i suverennaja demokratiya” [Real sovereignty and sovereign democracy], both in *Suverenitet [Sovereignty]*, ed. Nikita Garadzha (Moscow, 2006), 43–80 and 89–130 respectively.

<sup>63</sup> European Court of Auditors, *Special Report* (see note 61), 1.

<sup>55</sup> Pleines, *Auf der Suche* (see note 54), 3.

<sup>56</sup> Directorate-General for Economic and Financial Affairs, *European Neighbourhood Policy: Economic Review of ENP Countries*, Occasional Papers No. 25 (Brüssel, June 2006), 115ff.

<sup>57</sup> For one of many studies see the latest analysis by Lilija Ševcova, “Garantiert ohne Garantie: Rußland unter Putin,” *Osteuropa*, 2006, no. 3:3–18.

<sup>58</sup> *Ibid.*, 10.

<sup>59</sup> Pekka Sutela, “Will Growth in Russia Continue?” *Bank of Finland Bulletin*, 2005, no. 4:12–20 (17).

exports, de-democratization, and stagnation or reinterpretation of the reform programs, on which the EU had no influence.

So whereas during the 1990s the weakness of the state made it impossible to create the political framework for a thorough reform policy based on democracy and the free market, it is now the apparent strength of the Russian state that stands in the way of such a transformation, when it distances itself in the name of state sovereignty. At the same time, reform programs are still suffering from a lack of drive at the implementation level. The informality of the political process, corruption, and lack of transparency all make it more difficult to pursue a stringent reform course and distort the pursued reform goals out of all recognition. All the while the economic situation of the Russian Federation is improving, causing its external dependencies to weaken.

External democratizers like the EU thus lose influence on political and economic developments in Russia. Development cooperation under TACIS certainly had a positive influence in individual areas of reform.<sup>64</sup> But the influence of EU policy on the course of transformation as a whole remained small. This corresponds with Thomas Carothers' general assessment that democracy aid to democratizing states can help to deepen reforms, but in states that are not democratizing it can only have a selective effect. On the general direction of political developments in the receiving states, he says, it has no significant influence.<sup>65</sup> The prospects of success of programs like TACIS fade to the same extent as anti-democratic processes advance, Russia demands recognition as an equal partner of the EU, and its financial independence grows.

<sup>64</sup> The case studies in the evaluation of the Council Regulation of 1999/2000 suggest that projects in the field of economic reforms, in which the Russian political institutions were also interested, were carried out with a greater degree of success than projects that aimed, for example, to strengthen civil society structures. EuropeAid Co-operation Office, Directorate-General for Development and External Relations Directorate-General, *Evaluation of Council Regulation 99/2000 (TACIS) and Its Implementation*, synthesis report, vol. 3, January 2006, 1–41.

<sup>65</sup> Thomas Carothers, *Aiding Democracy Abroad* (Washington, 1999), 308.

## The Future of the PCA

Relations between Russia and the EU are currently shaped by three fundamental conflicts that make up the backdrop for specific political debates, for example over energy relations or the future of the Russian exclave of Kaliningrad.

- ▶ **Integration rivalry:** In the post-Soviet region an integration rivalry has developed between Russia and the EU since the beginning of this decade. Here the increasing influence of the EU collides with Moscow's hegemonic designs in the region.
- ▶ **Sovereignty vs. normativity:** The concept of sovereignty is experiencing a renaissance with Russia's "new" self-confidence as a "major energy power," which is shared by large parts of the political elite. For the proponents of this new idea in state discourse, sovereignty does not mean building a "fortress Russia,"<sup>66</sup> but shielding the internal consolidation processes against negative external influences and in this way making Russia "competitive" again. This collides with an EU foreign policy whose normative thrust seeks to penetrate the borders of the nation-state and takes an active interest in the democratic nature of political systems in partner states.<sup>67</sup>
- ▶ **Asymmetry:** The Russian criticism of (perceived) asymmetries in relations with the EU is closely linked with the claim to major power status in international diplomacy and to internal sovereignty.

On both sides this is the background against which debates about the future of the PCA take place.

The Russian discussion had already begun by 2003/2004, and turns above all on the form and structure of relations. There is a broad consensus that the PCA no longer matches the realities, and it is no longer regarded as an appropriate basis for relations between Russia and the EU.<sup>68</sup> Russia, the EU, mutual relations, and the international environment have all changed fundamentally, the argument goes. Partnership and cooperation between Russia and the EU have become

shared everyday practice and the intensity of political practice has long since broken the bounds of the PCA.<sup>69</sup> The conflicts of the recent period, it is said, make it necessary to restore mutual trust, which could be achieved through a qualitatively new agreement.<sup>70</sup> For that reason hopes of a boost for cooperation and integration are tied to a new agreement between the EU and Russia.<sup>71</sup>

A central theme in Russian contributions to the debate over the PCA is the establishment of equality between the partners, which, they say, must be explicitly stated in a new agreement. Russia should no longer be regarded as a transition economy, but as a developed country that exhibits the fundamental characteristics of market economy and political democracy.<sup>72</sup> Especially, "Russia must not be viewed de facto as a "younger partner" of the EU."<sup>73</sup> If Russia were to agree to an extension of the PCA, it is said, this would amount to a declaration of consent and would condemn the country to obeying the EU's orders. For that reason the new model for Russia-EU relations must "reflect Russia's special role in Europe and the world. This means that the new document (package of documents) cannot fall within the same "system of coordinates" as the EU's present practice of formalizing relations with neighboring states."<sup>74</sup> Instead, the argument continues, value judgments about the condition of the Russian economy and society should be avoided altogether, and must not serve as instructions for a Russian convergence with the EU's continually changing political and economic rules. The frame of reference for the new agreement, the argument concludes, should not be the provisions of the *acquis communautaire*, but international standards such as

<sup>66</sup> Surkov, "Suverenitet" (see note 62), 60.

<sup>67</sup> Vahls, *A Privileged Partnership?* (see note 33), 22.

<sup>68</sup> Yuri Borko, "Rethinking Russia-EU Relations," *Russia in Global Affairs*, August 2004:1, 5.

<sup>69</sup> Nadezhda Arbatova, "Russia-EU Quandary 2007," *Russia in Global Affairs*, April-June 2006:100-110 (101).

<sup>70</sup> Timofei Bordachev, "Toward a Strategic Alliance," *Russia in Global Affairs*, April-June 2006, 1/5. <http://eng.globalaffairs.ru/numbers/15/>.

<sup>71</sup> Borko, *Rethinking Russia-EU Relations* (see note 68), 1/5.

<sup>72</sup> Arbatova, "Russia-EU Quandary" (see note 69), 108; Borko, *Rethinking Russia-EU Relations* (see note 68), 4/5.

<sup>73</sup> Bordachev, *Toward a Strategic Alliance* (see note 70), 1/5.

<sup>74</sup> Bordachev, *Toward a Strategic Alliance* (see note 70), 2/5.

the WTO rules, which both sides would be happy to recognize.

From this perspective a new agreement should form the basis for a “strategic partnership” or even a “strategic union,” and the Road Maps to the Four Common Spaces should be taken as the basis for concrete cooperation in individual areas and partially integrated in the agreement.<sup>75</sup> Alongside explicit reference to the equality of the partners in an “actual” alliance relationship, the Russian side also repeatedly calls for strengthening the security components and attributes Russia-EU relations the function of an important link between the security systems of Europe, Asia, and North America.

The idea of strategic partnership is also found in official pronouncements by the EU and its member states and in academic discourse within the EU. The European Security Strategy of 2003 names Russia directly after the United States as one of the “key actors” with whom the EU wishes to jointly counter the global security risks: “We should continue to work for closer relations with Russia, a major factor in our security and prosperity. Respect for common values will reinforce progress towards a strategic partnership.”<sup>76</sup> As implied in the Security Strategy, the decisive reasons are economic as well as political and security. At the same time it remains unclear how such a strategic partnership should be crafted and what its legal basis should be. The EU’s relations with other “key actors” (the United States, Japan, China, Canada, and India) take various different forms. In most cases there is no all-encompassing agreement. Instead joint political declarations concerning the character and extent of the partnership form a political (legally non-binding) framework for cooperation.<sup>77</sup> For the EU’s relations with the United States there are no bilateral agreements at all. Instead the relationship is embedded in those multilateral

<sup>75</sup> Arbatova, “Russia–EU Quandary” (see note 69), 105.

<sup>76</sup> *A Secure Europe in a Better World: European Security Strategy*, Brussels, December 12, 2003, 14.

<sup>77</sup> For example the Joint Declaration on Relations between The European Community and its Member States and Japan, [http://ec.europa.eu/comm/external\\_relations/japan/intro/joint\\_pol\\_decl.htm](http://ec.europa.eu/comm/external_relations/japan/intro/joint_pol_decl.htm), and the EU-Canada Partnership Agenda, [http://ec.europa.eu/comm/external\\_relations/canada/sum03\\_04/partnership\\_en.pdf](http://ec.europa.eu/comm/external_relations/canada/sum03_04/partnership_en.pdf). No overall strategy document has yet been agreed with China; relations continue to be based on the Trade and Cooperation Agreement of 1985. The same applies to the EU’s relations with India, although there are plans for a paper that would upgrade that relationship to a strategic partnership.

organizations on which the post-war Euro-Atlantic order is based (UN, NATO, OECD, GATT/WTO, etc.). So there is no standard legal model for EU strategic partnerships. Rather, the relationships and their legal formats have developed differently—and in strong dependency on the respective partner. No document on strategic relationships with EU neighbors, however, fails to mention the importance of peace, rule of law, and democracy for regional and international stability.

In contrast to the Russian debates, the EU-European academic discourse has largely ignored the structural characteristics of Russia-EU relations. Here the discussion concentrates more strongly on domestic political developments in Russia, human rights violations, and the war in Chechnya.<sup>78</sup> Some contributions go as far as questioning whether the relationship between Brussels and Moscow is yet ready for a strategic partnership at all.<sup>79</sup> They point to the growing conflicts and divergences and opt instead for focused cooperation in individual fields of mutual interest (whereby they also refer to the Road Maps to the Four Common Spaces and the sectoral agreements proposed there). This form of cooperation, the argument goes, could also lead to a deepening of political relations. The development of relations between Russia and the EU into a strategic partnership is not excluded in these contributions, but they treat it more as an option for a future date.

Behind these Russian and EU-European positions stand different concepts of strategic partnership. The Russian discourse is dominated (in a way that echoes the Russian concept of regional relations in the former Soviet Union by a more classical “realistic” idea of strategic alliances that have a strong security component and for whose functioning the convergence of strategic interests is decisive, rather than the domestic constitutions of the alliance partners. In the EU discourse by contrast, those values that form the basis of European integration and are meant to be communicated outward to create a stable and peaceful international environment flow into the ideas of strategic partnership

<sup>78</sup> Sergei Prozorov, *Understanding Conflict between Russia and the EU: The Limits of Integration* (Basingstoke, 2006), 10.

<sup>79</sup> Michael Emerson et al., *A New Agreement between the EU and Russia: Why, What and When?* Policy Brief No. 103 (Brussels: Center for European Policy Studies, May 2006); Vahls, *A Privileged Partnership* (see note 33); Katinka Barysch, “EU–Russia Relations: The EU Perspective,” in *Perspectives on EU–Russia Relations*, ed. Johnson and Robinson (see note 44), 21–34.

In view of these fundamental divergences we should not expect a new agreement on a “strategic partnership” to be reached quickly. A pragmatic and flexible approach would be to concentrate on sectoral cooperation as proposed by the Road Maps to the Four Common Spaces, because this would allow both sides to make their preferences felt. Shifting the interaction in that way would also allow both sides a less politicized way in.<sup>80</sup> The EU would not have to renounce either the *acquis communautaire* or values as important components of its foreign policy. But lacking the leverage for effective conditionality in relations to Russia, it would have to place its faith for better or worse in socialization through interdependence and cooperation. Sectoral cooperation offers good pre-conditions for this. In view of the relative (internal) weakness of the EU and the relative strength of Russia, the EU is currently very unlikely to solve the “cherry picking” problem in its favor—to prevent a situation where only parts of the *acquis communautaire* play a role in negotiations with Russia. But the same also applies to the Russian side. Realizing the Russian wish to strengthen its own position as a pole of integration in the post-Soviet region will depend on Russia’s political and above all economic attractiveness for the other NISs. In order to achieve this goal Russia needs the EU as its still most important modernization partner.<sup>81</sup>

In coming years the EU and Russia will face the task of restoring mutual confidence and coordinating their positions with respect to regional relations in the post-Soviet region. Therefore, as well as deepening their bilateral cooperation they should conduct an open dialogue about whether and how their cooperation and integration initiatives in the post-Soviet region can be harmonized. Stabilizing this region is of elementary importance for Russia, for the EU, and for the other NIS. To that extent it is a prerequisite for a partnership that deserves the attribute “strategic.”

<sup>80</sup> Emerson et al., *A New Agreement* (see note 79), 6.

<sup>81</sup> Dmitri Trenin, “Postimperskiy proekt: Uspeshnaya modernizatsiya – samaja nadezhnaya osnova dlja vneshnej privilekatel’nosti strany” [Postimperialist project: Successful modernization is the most reliable basis for national attractiveness], *Nezavisimaya gazeta*, January 30, 2006.



## Appendix

### Appendix 1 Overview of the Fundamental Documents for Russia-EU Relations

<i>Month/year</i>	<i>Document type</i>	<i>Source</i>	<i>Content</i>
1995	Interim Agreement on trade and trade-related matters between the European Community, the European Coal and Steel Community and the European Atomic Energy Community, of the one part, and the Russian Federation, of the other part – Protocol 1 on the establishment of a coal and steel Contact Group	<i>Official Journal</i> L 247, 13/10/1995 pp. 0002–0029, <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21995A1013(01):EN:HTML">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21995A1013(01):EN:HTML</a>	Function: To bridge the phase between the signing and the ratification/coming into force of the PCA
1997	Agreement on partnership and cooperation establishing a partnership between the European Communities and their Member States, of one part, and the Russian Federation, of the other part	<i>Official Journal</i> L 327, 28/11/1997 pp. 0003–0069, <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21997A1128(01):EN:HTML">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21997A1128(01):EN:HTML</a>	Contents: <ul style="list-style-type: none"> <li>▶ Preamble: General principles (Title I)</li> <li>▶ Political dialogue (Title II)</li> <li>▶ Trade and economic cooperation (Title III–VII)</li> <li>▶ Cooperation on prevention of illegal activities (Title VIII)</li> <li>▶ Cultural cooperation (Title IX)</li> <li>▶ Financial cooperation – TACIS (Title X)</li> </ul>
06/1999	Common Strategy of the European Union on Russia	<i>Official Journal</i> L 157, 24/06/1999 pp. 0001–0010, <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31999E0414:EN:HTML">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31999E0414:EN:HTML</a>	Main aims include: <ul style="list-style-type: none"> <li>▶ Consolidation of democracy, the rule of law and public institutions</li> <li>▶ Integration of Russia into a common European economic and social space</li> <li>▶ Cooperation to strengthen stability and security in Europe</li> <li>▶ Cooperation in the fields of the environment, nuclear safety, and crime</li> </ul>
1999	The Russian Federation Middle Term Strategy towards the European Union (2000–2010)	<a href="http://www.in.mid.ru/dip_vest.nsf/99b2ddc4f717c733c32567370042ee43/e94c2359350e2df3c32568860050d965?OpenDocument">www.in.mid.ru/dip_vest.nsf/99b2ddc4f717c733c32567370042ee43/e94c2359350e2df3c32568860050d965?OpenDocument</a> (Russian) <a href="http://www.delrus.ccc.eu.int/en/p_245.htm">www.delrus.ccc.eu.int/en/p_245.htm</a> (English)	Fundamental positions include: <ul style="list-style-type: none"> <li>▶ No EU membership or formal association</li> <li>▶ Equality and reciprocity in the strategic partnership</li> <li>▶ Economic cooperation and the establishment of a free trade zone</li> </ul>

02/2004	Report with a proposal for a European Parliament recommendation to the Council on EU-Russia relations	(2003/2230(INI)); 2/2/2004, A5-0053/2004 <a href="http://www.europarl.europa.eu/registre/seance_pleniere/textes_deposes/rapports/2004_P5/P5_0053/P5_A(2004)0053_EN.pdf">www.europarl.europa.eu/registre/seance_pleniere/textes_deposes/rapports/2004_P5/P5_0053/P5_A(2004)0053_EN.pdf</a> Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy Rapporteur: Bastiaan Belder	Criticism: Many goals of Russia-EU partnership not achieved Priorities include: (1) Ensuring good neighborly relations through cross-border cooperation and measures to deal with latent security problems (nuclear threat, environmental problems, cross-border crime) (2) Strengthening trade, economic relations and mutually beneficial cooperation in other areas (3) Promoting human rights and democracy (4) Cooperation in overcoming the conflicts in the southern Caucasus and the Trans-Dniester conflict, and in controlling the trade in arms
02/2004	Communication from the Commission to the Council and to the European Parliament on relations with Russia	Brussels, 10/2/2004, COM(2004) 106 final <a href="http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0106en01.pdf">http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0106en01.pdf</a>	Critical assessment of the situation in Russia and Russia-EU relations Establishment of the Permanent Partnership Council
04/2004	Protocol to the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part, to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, and the Slovak Republic to the European Union	<i>Official Journal</i> L 185, 6/7/2006, pp. 17-20 <a href="http://eur-lex.europa.eu/LexUriServ/site/de/oj/2006/L_185/L_18520060706de00170020.pdf">http://eur-lex.europa.eu/LexUriServ/site/de/oj/2006/L_185/L_18520060706de00170020.pdf</a>	Expansion of the Partnership and Cooperation Agreement to include the new member states of the EU joining on May 1, 2004
05/2005	Road Map for the Common Economic Space	<a href="http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf">http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf</a>	Fields covered include: Trade and economic cooperation, trade and customs regulations, telecommunications, energy, space research, environment

<i>Month/year</i>	<i>Document type</i>	<i>Source</i>	<i>Content</i>
05/2005	Road Map for the Common Space of Freedom, Security and Justice	<a href="http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf#fsj">http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf#fsj</a>	<p>Fields covered include:</p> <ul style="list-style-type: none"> <li>▶ Visa questions, cooperation in border questions, migration and asylum policy</li> <li>▶ Fighting terrorism, passport and document security, fighting organized crime, anti-money-laundering regimes, fighting human trafficking and drug smuggling, fighting illegal trade in vehicles and trade in stolen cultural items</li> <li>▶ Efficiency of the legal system, cooperation in criminal and civil matters</li> <li>▶ Monitoring the implementation of the Road Maps by existing EU-Russia bodies and other forums</li> </ul>
05/2005	Road Map for the Common Space of External Relations	<a href="http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf">http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf</a>	<p>Fields covered include:</p> <ul style="list-style-type: none"> <li>▶ Strengthening dialogue and cooperation in international relations</li> <li>▶ Fighting terrorism</li> <li>▶ Non-proliferation of weapons of mass destruction and their delivery systems, strengthening of export controls and disarmament</li> <li>▶ Cooperation in crisis management</li> <li>▶ Cooperation in civil defense</li> </ul>
05/2005	Road Map for the Common Space of Research and Education, including Cultural Aspects	<a href="http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf#rec">http://ec.europa.eu/comm/external_relations/russia/summit_05_05/finalroadmaps.pdf#rec</a>	<p>Fields covered include:</p> <p>Research, science and technology, education, culture</p>
05/2006	Proposal for a Council Decision on the conclusion of the Agreement between the European Community and the Russian Federation on the facilitation of issuance of short-stay visas	<a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52006PC0188(02):EN:HTML">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52006PC0188(02):EN:HTML</a>	<p>Goal: visa-free travel between Russia and the member states of the EU</p> <p>Agreement on easing of visa requirements for particular groups of individuals for up to 90 days</p>
05/2006	Agreement between the Russian Federation and the European Community on readmission	<a href="http://www.delrus.cec.eu.int/en/images/pText_pict/509/Readmission_agreement_EN.doc">www.delrus.cec.eu.int/en/images/pText_pict/509/Readmission_agreement_EN.doc</a>	<p>Goal: visa-free travel, fighting illegal immigration</p>

**Appendix 2**  
**Sectoral Agreements Between the Russian Federation and the EU**

<i>Month/year</i>	<i>Title</i>	<i>Source</i>
11/1997	Agreement between the European Coal and Steel Community and the Russian Federation on trade in certain steel products - Agreed Record - Declarations - Protocol A - Protocol B	<a href="http://www.delrus.cec.eu.int/en/images/pText_pict/250/Steel%20agreement_1997.doc">www.delrus.cec.eu.int/en/images/pText_pict/250/Steel%20agreement_1997.doc</a> , <i>Official Journal</i> L 300, 04/11/1997, pp. 0052-0078 <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21997A1104(05):EN:HTML">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21997A1104(05):EN:HTML</a> , <i>Official Journal</i> L 300, 04/11/1997, pp. 0052-0078
06/1998	Agreement between the European Community and the Russian Federation on trade in textile products	<a href="http://www.delrus.cec.eu.int/en/p_249.htm">www.delrus.cec.eu.int/en/p_249.htm</a> , <i>Official Journal</i> L 169, 15.6.1998, pp. 2-27, <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21998A0615(01):EN:NOT">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21998A0615(01):EN:NOT</a> , <i>Official Journal</i> L 169, 15.6.1998, pp. 2-27
02/1999	Memorandum of Understanding on Industrial Cooperation in the Energy Sector	<a href="http://www.delrus.cec.eu.int/en/p_251.htm">www.delrus.cec.eu.int/en/p_251.htm</a> , Moscow, 11/2/1999
04/1999	Council Joint Action of 17 December 1999 establishing a European Union Cooperation Programme for Non-proliferation and Disarmament in the Russian Federation	<a href="http://ec.europa.eu/comm/external_relations/cfsp/npd/cja99.pdf">http://ec.europa.eu/comm/external_relations/cfsp/npd/cja99.pdf</a> , <i>Official Journal</i> L 331, 23.12.1999, pp. 0011-0016, <a href="http://eur-lex.europa.eu/LexUriServ/site/de/oj/1999/l_331/l_33119991223de00110016.pdf">http://eur-lex.europa.eu/LexUriServ/site/de/oj/1999/l_331/l_33119991223de00110016.pdf</a> , <i>Official Journal</i> L 331/11, 23.12.1999
04/2000	European Union action plan on common action for the Russian Federation on combating organised crime	<a href="http://europa.eu.int/eur-lex/pri/en/oj/dat/2000/c_106/c_10620000413en0050012.pdf">http://europa.eu.int/eur-lex/pri/en/oj/dat/2000/c_106/c_10620000413en0050012.pdf</a> , <i>Official Journal</i> C 106, 13.4.2000, pp. 0005-0012, <a href="http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/c_106/c_10620000413en0050012.pdf">http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/c_106/c_10620000413en0050012.pdf</a> , <i>Official Journal</i> C 106/05, 13.4.2000
11/2000	Agreement on cooperation in science and technology between the European Community and the Government of the Russian Federation	<a href="http://europa.eu.int/eur-lex/pri/en/oj/dat/2000/l_299/l_29920001128en00150021.pdf">http://europa.eu.int/eur-lex/pri/en/oj/dat/2000/l_299/l_29920001128en00150021.pdf</a> , <i>Official Journal</i> L 299, 28.11.2000, pp. 15-21 <a href="http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/l_299/l_29920001128en00150021.pdf">http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/l_299/l_29920001128en00150021.pdf</a> , <i>Official Journal</i> L 299/15, 28.11.2000
10/2001	Agreement on cooperation in the field of nuclear safety	<a href="http://www.europa.eu/eur-lex/pri/en/oj/dat/2001/l_287/l_28720011031en00240029.pdf">www.europa.eu/eur-lex/pri/en/oj/dat/2001/l_287/l_28720011031en00240029.pdf</a> , <i>Official Journal</i> , L 287, 31.10.2001, pp. 0024-0029; <i>Official Journal</i> L 287/24, 31.10.2001
10/2001	Cooperation Agreement between the European Atomic Energy Community and the Russian Federation in the field of controlled nuclear fusion	<a href="http://www.europa.eu/eur-lex/pri/en/oj/dat/2001/l_287/l_28720011031en00300035.pdf">www.europa.eu/eur-lex/pri/en/oj/dat/2001/l_287/l_28720011031en00300035.pdf</a> , <i>Official Journal</i> L 287, 31.10.2001, pp. 30-35, <i>Official Journal</i> L 287/30, 31.10.2001

**Appendix 2 (ctd.)**  
**Sectoral Agreements Between the Russian Federation and the EU**

<i>Month/year</i>	<i>Title</i>	<i>Source</i>
7/2002	Agreement between the European Coal and Steel Community and the Government of the Russian Federation on trade in certain steel products	<a href="http://eur-lex.europa.eu/LexUriServ/site/en/oj/2002/l_195/l_19520020724en00550071.pdf">http://eur-lex.europa.eu/LexUriServ/site/en/oj/2002/l_195/l_19520020724en00550071.pdf</a> , <i>Official Journal L 195/68</i> , 24.7.2002
11/2003	Agreement renewing the Agreement on cooperation in science and technology between the European Community and the Government of the Russian Federation	<a href="http://eur-lex.europa.eu/LexUriServ/site/de/oj/2003/l_299/l_29920031118de00210022.pdf">http://eur-lex.europa.eu/LexUriServ/site/de/oj/2003/l_299/l_29920031118de00210022.pdf</a> , <i>Official Journal L 299/21</i> , 18.11.2003
07/2003	Agreement between the European Community and the Government of the Russian Federation amending the Agreement between the European Coal and Steel Community and the Government of the Russian Federation on trade in certain steel products of 9 July 2002	<a href="http://eur-lex.europa.eu/LexUriServ/site/de/oj/2004/l_255/l_25520040731de00330039.pdf">http://eur-lex.europa.eu/LexUriServ/site/de/oj/2004/l_255/l_25520040731de00330039.pdf</a> , <i>Official Journal L 255/33</i> , 31.7.2004

### Appendix 3 Overview of the TACIS Agreements Between the Russian Federation and the EU

Month/year	Title	Source	Main content
01/2000	Council Regulation (EC, EURATOM) No 99/2000 of 29 December 1999 concerning the provision of assistance to the partner States in Eastern Europe and Central Asia	<a href="http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/L_012/L_01220000118en00010009.pdf">http://eur-lex.europa.eu/LexUriServ/site/en/oj/2000/L_012/L_01220000118en00010009.pdf</a> , <i>Official Journal</i> L 12/1, 18.1.2000	Provision of assistance to the states of the post-Soviet region in accordance with the PCA and the trade and economic agreements with these states Fields of cooperation: ▶ Institutional reform, legal and administrative reform ▶ Private sector and economic development ▶ Dealing with the social consequences of the transformation process ▶ Infrastructure networks ▶ Environmental protection and natural resources ▶ Rural economies ▶ Nuclear safety
<b>TACIS Russia – National</b>			
10/1999	TACIS 2000 Action Programme Russian Federation	<a href="http://www.delrus.cec.eu.int/en/p_303.htm">www.delrus.cec.eu.int/en/p_303.htm</a>	
2000	TACIS 2000 Core Action Programme Russian Federation	<a href="http://www.delrus.cec.eu.int/en/p_303.htm">www.delrus.cec.eu.int/en/p_303.htm</a>	
2001	TACIS 2001 Action Programme Russian Federation	<a href="http://www.delrus.cec.eu.int/en/p_303.htm">www.delrus.cec.eu.int/en/p_303.htm</a>	
12/2001	Country Strategy Paper 2002–2006 – Russian Federation	<a href="http://ec.europa.eu/comm/external_relations/russia/csp/02-06_en.pdf">http://ec.europa.eu/comm/external_relations/russia/csp/02-06_en.pdf</a>	
12/2001	National Indicative Programme 2002–2003 – Russian Federation	<a href="http://ec.europa.eu/comm/external_relations/russia/csp/02-06_en.pdf">http://ec.europa.eu/comm/external_relations/russia/csp/02-06_en.pdf</a>	
2002	TACIS 2002 Action Programme Russian Federation	<a href="http://ec.europa.eu/comm/europeaid/projects/tacis/publications/annual_programmes/russia_2002.pdf">http://ec.europa.eu/comm/europeaid/projects/tacis/publications/annual_programmes/russia_2002.pdf</a>	

**Appendix 3 (ctd.)  
Overview of the TACIS Agreements Between the Russian Federation and the EU**

<i>Month/year</i>	<i>Title</i>	<i>Source</i>	<i>Main content</i>
2003	National Indicative Programme 2004-2006 – Russian Federation	<a href="http://ec.europa.eu/comm/external_relations/russia/csp/04-06_en.pdf">http://ec.europa.eu/comm/external_relations/russia/csp/04-06_en.pdf</a>	
2003	TACIS 2003 National Action Programme: Russian Federation	<a href="http://ec.europa.eu/comm/europeaid/projects/tacis/publications/national/russia_2003_en.pdf">http://ec.europa.eu/comm/europeaid/projects/tacis/publications/national/russia_2003_en.pdf</a>	
2003	TACIS 2003 National Action Programme: Russian Federation, Part II	<a href="http://ec.europa.eu/comm/europeaid/projects/tacis/publications/national/russia_2003_part2_en.pdf">http://ec.europa.eu/comm/europeaid/projects/tacis/publications/national/russia_2003_part2_en.pdf</a>	
2004	TACIS Russia: Action Programme 2004	<a href="http://ec.europa.eu/comm/europeaid/projects/tacis/publications/national/russia_2004_de.pdf">http://ec.europa.eu/comm/europeaid/projects/tacis/publications/national/russia_2004_de.pdf</a>	
<b>TACIS Russia – Sectoral</b>			
2001	Indicative Programme for the Cross-Border Cooperation Programme 2002-2003	<a href="http://www.delrus.cec.eu.int/en/p_299.htm">www.delrus.cec.eu.int/en/p_299.htm</a> , 30.11.2001	Includes: Cross-border infrastructure networks, environmental protection and natural resources, private sector, energy and environmental efficiency
2002	Nuclear Safety Strategy Paper 2002-2006 and Indicative Programme 2002-2003	<a href="http://ec.europa.eu/comm/external_relations/nuclear_safety/rsp/02_06_en.pdf">http://ec.europa.eu/comm/external_relations/nuclear_safety/rsp/02_06_en.pdf</a> , 17.1.2002	Continues the program for improving nuclear safety in Belarus, Kazakhstan, Russia and Ukraine
2003	Nuclear Safety Indicative Programme 2004-2006	<a href="http://ec.europa.eu/comm/external_relations/nuclear_safety/rsp/index04_06.htm">http://ec.europa.eu/comm/external_relations/nuclear_safety/rsp/index04_06.htm</a> , 7.11.2003	Program components include: ▶ Promoting safety culture ▶ Nuclear waste and spent fuel ▶ Participation in multilateral initiatives ▶ Technical support for the International Science and Technology Centre (ISTC) and the Science and Technology Centre in Ukraine (STCU)

2003	Tacis Cross Border Cooperation: Strategy Paper and Indicative Programme 2004–2006	<a href="http://ec.europa.eu/comm/external_relations/ceeca/tacis/cb/index.htm">http://ec.europa.eu/comm/external_relations/ceeca/tacis/cb/index.htm</a>	<p>Priorities include:</p> <p>(1) Funding for the Neighbourhood Programmes on the Eastern border of the EU through the <i>Neighbourhood Project Facility</i></p> <p>(2) Support for comprehensive border crossing infrastructure</p>
<b>TACIS Russia Regional</b>			
2001	Indicative Programme for the Regional Cooperation Programme 2002–2003	<a href="http://www.delrus.cec.eu.int/en/p_298.htm">www.delrus.cec.eu.int/en/p_298.htm</a> , 30.11.2001	<p>Includes:</p> <p>Infrastructure, environment, justice and internal affairs</p>
2003	TACIS Regional Cooperation Strategy Paper and Indicative Programme 2004–2006	<a href="http://ec.europa.eu/comm/external_relations/ceeca/rsp/04_06_en.pdf">http://ec.europa.eu/comm/external_relations/ceeca/rsp/04_06_en.pdf</a> , 11.4.2003	<p>Includes:</p> <p>(1) Sustainable Management of Natural Resources</p> <p>(2) Promoting Trade and Investment Flows</p> <p>(3) Justice and Home Affairs</p>
<b>TACIS Russia Evaluation</b>			
01/2006	Evaluation of Council Regulation No. 99/2000 (TACIS) and Its Implementation	<p>Summary</p> <p><a href="http://ec.europa.eu/comm/europeaid/evaluation/evinfo/2006/728_ev.pdf">http://ec.europa.eu/comm/europeaid/evaluation/evinfo/2006/728_ev.pdf</a></p> <p>Volume 1</p> <p><a href="http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol1.pdf">http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol1.pdf</a></p> <p>Volume 2</p> <p><a href="http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol2.pdf">http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol2.pdf</a></p> <p>Volume 3</p> <p><a href="http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol3.pdf">http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol3.pdf</a></p> <p>Volume 4</p> <p><a href="http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol4.pdf">http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol4.pdf</a></p> <p>Volume 5</p> <p><a href="http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol5.pdf">http://ec.europa.eu/comm/europeaid/evaluation/reports/2006/728_vol5.pdf</a></p>	<p>Summary:</p> <p>(1) TACIS was implemented in accordance with the PCAs and regional strategy programs. Nonetheless, TACIS programmes have not always matched the needs of the partner states. In implementation there was little room for adaptation to local requirements.</p> <p>(2) Results were achieved most easily in legal and administrative reform; to a lesser extent in the private sector, in economic development, in cushioning the social effects of the transformation process, in cross-border cooperation, and in environmental protection.</p> <p>(3) Problems: Inadequate delivery mechanisms, project partner dialogue, lack of participation by recipients, inadequacies in information management and quality control.</p>

## Abbreviations

CEA	Common Economic Area
CEPS	Center for European Policy Studies
CFSP	Common Foreign and Security Policy
CIS	Confederation of Independent States
CSCE	Conference on Security and Cooperation in Europe
ECHO	European Community Humanitarian Office
EEU	Eurasian Economic Union
EFTA	European Free Trade Association
EIDHR	European Initiative for Democracy and Human Rights
ENP	European Neighborhood Policy
ESDP	European Security and Defense Policy
EU	European Union
FAZ	Frankfurter Allgemeine Zeitung
FIIA	The Finnish Institute of International Affairs
GATT	General Agreement on Tariffs and Trade
GUAM	Georgia, Ukraine, Azerbaijan, Moldova
JCMS	Journal of Common Market Studies
NATO	North Atlantic Treaty Organization
ND	Northern Dimension
NDAP	Northern Dimension Action Plan
NIS	New independent states
OECD	Organization for Economic Cooperation and Development
PHARE	Poland and Hungary: Aid for Restructuring the Economies
PCA	Partnership and Cooperation Agreement
SCO	Shanghai Cooperation Organization
TACIS	Technical Assistance for the Commonwealth of Independent States
UN	United Nations
WTO	World Trade Organization