Bridge

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Fostering mutual understanding and co-operation of the EU with Belarus, Moldova, Russia and Ukraine 2008 - 2012

ANALYSES OF EU – PARTNER COUNTRIES' RELATIONS: REFLECTIONS FROM BELARUS, MOLDOVA, RUSSIA AND UKRAINE

Editors:
Silvo Devetak, Olesea Sirbu

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Editors in Chief:
Dr. Silvo Devetak
Dr. Olesea Sirbu

Managing Editors:
Franc Mlinar, MA
Jasmina Klojčnik

Graphic design:
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EDITORIAL NOTE

One of the main objectives of the BRIDGE project has been Data collecting and analyses of the so far realisation of the European Neighbourhood Policy and the Strategic Partnership with Russia with emphasis on the shortcomings and gaps and preparation of relevant feasibility studies on development opportunities.

In the first year of the Project (2008-2009) has been prepared a large collection of relevant statistical data and facts, which served the solid basis for the preparation of the project's actions and other activities during its life time. For the preparation of the analyses the BRIDGE Project Coordinator, Prof. Dr. Silvo Devetak, has been selected distinguished experts from each BRIDGE Partner country, namely from BELARUS - Prof. Dr. Valery Bandarenka (Belarusian Trade and Economic University of Consumer Cooperatives, Gomel); MOLDOVA - Ass. Prof. Zorina Siscan (Academy of Economic Studies, Chisinau); RUSSIA - Prof. Dr. Irina Busighina (Moscow State Institute of International Relations; Moscow); and UKRAINE - Denis Kuzmin and Irina Maksimenko (Odesa National University after I.Mechnikov, Odesa).

During the project period the analysis has been updated by experts and represents an important source of professional and independent information for final shaping of the foreseen activities and an invaluable source of data and findings for preparing the Project recommendations to the decision making bodies on local, national and EU level.

In the Final version of BRIDGE analyses (EU-Belarus, EU-Moldova, EU-Russia and EU-Ukraine) have been given the special concern to the proposals for the development of these relations in the financial period 2014-2020, taking into account new developments concerning the European Neighbourhood Policy and Eastern Partnership as well the Strategic Partnership with Russia.

The research in all these four analyses has been based on the annual Reports regarding the progress of the EU-BRIDGE Partner countries relationship fulfilled in the period of the project 2008-2012. The annual Reports not only registered the facts related to the development of the EU- BRIDGE Partner countries relations in key domains of cooperation (politics, economy, law, civil society, education and research) but also reflected the events

organized by the BRIDGE project for the sake of deepening mutual understanding between the EU and such its neighbouring states as Moldova, Ukraine, Belarus as well as a country of strategic partnership – Russia – at the levels of government, civil society, university and academic community etc. by the means of such instruments as conferences, round tables, workshops and joint research activities. The present analyses combine, therefore, dynamic approach to the EU- BRIDGE Partner countries relationship with the multidimensional approach to it.

The analyses have been finalized with the recommendations to both the National government authorities of the BRIDGE partner countries and the EU, as well, which have been drawn and expressed not only by the authors of the analyses but also by the representatives of the civil society, university and academic community and the EU experts in time of international professional meetings within the project. The authors has also been based in these analyses on the national and the EU statistical data and documents as well as the relevant research materials worked out within the projects implemented by the profile civil society institutions, the mass-media sources, taking into account various points of view for making the analyses as objective as possible in order to trace the perspectives of the EU- BRIDGE Partner countries relationship for the benefit of both sides.

Dr. Olesea SIRBU

BRIDGE Deputy Coordinator

International Project
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ANALYSIS OF THE EU-BELARUS RELATIONS

Professor Valery BONDARENKO

GOMEL, BELARUS, 2012

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CHAPTER 1

The Belorussian Ministry of Foreign Affairs' and the EU' official positions

1.1. The Belarusian Ministry of Foreign Affairs: " Our foreign policy"

Independent since 1991, Belarus chose to build a balanced and multi-directed foreign policy that would see close relations with Russia, Europe and the rest of the world. The need for energy resources, access to global markets to provide for manufacturing export-oriented economy and broad international co-operation to respond to modern challenges effectively is central to our foreign policy outlook.

Co-operation with nations and international organisations below is vital to encourage our sustainable development and support our lucrative export potential.

Belarus will not choose between closer relationships with EU or Russia. Our foreign policy seeks to harmonize these relationships as they complement each other and benefit our development and security.

For both Europe and Russia, Belarus is an important transit and security partner, especially taking into account the current and potential energy transit and logistics capabilities, as well as our instrumental role in fighting back illegal migration and organized crime on their way from East to West. A fast reforming and rapidly growing economy, Belarus is also a promising springboard for investments and business activities from both EU and Russia.

However, our foreign policy is not limited to co-operation with these two powers as the geography of our external affairs aggressively expands to other parts of the world. Belarus is proud to have profound partnership with emerging powers of China and India and important nations such as Venezuela, Egypt, South Africa and many more.

Dialogue, equal partnership and non-discrimination are at the heart of our foreign policy.

Principles, goals and objectives of our foreign policy

Our major foreign policy principles, goals and objectives are set out legally in the Law 'On approval of the basic directions of domestic and foreign policy of the Republic of Belarus' of November 14, 2005, No. 60-3.

First of all, the international activity of Belarus is aimed at providing state security and protecting national interests from any external challenges and threats, contributing to the formation of favourable conditions for our sustainable development and people's well-being.

Equitable integration of Belarus into the global political, economic and cultural processes is our significant task. Promotion of the rights and freedoms of the Belarusian nationals abroad, and preservation of the Belarusian ethnicity beyond our borders are of great importance, too.

Our geographical position, a crossroad of major hallways between Europe and Asia, and complicated history of our country, which experienced destructive consequences of numerous European wars and conflicts, determine the multi-vector nature of our foreign policy aimed to build balanced and constructive relations with partners across the globe.

Belarus firmly stands on the principles of pragmatism and consistency, mutual respect, equality, non-interference in domestic affairs, and denial of pressure and coercion.

Belarus' foreign policy

Belarus' foreign policy is multi-directed seeking to build partnerships all across the globe. Our key priorities are Russia, other post-Soviet states – the CIS partners, European Union, countries of the South, Americas, and international organizations. We have diplomatic relations with 169 nations, with 62 diplomatic posts in 50 countries. We are party to around 3500 international treaties, of which over 1900 are bilateral and around 1500 are multilateral. Dialogue, equal partnership and non-discrimination are at the heart of our foreign policy. (http://www.mfa.gov.by/en/foreign_policy/)

European Union

The European Union is the world's largest economic and political union with a common market based on free movement of goods, services, people and capital. The EU consists of 27 industrialized countries with a combined GDP of $ 11.8 trillion Euro (28% of the worldwide GDP). EU also accounts for 20% of the world trade. The Monetary Union (euro zone) includes 16 EU member states. The EU pursues a unified foreign policy. The Schengen area currently includes 22 EU members, provides visa-free travel within this territory.

Benefits of cooperation with such a deeply integrated union are particularly evident in the context of the challenges faced by the Republic of Belarus, such as further consolidation of

national sovereignty, nation-building, modernization and reforms of the Belarusian society and economy, as well as integration of our country in the system of international relations as its equal participant.

The European Union is an extremely capacious and promising market for Belarusian companies. Lack of internal trade barriers ensures smooth circulation of goods, services and investments from third countries among all the 27 European Union member states, while a single currency facilitates mutual settlements in trade with all countries of the monetary union. Under these conditions, even despite fairly high protective barriers and the quality requirements of the EU to imports from third countries, Belarusian exports to the EU have increased by more than 20 times since 2000. From 2003 on, Belarusian exports to the EU consistently exceed the volume of goods imported from the European Union, the bulk of which is formed of "critical" group product: high-tech equipment, key manufacturing materials, medicines, etc. The surplus in foreign trade with the EU in 2008 (pre-crisis year) has reached the maximum with the inflow to the state budget of about $ 6 billion. In 2009 the share of the EU was 44% of the total volume of exports from Belarus, and about 32% of total turnover. (http://www.mfa.gov.by/en/courtiers/)

The European Union is one of the key investors for Belarus. In the pre-crisis year 2008 EU investments in the economy of Belarus accounted for $ 2.79 billion, or 43% of total foreign investment over the period. In 2009, taking into account the crisis in the global economy, the inflow of European investment in Belarus fell to 2.62 billion dollars. However, their share in total decreased to 28%, mainly due to the increased interest of other states. Priority investment partners of Belarus in the EU in 2009 were Austria (932 million), Cyprus (536 million), Netherlands (439 million), United Kingdom (468 million), Germany (60 million dollars) , Latvia (59 million dollars). These funds are used to modernize the Belarus real sector technologically and launch new industries. It encourages domestic enterprises to be more competitive in foreign markets and make the domestic market less dependent on imports. (http://www.mfa.gov.by/en/invest_support/)

The European Union is the main source of international technical assistance to Belarus. Since 1992 through technical assistance from the EU to the CIS (TACIS), Belarus was granted 200 million euros in more than 420 projects. As part of the Neighbourhood and Partnership Instrument of the European Union (the successor to the Tacis program) about 43

million euros was reserved for Belarus for 2007 – 2011. Another 64 million euros is to be allocated in 2012 – 2013. Currently there are 17 EU projects in Belarus underway totalling 10.5 million euros. Belarus is involved in 15 ENPI programs on national, regional and trans-boundary levels.

This assistance is free and aimed at financing cooperation between Belarus and the EU in mutually beneficial directions. Those funds help equip the state border of Belarus with the EU countries, modernize the national border and customs infrastructure, exchange best practices and implement pilot projects in energy, transportation, agricultural production, environmental, educational, cultural and other priority areas.

Taking into consideration these circumstances, the Belarusian side since the establishment of diplomatic relations with the EU in August 1992 seeks to intensify the European vector of its foreign policy. As a result, in March 1995 Belarus and the EU signed a Partnership and Cooperation Agreement (PCA) in Brussels.

However, in September 1997 the EU imposed a series of politically motivated restrictive measures against Belarus. These measures included a ban on contacts at the highest levels, freeze on practical cooperation in various fields and technical assistance projects other than those related to Chernobyl mitigation. The ATP ratification was also suspended.

Consistent efforts of the Belarusian side to normalize the political dialogue with the European Union allowed to reverse the negative trends in relations with the EU. In response to the steps taken by the Belarusian authorities in the domestic sphere in October 2008 the EU suspended the previously imposed visa restrictions against a number of officials of the Republic of Belarus and cancelled the 1997 ban on contacts at the highest level with Belarus. An Office of the Commission of the European Communities (December 2009 – Representation of the EU) was opened in Minsk.

Since October 2008 a series of meetings of the Belarus Foreign Minister and the EU "Troika" were held. They laid a foundation to putting high-level political dialogue with the EU on a regular footing.

In 2009 – 2010 Belarus was visited by a number of senior representatives of the EU including EU High Representative for Common Foreign and Security Policy Javier Solana, EU Commissioner for External Relations Benita Ferrero-Waldner, Minister of Foreign Affairs of

the then EU's Czech Presidency Karel Schwarzenberg, European Commissioner for EU Enlargement and European Neighbourhood Policy Stefan Fule. The dialogue of the EU senior officials with the Head of the Belarusian State and Minister of Foreign Affairs contributed to putting EU relations on a more constructive track and converging positions on several issues of the mutual agenda. The parties embarked on an expert dialogue in energy, transport, environment, customs, agriculture, economic and financial fields, standardization and certification.

In 2010 the EU started preparatory negotiations with Belarus on visa facilitation and readmission agreements.

The EU "***Eastern Partnership***" initiative offers additional opportunities for interaction with the EU. It implies a significant intensification of the EU cooperation with six partner countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

On 7 May 2009 a national delegation headed by First Deputy Prime Minister of the Republic of Belarus took part in the inauguration summit of the "Eastern Partnership" in Prague. Belarusian representatives are making an active contribution to the work of the EP and ongoing multilateral consultations with the EU on further development of the Eastern Partnership and European Neighbourhood Policy as a whole.

Our country stands for an "Eastern Partnership" meeting best the practical interest of the partner countries in terms of socio-economic development, modernization and cooperation with the European Union in priority areas. Together with other countries, the Belarusian side initiates the development under specific projects aimed at developing a network of energy and transport communications, strengthening regional energy security, combating environmental threats, improving border security and customs for trade between the partner countries and EU. It proposes the establishment of regional mechanisms to attract investment, as well as a full-fledged "business-dimension" of the EP as a permanent platform for dialogue and cooperation between business and the economic associations of the partner countries and the EU.

In line with its long-term interests in the European direction our country as a member of the Customs union with Kazakhstan and Russia stands for a rapprochement between the Customs Union and European Union, building on a single integration platform by progressively

harmonizing the regulatory sector and through trade liberalization between the two integration associations.

As a step towards building such a platform Belarus, Russia and Kazakhstan in November 2010 started official negotiations on free trade with the member countries of the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland) which is closely integrated with the EU within the European Economic Area.

Belarus' attitude towards the Eastern Partnership Initiative

The Eastern Partnership remains an interesting project for us in theory, especially with regard to opportunities for establishing broader contacts with the EU. Belarus was among the first to respond to proposals to broaden cooperation with the European Union. Moreover, we, along with other partner countries, actively took part in the development of specific projects.

To our common regret, there is still no content in this initiative. There are some cooperation projects in several areas at the initial stage. They refer to border security and environment, but cooperation does not develop in other spheres.

Besides, the Eastern Partnership proved to be too politicized. The demands being made on the partner countries are rather categorical. They do not take into account the interests of the EU neighbours and are aimed only at the needs of the European Union. As a result, the recent events have shown that of all the partner countries only Moldova and Georgia are still acting in line with the expectations of the EU.

As for other participants of the Initiative, Belarus is isolated. The dialogue with the Ukraine has slowed down because of the situation with Julia Timoshenko. Azerbaijan is mostly interested in the routes of oil transport to the EU. Armenia is inclined to cooperate more closely with Russia, including energy and military cooperation. Thus, actual dynamics of the Eastern Partnership is still negative. It seems that the EU should reconsider its attitude towards the participants of the Initiative; otherwise there will be nobody to take part in the next summit.

It seems that the Eastern Partnership will lose much of its importance without Belarus. We are ready to participate in the Initiative, but on equal terms with other countries, without imposing additional requirements to us.

We do not need the EU money based on political demands. We do not take seriously the statement of the Minister of Foreign Affairs of Poland Radoslaw Sikorski about 3 billion euros made in November last year and the statement of the Prime Minister of Poland Donald Tusk about the mythical 9 billion euros for our country. Poland's government is trying to dispose of someone else's money, i.e. the money, which belongs to IMF, EBRD and other institutions, on which they do not influence directly.

Belarus can earn money on its own. GDP growth in 2011 was 8%, and foreign trade deficit has been recently consistently positive. Currency fluctuations, the drop in the rouble rate caused by the desire to introduce market mechanisms into the economy, and reduce the administrative impact. It is exactly what Europe advises us to do, isn't it?

On Belarusian-European dialogue

At present the international situation in Europe and in the world in general is such that increase in integration of the former Soviet Union in the medium term is the most effective way to strengthen the positions of the leaders in economic and technological development among the CIS countries (Belarus, Kazakhstan, Russia, and the Ukraine). Similar economic potential, developed common internal market and availability of expertise will allow the post-Soviet countries to cope better with the effects of the global economic crisis.

The European Union countries are having severe problems in the area of budget and finance. The need to overcome the crisis of public debt in some states, formation of mechanisms for the protection of the common euro currency, evidence of the consequences of the EU enlargement at the expense of insufficiently prepared candidates do not allow us to speak about the prospects of the CIS countries' accession to the EU in the foreseeable future.

Besides, the demands made by the EU towards its Eastern neighbours, look too steep, and the declared prospects of providing various benefits seem to be too dim. The key European initiative in this area (Eastern Partnership) is quite a general and vague project, which is used by the initiators (Poland, Sweden) and some other countries to advance their political interests. One cannot see the chief architects of the project's desire to launch constructive mechanisms designed to deepen cooperation in pragmatic areas (economy, transit, humanitarian sphere). There are no resources for financial support of the neighbourhood policy.

An example of such excessive demands towards eastern partners is the Ukraine. The country that demonstrated a commitment to European integration was put forward new claims. The system of incentives lacked the financial side. The project of alternative oil pumping from the Caspian region to Europe (pipeline "Odessa-Brody-Plock-Gdansk") was enmeshed by the bureaucratic mechanisms. In such circumstances, the disappointment at interacting with demanding Europe is quite understandable. The turn to integration associations in the former Soviet Union territory is possible.

The EU policy towards Belarus is also indistinct. The attempts to influence the situation in this country not only did not lead to the desired results, but intensified the mutual contradictions. The pressure in the form of political and economic sanctions only further deployed Belarus towards tripartite integration with Russia and Kazakhstan, as in these structures Belarus is the subject of decision-making, and not the object. Under these conditions, the attempts to show the Polish financial instruments promoting European development of Minsk in the framework of the September summit of the Eastern Partnership (9 billion Euro) looked like an empty promise.

It is clear that the EU toolbox is ineffective.

Belarus has learned to defend its interests in dialogue with both the East and the West and is ready to participate in negotiations with any party on an equal basis. It should be borne in mind that due to the non-constructiveness of the EU, the interest in dialogue with European partners is now steadily decreasing. As for the political area, Minsk doesn't depend from Brussels, and further expansion of economic sanctions will cause real damage to European firms. By refusing to take part in dialogue, European politicians achieve only one result – they lose the initiative.

The EU mistake is incorrect assessment of the geopolitical importance and the stability level in Belarus. European experts are likely to count on more flexibility due to economic problems. Nevertheless, Minsk has found a foothold in the mechanisms of integration of the CIS (EEC). Furthermore, the crisis in Belarus has created universal problems and macroeconomic conditions that are characteristic for other countries in the world, including

the EU. In 2012 the economy of Europe will face the things Belarus has faced in 2011. In such circumstances, one-sided pressure on Belarus is unacceptable.

Countries and Regions

Cooperation with Russia & the European Union

Belarus wants to leverage the strategic partnership potential with the Russian Federation. Extensive mutual agenda is determined by a set of geographical, geopolitical, historical and other factors, complementarity of the two economies, and close cooperation between our enterprises.

Our key foreign economic goals in relations with Russia are: to increase our exports, to encourage closer ties with Russia's regions, to expand our commodity distribution network, to attract more Russian investments.

While building up mutually advantageous cooperation with Russia, Belarus strictly sticks to the principle of unconditional preservation of national sovereignty and territorial integrity of the parties, accurate and responsible performance of international duties.

The Post-Soviet Area

Belarus is largely engaged in multi-aspect cooperation with the former Soviet republics at bilateral level and within the integration institutions – the Commonwealth of Independent States, Eurasian Economic Community and Collective Security Treaty Organization. We support further integration within the CIS, firstly in economy, free trade policy, military area and in heading off organized crime and terrorism.

Within the Eurasian Economic Community, Belarus is interested in the development of mutually beneficial partnership with the member states of the EAEC with an emphasis on energy sector, transport and transit; successful performance of the Customs Union of Belarus, Kazakhstan and Russia and its transformation to a single economic space. Belarus intends to assist in consolidation of the Collective Security Treaty Organization in all directions (political, military, and informational); in cooperation on fighting drug-trafficking, illegal migration; in encouraging closer cooperation between the CSTO and other international and regional organizations.

South

Belarus is planning to strengthen and expand the far edge of the foreign-policy allies and partners in Asia, Latin America, Middle Eastern and Africa and to bring cooperation with them up to the level of strategic partnership. Trade diversification, expansion of economic cooperation with the states of the above-mentioned regions is a significant premise for the growth of Belarusian export-oriented economy.

Our major goal is to intensify political and economic cooperation with our traditional partners – China, India, Vietnam, Japan, Venezuela, Argentina, Brazil, Cuba, Iran, Syria, United Arab Emirates, Egypt, South Africa, as well as to develop closer ties with Indonesia, Malaysia, Philippines, Bolivia, Ecuador, Nicaragua, Pakistan, Qatar, Saudi Arabia, Nigeria, Ethiopia, Angola, Togo, Côte d'Ivoire, and others.

The United States

Belarus supports the development of a constructive and equitable dialogue with the US, expansion of full-scale bilateral collaboration on urgent issues of global agenda (fight against human-trafficking, counteraction to drug distribution, cybercrime, and distribution of child pornography in the Internet, security of nuclear sites, non-proliferation of weapons of mass destruction), based on mutual interests.
(http://www.mfa.gov.by/)

1.2. EU' Official Position: "Relations between Belarus and the EU"

The European Community recognised the independence of the Republic of Belarus in December 1991. The bilateral relations developed steadily. Through participation in the TACIS program, through other programs and instruments Belarus received a considerable amount of technical and financial assistance. Negotiations on a Partnership and Cooperation Agreement (PCA) were completed in 1995. However, neither the PCA nor the Interim Agreement was concluded and ratified. The Council stated in its September 1997 conclusions that "the EC and their Member States will conclude neither the interim agreement nor the Partnership and Co-operation Agreement" due to the deteriorating political situation in Belarus."
(http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17002_en.htm)

At present, EU-Belarus relations are governed by successive conclusions of the Foreign Affairs Council.

Council Conclusions of October 2008 and November 2009 presented new opportunities for dialogue and more active cooperation between the EU and Belarus and reaffirmed the readiness of the Union to deepen its relations with Belarus in light of indications that Belarus might progress toward democracy, respect for human rights and the rule of law. Subject to progress in these areas, the Council has been ready to take steps towards upgrading the contractual relations with Belarus.

In the aftermath of the violations of electoral standards in the 19 December 2010 Presidential elections and the crackdown on civil society, the political opposition and independent media, the EU was left with no alternative but to adopt a tough response. While remaining committed to its policy of critical engagement, including through dialogue and the Eastern Partnership, the Foreign Affairs Council on 31 January 2011 decided to reinstate the restrictive measures against Belarus. Against the background of the deteriorated situation in Belarus the restrictive measures were strengthened at repeated occasions during the year. On 20 June 2011 the Foreign Affairs Council furthermore decided to impose an embargo on Belarus on arms and on materials that might be used for internal repression and to freeze the assets of three companies linked to the regime. In parallel, the EU has strengthened its engagement with the Belarusian people and civil society through increased support to civil society and victims of repression, the offer to start negotiations on visa facilitation and readmission agreements and by a dialogue on modernization with Belarusian society on necessary reforms for the modernisation of Belarus and on the related potential development of relations with the EU, as well as possible EU support in this regard.

Belarus is included in the ***European Neighbourhood Policy*** although no action plan is currently foreseen for the country**.** Belarus joined the ***Eastern Partnership*** initiative in May 2009 together with Armenia, Azerbaijan, Georgia, Moldova and Ukraine. Pending improvement of the situation in Belarus it participates in the multilateral track of the Eastern Partnership only. However, in September 2011, Belarus decided not to attend the Eastern Partnership summit in Warsaw.

In February 2011 the Council approved negotiating mandates for the Commission on visa facilitation and readmission agreements with Belarus to the benefit of the Belarusian public at large. An invitation to launch negotiations was extended in June 2011, but the authorities of Belarus have so far not responded Belarus has signed local border traffic agreements with

Latvia, Lithuania, and Poland. When implemented, the agreements provide for simplified non-visa regime for residents of areas located 30–50 km from the border on either side. EU-funded assistance and cooperation with Belarus involves approximately €100 mln euros worth of projects including regional and thematic both ongoing and in preparation. The two priority areas are 1) good governance and people to people contacts; and 2) economic modernisation.

The EU stands ready to improve and deepen its relations with Belarus. For the EU, Belarus is an important neighbour. It is an integral part of the European heritage and the European community of nations. For Belarus, the Union is a principal partner in trade and important partner in sectorial and regional development. The EU remains prepared to assist Belarus in democratisation and modernisation.
(http://eeas.europa.eu/delegations/belarus/eu_belarus/political_relations/index_en.htm)

Civil society dialogue

NGOs and other civil society organizations are key partners in implementing the Commission's development aid strategy. They are eligible for Europe Aid financing from both the thematic and geographical programmes and can submit projects in response to a call for proposals.

Geographic programmes. Support for civil society bodies is a strategic priority, and the major geographical instruments for development reflect this:

European development fund (EDF)

Development Cooperation Instrument (DCI)

European Neighbourhood and Partnership Instrument (ENPI)

What all geographical programmes have in common is that they encourage civil society participation in the dialogue with State authorities about development strategies and sectorial policies, as well as to help prepare, implement and monitor development programmes and projects.

EU support aims to consolidate civil society through integrated programmes that increase their capacities and enable them to play the indispensable role in public life and development. The programmes seek to improve internal governance, operational and strategic capabilities as well as the ability to work in networks, communicate and take part in a dialogue on public policy. Thematic operations cover worldwide issues such as the protection of human rights,

the promotion of democracy, poverty reduction, food self-sufficiency, education, environment, health etc.

Unlike the geographical programmes, they are not the result of direct negotiations between a beneficiary country and the Commission. Virtually all thematic programmes are open to contributions from civil society organisations (CSO) from north and south. Civil society plays a fundamental role in the Non-state Actors and Local Authorities programme and the *European Instrument for Democracy and Human Rights.*

CSO are also key partners in the other thematic programmes managed by *Europe Aid:*

Investing in People

Environment and sustainable development

Food security

Migration and asylum.

(http://eeas.europa.eu/delegations/belarus/eu_belarus/civil_society_dialogue/index_en.htm)

CHAPTER 2

Republic of Belarus between Russia and the European Union (EU): the geopolitical and geo-economic situation

The multi-vector foreign policy of Belarus brings the results. So, now it is adjusted meaningful dialogue with the West (EU and the USA), Belarus is invited to participation in the new initiative of the European Union "East partnership« (Belarus, Ukraine, Moldova, Georgia, Azerbaijan, Armenia), the West has "temporarily suspended" some restrictions on trips of some Belarus' VIP officials etc. This dialogue comes instead of the long-term unfriendly policy of the West to RB, - though the USA still keep some sanctions against the several Belarus enterprises.

How to understand artful designs of modern European and world geopolitics? How the geopolitics and geo-economy are interconnected? How to regard various international initiatives, projects, the unions and blocks?

2.1. Geo-politic priorities of Russia and the West in the CIS countries: the logic of "a modern cold war" and Belarus' position

RB is situated in the European region with very interesting and dynamical geopolitics situation that renders the certain influence on economy and a policy of our country and its nearest neighbours.

The essence of geo-politic dynamics in the region

First, traditional rivalry of so-called super states - or more exact, such global geopolitics "players" (or, using modern terms, - "actors") as Russia and the West (EU and the USA). Alas, it is a reality, - though the official diplomatic rhetoric condemns such terms as "super states", »spheres of influence ", etc. Sometimes this rivalry reminds “cold war ". But in the process of a previous "cold war« , the USSR and the West battled for certain ideals: "communism", "capitalism", " freedom and democracy ", " national-liberation movement ", etc. Today, as well as within the First World War, goes struggle (or even war) for resources and commodity markets.

Secondly, quite clear aspiration of other countries of region and all post-Soviet space - including Belarus - structurally to consider, to think over this rivalry, defending the national interests of own nations. For example, the authority of Georgia and Ukraine in every way tries to achieve the introduction of these countries into EU and into NATO though in the Ukrainian society, for example, this "idea" rather is not popular, especially in the south and the east of the country. However, the management of EU and NATO also with very big care considers these rather "problem nominees" of the new allies though approves and supports their anti-Russian rhetoric and other anti-Russian activity.

Byelorussia as repeatedly emphasized the country leaders, spends multi-vector foreign policy and »will not play on contradictions« between other countries or " to be friends against someone ", especially - against Russia. But in the West do not hide the interest in as much as possible "remote" Belarus from Russia.

Geopolitical & Geo-economic priorities and the strategic purposes of the various countries the unions or blocks long time remain constants and define their long-term strategy. Thus concrete actions of officials may be rather very-very different and even inconsistent. Therefore for correct orientation in political - economy situations in the country and abroad, for the realized choice of the position it is necessary to understand clearly these priorities and the strategic purposes.

Priorities of the West: For the West (EU and the USA) the main geopolitical and geo-economics priority in the CIS' region is "**a maximum expansion**" of a spheres and degrees of the "**WESTERN INFLUENCE"**. It is clear, that a ultimate goal of that strategy may be the final "inclusion" of the countries of region (except for Russia, certainly) in structures of NATO and EU. However it is interfaced to very greater charges and risks (economic, social, foreign and internal political affairs), "inclusion" or "entering« in the EU is very long and complex process. Therefore the West is inventing and proposing various initiatives, projects, programs of preparatory or intermediate character: " East partnership ", " New neighbours " or " the Expanded Europe ", etc. In any case, this is normal and very useful for the European civilization.

Certainly, these and other similar initiatives have (or can have) the important independent value which has been not connected directly with expansion of EU and NATO. For example,

in many regions of the World the EU, the USA and NATO finance huge quantity of projects in the most various spheres: ecology, geological prospecting, medicine, support of the small business, independent press and not government organizations (NGO) etc. **By the way, about the role of NATO in these "non-military" areas it is known for some reason a little and this serious problem for the EU**.

These initiatives can be regarded positively. But the CIS is the traditional, historically caused sphere of influence of Russia, its sphere »vital interests». Is it good or bad - it is in this case absolutely other question. Therefore expansion of the West in the CIS' region objectively can occur only due to easing positions and influence of Russia, due to easing the Russian presence. It's obvious. So this is a reason of the conflicts between the Russia and the West.

Priorities of Russia: Obviously and quite clearly aspiration of Russia at least to keep and, whenever possible, to strengthen the political and economic influence in the CIS countries which once were parts of one great country: first - Russian empire, then - the USSR. In practice it is expressed in the following: protection of interests of large Russian business, protection of strategic interests of Russia (military objects, cooperation in strategic area and other forms of military presence). Russia for some reasons has no (yet has no?) The same plenty of initiatives, programs, and projects of cooperation as it practises the West. It is considered, that the nearest neighbours of Russia very strongly depend on it economically: foreign trade, foreign workers in Russia, deliveries of power resources, etc. … are interesting for noting, that Russia long time after disorder of the USSR delivered power resources to all neighbouring countries for rather undercharges though these countries during same time openly carried out sharply anti-Russian policy and accused Russia of "pressure", in " imperial ambitions ", in attempts of dictatorship and suffocation of democracy

Logic of a "COLD WAR": Certainly, Russia - against such "influence" of the West and more and more rigidly defends last time the national interests… »the Main priority of geopolitics and geo-economy of the West (in the given region) is a drawing the maximal damage of Russia ", - so many Russian politicians and experts (however, not only Russian) consider. The western diplomats and politicians, certainly, object to such understanding of policy of the West, speak about the support of democracy, about a stabilizing and progressive role of NATO, the USA and EU, etc. And the Russian party results numerous examples of the anti-Russian aiming of " colour revolutions " and the majority of other initiatives, programs or projects of the West on the post-Soviet space: from restrictions of Russian, closing Russian

radio and TV channels and rough blossoming of the anti-Russian rhetoric before participation in a confrontation on Caucasus in August, 2008 By the way, the initiative of " East partnership " (authors-Poland and Sweden) was born after August-2008 (a "little war" in Georgia).... In Russia constantly mark, that the "democratic" West "does not notice" anti-Russian and pro-fascist actions in a number of the post-Soviet countries and, consider many, even silently encourages such actions... **Once upon a time the West' leaders promised to M. Gorbachev to not expand NATO on the East ... And do we have now**? In general, now in the whole world and especially in the East Europe there are obvious quiet serious elements of counter-positioning of the West and Russia, elements of the forgotten " cold war "Certainly, peaceful Belarus does not wish to participate in any kinds of "cold" or another war.

Priorities of Belarus is stability**. It's obvious** through, first of all, the stability in Belarus, the stability in the region and the stability of the existing political and economic system. Certainly, favourable external conditions are very important. Therefore RB for a number of years consistently spends so called **multi-vector foreign policy**, participates in the various international organizations. But the attitude between the West and Belarus were rather strained, in the West our country declared "last dictatorship in the Europe" and approved, that " dialogue with this "regime" is impossible "....

2.2. Geopolitical features of the CIS countries: **about "a hand of Moscow** ".

The EU' Eastern border – the border "for ever"? It is rather probable, that EU in existing forms will not extend on the East: a) CIS is a very big and problematic region and b) EU now has mush more critical internal problems.

It is difficult to imagine the huge Russia as a member of the incorporated Europe - in forms known today. In this situation the question is pertinent:" Who" and »Where" is entering? Russia - to the Europe, or the Europe - to the Russia?

Also it is rather doubtful - but for other reasons - the introduction of Belarus into the European Union. In the beginning of 90th years the slogan «*Belarus - to the Europe*» was considered here as quite real prospect that brought some revival in slow political processes. Today, a problem is the civilized normalization of the Belarus-American and Belarus-EU' relations, especially on the background of the tightened Belarus-Russian integration.

Chances of Ukraine and Moldova in this respect look more preferable, particularly if seriously to estimate strategic value of these countries for NATO and the USA. But now the Moldova and, to less extent, Ukraine are "divided nations". However an acuteness of social and economic problems, necessity of structural reorganization of economy, sharp politisation of a society, and also huge "transparent" border with Russia etc. – there are a real problems, which should to solve by the European Union.

Whether it is necessary for the EU to extend to the East – there is a serious question, too. What for it is necessary: for the safety of Europe? For geographical and defensive reasons?.. For a simple love to a movement?.. From missionary reasons?.. And has the EU enough money for such an expansion?

The main features of a geopolitical situation to the east of the European Union. New east neighbours of EU - Belarus, Ukraine, etc. - possess a number of the general features that it is necessary to consider at the analysis of possible prospects.

The main feature of this region is, using Marx' «**a very high role of a person in a history** », i.e. very high degree of dependence internal and foreign policy from «charisma of the leader », from the person, from a position and roles of operating presidents and, to a lesser degree, from bright leaders of opposition if those are available or were somehow kept. In the countries with the developed democracy of the European type (however, democracies of other type while are not present), with strong parliament, with the civilized interparty attitudes, with really independent incorruptible court, with the high-grade and authoritative nongovernmental organizations the role of the person, even the brightest, is not so high. In the West the president cannot change only on the whim, for example, foreign policy orientation, in the East - can (or to it seems, that it can) as inside of the country its authority either is absolute, or is poorly limited in practice. Such more than it is enough examples: from M. Gorbachev and B. Eltsin up to figures and events not so planetary scale.

Following feature: **very high degree of economic influence of Russia, - or more exact - a high degree of economic dependence from Russia. Please, pay attention: "influence" and "dependence« are different notions.**

The degree of dependence on Russia is very high, but opportunities of Russia to influence the situation are not so high, - in other words, the means or ways of such influence are limited

enough or, more precisely, not developed enough and so not very effective. It is paradoxical, but the impression is quite often made, that Russia is not able to use this dependence effectively. It is even more surprising, that neighbours of Russia - much weaker and poor - even more often speak with it »from a position of force "! (Why such it is possible - other question.) It is very important and completely not obvious feature of the post-Soviet space.

Today Russia in the CIS is presented only by Russian embassies (consulates) and, practically does not support to any nongovernmental organizations (NGO), has no any structures, funds, programs like European TACIS, TEMPUS, FARE, euro regions, etc. In this plan of the politician of the West (the European Union, the USA) - are more exact, mechanisms of realization of these policy - essentially differs from Russia. The West represents, protects and spends the interests more developed means, in the ways, methods. **The geopolitics of the European Union and the USA in the CIS is more active, is aimed at the future prospects and on creation institutional structures and conditions for carrying out of the influence.** By means of these structures, for example, there is a direct or indirect support to concrete persons, not state press, independent journalists, NGO or to leaders of opposition who spend such influence, form public opinion, etc. Russia has no such structures, (why - other question) and hopes only for history and on traditional economic dependence of the neighbours, on deliveries of oil and gas for reduced prices or on favourable terms and on »reciprocal feeling of gratitude« for this economic dependence and-or support. But in the politician such does not happen, - however, in a usual life too not often meets.. Such it is a lot of Examples, quite enough to draw conclusions. … Where still such a situation is possible?...

It seems, Russia has no any doctrine (policy) - or more precisely, **had no until recently** a concrete and complete policy, the doctrine or system of actions in the near abroad, including Belarus. **But now Vladimir Putin has such an idea – Eurasian Union…** Russia only reacted to any events, and was not trying to design them. It is possible to tell, that in the CIS **we have the great degree of Russia' influence, but not the influence of the Kremlin**.

Interrelations at a micro level in economic and social sphere are very close and practically have a little changed since former times. Many Byelorussians and Ukrainians work in Russia; businessmen buy the goods in Moscow, the enterprises work in the big degree on the Russian market (in Belarus - about 60 % of the foreign trade turnover). But this dependence as shows an expert, is not an effective control facility. In the far abroad - a return situation: influence

or, more precisely, opinion of the Kremlin is rather great, and Russia as a whole - is not present (except for resorts of Turkey where almost all sellers and waiters are guided by service of the Russian tourists).

Actually the Kremlin can really affect a geo-economics situation by means of Gazprom (the price for gas) and a foreign trade policy as a whole (" trading wars "). Certainly, it is very serious, but it - « a stick with two ends ». Besides it causes the sharp criticism and charges in »imperial ambitions »Russia.

As a result it appears, that the Kremlin even at desire somehow make active east-European policy not always can be based on the objective information and on the objective, all-round and qualified analysis, on any «» structures in the near abroad. From here - serious miscalculations in foreign policy that happens often enough.

Absence of complete, systematic, perspective policy (or programs), defines one more feature of the given geopolitical space*: Russia (Kremlin) in there geopolitics is guided in CIS (and other regions) by political support of a concrete persons, instead of a creating and supporting up an institutional structures or principles*. (But now this situation is changing: Russia is developing some sort of an institutional structures and principles: Custom Union, Eurasian Union etc.) For comparison: the USA and the European Union in a greater degree focus there geopolitics and political - technologies on creation and support of a different structures, organizations, funds and programs (NGO, ENP and euro regions, EIDHR, TASIS, FARE, independent press etc.) which actively promote formation and development of principles of a civil democratic society. Certainly, western political technologist also look for corresponding executors, but under them the created structures (funds, NGO, etc.). It - is more reliable and is perspective. Orientation to persons is a passive, unpromising and unreliable policy… There are many such an examples in the modern World Policy…

Now the important conclusions: *Russia is able to support can help only operating presidents in the region, but actually cannot to prevent them even if there will be such a desire. It can give up only in* support, but it is not the same. For the same reasons Russia practically anywhere in the CIS does not support - obviously, anyway - opposition. Legal contacts during visits of the Russian leaders do not practise even. The western leaders, on the contrary, practically always meet representatives of the nongovernmental organizations and opposition parties of a democratic spectrum. … However, it is necessary to note, that the pro-Russian

opposition today in the CIS (and not only in the CIS) is a greater rarity, - with the exemption of the city-hero of Sevastopol. In this case we speak not about moods in a society, but about presence of the above mentioned "institutional structures": political parties, funds, public organizations, etc. The very Big question – what is a reason and what are the consequences?... In many CIS countries - including in Belarus - sympathies to Russia are very great and politically significant, but the pro-Russian structures - are not presented. The Western geo-policy has another result - not so high sympathies in society, but a significant number of pro-Western structures. Why?

As a result in the Belarus-Russian attitudes - and, perhaps, in Ukrainian-Russian - there was a situation which in chess refers to as »Zigzag": any next course (action, movement) of the player worsens its position. But in the politician there is a difference - it is possible to not do a course … And there was up to 2007-2008. But today Russia it does not arrange on a number of the geo-politic and geo-economic reasons, - for example, it simply does not want and cannot give any economic privileges simply " on old friendship ", nothing receiving in exchange. Probably, actually it not so - but so consider in Moscow. Certainly, in Minsk, in Kiev or in other capitals - other opinion. More important in this case: the Russian management today is morally ready to an aggravation of political and economic situation or an attitudes with unfriendly neighbours across the CIS (an example - August-2008)… Certainly, nobody aspires to that aggravation, but it "for some reason" occurred … to Whom it favourably?

Thus, possible scripts and prospects of geo-politic development of the countries of the given region are substantially subject to influence of the personal factor that does not promote predictability of accepted decisions and stability of development of these countries in a direction of the all-European principles and values. Hardly probable EU in the East policy presumes to itself orientation only on personal factors as prefers Russia - or preferred up to these days.

2.3. A geo-economic situation on the market of transit services: an economy as a background for a policy

The analysis of the policy of the West concerning Byelorussia is expedient for a context of a geo-economic situation in the region: oil' and gas' traffics, the migration' traffic (especially illegal migration from the Asian' countries) and – very important! – the "narcotic - traffics"

(drugs-traffic). It's a very serious problem! For example, the "narcotic-traffics" from the Afghanistan now is 4000% as much as before USA&NATO "peace-keeping" mission has been started.

2.3.1. Geo-economy

On a modern map of the East Europe Belarus has great value both for the West and for Russia first of all owing to very favourable transit position. The situation in the European market of transit services is dynamical enough and there are factors both reducing, and raising the RB' value or significance. So, Russia aspires to lower the »transit risks« and tries to divert ways and variants of delivery of the cargoes (first of all hydro carbonic raw materials) to the Europe. These measures as a whole provide DECREASE in the ROLE of Belarus and Ukraine though it will demand greater expenses of time and money.

The "old" Europe (Germany, France, etc.) supports these plans, especially after known hydro carbonic scandals. Thus the "old" Europe also accepts a number of the measures on decrease in transit risks, including development new »concepts of power safety« and, probably, old idea of the Black Sea-Baltic Sea Corridor (BSBSC - in Russian "ЧБК"). In the whole Germany concerns to projects and to fears of Russia in this sphere more benevolently.

The "new" Europe (Poland, Lithuania) as the nearest USA' allies share a negative position concerning initiatives of Russia and Germany with all following consequences, including attitudes with RB. So, Poland - as well as Belarus - rather negatively concerns to idea of the North-European Pipe or gas-tube (NEPipe) on a bottom of Baltic, as this variant seriously reduces a transit role of Poland (as well as Belarus) and, accordingly, incomes of transit. Poland continues to search for adherents and arguments against this project, in particular, in legal sphere (in sphere of a marine law). Belarus cannot find legal arguments contra project NEPipe, but looking for an opponents to the project is possible, - and in this situation the opponents of Russia can be the allied to each other. So Poland, Lithuania, Ukraine and last time Belarus more and more actively support the idea Black Sea – Baltic Sea Corridor (BsBsC) for oil and gas.

INCREASE of the RB' ROLE (as well as Ukraine) in sphere of transit is connected with old idea: Black Sea – Baltic Sea "Corridor" (BsBsC) for oil and gas. This idea was very popular 20 years ago: the Belarus' People Front in the beginning of 90th years put forward this idea as a possible real basis of economic independence of Belarus and Ukraine from Russia. But

there are data that this idea belongs to Zbignev Bzhezinsky (the former state secretary of the USA) that gives to it a little bit other sounding. Interest to the idea of the BsBsC has very much quickened in the summer-2006 after failure on the Russian site of an oil pipeline "Friendship" in area Unecha. Deliveries of oil to Belarus (Polotsk) and to Lithuania on Majeykay (Lithuania) oil-refinery (НПЗ Мажейкяй) have suffered, and this oil-refinery has been recently bought by Polish concern "Orlen". Today deliveries of oil to Lithuania occur by tankers from Venezuela that seriously worsens economic parameters and, accordingly, matters for two countries of the European Union. The Russian party does not promise the fast decision of a problem, referring on serious environmental problems and a high deterioration of "pipe". Lithuania even has addressed in EU and to a number of other countries (Poland and др) with the request to assist. Really, for the Polish party the purchase of the Majeykay-Nafta (Мажейкяй-НПЗ) has turned almost to a burden.

Ukraine still earlier has renewed the interest to the BsBsC' idea, intending to load "pipe" Odessa-Brody and further up to a Plock (Poland). Representatives of the government in 2002-2003 repeatedly discussed this idea with Belarus both with the Polish experts and as a whole send to a pessimistic estimation:

- Volumes of consumption of oil on Polish (Plock) and Lithuanian (Majeykay) oil-refinery are not so great yet economically to justify a new way (in Poland construction of some objects proceeds),
- Volumes of extraction of the Caspian oil (Azerbaijan) are not great enough yet for filling "pipe" as the project of an oil pipeline of Baku-Tbilisy-Jaykhan (Turkey) which support the USA and EU is started,
- The transport distance ("shoulder") from region of Caspian sea to Lithuania and Poland is rather great and, to put it mildly, seriously reduces economic efficiency of the project at the present prices and tariffs,
- At last, the USA spoke against this idea as it can »support A.Lukashenko's regime" as it was expressed couple of years back Dick Chainy, former vice-president in the administration of G. Bush and still large oil tycoon. However project BsBsC is not removed from discussion and can be in the long term included in corresponding programs of EU, for example, in the new concept of power safety of EU. But there are no any news on the projects during 3-4 years, maybe because of World' crisis and the biggest role of Russia.

2.3. 2. Geopolitical context

The West in geopolitical and in the geo-economical context now is non-uniform, and in a context of east-European policy various sights, positions and even contradictions between EU and the USA, between the "old" and "new" Europe are appreciable. The USA aspires to strengthen and expand in every possible way the position of a unique super state, including due to easing the possible competitors. Poland, Lithuania, etc. the countries of the "new" Europe are true and almost unconditional allies of the USA, as though "Grecian horse" of America or it »the fifth column« in the Europe. Contradictions between Poland and Germany are especially sharp: 1, 5 - 2 years ago business reached even offensive materials in the Polish mass-media against Germany and its chancellor. In press of EU even the theoretical opportunity of exception of Poland from EU was discussed, there was a phrase »a trouble by name Poland ". These contradictions are appreciable also in the politician rather РБ and Russia.

The Belarus-Russian attitudes also are closely analysed in the West, especially in Poland and in Germany. It is considered, that all-round Russian support (military, diplomatic, political, economic) is exclusively important for Belarus and for its management, therefore a various sort conflicts cause heightened interest. So, New Year's »hydro carbonic war« - 2006 has caused splash in activity in analytical circles, a wave of comments and forecasts.

Distinctions in the politician of the USA and EU are defined by the following. For the USA a priority problem in the given region is, in opinion of many Russian experts, »to bring the maximal damage to Russia »in all directions, including its (Russia) allies - until they are an allies. Only this way the USA can strengthen and expand the American (the West) presence and, whenever possible, domination in the region. In opinion of Russians and many other analysts in the CIS, the USA "design and support colour revolutions" and many anti-Russian initiatives in the CIS, (including August-2008), and the Europe pays them,

Until recently this opinion was very popular in Belarus, but today the anti-western rhetoric in the Belarus press has practically stopped and has given up the place to the description of »trading wars" with Russia.

EU cannot afford to pursue the strait anti-Russian anti-Belarus policy for the geo-economic reasons: the geographical neighbourhood and dependence on the Russian deliveries. For EU

the main task is a development of a normal good-neighbourhood and creation of »a sanitary cordon« on east border. EU has not supported the most rigid sanctions concerning Belarus which were offered by the Belarus opposition after the next presidential elections. In a whole EU coordinates scales of cooperation with known for »conditions of democratization of the Belarus regime ".

The good example is more constructive Belarus' **and Eastern policy of Germany** (so called "real politic"): an all-around development and expansions of cooperation with the nongovernmental organizations (NGO) and »a civil society« of RB in all spheres (ecology, energy, education, humanitarian sphere, etc.)

The policy of Poland to Belarus as a whole also is not so hostile or confrontational in comparison with American, because Poland directly borders with RB and with all following consequences for mutual relations. Thus in Poland the sharp criticism of the Belarus authorities is combined with enough essential support of civil RB' society. Also it is appreciable, that in the politician of Poland sharply anti-Russian tendencies are combined with rather constrained and a constructive position in relation to RB. So, Poland has not supported a number of the anti-Belarus initiatives of the USA and EU on expansion of trading sanctions and visa restrictions. The aggravation of the Polish-Belarus relations for Poland was undesirable also owing to significant Polish diaspora in Belarus. Expansion of contacts with a Belarusian »civil society« is welcomed by all political forces. The attitude to Belarus in the Polish society is quite good because of ethnic and historical reasons. So, the big part of Belarus' territory is considered as »former Poland ", thus the significant part of ethnic Byelorussians and Ukrainians lives in Poland. Poland and Poles are interested in the Belarus market and in opportunities of an output on the market of Russia. Many Polish post-graduate students and science officers are owners or representatives of any firms and actively use business trips to Belarus for the decision of any commercial questions. In this sense the membership of Poland in the EU and especially sharp restriction of former frontier trade causes regret in many polish and Belarusian families. Possible activation of frontier communications is in every possible way welcomed practically at all levels in Poland.

The attitude to the possible membership of Belarus in EU is interesting. According to one of the high-ranking officials of EU in confidential conversation with the author of these lines on one of the international conferences in Poland, Belarus has more chances to be accepted in

EU in comparison with Ukraine: »Ukraine will enter EU after Turkey, and Turkey - never. The main obstacle, in this way, for Belarus is a subjective factors". Objective factors - are rather favourable: small and compact territory, absence of greater problems both very important geo-economic and geo-politic position.

Poland with support of the USA obviously aspires to play a role of a regional super state, counting on installation of former influence in the region. Now Poland has a number of programs on support of the Belarus opposition, on training students and post-graduate students from Belarus and this activity will accrue. The Belarus-Russian conflicts recently have generated in the West for some time the certain hopes for change of geo-politic orientation of Belarus, however the general conclusion it has appeared approximately is those: " Sharp reaction of the Belarus management to economic pressure of Moscow - only " to slap a tactical move and desire a door " from disappointment. With Moscow it is not enough quarrel that the West has essentially changed the attitude to Belarus to »a mode ". - VERY COMPLEX PARTNER and to trust Minsk only to its words it would be precipitate, especially considering the last experience of mutual relations ".

CHAPTER 3

Relations between Republic of Belarus and the EU yesterday: the theory and practice of the modern "cold war«

Relations between Republic of Belarus (RB) and the European Union have rather short, but uneasy history - from opposition and almost confrontations prior to the beginning of dialogue. However, cooperation in some spheres did not stop, and development of the foreign trade communications can be estimated only positively.

3.1. A brief historical sketch of RB-EU' relations

Today very few people remember that Belarus one of the first CIS countries has taken measures under the introduction into the Council of Europe (CE). The Country leaders in 1993, practically in a year after disorder of the USSR, have accepted the decision « About measures on preparation of the introduction of Byelorussia in the Council of Europe ». Chairman of the Supreme body of republic Stanislav Shushkevich signed this decision, even an annual payment in this organization has calculated. Belarus has received the status "specially invited" in Parliamentary assembly SE (PASS). But after a referendum 1995 and dissolution of the Supreme body of XIII convocation of republic, the Europe has not recognized new parliament ("House of Representatives"), cancelled RB' status in the Council of Europe (CE) and «a cold war» of the West with RB (or with "Belorussia regime") has started.

Since then periodically RB' representatives confirm the desire to enter in CE, and CE and EU constantly repeat well known "claims" to Belarus: « not democratic elections », « absence of freedom of press », « prosecution of opposition », etc.

The Belarusian people - from those, certainly, who something heard about these claims - consider them too in concrete and too common, this "principles" as in general are appropriate to some extent to the majority of the CIS countries. For example, many people in RB do not consider elections in the USA as »the sample of democracy » since in the USA the president is chosen as a matter of fact by electors, instead of all population, and the president can become only a member of one of two parties similar as like as two peas. Certainly, more "advanced" citizens, especially, from among not numerous opposition, understand subtleties American and in general the western democracy, but such - minority in more details. And the

majority vote for President A. Lukashenko who speaks clearly and clearly, and speaks about really important practical problems for the majority of the Belarus families: about economy, about a standard of living, about the prices, etc.

From this brief and, probably, emotional introduction the important conclusions follow:

- EU and RB speak in different languages, and think of a miscellaneous;
- In EU and in general on the West, similar, there is no or not enough an objective and full system' information about RB, about public opinion of the majority of its inhabitants, about priority problems.

All this is quite clear, as representatives of EU in RB communicate, mainly, only with opposition' leaders - not numerous and separated - , and even this « dialogue with people » occurs, mainly, in the arranged well Minsk, not in the country-side. … However, we shall return to history.

1994 - The First presidential elections in RB.

Elections took place in the summer 1994 and have brought a convincing victory to Alexander Lukashenko in the second round above head of the government Vyacheslav Kebichem. It was really democratic elections. To young First President was then 40 years, it has got wide popularity and love of voters being the deputy of the Supreme body after the anticorruption report made by it which figurant was even Chairman of Supreme body (the chapter of parliament) S. Shushkevich. The report and sharp performances of Deputy A. Lukashenko were broadcast on the air of radio and TV. The Europe and the USA welcome the young President.

1995 - The first referendum in RB' history.

The referendum was initiated by President A.Lukashenko. Group of deputies before a referendum have gone on hunger strike the protest against those questions which have been born on a referendum: restoration of the state symbolic reminding symbolic of Soviet times (a flag, the arms, etc.). This referendum and a begun confrontation of the President and Parliament have caused some concern of the democratic Europe, but prevailing for EU as almost always, there was a position of the USA: « the main thing - that A. Lukashenko, as well as promised, has deduced nuclear arms from Belarus, the rest is not important yet ». (…

How to understand such position of "super-democratic" America: « double standards » or« the real policy "?..)

As a whole attitudes of the West and RB remain good. In the summer 1996 President РБ has made the first official visit to the West-European country - to France. Other trips had private or working character, in particular to Austria, to Slovenia and, certainly, in headquarters of the United Nations in New York.

1996 г.-the second referendum and changes in RB' Constitution.

To autumn of the contradiction between the President and the Supreme body have reached a high degree and the President spends a new referendum with the purpose of change of the Constitution. By results of a referendum are made changes to the Constitution and the former Supreme body stops the existence.

By the autumn the contradiction between the President and the Supreme Council has reached a high degree and the President spends a new referendum with the purpose of change of the Constitution. By results of a referendum are made changes to the Constitution and the former Supreme Council ended its existence. It is formed »new design of RB" and terms of presidential "ruling period".

The "old" parliament, certainly, is revolted by such will of people, but in fact voters have voted in overwhelming majority for offers of the President! Rather non-uniform opposition which unites only one slogan - « for democracy Is formed! » - And one general desire - to return to authority.

The West does not recognize new parliament, including its "operated". The West communicates only with opposition and only in Minsk since the majority « fighters for democracy » have located in capital, not wishing to return to former the voter in a province.

Actually, in this situation confrontation the West begins. (Someone can object: the West acted not against people, and against « heads of a regime », - but who has more suffered from this confrontation?..)

Further mutual insults and claims accrued as snow ball.

1998 - Eviction of foreign diplomats from "Drozdy" ("Ouzels" – some sort of village near Minsk, very beautiful place). The western diplomats have solved it « rough infringement » norms of democracy and international law and someone has left Belarus « for consultation ». But by the way "Drozdy" – is a president residence of the sovereign country …

Pertinently to recollect, that during these times in many CIS countries there were rather intense attitudes between presidents and parliaments. Here and there armies under the order of the president fired and stormed a building of parliament. Here and there confrontation proceeds and today … Here and there in the CIS actually never was and there is no parliament … Why Belarus and its President have caused such proof and, probably, disproportionate discontent of the West?..

The majority of Byelorussians so answer this question: the West very much does not want rapprochement of Belarus and Russia and the more so does not want creation of the Allied State RB - the Russian Federation. First, it can be an example for other CIS countries, secondly, Union RB - the Russian Federation, especially in military sphere, seriously complicates proof desire of the West (especially the USA and NATO) to create around of Russia « a sanitary nuclear cordon » or "board" and whenever possible to isolate Russia, "to push aside" it on the East … Really, 2.04.96 creation of Union RB and the Russian Federation is officially proclaimed. In the West it have apprehended with the big vigilance and even alarm, fears Sounded, that it - »revival of the USSR »or "empires", that this precedent can involve in the new Union also other CIS countries, etc. Many considered that the President of the new Union can become the young vigorous Belarus President who at that time much was more popular than the growing decrepit B.Eltsin.

In 1999 in Belarus has suddenly died one of leaders of the Belarus opposition G.Karpenko, chairman of the "shadow government« created by opposition, the former vice-speaker of the Supreme body. Some more outstanding figures of opposition later have completely disappeared. Unfortunately, in Belarus, as well as in any other country annually there are sad cases of disappearance of people, but these examples have received the big political resonance in the country and in the Europe.

2002 - The first interdictions on entrance to EU of the Belarus high government officials. In September, 2002 (in three years!) the special subcommittee of the Committee on legal issues

and human rights of (PASSE) has begun investigation of the facts of disappearance of 3 oppositional politicians, 1 businessman and 1 television cameraman. After long negotiations the Belarus party has invited to Minsk the representative PASS Христоса Пургуридиса. Consequence of its report became the decision the PASS and EU to forbid entrance on territory of the countries-participants of EU to three high government officials and the commander of special division, which EU has suspected of participation in disappearance. The interdiction has started to operate since September, 2004

In 2002 of authority of Czech have not given out the entry visa to President РБ for participation in the Prague summit of NATO. … Well, very "constructive" decisions?.. Probably, at the summit of NATO in Prague it was possible to begin quiet dialogue and something to find out about the gone politicians? As participation in disappearances by court is not proved. Anyway, «disappeared politicians» also have for a long time complicated and without that completely not warm relations between RB and EU.

2004 - The next referendum and the next parliamentary elections. In November, 2004, after the next referendum, the President has received a constitutional law to stand on the third and other terms. The representatives of opposition participated in elections, have not got in parliament. The West has declared the next time infringements during election campaign and next time has not recognized democratic. Observers from the CIS, present on elections, have not found out any infringements. By the way, in a number of the CIS countries the president also under the Constitution has the right to stand both on the third, and on the fourth, etc. terms, but it does not cause in the West of so sharp reactions. Probably because in those countries there are oil and gas which are very necessary to the West?.. Such assumptions quite often express Belarus.

But to Belarus, have solved in the West, it is necessary to toughen sanctions. Prohibitions on entrance to EU have mentioned more than 30 Belarus officials and in these «black lists» there were many elementary mistakes and mess with posts, names, etc. … Who and, the main thing, what for has thought up these "awful" sanctions and who made these lists with mistakes?..

The Belarus opposition suggested to include some hundreds names in these lists, but far-sighted authors of idea, it is visible, were frightened of possible consequences. One more "awful" sanction has been entered: threat to freeze the account of these officials in the western

banks. This "threat" has caused in the huge majority of Byelorussians simply laughter. … the Conclusion: officials of the West (EU, the USA) vaguely enough imagined a real life in Belarus - and not only in Belarus. But, on the other hand, foreign trade of the EU countries with Belarus developed very good rates. Certainly, the interdiction on entrance to EU of 36 Belarus officials is not unique, but very bright display of very bad attitudes with the country. Were, unfortunately appreciable restrictions of mutual communications, programs, contacts in humanitarian sphere: in a science and in higher education, in sphere of not state organizations, etc. Also what it has given?..

Thus Byelorussia and the European Union have always been interested in promotion of direct interaction in spheres of mutual interest: transit, transport, power, regional and sub-regional safety, counteraction to trans boundary threats, preservations of the environment.
For today the European Union is the largest investor in economy of Belarus. Volume involved in 2006 to Byelorussia from the states-members of the European union of investments makes nearby 2,8 billion US dollars, that for 125% exceeds a similar parameter 2005 thus the basic volumes of investments Germany (400 million), Austria (276 million), Cyprus (243 million) and Latvia (150 million) acted from the Great Britain (1,5 billion US dollars). The most popular for investors remain petrochemical, power and bank sectors. Besides investments are actively involved to Belarus in the form of demand lines of credit on modernization of capacities of the enterprises. The tendency of growth in trade reflects growing interdependence of economy of Belarus and EU: in the Europe Belarus production while for Belarus the European commodity markets are important is demanded.

The European Union is the largest donor of the technical help to Byelorussia rendered through the Program of technical assistance to the CIS countries (TASIS). For years of action TASIS in Belarus 320 projects for the sum nearby 204 million euro, or more than 40% from all foreign technical help which has acted in the country since 1991 are realized. In a stage of realization there are 9 projects for the sum more than 26 million euro.

EU renders the technical help of Belarus in following areas: preservation of the environment, arrangement of a boundary infrastructure, social protection, nuclear safety, struggle against illegal migration and contraband, formation, local management. The basic addressees technical assistance in Belarus are the Ministry of natural resources and preservations of the environment, the Ministry of Internal Affairs, the State committee of boundary armies, the

State customs committee, GosKomChernobyl (Комчернобыль), Belhydromet (meteo-servtce - Белгидромет), Gosnadzoromнадзор, regional executive committees.

Byelorussia also is involved in realization of three programs of the European Neighbourhood Policy (ENP) : "Poland-Ukraine-Belarus", "Latvia-Lithuania-Belarus" and " Region of Baltic sea ". Under realization of projects according to programs the European Union for Belarus and other countries involved in them (Russia and Ukraine) on line TASIS it is allocated nearby 19 million euro. Now consultations of the frontier states-members of EU on a format of new programs of trans boundary cooperation within the limits of the new European instrument of Neighbourhood and Partnership (EINP) which have come instead of Program TASIS EU on January, 1st 2007 are spent.

3.2."12 conditions" of the EU for normalization of relations with RB: not very concrete and not very obligatory

In a lobby of EU there was a new initiative - « 12 conditions » to Minsk, or « 12 recommendations » for improvement of attitudes between EU and Belarus are more exact. Certainly, it any more sanctions and the more so not threats, and something similar to the beginning of dialogue. But the Belarus party too has the position and, basically, too has the right to certain "conditions" or "recommendations" for EU. To honour of the Belarus party, such "conditions" it did not put forward. Shortly speaking, RB' position was those: « We are ready to dialogue, but without any preliminary « conditions » because it is possible to discuss everything in the process of normal relation ».

Now we shall look at an essence of these of 12 conditions or recommendations. Though today these conditions do not interfere, fortunately, with the beginning of dialogue, but the understanding of these conditions will help to understand logic, "a train of thought" of the high officials of EU.

This »12 conditions or recommendations" of the European Union as a whole are well-known:

1. To respect with the right of people of Belarus to elect the state' leaders by democratic way, to respect their right to hear all opinions and to see all candidates on elections.
2. To respect with the right of people of Belarus to the independent information and a freedom of speech. To stop closing newspapers and to eliminate obstacles in their distribution.

3. To respect with the rights of non-government organizations (NGO) as vital part of healthy democracy - not to complicate their legal existence, to allow them to receive the international help.
4. To release all political prisoners.
5. To provide not dependent and appropriate investigation of disappearances of people.
6. To provide the right of Byelorussians to independent and unbiased judicial system.
7. To stop any arrests and detention, the bad reference with people.
8. To respect with the rights and freedom of those Belarus citizens which concern to national minorities.
9. To respect with the rights of the Belarus workers - their right to enter trade unions and the right of trade unions to work in protection of people.
10. To respect with the right of the Belarus businessmen to realization of activity without excessive intervention of authorities.
11. To join a cancelling of a death penalty after other people of the Europe.
12. To use support, which OSCE, EU and other organizations offer Belarus for the help in execution of the rights of the citizens.

What about the opinion in the Belarus' society to these "recommendations" or "conditions"? Certainly, at various social groups the attitude was rather various, and very much people simply heard nothing.

Under all these recommendations can subscribe not only Belarus, but any other state, - so as any the most of politicians and the citizens. In this or in other form all this conditions are reflected in the RB' Constitution and in Constitutions of other countries. These are declarations which in the Europe are known approximately 100-200 years, but on "space« or territory of the CIS – 20-25 years. But some of them are not very concert and so not very realistic in practice, for example, « the rights of workers » (п.9) - what it is and how to provide these rights in a reality?...

Today those prisoners, which EU considers "political", are released, and today the Belarus society is more ready to a cancelling of a death penalty, than 5-7 years ago. Today approximately 50 % of Byelorussians are ready to a cancelling of a death penalty in the country, and before those there were only 10-15 %.

However, in EU too understand declarative character of these recommendations. So, the chief of a political department of the secretary general of Advice of EU Khelga Shmid has declared during X the Minsk forum: « Bruxelles perfectly understands, that 12 recommendations cannot be realized by the Belarus party for short term but if the cores from them will be executed, from EU steps towards to Belarus » will immediately follow. [1/7/2008, is quoted on www.ximik.info]. Today with cautious optimism it is possible to ascertain, that mutual movement has begun … What will be the results - the nearest future will show ...

CHAPTER 4

The EU-Belarus' Relations today: some examples of a realistic politics

4.1. Mutual relations of Germany and Belarus: »the realistic policy«

The contacts of all EU' countries with RB is very difficult to track and in one article it is simply impossible. The Most developed cooperation has developed between RB and Germany, and the initiative (and financing) belongs mainly to Germany. Probably, this experience will be soon widespread to other EU countries?

The Germany-Belarus attitudes can be divided into four spheres. The most successful is the sphere of humanitarian contacts of a civil society of two countries. Exists up to 800 German nongovernmental organizations (NGO) and private initiatives which work with the partners in Belarus, - with any other country there is no such close interlacing in public sphere. Germany - the largest donor, giving the humanitarian help and the donations for Belarus. Annually up to half of all humanitarian help which goes to Belarus from abroad, is the help of Germany. The most important of various projects are realizing : in energy' sphere, repair of hospitals, in ecology, in realization of principles of sustainable development, in preparation of experts on sustainable development etc. The International Educational Centre on the basis of which a plenty of a various sort of forums will be organized, seminars, conferences is widely known in Belarus, etc. A number of projects have served as good examples for realization. For example, 2-3 years ago under the program « SOS: the Children's Village » is constructed children's village in "Марьина Горка" ("Maryina Gorka" – "the Maria' Hill"): about dozen houses for children-orphans …

The second - sphere of cultural relations. Already more than 10 years operate Goethe's institute in Minsk.

There was an institute of German researches at the European Humanitarian University (EHU), but now EHU is functioning in Vilnius. As well There are such a project (or institution) in Belarus are available, as »German intermediaries« - the teacher from Germany which help to improve teaching of German language to the Belarus teachers (as a fact this is not only Belorussian project). Approximately 150 grants in a year stood out to the Belarus students for training or passage of practice to Germany. The third important sphere - economic contacts. Here it is observed some kind of stagnation. At the moment Germany is the major economic and trading partner of Belarus in the West. In sphere of the foreign trade exchange from year

to year shows a small rise. But experts count on much greater potential which is not used for some reasons. For example, there are administrative obstacles and difficulties of the Law' character.

So, as a whole Germany takes the second place after the USA among the countries - the basic investors in the RB' economy. For example, some of the famous joint-ventures in the RB are "MAZ-MAN« («BelavtoMAZ» and concern " MAN "), « Ceiss-BelOMO», «Santa-Bremor» etc.

In the German embassy in RB there are many inquiries from the largest German companies which are interested in Belarus' partners for a number of reasons including the neighbourhood of the big Russian market?

As a last item it is necessary to note sphere of political mutual relations. The same cooperation here while is not present, but the government of Germany shows understanding and respect of a position of the Belarus party. Unfortunately, the RB' relations with other countries of the Europe and with the EU as a whole are not so good for today.

4.2. Euro regions and frontier cooperation: »A window to the Europe«

The most interesting, that frontier and trans border cooperation between boundary regions of Belarus and neighbouring countries - members of EU and the NATO - developed and are developing rather successfully and, in any sense, more successfully, than with neighbouring countries - members of the CIS !... Paradox?

The main reason: on east border of EU there are Euro regions which are financed by the European Union with the purpose of arrangement of the borders and developments of a good-neighbourhood. So Euro regions are the special structures designed (or aimed) to develop trans-border cooperation – and this structures proved to be very effective in different political situations.

The European Union is the richest and influential the neighbour of Belarus. And EU can spend, basically, the influence as directly creating own structures in RB, and can use for this purpose structures of other countries, including members of EU - Poland, Lithuania, and Latvia. For the known reasons RB' contacts with the structures of EU have been sharply

limited, but nevertheless the western neighbours of Belarus - as well as Belarus - have always been their development. Therefore euro regions have appeared almost unique real opportunity of realization and financing of enough plenty of joint projects by the European Union. Certainly, under other conditions successes of euro regions would be more significant.
So, Belarus did not participate in investment competitions on accommodation of greater and small manufactures (branches) of the European firms though partners could become the Belarus enterprises of all patterns of ownership, including cooperative and private, and not just state.

EU did not recognize and yet does not recognize Belarus as the country with market economy and consequently carries out concerning the Belarus goods a restrictive policy. But these measures affect, first of all, the small and average enterprises, thus giants of the Belarus industry (state enterprise) successfully increase the export to the Europe. Thus, small and average private business has suffered from attempts of "an isolation of the regime« first of all.

The European policy of the neighbourhood (ENP) yet has not rendered on the Belarus society of appreciable influence. The majority of Byelorussians in general heard nothing about this initiative of EU, as well as about the majority of other EU' initiatives and programs. Formally, Belarus is connected – or may be connected - with three of ENP' programs: 1) »the program of Baltic sea "; 2) the program "Belarus-Lithuania – Latvia"; 3) the program "Belarus – Poland – Ukraine". But almost nobody in Belarus can say something good or bad about these programs, even about their existence it was known only to very narrow circle of experts. There are only rather small projects with participation of some NGO which have good partner communications with the colleagues abroad.

But historical expansion of EU in 2004 have noticed and have negatively estimated very much many since it has led actually to creation on the Western border of Belarus of new "Iron Curtain": trips to Poland and Lithuania have been exclusively complicated.

Paradox № 1: thus, the West ostensibly pursued a policy of isolation of "the regime" and its leaders, but really it led to the certain isolation of a civil society, to restraint of frontier cooperation.
Euro regions by definition are located on borders that are in a province, instead of in capital. It not Mutual relations of Belarus with the international economic organizations - the IMF, the

World bank, the International financial corporation, the European Reconstruction and Development Bank - also are quite entered in the given scheme: the policy of "isolation" of the Belarus management actually meant isolation of private business and the most part of the Belarus society. The international organizations prefer to function in capital and extremely reluctantly visit a province. The reasons to understand easy: in capital, certainly, more conveniently. Regional disproportions in Belarus as in other CIS countries, accrue and, certainly, not in favour of a province. But such preference to capital extends also on regional projects, on local initiatives. From a province all is more difficult "докричаться" up to capital officials - as up to Belarus, and, especially, up to European or international. Probably, many European Union, etc. functionaries do not guess at all, that Byelorussians live not only in the canter of Minsk, but also have somehow managed to reach Dnepr, up to Pripyat, almost up to Vilnius. All other territory of Belarus with its people, similar, is considered by the European Union as a certain space "about Minsk ", between Vilnius, Kiev and Moscow.

It is paradox № 2: the European Union (" the Europe of regions "!), the USA, the international organizations support ideas »a civil society, freedom and democracy, a private property ", etc., mainly, in capital. Such »the regional policy »West also quite answers aspiration of reactionary forces to isolate the country from undesirable influences.

Paradox № 3: foreign trade of Belarus with the countries of the European Union for last 6-7 years grew exclusively high rates: similar, it is Belarus has entered the EU, instead of Poland or Lithuania. By the way, this fact also many years were poorly known even to the nearest neighbours – to those »experts" around Belarus, who have declared in the West his intentions to export "colour" revolution to Belarus and have received good money on this "idea". (For more details about RB' foreign trade you can find the Part 4.2.) In any case the trade' figures impress: the share of the Great Britain for 3-4 years has increased in the Belarus export about 3 % (2001г.) up to 8,3 % (2005г.), a share of the Netherlands - from 1,7 % up to 6,7 %. For these parameters of the British and Dutch businessmen it would be possible to award with premiums, but … Strictly speaking, growth of the Belarus export to these countries (within the sharpest opposition!) - Result of performance of the Russian oil contracts with Europeans. The contribution of the Belarus party - services on oil refining and on transportation. In this sense - Poland, Lithuania, Latvia, and Ukraine - also have won neighbouring countries, but certainly, in much smaller degree.

It is a lot of paradoxes in foreign trade with the nearest neighbours. Brotherly Ukraine with the population nearby 49 mln. in foreign trade with RB takes about the same place, as well as the Netherlands (16 mln people). In 1995, the share of Ukraine in the Belarus export has made 12, 6 %, in 2000 - 4, 7 %, per 2006-2008 - about 2-3 %. The Same tendency is traced on import: 10, 4 % in 1995, and about 3 % in 2006-2008years.

The role of Poland in foreign trade RB as a whole 10 years is kept at rather high level: 5, 6 % in 1995. And 5, 3 % in 2004, that are much more than Ukraine. However import Poland constantly decreases and today makes about 3 % of total amount of the Belarus import. Frontier trade - especially import Poland - for last 4-5 years, after introduction of a visa mode was sharply reduced. Earlier from frontier regions of Poland Byelorussians, Russians and Ukrainians imported huge quantity of the foodstuffs, clothes, footwear, etc. Roadsides of the Polish highways from Brest and from Grodno have been literally covered by private shops and markets with signboards in Russian. Many inhabitants of the Belarus frontier settlements sent on week-end to Poland to buy products for all week for themselves, for native and familiar. But all over again the Belarus authorities have entered serious quantitative administrative restrictions, and then it was made by Warsaw and, at last, Brussels. To whom it is favourable?..

But as a whole the western and northern neighbours of Belarus - Poland, Lithuania, Latvia - are the second - after Russia - on value the trading partner of Belarus: in RB' export their general share makes about 12 % (2006г.). A share of this three of new members of EU much above a share of all other CIS (without Russia, certainly).

It can be named »paradox № 4 ". Regions of Belarus participate in foreign trade very actively: especially Gomel, Vitebsk and Grodno where the largest oil refining enterprises, etc. export manufactures are located.

4.2.1. Trans - border cooperation: Belarus chooses the European Union?

A relation with neighbouring countries is formed under influence of some factors: political, macro and micro economical, humanitarian, legal and institutional, etc. It is fair for all countries as cooperation assumes contacts at all levels and in various forms. But real value of these factors is different and depends on a local situation. Strangely enough, value of political factors and the general level of interstate attitudes - for frontier and trans boundary cooperation - is rather insignificant, or it's better to say, it has, more likely, indirect influence.

But the value of institutional factors, on the contrary, is rather great and almost irrespective of loud political applications. For example, between Belarus and members of EU and the NATO - Poland, Lithuania, and Latvia - long-time exist euro regions, bilateral long-term projects and programs. But on the CIS frontiers there are no such kind of cooperation between Belarus and its - Ukraine, Russia, because such a modern strategic institutional forms are not presented. Certainly, household contacts, business-rounds, meetings of local officials and heads of the largest enterprises, i.e. all that exists since times of the USSR and this contacts are very intensive, - but only a history and traditions are the basis of this cooperation... May be its good, may be – not so good, but this is a real situation…

Euro regions in Belarus have appeared in 1997г. And now Belarus is a participant of five euro regions: "Bug" and "Belovezskaya pushcha" ("Беловежская пуща" - very dense forest") in the Brest region; "Neman" (the Grodno region) and "Lake-land" (Vitebsk region). In 2003 the Euro region "Dnepr" (the Gomel region) is created, later it is accepted in Association of the European frontier regions. Initiators of this idea in Belarus including the author of these lines, hoped what exactly Ukraine will be as so called "locomotive" in promotion of local projects in EU' structures, as cooperation of the West with Belarus has been very limited, but...

Euro region "Bug« - Brest and neighbouring Ukrainian' (Volynsk) and Polish' (Lublin and Tarnobzeg) regions. For last 7-8 years on a long-term basis with participation of Byelorussia following projects here are realized:

- Development of commercial opportunities of the former defensive enterprises;
- Transfer of technologies from the higher school in the industry (Brest' Polytechnic University);
- The help in strengthening of the public services of employment;
- A frontier forum of investors in Brest;
- The help in development of regional branch of the Belarus society of the Red Cross;
- Development of cooperation of Poland and Belarus in improvement of quality of water in a West Bug' river basin;
- Joint construction of some devices on the boundary check-point »the Warsaw bridge« and cargo-terminal "Kozlovitchy-2", etc.

In Euro region "Neman" which includes the Grodno region and the nearby areas of Lithuania and Poland, projects are realized:

- Improvement of professional skill in sphere of management of transport and logistics (the budget of the project nearby 180 thousand euro); firms and experts from Latvia and Sweden participate also, although they are not the members of the Euro region »Neman ".
- Regional planning, development and wildlife management in euro region "Neman"; (the European Union has allocated for realization of this project for two years nearby 1 million euro; during its realization 2 international conferences with participation of experts of the European Union were organized.);
- Creation of tourist information centre in Grodno, development of tourism and wildlife management on the territory adjoining the August channel, connecting Poland and the Grodno region (the project includes restoration of ancient water-ways, development of ecological tourism, etc.).

It is necessary to note, that the European Union gives grate attention to the problems of regional planning and regional development. So, the concept of preparation of long-term plans for development of euro regions for the period of 5-10 years is developed. Certainly, such approach creates long-term basis of cooperation and the European integration.

The structure of Euro region "Lake-land" includes some areas of Vitebsk' region and of the nearest areas of Latvia and Lithuania, including Ignalina area and the Ignalina' atomic (nuclear) power station. This very serious object so the Tripartite' Council of the euro region was created, and some working groups on the most important problems (wildlife management, territorial planning, business, an infrastructure and the information etc.), were created as well.

It is interesting, that the Ignalina' atomic power station is the central part of some big projects in this region. As a whole the European Union has allocated for various projects in euro region nearby 8 mln. Euro. For example, with participation and financial support of the Norwegian association of regional and local authorities the project of development of a national park in the Ignalina' region was realized, so as the project of the International Youth ecological camps is realized. At financial support of the Ministry of Foreign Affairs of Norway and the above-named Norwegian association the long – term' Strategy for the euro region was developed, Including preparation of experts from among officials and scientists,

development of concrete projects in various spheres, creation of information centres, accommodation of the information on the Internet, etc.

So we can see that Euro regions are the essential factor and the subject of the real European Policy (and not only the ENP): for example, in 2000 representatives of the Belarus national bureaus of euro regions have been invited for participation in work of an Economic Forum of the countries-members of the Central European Initiative in Budapest though Belarus is not the member of this organization.

Apparently, "euro region" - rather fruitful, useful and long-term form of co-operation of frontier regions of neighbouring countries – I mean not a capital region. It's worth mentioning, because in another spheres EU - as well as other international organizations: UNDP, IMF, the World Bank, the International Financial Corporation, etc., as well as the USA - prefer to work mainly in the capital. Thus, these international organizations promote the further centralization and concentration of all decisions and all functions of the modern state in its capital –or to be more exact, in the centre of this capital. It's not difficult to understand these preferences of the Western experts – Minsk is very beautiful and clean city, well-equipped and with good public services almost in the middle of Europe…

Perhaps, this is the main reason of the Lack or Absence of the objective and systematic information about the country on the West...

Thus, the European Union is the richest and the most influential neighbour of Belarus and EU (Euro-Commission etc.) is able to influence his neighbours by different ways : by creating his own special structures or by using for this purpose the structures and possibilities of other countries.

However, now cooperation of the European Union and Belarus is sharply limited practically in all spheres - perhaps, except for foreign trade. The overwhelming majority of the European initiatives "settles" in Minsk and in practice does not reach regions. Popular sources of the information on EU and its programs practically are not present, - except for the Internet which for many common people is "terra incognita ".

4.3. The European Neighbourhood Policy (ENP): good, but the little-known initiative

The purposes of the ENP - " to divide the blessings of an expansion of EU, taken place in 2004, with neighbouring countries by the methods of strengthening stability, safety and increase of well-being of all interested countries. The "strengthening stability" and »appropriate management« in the neighbouring countries also are mentioned in the European Strategy of Safety.
ENP does not give to the countries-partners the promises of membership in the European Union, but offers "exclusive« relations with EU.

The ENP' Origin: Historical expansion of the European Union in 2004 became for it greater step on a way of strengthening of safety, but also change of external borders of the Union has led. These circumstances not only have opened new opportunities, but also have put new problems. The European policy of the neighbourhood is the answer to this new situation.

In March, 2003 the Euro Commission has presented the Message " the Greater Europe - neighbours: a new basis of attitudes with Eastern and Southern neighbours of EU ". The main principles of the ENP have been explained and published for the first time. According to this Message for rendering assistance to the third countries, including the countries covered at that time by programs TASIS and HONEY (analogue TASIS in the Mediterranean), the Commission has suggested to create the European Instrument of the Neighbourhood Policy (EINP).

In May, 2004 the European Commission has presented the Message « the European policy of the neighbourhood. Strategy and Reports on the Countries » in which on introduction of the European policy of the neighbourhood and methods of dissemination "the blessings of expansion of EU " precise steps are specified neighbouring countries.

The mechanism of realization: These priority purposes are supposed to be included in in common coordinated more detailed Plans of action, each of which on a plan should represent the key political document in strengthening attitudes between EU and the concrete country-partner. (now such Plans of action are accepted on 7 countries, some more - in a stage " development and coordination "; Belarus is not included into their number.)

Plans of action are developed in common by experts of EU and the government of the concrete country and should lean on adherence of the given country to the general values,

mainly, in the field of leadership of the law, appropriate management, observance of human rights, including the rights of minority, development of a good-neighbourhood and principles of market economy and steady development. It is supposed also, that the countries-partners will incur obligations concerning some major aspects of external activity of EU, including, in particular, struggle against terrorism and distribution of the weapon of mass destruction, and also observance of norms of international law and effort under the resolution of conflicts.

Plans of action should be differentiated" to reflect an existing condition of attitudes with each country, its needs and an opportunity, and also the general interests. The volume and rates of development of attitudes of EU from each of the countries-partners will depend on a degree of their adherence to the general values, and also from desire and skill to provide achievement of the coordinated priority purposes.

Plans of action should contain a number of the priority purposes which performance is the major element of attitudes of EU with partners:

- Political dialogue - assumes questions of foreign policy and policy of safety, including regional and international questions, prevention of conflicts and settlement of crises, and also the general threats of safety (for example, terrorism, and its deep reasons, distribution of the weapon of mass destruction and illegal export of the weapon);
- The policy of economic and social development - assumes presence of the advanced preferential tenders attitudes and expansion of the financial and technical help. Also opens before neighbouring countries of prospect of an output on a home market of EU on the basis of rapprochement of legal base, participation in a number of programs of EU and improvement of communications and the physical infrastructure connecting them from EU;
- Trade - provides more significant opening the market according to principles of WTO and standards of EU;
- The justice and internal affairs - provides more cooperation in the field of migration, granting's of a refuge, visa policy, measures on struggle against terrorism, the organized crime, illegal circulation of drugs and the weapon, money-laundering, and also financial and economic crimes. Every Plan of Actions in this sphere must be a concrete step toward a strengthening of a national judicial system and to expansion of cooperation between police and judicial bodies, including the sphere of the family right, and also cooperation between ENP' member-state and there judicial bodies with the European Union, with EU' counter-part on this judicial platform.

Starting point of Plans of action is the general set of questions which correspond to purposes ENP. However development of plans of action and the coordinated priorities for each of the countries depends on concrete circumstances. To these circumstances concern:

- Geographic location
- A political and economic situation
- Attitudes with the European Union and neighbouring countries
- Programs of reforms (in corresponding cases)
- Needs and opportunities, and also the interests stated in context ЕПС.

Thus, it is supposed to develop the individualized plan of action for each partner.

In Plans of action the way forward on the following of 3-5 years will be certain. Following step could become negotiations on the conclusion of new exclusive contracts - the European Agreements on the Neighbourhood - which could replace present generation of bilateral agreements when the priority purposes of plans of action will be reached. The countries included in ENP' sphere .

ENP it is addressed to present neighbours of EU, and also those who became closer to EU as a result of expansion. In the East Europe: Ukraine, Belarus and Moldova. EU and Russia have made a decision further to develop the Strategic partnership by creation of four general spaces according to the decisions accepted at the St.-Petersburg summit in 2003. On Southern Caucasus Armenia, Azerbaijan and Georgia

In the Mediterranean region: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunis, and also the Palestinian Autonomy.

… What to do, how EU and Belarus should develop the mutual relations? We shall discuss this question during our seminar in Gomel and during realization of program BRIDGE.

CHAPTER 5

The EU-Belarus international cooperation in the field of science, education and culture

Belarus – one of a few European countries who yet have no the valid Agreement on Partnership and Cooperation (APC) with EU: it has been signed in 1996 in Brussels by President A. Lukashenko, but has been "frozen« later by the European partners. Thus, formally there is no any document which officially regulates relations RB-EU. So we have to speak about cooperation " with the EU' countries". At the same time that cooperation on a bilateral (interstate) basis develops quite intensively - though exist certain problems, the reserves, and not used possibilities. In general the level of this cooperation is not very high and, in any case, significantly not so high as in Ukraine or Russia.

Bases of a state policy and management in science and education.

In Belarus, as well as in the majority of other countries, science and education (especially higher education) are substantially interconnected.

The high role of the centralized state management and central government' bodies. It is considered, that exactly the high role of the state has allowed not only to preserve, »to save« the powerful scientific and educational potential which has been created in days of the USSR, but also has provided its forward development in Byelorussia. The main features of this practice:

- a uniformed state policy in these spheres (including the international cooperation): the uniform purposes, criteria, requirements, state standards, etc.;
- "a uniformed state standards" in a different spheres: e.g., in an education system; educational institutions of all forms ownership are obliged to apply them.
- the "licensing" and "state accreditation" of the universities and other institutions;
- - "personnel selection": nominees of heads of institutes and universities (the director and the rector) are considered at the highest level and appointed to these high posts by the decrees of the President; so as the Chairman of the National Academy of Science' Presidium etc.;
- the institutions are mainly of state property, and the population trusts them more, less willingly uses a services of a private institutes.

Such practice is approved in the Belarus' society as it provides clear and uniformed state standards, requirements, and decision-making procedures in all spheres.

One of the basic distinctions between educational and scientific systems between EU and Belarus:

- *a various (different) role of the state,*
- *a various (different) levels of academic freedoms (in educational and scientific institutions)*
- *and, perhaps, a various (different) understanding of these "freedoms";*
- *and, perhaps, a various (different) attitude to them in a society.*

Shortly speaking, in Belarus the role of a uniformed state standards are much higher and so the role of "academic freedoms" is not significant. As a whole such practice finds understanding and approval in a Belarusian' society.

By the way, there is an opinion in Belarus (and not only in Belarus), that Bologna' process in education and 7 FP in science also assume an increase of a role of uniform standards and are aimed on a creation of "a uniformed educational" and "a uniformed scientific space" in Europe.

The International Scientific and Technical Cooperation (ISTC) is considered as the important field of activity of the state, as a serious reserve of economic efficiency. The main reasons for Belarus' ISTC:

- High degree of an openness of national economy, very high dependence on foreign markets and on a world (European) conjuncture (first of all – in the market of energy carriers and oil and gas transportations);
- Export orientation of the majority of branches of a national economy (oil refining, chemical and an iron and steel industry, agrarian and industrial complex, etc.);
- Rather low level of foreign investments;
- Rather low level of the Hi-Tech' export; production;
- The transit geographical position ("the European crossroads"), that objectively promotes activation of external relations in all spheres;
- Considerable quantity of some natural resources (e.g., water) which have (maybe in a future) serious value for Europe, and also for the countries of Near and Middle East;

- Highly developed scientific and educational potential which, first, can be used much more effectively in interests of the country and Europe and, secondly, demands to self-realisation and cooperation and expansion of professional contacts.

Now the ISTC' level is estimated as rather low, that mismatches potential possibilities. The main reasons and "geographical" features of ISTC:

- first, "a priori" it is possible to assume, that a foreign TRADE LEVEL is a main reason and the major factors of ISTC: really, most active trade and economic RB partners are, as a rule, the most active partners in sphere of a science and technologies: Russia , Germany, Ukraine.
- however there are some very important exclusions: very low level of participation in Belarus' ISTC have a number of the most important European trading partners of Belarus: the Great Britain, Holland, Italy, Latvia, etc.;
- second, the FOREIGN PARTNERS' INITIATIVE , as we can see in practice : rather small volumes of trade with Belarus have a number of the large Asian countries, but in the ISTC their roles is very great: China, Korea, India, Iran. ISTC with this group of the countries is developing on a contract' basis, and the initiative of the conclusion of these contracts belongs to foreign partners.

So here You are a practically important conclusion : now for Belarus' ISTC the EU' role (not the role of European nations!) is rather not very significant, - if to estimate this role in money, i.e. in the sum of foreign investments, in the sum of the concluded contracts on scientific workings out, in financing of the Belarus institutes or scientists, etc. Actually, we spoke about it at the very beginning of the given report.

But, European direction of the ISTC, despite rather modest financial results, has for Belarus the priority value for some reasons:

- EU is the leader (or one of world leaders) in sphere of a science and technologies, and also in an education sphere, - though now to speak about "world leadership" in this sphere it is possible only with a known share of convention;
- EU consistently forms (or tries to form) attractive "the uniform scientific and technical policy", based on principles of integration of EU member states and on cooperation with

EU countries-partners, that gives (or can give) appreciable positive effect ("effect синергизма") for all participants;

- EU consistently forms (or tries to form) "uniform scientific and technical space", i.e. creates (or tries to create) the system of a long-term' institutional structures with a solid (contract-like) legal relations: various funds, grants, programs, etc.; (though these structures and bureaucratic procedures are exclusively difficult and have some sort of "discrimination" character in relation to participants from the countries – not members of EU);
- EU, in comparison with other partners, is much closer to Belarus in the geographical, cultural, mental relation.

The state support and financing of the ISTC in Belarus: Last years the state spends for ISTC' development about 3 % from annual budgetary financing of a science, i.e. about $3-4 millions. The foreign financing of Belorussian ISTC - approximately 2-3 times more, i.e. $6-9 million. (It is the money earned by the Belarus participants in the international projects and contracts.)

Legal base of the ISTC: Now RBPB has more than 40 international agreements in sphere MHTC, including nearby 20 with the EU countries. Their basic quantity has been concluded in the beginning and in the mid-nineties (1992-1994).

European direction of the ISTC: despite rather modest financial results, is the priority for the RB for some reasons?

- EU is the leader (or one of world leaders) in sphere of a science and technologies, and also in an education sphere, - though now to speak about "world leadership" in this sphere it is possible only with a known share of convention;
- - EU consistently forms (or tries to form) attractive "the uniform scientific and technical policy", based on principles of integration of EU member states and on cooperation with EU countries-partners, that gives (or can give) appreciable positive effect ("effect of the synergism ") for all participants;
- - EU consistently forms (or tries to form) "uniformed scientific and technical space", i.e. creates (or tries to create) a system of a clear (??) And long-term institutional structures with a clear (?) legal type (contracts) relations: various funds, grants, programs, etc.; (though it is frequent these structures and bureaucratic procedures are

exclusively difficult and have some sort of "discrimination" character in relation to participants from the countries – not members of EU);

- EU, in comparison with other partners, is much closer to Belarus in the geographical, cultural, mental relation.

But the best conditions for cooperation with EU have those countries which have valid Agreement on Partnership and Cooperation (APC) or Agreement on Association (AA) - for example, Russia and Ukraine. The agreement with Belarus is not ratified yet by a number of the European states. In this situation RB builds the scientific cooperation on the basis of bilateral intergovernmental and commercial contracts. E.g., the most considerable in the quantitative and qualitative relation is cooperation with Germany and, by tradition, with Poland. The agreements about cooperation with these countries were concluded in the beginning of 90th years (with Poland – 1992, with Germany – in 1993). Agreements between Academies of sciences RB and Poland - in 1991 (it is prolonged in 1998) and in 1997 with the German Research Society.

The co-ordination and management of this sphere is the prerogative of the State Committee on a Science and Technologies (SCST – www.gknt.org.by). The state-priority projects are financed from the state budget, and from the Republican Fund of basic researches, and by the enterprises and, of course, at the expense of corresponding contracts with foreign partners.

For the priority projects, "the intergovernmental commissions" may be established for more operative management and decisions of the major questions.

ISTC with the international organisations (except EU) also has a great significance for the Belarus. So, in many scientific research' institutes a share of researches under the international contracts is about 40-50 %, and foreign business trips, training etc. sometimes interfere with performance of works in Belarus. Certainly, it concerns first of all capital institutes and universities.

Most actively the ISTC is developing with UNESCO, CERN, MAGATE, NATO, INTAS, UNDP, UNIDO, etc. The most successive cooperation - with the International Scientific

and Technical Centre and with the International Association on Assistance to Cooperation with Scientists (INTAS) from the former USSR), NATO (program SPS – "Science for Peace and Security"). Similar, cooperation with these organisations is less subject to a political conjuncture and western "sanctions".

International Scientific and Technical Centre: The total amount of financing in this area only for two years (2003-2004) has made about $12 million under 30 projects, i.e. nearby $200 000 in a year on one project. (This Centre promoted reorientation of researches from defensive to a civil sector.)

INTAS in the period of 12 years (1992-2003) has financed in the CIS 3050 projects (8835 institutes), including 11 % (approximately 310 projects) with participation of the Belarus scientists. It is the third place after Russia and Ukraine though official relations between Government RB and INTAS have started only in 1995 after Cooperation' Agreement. The sum of the grants allocated with the Belarus scientist, has made 6, 3 million euro or on the average 520 thousand euro a year.

Cooperation with these organisations is considered the most successful though there were some problems. For example, participation of young scientists (till 35 years) was rather insignificant or very low. E.g., on the average across the CIS (under INTAS' program "Grants for young scientists") - 65 % of the submitted demands (applications for a grant) were successful , and as for the demands (applications) submitted by the Byelorussians - only about 40 % (for comparison were financed approximately: demands from Russia - 68 %, from Ukraine – 62 %, from Kirghizia - 75 %). The main problems:

- *Rather less high level of ISTC' development in Belarus and accordingly smaller degree of knowledge and foreign practice of the Belarus participants;*
- *Rather less high initiative and flexibility of a large state institutes, universities;*
- *Rather small quantity of different NGO, small enterprises, the "affiliated" enterprises created in a sphere of science and education, including at universities (in other countries the university has usually some such institutes, the enterprises, the organizations and so on);*
- *Exclusively difficult – European, too! - bureaucratic procedures of giving of demands (applications), financings, registration etc., etc., and possibility of operative consultations of experts is rather limited, especially in the Belarusian' province ;*

- *Very difficult procedures of searching of adequate foreign partners, etc.*

In 2002 the INTAS, remaining formally an independent organisation, had been built in the structure of the »6 Frame Program" (6FP) of a Scientific Researches and Technological Development of the EU.

The 6 FP and 7 FP are aimed on an integration of the European science, on a creation of the »uniformed (integrated) European scientific space". This goal is interested for the Byelorussian science and economy, too. As a whole the 7 FP is a serious positive pace and Belarusian society do appreciate this movement in a right direction : with the assistance of Belarusian' SCST was created National Information Office of the 6FP (now – 7FP), and the information network (ININ – INTAS Information Network http://www.intas.be/ININ_logos.htm) is created. This tendency must be supported by the movement in both directions: to the West and to the East.

As a prime and not an expensive measure it would be expedient to create in Belarus something of the type of a consulting centre on ISTC' development with EC - for example, in Gomel. The only National Information Office in Minsk is not enough - and the functions of this Office now are very limited. By the way, Gomel is a centre of the »Dnepr"-Euro region.

6 FP and 7 FP: There is an opinion, that 6 FP was better (?) for the Byelorussian scientists (potential participants) because there were more opportunities to win a grant: in addition to 6 FP , Byelorussians had an opportunity to participate in INTAS' Programs. But INTAS has been liquidated by the EU Commission. Besides, in order to get grant in 7 FP it's necessary to more foreign partners. And to find an adequate partners is not an easy task.

The International Cooperation in an Education Sphere (ICES)

Warming of relations between Minsk and EU, probably, can "defreeze" a theme of joining of Belarus to Bologna' process and, accordingly, can make active participation of the Belarus universities in ICES. The RB' ministry of higher education in January, 2010 has presented to the Administration of the President the official document about possible participation in

Bologna' process. Now Belarus is the unique European country which officially does not participate in this process though the Belarus universities and other education organizations (including a private institutions) more or less intensively carry out international contacts.

About necessity – or about expediency - of the inclusion of the Belarus system of higher education in Bologna' process there are different opinions. This »experiment" (bachelor - magistrate) has been started in Belarus 15 – 17 years ago, at the main university of the country - in BSU (Minsk). However the European educational ideas, including the European representations about "academic freedom", have not got accustomed neither at the Belarus universities, nor in higher education system, nor in the Belarus' society.

This "no acceptance" of the European ideas it's possible to explain by the various reasons, one of them – strong traditions of the Soviet system: the bachelor degree was perceived by many (and is perceived) as "not finished" higher education. At that time the President has noticed, that "participation in Bologna' process should not be hasty". Also fears were expressed, that rapprochement with the European standards of training ("the European diploma") will strengthen outflow of the most active youth from the country. Besides, 15 years ago the West (the USA and EU) has started to apply a various sorts of "sanctions" against Belarus' VIPs, - but it was actually reflected in all society. (E.g., for RB' citizens the European Union established the highest cost for the Schengen visa - 60 euros.)
EU educational programs: Today EU offers four educational programs – or, more precisely, «four programs of partnership» in an education sphere: "Tempus", «Erasmus Mundus», "Jean Monet" and «Youth in operation». Now only "Tempus" and "Erasmus" are in action: e.g., something about half-dozen of students (from Minsk) have got grants and gone to Europe.

The commercial ads about "education in Europe" You can find almost everywhere, but it's impossible to find any statistics of that kind. Some of educational programs for Belarusian students are highly "politicized" - e.g. Polish "Kastus Kalinovsky" (for a young Belarusian political activists).
Export of educational services by the Belarus universities also is the form of the international cooperation. Now Belarus has a special Educational Services Export' Program (ESEP), aimed to bring more foreign students and so more money for Belarusian Universities. The Bologna' Process, maybe, will raise the international rating and prestige of the

Belarusian Education. But on the other hand it may activate the migration of young Belarusian student and scientists to the West.

RB-EU International Cooperation in Culture

EU program on culture (2007-2013) provides start of a special actions for the countries which have an Agreement on Association (AA) or Agreement on Partnership and Cooperation (APC) with EU, - or together with these countries.

Special actions of the Program for 2009-2010 also possible for the countries captured by the European Neighbourhood Policy (ENP) which also ratified the Convention of UNESCO on protection and encouragement of a variety of forms of cultural expression. These actions reflect a political priority to strengthen the role of culture within the limits of the ENP, to promote the best mutual understanding and development of a civil society in these countries.

Belarus as already it was marked above, has no such an agreements with EU, however cultural cooperation with the countries of Europe flutters on the basis of bilateral intergovernmental agreements and, of course, on the basis of commercial contracts.

CHAPTER 6

Local governance and self-government in Belarus: history, legal framework, development

The concept of local governance and self-management: the main approaches

In theory and in practice in other countries can meet the different definitions of local government. For example, in the European Charter is defined as "the right and the ability of local authorities to regulate and manage a significant part of public (common) cases on their own (at your own risk) under the law." There was general for the states of Europe desire to strengthen not only administrative, but also normative independence of local authorities to move away from excessive care on the part of central and local state administration, to extend the objects of reference and competence of government, thus narrowing the functions of central government bodies in the regions.

Belarus has implemented the concept of local self-government. Local councils are representative bodies of government. All matters of everyday life of citizens decide to bodies of state administration (executive committees).

Legal base

Fundamentals of the legal status of Local Government in the Constitution of the Republic of Belarus and the Republic of Belarus in the Law of 02/20/91 "On local government and self-government in the Republic of Belarus" (currently valid version of this, the Act of 10.02.2000).

According to Article 117 of the Constitution, "local administration and self-made citizens through local councils of deputies, executive and administrative bodies, referenda, meetings and other forms of direct participation in government and public affairs."

Local government - a form of organization and activities of local executive and administrative bodies to address issues of local significance, proceeding from national interests and the interests of people living in the territory.

The system of local government in the territory of the Republic of Belarus consists of regional, district, city, town and village executive committees and local administrations.

Local government - a form of organization and activities of citizens for self-help, either directly or through their elected bodies of the social, economic, political and cultural issues of

local importance in the interests of the population and characteristics of the administrative-territorial units on the basis of their own material and financial base and borrowed funds.

The system of local government shall include, above all, the elected representative bodies of government - local councils. Theoretically, this system may also include certain bodies established at the initiative of citizens. But for this, at least, such an initiative is needed.

Local governance and government in the Republic of Belarus into the system of executive power and local issues solve, mainly the local economy, the economic and social development of the region, local budgets, land management and land use, health, education, social and cultural security, trade , transportation, utilities, household and other services, law and public safety of the territory, implementation of legislation on military service.

Executive and administrative body in an appropriate executive committee. Executive committees are also divided into three levels: primary (rural, village, city (cities of regional subordination), basic (urban cities of regional subordination, rayon), regional.

Decisions of local councils of deputies, is not the appropriate law shall be reversed by higher representative bodies. In the case of systematic or flagrant violation of the local Council of deputies of legislative requirements, it can be dissolved by the Council of the Republic, who may also decide to dissolve a local Council and in other cases provided by law.

Decisions of local executive and administrative bodies that do not meet the law repealed the relevant councils of deputies, superior executive and administrative bodies, as well as President of the Republic of Belarus. Decisions of local councils of deputies, executive and administrative bodies that restrict or violate the rights, freedoms and lawful interests of citizens, as well as in other cases provided by law may be challenged in court (Article 122 of the Constitution RB).

Historical background: the Soviet legacy.

The device management system in the Soviet Union assigned the municipality decorative role. In reality, all the mechanisms, instruments and resources addressing local issues were concentrated in the management vertical. In total penetration of the state in all spheres of life and work in the Soviet Union could not even imagine something that would be independent

from the state and separated. Formally, the state was separated from the church, but the state intervened in all the affairs of the church, and especially in the appointments. Society and State in the USSR were identified. Even in the resolution of family conflicts and disputes interfered with the state, party and trade union organizations.It is clear that the historical background of a significant impact on the current situation.

An important feature of recent history and the state policy of Belarus is the lack of "revolutionary upheavals" and the desire to avoid a different kind of "shock therapy". Formation of strong presidential power hierarchy in the mid-90s was driven by the need to stop the crisis in the economy and ensure the sovereignty of the Republic of Belarus.

At present, research legal and regulatory framework of Local Government, as well as analysis of management practices on the ground show that the existing governments - local councils - are included in the overall administrative system of the state, in fact, being part of it. In making decisions about the organization of life in a particular settlement, their role is mainly advisory. Therefore, the impact of these decisions depends solely on the abilities and personal influence of individual members. Decisions on development areas, construction of necessary facilities, such as educational or educational, infrastructure (roads, transport) and other "down" on the administrative hierarchy. In the same way "down" resource support for the implementation of these decisions.

Features of the Belarusian government poorly accounted for in the framework of international cooperation at the local level.

The main problems and directions of development Local Government in Belarus and other CIS countries:

A. The inclusion of civil society in addressing local problems.

The real problem is the passivity of the local community and the underdevelopment of civil society. For the local representatives of civil society may still be equal subjects of the dialogue. But to solve their problems at higher levels, they must have developed structure representation of their interests. Those of civil society in Belarus, there is simply no. No social organization can not engage in dialogue on an equal footing with public authorities - it just does not have the resources (human, material, social, etc.). The exception is the so-called

Gong (State NGO), which are all the same public interest. The inclusion of civil society in addressing local issues so far is random (non-system) in nature.

B. Frame the problem of local self-government.

It is the lack of real management practices. This practice is regarded as highly performing and integrated management system in the state. It is believed that "the manager (Manager) - is only a civil servant or head of state enterprise." It is taken for granted. This situation raises the problem of education and management training for NGOs and / or local governments. This question is particularly relevant to address the problems of local government and for the development of civil society organizations (NGOs).

C. Passivity and a willingness (unwillingness?) population.

Go to local government must be ready not only to legislative and administrative personnel, but also the population. During a very difficult and even dramatic history of the Soviet Union almost completely destroyed or have disappeared, such forms of social organization as the local community. Local communities, in the European sense, it is bringing people together, not just related to living in the same area, and having the will and the ability for self-organization to address key issues and improvement of their lives. Instead, communities that are the subjects of government, the Soviet system had a population that requires management.

Under present conditions in many CIS countries attempts to develop community (the "top" or, worse, a "bottom") do not have success. These efforts attempt to develop and improve, in fact, the production teams of post-Soviet type. They do not take into account the fact that the Soviet form of associations of people radically different from the communities' characteristic of the European "open" society, and communities are not. Therefore the question of community preparedness for self-realization is that communities in Belarus should not develop, but actually create it anew. And this type of activity has not only mastered a little, but even a little meaningful.

D. Value of formal and informal structures of local governance and self-government. In the Russian Empire, the formalized structure of local government (the administrative-territorial division - ADT), a specially created, among other things, as a kind of obstacle to the formation and development of informal structures – e.g., In order to "fragmentation" of the national movement, and how to fight the national-oriented non-formal structures of local self-government. For a number of multinational countries are also characteristic of this approach:

ADT does not account for the real borders densely populated nations, tribes, etc. In the Soviet Union was implemented fundamentally different concept: almost every more or less large number of national team got "their" national republic, its local management. (We know what it led to ...) But in the Soviet Union and there was a secret principle of management: the authorities at all levels shall be appointed not from locals but from the "centre". Thus, the real separation of power from the local community, as possible subjects of the government and local government. This made the local authority independent of the views of local people, but strengthened the central government. However, based on the existing ADT developed new relationships and informal structures, but not to the public in the form of local communities, and among the various levels of managers in a shady local "clans." They ruled "their" territory, no less than the formal, legitimate structures. The phenomenon of the relation of formal and informal structures in local government and self-management is poorly understood, but it is real and very effective, as is well known in the case of larger countries - neighbours of Belarus. (For Belarus, the pot a number of objective and subjective reasons, it is not so typical.) Formal governance structures are based on informal, although the "shadow", but have administrative, financial and human resources. This "shadow" existence makes it difficult to come by for reform and for legal formalities. Informal local structures, as the experience of the CIS, can be highly criminalized and, in extreme cases, may be the support of separatism. Obviously, in any country, the central government about the possibility of separatism, to put it mildly disapproving.

E. Different approaches to self-government in the EU and CIS countries.

In many CIS countries, the vast majority of politicians, civil servants and managers - not to mention the population - self-evaluative meaning self and self-organization of society do not have. Thus, in a program of rural development in Belarus are built to achieve the necessary tasks of economic and social indicators, increasing productivity and improving living standards. The task of self-organization of the rural population is not in itself the direction of the village. State approach is quite easy to build into a solution to their problems of European programs, which are built on different principles and are aimed at different goals.

European programs are based on a different approach to self-government: the basic principle underlying the social system is self-organization and self-management, and administration of the superstructure so as to ensure the implementation of these principles. Local government is a "basic" form of the implementation of an open democratic social order, and therefore

presents its own value. This same approach is shared by the representatives of civil society. Which approach is "better" and what "worse" - it is a matter of theory.

Recommendation: Improving the situation in local government - a European sense it - requires a systematic and programmatic approach. Any local, point of action, being by themselves correct and successful, rather weakly, "pushing" ideas and concepts. The resulting effects are assimilated and absorbed by the existing system, making it more adaptive and strong.

Systemic vision of this activity makes it obvious that it is impossible to establish self-government for some kind of village, town or region in particular. The development of real local self-government - a task the country, on a national scale. Although specific steps are always local and specific. Features real progress towards the development of local self-government in Belarus - and in other countries, "zone BRIDGE» - associated with the rethinking of all projects, programs and special events so that they are consistent with the overall system of organized activities. It is obvious that a special role in this situation belongs to the educational program / project. It is also clear that the development of EU programs aimed, for example. On Belarus should participate politically biased Belarusian experts - as well as experts.

Conclusion: Cooperation of Belarus and the EU in the sphere of Local Government has at least two obvious aspects: political and mental. The political aspect is relatively well known: it assumes a certain normalization of relations and, eventually, Belarus' accession to the Council of Europe. The mental aspect of the relationship is known far w orse on a number of objective and subjective reasons. The essence of the problem - different understanding (or misunderstanding) of important phenomena and processes in this area. This is pretty serious, but an interesting problem, it requires a minimum of dialogue, understanding - or the desire to understand - and to rethink some of the theoretical and practical concepts. Alternatives do not cooperate. It takes time and patience - and the results will be. Including - real and meaningful local government across the European continent.

CHAPTER 7

The Failure of the EU' "Belorussian" politics

Introduction ... Jerzy Buzek, former President of the European Parliament, leaving his high office in early 2012, said: "My major defeat - is Belarus." (See http://www.pyx.by/rus/novosti/mir/1712/; http://www.nn.by/?c=ar&i=66658; http://www.radyjo.net/4/89/Artykul/82167 "***Buzek: Belarus - it's my defeat.***..") That he actually admitted that all the previous EU policy towards Belarus was a fiasco. But why did it happen? ... No one is Mr Buzek was engaged in this issue: the European Union and the European Parliament - a powerful structure with enormous intellectual and financial resources ... What are they all wrong? The purpose of this paper - to provide answers to these questions.

Personally, I am the author of this article has given an answer to this question - and a commentary on the above-mentioned application E.Buzeka Online "Radio Liberty" (Sm.tam same.) First, in my view, the priority of the EU actually is not "the export of democracy ", says Mr E.Buzek, and Russia's opposition to the entire post-Soviet space. Secondly, the EU might actually "exporting democracy", but Russia is definitely oil and gas exports, and for Belarus - at discount prices. The West seems to have not yet aware of their mistakes, and many, many years (more than 15 years!) Keeps repeating the same phrases and the same action, based on analysts and former partners in Belarus and the CIS. But if 15 years to repeat the same thing - it's not politics! This may be a "mantra or spell," can be "sex or sport" - but not politics. Hence the relevance of the articles in a new way to look at the problem and may offer an alternative and more modern solutions. This is especially important that the EU still formed east of the Eurasian Union.

Belarus at the crossroads of the interests of the EU and Russia

Lessons from recent history: "*Basic Instinct of the West - ousting of Russia*."

Seen such historical parallels or "coincidence": the convergence of Minsk and Moscow - a sharp critique of the West, "Lukashenka's regime", distancing Minsk from Moscow - "mesedzhi" of the West the same "regime" of a possible rapprochement.

Mid-90s. Minsk - Moscow: spectacular steps to create the Union State Belarus-Russia ("Soyuznoye Gosudarstvo"). ***West – Minsk***: Lukashenko declared by the West "the last dictator in Europe".

Beginning in 2000, Minsk-Moscow : "trade-wars" ("sugar war", "milk war" etc.); Putin offers to Minsk "*the Kremlin diet*" - "*flies and cutlets separately*" ("*real political steps and words about the steps are not the same*"); Lukashenko was first discovered and rather sharply criticized the Kremlin. Belarus announced the "multi-vector" foreign policy.
West - Minsk amicably and hospitably offers "12 conditions" rapprochement and normalization of relations. The conditions are very vague and harmless, more for decency.

2009-2010. Minsk-Moscow-Minsk: the sharpest conflicts in the media and the "type" in geopolitics (the non-recognition of Abkhazia and Yu.Osetii, "original" position on the issue of the CSTO in Minsk, "the last tango with Bakiev," episode of "The Godfather "speech by the President of Georgia - and the" enemy of Russia "- Mikheil Saakashvili on BTV etc.)
West-Minsk: "Eastern Partnership" and - in October, 2010, on the eve of the presidential election (!) In Belarus - Minsk visit of Lithuanian President: "Promise us that the register of all the presidential candidates and the EU will have every assistance", as well as: "Lithuania is ready to cooperate and protect the interests of Belarus in the European Union as far as Belarus would want it." (See, for example, Http://www.president.gov.by/press89044.html, and http://n1.by/news/politika/smyagchit-li-politiku-lukashenko-zheleznaya-ledi-gribauskaite.html) visits of foreign ministers of Poland and Germany.

December 2010-Minsk-Moscow (*after the December' Presidential Elections):* almost sensational Minsk-Moscow agreement, highly favourable for Belarus;
West - Minsk (*after the Elections and the "events on the Square" in Minsk*) is very strong reaction of the West and another aggravation of relations...

These are the matches ... ... Of course, even the ancient philosophers have noted that "*after this*" - does not mean "*because of this*," but the feeling of "*déjà vu*" is present...

Lessons on geopolitics: The CIS space is still the scene of the "cold war" between the West and Russia for influence. The traditional orientation of the CIS countries to Russia is still not satisfied with the West and it is encouraging "non-traditional geopolitical orientation of the" infidel Russian partners. Many leaders and personalities in the CIS countries realize that you can earn a good rivalry between the West and Russia, and to earn not only the political capital. (See, for example. Http://www.customsunion.by/infoprint/2738.html)

The essence of the geopolitical dynamics in this region appears in the following form. First, the traditional rivalry between the so-called superpowers - or rather, such a global geo-political "players" (or, in modern terms - "actors") as Russia and the West (EU and USA). Alas, this rivalry - the reality, though official diplomatic rhetoric condemns such terms as "superpowers", the "sphere of influence", etc. Sometimes this rivalry reminiscent of the "cold war". During the "cold war" the Soviet Union and the West fought for some ideals: "Communism," "capitalism," "freedom and democracy", "national liberation movement", etc. Today, as during the First World War, a struggle (or war) for resources and markets.

Secondly, it is quite understandable desire of other countries in the region and the former Soviet Union - including Belarus - consider this constructive competition, defending its national interests. Thus, the leadership of Georgia and Ukraine, all the forces seeking the entry of these countries in the EU and NATO, while in the Ukrainian society, for example, the "idea" is not very popular, especially in the south and east. However, the EU and NATO, and with very great care considering these very troubled candidacy of his new allies, but endorses and supports their anti-Russian rhetoric, and other anti-Russian activity.

The Republic of Belarus has repeatedly emphasized the leadership of the country, conducts multi-vector foreign policy and will not "play on the contradictions" of other countries, or "friends against someone", even more so - against Russia. But in the West do not hide their interest in making the most of "alienate" Belarus (as well as other CIS countries) from Russia. At the same time in the military-strategic terms is of particular importance for Russia and the West (NATO).

Geopolitical and geo-economic priorities and strategic objectives of the various countries, unions or blocs remain constant for a long time and determine their long-term strategy. In this action and especially the statements of officials can be quite different and even contradictory. Therefore, for the correct orientation in the political-economic situation in the country and abroad, for the conscious choice of his position must clearly understand these priorities and strategic objectives.

(Http://www.customsunion.by/infoprint/2738.html;
http://www.customsunion.by/infoprint/2738.html)

The priorities of the West: For the West (EU and U.S.) the main geopolitical and economic priorities in the region are the maximum expansion of the Western influence. It is clear that the ultimate goal of such a strategy might be to include the countries of the region (except for Russia, of course) in NATO and the EU. However, it is associated with very high costs and risks (economic, social, foreign and domestic), so the West is limited to promises and the various initiatives, projects, programs preparatory or intermediate character: "Eastern Partnership", "New Neighbourhood" or "Wider Europe" and others.

Of course, these and other similar initiatives have (or can be) an important self-value that is not directly related to the enlargement of the EU and NATO. For example, in many parts of the world the EU, U.S. and NATO funded large number of projects in various fields: the environment, exploration, medicine, support for small businesses, independent media and non-governmental organizations, etc. (By the way, NATO's role in these areas know why something very few.) By themselves, these initiatives can be viewed positively. But the CIS - a traditional, historically due to the sphere of Russian influence, the scope of its "vital interests." (Good or bad, right or wrong - in this case an entirely different question.) Therefore, expanding the scope and extent of Western influence in the CIS objective can only be due to weakening of the position and influence of Russia, at the expense of the Russian presence. In this - are very sharp conflict of interests of Russia and the West?

Russia's priorities: Obviously and understandably Russia's desire to at least maintain and, where possible, to strengthen its political and economic influence in the CIS countries that were once part of one great country, first - the Russian Empire, then - the Soviet Union. In practice, this is expressed as follows: protection of the interests of Russian big business, the protection of the military-strategic interests of Russia (military installations, cooperation in military-strategic and other forms of military presence). Russia, for several reasons not (yet does not?) Of the same large number of initiatives, programs and projects of cooperation, as it is practiced the West. It is believed that the nearest neighbours of Russia are very much dependent on it in economic terms: foreign trade, foreign workers in Russia's energy supplies, etc. It is interesting to note that Russia is a long time after the collapse of the Soviet Union supplied the energy to all the neighbouring countries at very low prices, although these country at the same time openly anti-Russian policy was carried out rapidly and accused

Russia of "pressure" in the "imperial ambitions" in an attempt to stifle democracy and dictatorship, etc.

The logic of "Cold War": Of course, Russia - against this "influence" of the West, to be exact - against the weakening of its role and influence in the vital area for her. When Vladimir Putin (and in recent years, Yeltsin) Russia more firmly defend its national interests. "The main priority of geopolitics and geo-economics of the West (in the region) - is causing the maximum damage to Russia" - this is considered by many Russian politicians and experts (and not only Russian). Western diplomats and politicians, of course, object to such an understanding of Western policy, saying its support for democracy, stabilizing and progressive role of NATO, U.S. and EU, etc. And the Russian side has cited numerous examples of anti-Russian focus of "color revolutions" and many other initiatives, programs or projects of the West in the post-Soviet space: the limitations of the Russian language, Russian closure of radio and television stations and rapid flourishing of anti-Russian rhetoric to involvement in armed conflict in the Caucasus, August 2008 By the way, the initiative of Eastern Partnership "(authors - Poland and Sweden) increased markedly just after August 2008, was born at, say, around the beginning of the year. Russia continually point out that the" democratic "West" does not notice the "anti-Russian and pro-fascist shares in a number of post-Soviet countries, and, many believe, even in silence encourages such action. I remember that once the West had promised Mikhail Gorbachev not to expand NATO eastward. In general, the last time in the world and especially in Eastern Europe, seen some serious elements of the opposition West and Russia, the elements seemed to be forgotten, "Cold War", of course, peace of Belarus does not want to participate.

The priorities of Belarus are obvious: the stability prevailing political-economic system. Of course, this requires a favourable external environment; you need a multi-vector foreign policy. Belarus seeks to develop good neighbourly relations and meaningful in the West and the East.

Lessons on geopolitical technology: Efficiency - or inefficiency - of Russian geopolitics in the near abroad is well known. But the features of polit-based technologies in this field for some reason paid much less attention. It is believed that Russia has only two more or less effective means of geo-economics and geopolitics: Gazprom and Chief Medical Officer.

The degree of economic influence of Russia in the region is traditionally very high: foreign trade and the huge Russian market, labour migration, energy, the Russian capital, etc. But the tools and capabilities managed geo-political influence is rather limited, or rather, not developed.

Today Russia in its near abroad is represented only by embassies (consulates). Russia, unlike the West, has almost no support for any non-governmental organizations (NGOs), does not have any structures, funds, programs like the European "Eastern Partnership», «Wider Europe», numerous programs such as TACIS, TEMPUS, FARE , Euro regions, "Partnership for Peace," or for something else, etc. Russia has no such structures (why - is another question). It seems that Russia is counting only the high degree of traditional and natural economic and "consumer" attraction for the inhabitants of neighbouring countries.
Muscovite Tsars spent their geopolitics and geo-economics by Cossack detachments and "campaigns" musketeers. Russian emperors extended their possessions and their influence with the Navy, Army forts and castles, monasteries were built. In the years of maximum power of his masters of the Kremlin (Stalin, Brezhnev and others) spent their geopolitics with the Committee intern, "fraternal parties", the national liberation and working class movement. The effectiveness of these institutional structures was very high - and today they are here and there and cannot calm down ... Today, the Kremlin's arsenal only "individual work" with the leaders - and Gazprom. And of course, the Foreign Ministry, for some time now to protect the health of Russians, and at the same time, the geopolitical interests of Russia firmly supports Sanitary Service of the Russian Federation and its chief medical officer. Incidentally, the injunction of the Service, in most cases does have a very serious sanitation and medical justification, but somehow remarkably coincide with the geopolitical situation that highlights the happy world media.

As a result, the total cost of Russia on various kinds of assistance and support to the so-called "hidden subsidy" to neighbouring countries (including Belarus) is very high and is estimated to significantly exceed the corresponding costs of the West on his "oriental program." But the political and geopolitical effectiveness of this non-address cost and non-Russian ... Moreover, they are often perceived as a matter of course-as a kind of "fee for non-hostile," as a kind of "geo-political racketeering." What else to expect from non-address, and unconditional payment of non-target (i.e., without any conditions)?

Geopolitics or, more precisely, "***the geo-political technology***,« of the European Union and the United States in this respect is more active, focused on the future and the creation of institutional structures and conditions for its influence. Through these structures, for example, is a direct or indirect support of specific individuals who hold such an influence, shape public opinion: non-government and "independent" press, "independent" experts and / or journalists, NGOs and / or opposition leaders. At the same time the West as part of its address, the target and the "conditional aid" (i.e., furnished by different political conditions) is very significant portion of its forward as experts: on trips, at seminars, publications, etc.

Russia had not until recently - to the idea of a Eurasian Union - a kind of coherent policy, doctrine or system of action in the neighbouring countries, including Belarus. There is no official document programmatic probably has at the Foreign Ministry and the Presidential Administration - is a routine practice of any agency, but we're talking about the realities. Russia only reacts to any event, not trying to construct. We can say that in the near abroad is a high degree of influence of Russia (i.e., uncontrolled influence), but the Kremlin (ie, controlled influence). Economic dependence, as experience shows, is not a management tool. In foreign countries - the opposite situation: the impact or, more precisely, the view of the Kremlin is relatively large, and Russia as a whole - no, except for the oil and gas.

But over the last 2-3 years, geopolitical and geo-economic situation is changing, and this is due primarily to the integration initiatives of Moscow and, in particular, Vladimir Putin. A compelling example is the Customs Union. Many analysts associate with this is the sharpest resentment, "Putin regime", which is noisy and clearly demonstrates the pro-Western (pro-American) opposition in Moscow in 2012 when it calls "pro democracy" today is very little confidence in Russia and Belarus.

The closest Russia-Belorussia' ties...Economics: It's no secret that the Belarusian side has repeatedly accused Russia and the formation of the SES in the country erupted in the financial and economic crisis. (Http://www.regnum.ru/news/polit/1471591.html). Management believes that the Republic of Belarus is very expensive to pay for the Common Economic Space, as she had to make some "unpopular measures" (eg, an increase from July 1, 2011 import duties on foreign cars), which led to a serious outflow of currency from the country. However, despite such a rebuke to Russia, the official Minsk has not ceased its participation in the CES, hoping to eventually get a number of economic preferences. In the first place, we

can talk about the most intimate desire to return to your old Belarusians prices supplied to the republic energy. This, according to official Minsk, Belarus will restore our economy and continue to build a "social market economy", which led the country to its current state. The confirmation of these expectations is the newly replicated all state media reports about possible gas price for Belarus in the corridor of 150-180 U.S. dollars per thousand cubic meters. Despite the fact that so far there is no official document certifying such an agreement, Belarus has already laid out a budget for 2012 on the basis of this price. Moreover, the Belarusian government, which allegedly was divided into two camps (the "reformers" led by Prime Minister *Mikhail Myasnikovich* and Deputy Prime Minister *Sergei Rumas* on one side and "conservatives," led by the president and the head of his administration, *Vladimir Makey* - on the other; (For details see, for example.,

http://www.belaruspartisan.org/bp-forte/?newsPage=0&news=111844&backPage=6&page=100), was re-declare their commitment to the socially-oriented state to the detriment of all the laws of economics. Thus, during the meeting on the draft socio-economic development, budget and the main directions of monetary policy in 2012, which was held on November 22, it was decided to keep GDP growth at 5-5.5%, which, according to most Economists will lead to further collapse of Belarusian ruble, and a new round of inflation (by the way, it plans to hold within 19-22%). However, according to Lukashenko, "we cannot work tomorrow half a percentage point. We cannot! Economies will a different result. Do we need to slow down the economy?" (Quoted from: http://finance.tut.by/news260696.html) Of course, slow down that is almost worth it, it makes no sense, but to talk about the possibility of the rapid growth of the Belarusian economy in the EEA in the coming years, the our opinion, not worth it. The main reason for this - lack of desire to carry out as soon as any structural reforms to hope for the future development of a competitive economy in Belarus.

Minsk is not so much desire to go the way of further development, as to solve their financial and economic problems through cooperation with Russia within the framework of the EEA, supported by a desire within the community of various kinds of preferences, which can at some time in the country to conserve the existing socio-economic model. At the same time with his Belarusian side is very reluctant to make concessions. Moreover, statistics show, Belarus, claiming benefits, provide benefits to its own partners in no hurry. For example, for a long time, the Belarusian ideological machine claims that the country exports its products to CIS countries (including Russia) at incredibly low prices rather than "subsidizes" their

economies. However, if you look at the average prices of deliveries to CIS countries and to countries outside the Commonwealth, it appears that this is a very controversial statement. Thus, the prices of petroleum products to the CIS countries (per ton) 932 U.S. dollars, and for non-CIS countries - 773 dollars, for potash fertilizer - 720 and 704 dollars, for nitrogen fertilizers - 1683 and 960 dollars on a tractor - 18 560 and 16 233 dollars apiece, for refrigerators, freezers and refrigeration equipment 307 and 267 dollars apiece, for agricultural machinery 13 793 and 9518 dollars respectively. And this is not an exhaustive list of "fraternal" relations with its CIS partners, for which only about 20% of the total export of Belarusian goods are cheaper than in countries outside the Commonwealth. (http://dengi.onliner.by/2011/11/21/mify-i-realnost-vneshnej-torgovli-belarusi)

According to some experts, the prevailing state of affairs today in the framework of future cooperation of Belarus with the countries of the EEA, which is characterized by a certain duality: let us all, and we then, perhaps, give you more - do not allow Minsk to fully rely on long-term preservation of the current model socio-economic development. In the case when the official Minsk and will continue to use the structure of the EEA only for plugging holes in the budget, Belarus threatens not only the loss of seats in the Eurasian alliance created, but also economic and then political isolation.

Policy: Common Economic Space, as well as the Union State and the Customs Union, and the CSTO and EurAsEC - Belarus is to lead a very significant project in terms of its own political significance both in Belarus and abroad.

On the one hand, due to his negative attitude of the western Belarusian leader, like most senior government officials of the republic, has no opportunity to participate in any major international processes. Therefore, for Belarus, the only possible option for the conservation status of a serious political player in the region is its active participation in various processes in the former Soviet Union. Moreover, projects, where the official Minsk feels as one of the initiators, the Belarusian leadership to allow a more independent policy towards the West, which does not have to go too far in the hope of preventing the development of the integration of the former Soviet Union.

On the other hand, SES allows the Belarusian ideologists quite reasonable to talk about the upcoming growth of the welfare of ordinary Belarusians, and to present the ego as one of the

major achievements of the current government: it is the path that was elected by the people and the president of Belarus in the mid-1990s, and allowed the country involved in the integration process that can lead to the prosperity of the republic.

In addition, to create a single economic space gives the Belarusian authorities to respect the opposition an advantage in the struggle for the role of chief defender of Belarusian sovereignty. Despite the many indications of opposition politicians that the EEA, and then the Eurasian Union will be "point of no return" in the process of absorption of the Republic of Russia, the authorities skilfully operating with the signed documents, November 18, trying to prove the consistency of Belarus as an independent political entity of the international community. Relying on the support of Nazarbayev and Medvedev, Lukashenko with a clear conscience can now argue that the integration processes between Russia, Kazakhstan and Belarus did not lead to any infringement of the sovereignty of a country. Moreover, it is possible to Minsk on an equal footing with their partners (which for a long time and achieved the Belarusian side) to participate in the management of the EEA: the Eurasian Economic Commission, which should start its activities from 1 July 2012, will be one representative from each of the countries and decisions will be made only by consensus. So, what, in fact, Minsk failed to make the Union State, was achieved within the EEA. And this, according to the Belarusian authorities, is a direct proof of the correctness of the current policy.

The social sphere: Despite the fact that this area currently does not represent a vast array of problems directly related to the creation and activities of the EEA in its part of Belarus, forget about it not worth it.

First, it should be recalled that the issue of *labour migration*, which will only intensify in the single economic space in the coming years, has not been cancelled. For Belarus, with its clumsy socio-economic model, increased migration flows may play both negative and positive role. In the first case we can expect exodus of highly qualified personnel from the country in search of a decent pay his labour (which, incidentally, there is today). In the second - migration flows will continue Belarusian regime to give up structural reforms. In our opinion, in the case of the real functioning of the EEA, Belarus expects strong shocks associated with the need to bring the domestic economy in at least some correspondence with the economies of Russia and Kazakhstan. The result of this, apparently, will be a sharp rise in unemployment. According to some economists, in a short time without a job may remain between 20 and 30% of the population of the republic, which would put the country on the

possible employment of more than a million of Belarusians. If there is no possibility of free job search outside of Belarus and, above all, in Russia, Minsk can obtain the growth of social discontent and the results for the country will be very sad. In this situation, the SES may be a release valve to release social tension, allowing the current leadership of the country to remain in power as long as possible. An example of something similar may be a modern Moldavia, where remittances of guest workers make up about 30% of GDP and about 40% of the working age population has already left the country. Thus any serious social unrest in recent years in Moldova was not observed.

Second, despite numerous statements on the continuation of the orientation of the state for social security, without exception, all citizens of the republic, the Belarusian leadership cannot ignore the fact that today, to build a welfare society and social justice is impossible. However, demagoguery cannot refuse - people are accustomed to. When functioning as the Single Economic Space Belarusian leadership the chance to ideologically justify the change in the social policy of the state: for example, raising the retirement age in Kazakhstan (58 years for women and 63 men against 55 and 60 years respectively for Belarus), the reduction of preferential subsidies agriculture and housing construction, freeze salaries, etc. At the same time all this will be justified "the development of integration processes in the fiscal, monetary, social and tax policy at the national level." In other words, the blame for the further impoverishment of the people of the Belarusian authorities will be able to shift from their own shoulders to the shoulders of Russia and Kazakhstan, allegedly forcing Belarus to abandon the social orientation of the economy within the EEA - such a view makes a number of analysts.

If the leadership of Belarus will continue to see in the EEA, and then in the Eurasian Union, a tool of stabilization of socio-political situation inside the country, talking about the imminent withdrawal from the financial crisis and prospects for development of the country is absolutely meaningless.

The economic results of 2011 in the Russian-Belarusian relations were extremely good: a discount on gas credit for nuclear power plants, the restructuring of debt. Russia and Belarus November 25, 2011 signed a series of intergovernmental agreements in the energy sector, the automotive industry in the area of military cooperation. (Http://www.belarus.mid.ru/) Following the meeting of the Union State Supreme State Council have signed new contracts for the supply to Belarus and transit through its territory of Russian gas for 2012-2014, as well

as the contract for the sale of OAO "Gazprom "50% of »Beltransgaz "for $ 2.5 billion this way, the Russian company has accumulated a 100% stake in the Belarusian gas transportation company. For Belarusian consumers with gas price Jan. 1, 2012 will be $ 15.95 per 1 thousand cubic meters, and eventually the price will be adjusted for inflation. (See "Discount on Russian gas prevents the reformation of the Belarusian economy» http://www.regnum.by/news/1470785.html ; «Quest for the winter 2011-2012» http://news.date.bs/economics_258398.html)

Under the agreement, in 2012 Belarus will purchase 22.5 billion cubic meters of Russian gas in 2013 and 2014 - from 23 billion in new contract, the Russian gas in 2012 cost Belarus at $ 165.6 per 1 thousand cubic meters (nearly one-third cheaper than in IV quarter 2011) and Belarus will be restructured debt to "Gazprom" for the previously supplied gas.

It also signed an intergovernmental agreement to provide Belarus state export credit for the construction of nuclear power plants (BelAES): Russia will give Belarus a loan for the construction of BelAES of up to $ 10 billion over 10 years with repayment over 15 years.

Following the meeting of the Supreme State Council (SSC) in Moscow signed the cooperation agreement on the control of military goods under the contract on the development of *military-technical cooperation*. iscount on gas will bring the country's economy about $ 3 billion a year. This is more than would have brought credit to the IMF, which is calculated on the usual three years.

The negative trade balance on the results obtained in 2011 is less than $ 2 billion, (this is very good for Belarus!) and that most of this difference has been accumulated in the first half. Hence, the discount from the "Gazprom" can completely block this imbalance, and even "get a plus,"...

The rhetorical question: "Can the EU, even theoretically, to make such gifts? «... The answer is obvious*....*

"Belarusian politics" of the EU...

In Belarus - not only in Belarus - many believe that the current in the West an independent Belarusian state in fact no one is waiting for: it would create for the West is much more serious problems (financial, economic, social, political, and geopolitical) than some questionable "acquisitions" – e.g., the approach of NATO to Russia's borders. Appropriate is a

very simple thought experiment. Imagine for a moment - just a second! - An incredible situation: in December 2010 presidential elections in Belarus defeated a pro-Western opposition candidate.... And then what? ... The first 7-8 days there is no doubt: the rapid triumph of Western and pro-Western democratic society, polite greetings from Western and pro-Western leaders ... And then? ... And then start the harsh everyday life: the world's gas prices, recovery of customs barriers for Belarusian goods and so on.... And need a coma all this - except for those of Belarusian masters, who for many years received Western support in exchange for the idea of "free elections" ... Is still not clear that Alexander Lukashenko will never lose the election in Belarus? ...

In Brussels, Belarus is considered first, as a possible instrument of pressure on Moscow, and secondly, as a buffer zone that separates the EU from Russia. Previously such areas have become the three Baltic republics and some Eastern European countries on an expedited basis were accepted into NATO and the EU is similar arguments. This may have strengthened NATO, but hardly strengthened the European Union. (Nikolai Radov: Belarusian myths about the Eurasian Union "loss of sovereignty," "corruption" and "preservation" http://www.regnum.by/news/1453744.html ; http://news.rambler.ru/10726847/)

Therefore, intensification of the EU's relations with Belarus, which followed the December 2010, and the loud "condemnation of the Belarusian authorities" - it is rather understandable desire to "save face" for Western policymakers. In fact, the further rapprochement between Minsk and Moscow takes some "headache" to Brussels policymakers - and shifts it to the Kremlin's head. And it happened yet another rapprochement between Minsk and Moscow in a very "good" time for the EU - in the most serious crisis in the history of the United Europe.
The failure of the "Belarusian politics" of the EU was inevitable - it is strange that anyone at all was counting on the success of this politics... Within the United Europe there were **no** the United Belarusian' policy at all - ***there were, however, fundamental differences concerning the Belarusian perspective.*** Such differences are also among the EU member states, and very likely - between the EU and the U.S... Some want the strong pressure and tougher sanctions against the "regime of Alexander Lukashenko," while others perceive the opportunity and the need for a new dialogue. This view is common among many analysts, both in Belarus and in Russia and the Western community of experts. - Emphasizes the

Deputy Director of the Russia and Eurasia at the Carnegie Endowment Matthew Rojansky ("*EU-Belarus: the policy of" double standards"?"* http://www.voanews.com/russian/news/EU-Belarus-Lukashenko-2011-10-03-131023448.html; http://www.ex-press.by/article.php?id=16408)..... Why?

The EU and its mixed counter-version signals. Brussels - or rather, the various EU member countries - Minsk is constantly sending mixed signals. Perhaps, Brussels does not have a united and independent, that is, independent of the U.S. foreign policy? ... Probably, in any case, it shows a lot about it. "In recent years, the EU is played with zealous criticism of Lukashenka, then held out his hand, if not another, then a partner", Said in an interview with "*Voice of America*" Professor Grigory Ioffe, Redford' University. (Http://www.voanews.com/)

The same situation is happening now. *Donald Tusk* (Prime Minister of Poland) said at a conference in Warsaw (Ibid.) : "*Belarus under certain conditions can count on financial support for the size of 9 billion dollars*" (!?). Symbolism and the fabulousness of this proposal is simply amazing, as well as the time when it is made.

"*On the one hand, you do not invite the leader of the country against which sanctions are imposed on the other - you do offer, in which there is no hint of a change of political regime*." (Ibid.) From all this it follows that in Europe "*under the carpet* "compete very different groups of people who have very different ideas about what to do with Belarus and to do it at all" (Quoted from http://bsdp.org/?q=en/node/10528).

But is the inconsistency of the signals of EU member states evidence of a political split between them - or evidence of a split between the EU and the U.S.? ... The tragedy of the EU - or tragicomedy - that now he has a far more important issues. Related to the survival or the euro area or the entire European Union, EU leaders ... So, it seems likely now quietly rejoice the fact that the seemingly close a couple of years ago and finally available to Belarus even more strongly closer to the eastern giant - with Russia. Suppose now that ... Russia has a headache on the economic problems of its allies...

In general, the refusal of some former Soviet republics to sign the resolution of the last (2011), the Eastern Partnership summit on Belarus should not be regarded as the beginning of the schism between East and West, but only as another unfortunate miscalculation of Western

diplomats and analysts with respect to Belarus and the former Soviet Union. (Http://n-europe.eu/topics/2011/10/04 / eksperty_schitayut_chto_evropa_daleka_ot_edinoi_pozitsii_po_belarusi)

It is not clear on what basis they expected that the countries - participants of the Eastern Partnership initiative to support the minor "condemnation of the Belarusian regime«.... In fact, what they saw a fundamental distinction between the political system of Belarus and, say, Azerbaijan? ... What kind of reaction to expect from Georgia, which is very grateful to Alexander Lukashenko for the lack of recognition of Abkhazia and Yu.Osetii? Why the EU hoped that the Ukrainian leadership "condemn" leaders of brotherly neighboring Belarus, which is very popular in the Ukrainian society? Not only in Ukraine, other reasons for the brightest and most high-profile performances of various kinds of activists and activists, which are very willing to show their views of the "top wood"? Or, as the Eastern Partnership offers the best co-operation projects which obliges it to something

Despite the attractiveness of some European initiatives and values, the new eastern European friends rather soberly assess their chances of real integration with Europe. "Do not forget the words of French President Nicolas Sarkozy, who said that the prospects for membership of the" Eastern Partnership "EU far enough. It seems to me that this remark was not entirely out of place. However, the effect it produced - from the same Georgia and Ukraine will now be much less enthusiasm for Poland to follow in its efforts to isolate neighbouring Belarus ", - said the expert.

What conclusion should be made to Minsk in a situation where the EU are based on various and conflicting signals? When the Bible says, "the left hand does not know what right hand is doing?«... That's right: listen carefully to all of these signals - but firmly implement its principled line. What makes the leadership of Belarus for the second decade, and quite successfully.

Euro-Belarusian lobby: who and why the EU supports the Belarusian "regime"? "The lobby of the Belarusian president of the EU", according to some analysts and media, represented mainly by businessmen with Lithuanian and Latvian passports. Their business is closely dependent on the transit of oil and potash from Belarus. ("European sponsors of the Belarusian regime» http://www.newsland.ru/news/detail/id/825739/)

According to Belarusian journalists "a number of Lithuanian and Latvian oligarchs has a" dark matter "with the Belarusian partners, from vodka production in Belarus and to joint projects in the field of armaments and military equipment.

Involved and the Poles - these businesses have always been a high yield, so why give them up? ... "Nothing personal - just business!" - As he said in such cases, the Godfather in the same Hollywood gangster movie. The example of Poland is very revealing. Thus, its Foreign Ministry in 2011, Alexander Lukashenko threatens almost the Hague Tribunal, and the Belarusian exports to Poland (oil, gas, potash fertilizers, timber), meanwhile, increased by almost 9% - more than a third of a billion dollars. For comparison, a 7.3 times greater than the Belarusian supplies to Venezuela "friend Hugo Chavez."

Criticism of and sanctions did not prevent the so-called "Lukashenka's regime," as it is called in the EU have the political EU establishment its lobby, which includes, according to U.S. and Russian experts:

1) European leaders, fearful of movement of Belarus to Russia (it is - the main motive for many Western "democrats")

2) Corrupted politicians (is there any nation without of the kind of VIPs?)

3) Paid by the Belarusian government public relations companies, which operates a fully professional Western firms, as well as

4) A rather wide circle of people who rightly believe that with regard to Belarus, apply double standards. Hellas, “double standards” are very popular method in modern politics...

Professional critics of "the Belarusian regime: Traditionally the Belarusian topic in Europe monopolized the two countries: Poland and Lithuania. In this case Lithuania is guided by (or rather, guided) by two considerations: first, economic, and secondly - geopolitical - more precisely, anti-Russian. As President of Lithuania said in Minsk in late 2010: "*We do not want to see Russia here* ..." That's such a simple geopolitical analysis, action plan and forecast ... “Three things in one flacon”, as they say in advertising shampoos. ....

Warsaw, in turn, had a more professional and more complex, more comprehensive approach to the Belarusian problem for several reasons, among them - the special relationship of trust with the United States.

New Realities - New mediators in the "Belarusian politics" of the EU? Bulgarian Initiative ... Today there is evidence that some new EU member states will attempt to more closely engage "Belarusian issue". The fact that the Lithuanians and Poles have recently greatly discredited in the eyes of European public, the Belarusian Justice issuing bank accounts of the Belarusian opposition. (See, for example, the so-called "case of Oleg Bialiatski"). Therefore, the new European countries - eg., In Bulgaria - which until now were outsiders in the political arena of Europe, there was a great opportunity to "discourage" the Belarusian issue. That's what some analysts have attributed a sudden and "secret" visit of the Minister of Foreign Affairs of Bulgaria N.Mladenova to Minsk. The reasoning, as analysts believe, about like that. Solving the "Belarusian issue", he may suddenly break into a very high level in Brussels with the argument: what Warsaw and Vilnius were engaged for decades, suddenly turned from Sofia.

August 26, 2011 in Minsk, Mr. a short visit was the Minister of Foreign Affairs of Bulgaria Nikolay Mladenov. He flew, according to some media reports, with one purpose - to meet secretly with Alexander Lukashenko. The meeting lasted, allegedly, more than two and a half hours.
(See http://news.tut.by/politics/248473.html ; http://telegraf.by/ ; http://www.oko.by/8397-evrosoyuz-nastaivaet-obvineniya-snyat-vsex -politzaklyuchennyx-osvobodit.html , etc.)

Mladenov acted as a messenger, who must show the world the good news that "the Belarusian dictator," is willing to liberalize. The first step was to be the release of four prisoners who have been convicted in the case of "19 December". Indeed, later in Minsk, it was decided to release political prisoners....

Along with the release of political prisoners, Nikolay Mladenov on his behalf was to send a letter to Baroness Catherine Ashton, High Representative for Foreign and Security Policy of the European Union. In a letter outlining the proposal to reconsider its attitude towards Belarus in connection with the coming of political liberalization. This letter was allegedly sent to Brussels on 28 August, and the apparatus of the High Representative of the EU took note of it without any public reaction. (Ibid).

Authoritative news agency Reuters almost simultaneously with the release of political prisoners issued a sensational news - Lukashenko met secretly with the Minister of Foreign

Affairs of Bulgaria and promised to release all defendants in the case Dec. 19 for a month and hold a "roundtable" with the opposition. (See "Belarus - EU: Brussels Minsk forced to play by their rules? »
Http://www.regnum.by/news/belarus/1445962.html ; http://www.sn-plus.com/politics/5153.html) what so many have been waiting for finally happened. While all this can be interpreted in different ways. Some concessions are happy Lukashenko Europe, and other curses the West for dialogue with the continent's last dictator. To understand this intricate game really hard.

Bulgarian Embassy in Minsk tried to deny the meeting with Lukashenko Mladenov. But after a few hours after the incomprehensible statements Bulgarian ambassador in Minsk of the Bulgarian Foreign Ministry confirmed it was. "The Minister of Foreign Affairs of Bulgaria Nikolay Mladenov met last week in Minsk, Alexander Lukashenko," - briefly and clearly stated the Belarusian news agencies, the press service of the Bulgarian Foreign Ministry. That's just made it clear enough. In Sofia, also confirmed that following the meeting, Foreign Minister of Bulgaria Nikolay Mladenov sent a letter to EU High Representative for Foreign and Security Policy Catherine Ashton and the foreign ministers of EU countries. Appeared in the media about the contents of this letter is true, said the press service said. And the information was just the release of political prisoners in September. Two days after the release of information about the meeting with Lukashenko Mladenov, 3 September, the foreign ministers of EU member states discussed the situation in Belarus at a meeting in the Polish Sopot. It was unanimously decided to wait for the release of all "political", and then start talking with the official Minsk. In other words, Europe is a Lukashenko agreed.

An interesting reaction to the details of the first stage of negotiations with Brussels Minsk officials of the Belarusian authorities. Lukashenka's press service neither confirmed nor denied the information about the meeting with Lukashenko Mladenov. "All questions concerning this information should be paid to sources of information" - suggested that the news agency BelaPAN spokesman Paul Light.

Here is the beginning of autumn. The new political season is prolonged Belarusian political show continued. Belarusian actors were old, playing in all the same games. It remains to observe European and hope that at least they have the potential to some growth. Will it have

to play the old game of Minsk, breaking through the Bulgarian area, we will see in the coming months.

Economic' cooperation between the EU and Belarus: The European Union will have no impact on Belarus as long as the transit of energy resources ensures Russia via Belarus. Brussels really has nothing to offer to Minsk. He is not going to do it. The only thing that interests the EU in the field of geo-economics - is a guarantee of trouble-free transit of Russian oil and gas and, consequently, energy and raw material assets of Belarus.

The Europeans are not allowed RB to their markets and do not reflect a special interest in Belarusian industrial enterprises, operating with a high added value and somehow exist only thanks to the Russian market and cheap raw materials. But they do not mind to buy the company in Belarus oil refining, potash and convenient to get a share in the Belarusian nuclear power plant.

Belarusian oil refineries need for Europeans to buy from Russia by oil and petroleum products to ensure the EU market. A similar situation with the Belarusian potash fertilizers and plant, the interest which shows, for example, the Franco-German Areva. This is despite the current EU ban to make any contacts with Minsk!

According to official figures about the state of trade of Belarus with the EU in the first four months of 2011 - that is, immediately after the "events on the Square" in Minsk - trade mark of the parties exceeded $ 7.1 billion, an increase of 70.5%! The Belarusian exports grew by 89.1% to 4.29 billion short, while on an official level in Brussels the Belarusian regime was subjected to criticism, it is the EU was the largest of its sponsor.
(See http://www.ex-press.by/article.php?id=20262; http://www.newspb.ru/allnews/1467100/)

The EU's share in export of Belarus amounted to 38.2%, while Russia's share dropped to 35.3%. For comparison: in 2010 the share of Belarusian exports to the EU was 30.1%, Russia - 38.9%. A similar situation with China, which present the Belarusian authorities are also referred to as a "strategic partner" in the East - its share during this period declined by almost 14%.

But in the West, everything is OK. Perennial critics and advocates of the authoritarian regime of Belarus, the words do not recognize the outcome of the next presidential election (in this case, in fact, none of the Western embassies do not even left the Minsk), in practice, its currency, "vote for" and strengthen this same regime. As of 2010 it was the most important opponents of Lukashenko, provided over one third of foreign exchange earnings of the Belarusian authorities, buying her oil and petroleum products.

A few examples. Netherlands in the EU are almost the most trenchant critic of Minsk - and both are a kind of champion for the import of Belarusian oil products: more than 8.5 million tons in 2009! During the first 4 months of 2011 imports from Belarus increased by more than 77%. Britain is also severely critical of the Belarusian regime for the December 2010 elections, however, is the second (more than 1.7 million tons in 2009) mediate the resale of petroleum products.

That helped the British, in their own definition, "the last dictatorship in Europe", in fact, to smooth the negative effects of so-called "international sanctions" and assist in raising capital. For example, one of the largest banks in the UK «Royal Bank of Scotland» produced this year on behalf of the Belarusian government to mobilize capital. Moreover, agreement on the issue and placement of the Belarusian bonds has been made in January of 2011 - immediately after the announcement of election results of the Belarusian president. Strict compliance with previously concluded agreements? ... Perhaps, with such a neat practice contractual relationship has lasted for many years - as in the past with Libya, for example. It is clear that the sober-minded politicians in Belarus and other countries welcome the "real politics" and the normal development of business relations. But it is also clear that the atmosphere of trust in such situations has not been strengthened.

Funny, but the leaders of the Belarusian importers of petroleum products namely those European countries that are considered sponsors of Belarus opposition and inspired coup attempt December 2010, during the presidential election - Germany (more than 1238 tonnes) and Poland (more than 454 thousand tons .) In 2011, Germany initiated the adoption of stringent resolutions on Belarus, and increased her purchases (mainly crude oil) by 3.9 times, more than half a billion dollars! (See Ya.Romanchuk "EU sanctions and the Belarusian economy» http://www.echo.msk.ru/blog/romanchuk/786613-echo/)

It is significant that it is said Romanchuk J. - former presidential candidate and former leader of the so-called "Pro-Western democratic opposition! ... As they say, no comment.
Thus, these countries are sponsors of the Belarusian "regime", the Belarusian opposition and supporters! ... Third place sponsor, in fact, and criticism of the words belong to Lithuania (more than 23 tonnes - considering the size of the republic, a huge number), followed by Latvia. Well ... a very sober capitalist and business approach in any event, these "moralists" have nothing to lose...

"*The European Lobby of Belarus*" - that is, sober and influential group of politicians and economists in the European establishment - because there are a number of objective reasons.

First, in the past few years, the government of Belarus hired various firms and individuals to ensure that they represent its interests and worked to improve the image of Belarus. This is - a normal Western practice, and it was quite good, although it overestimated the effect was not warranted.

Second, in the West, there are people who sincerely believe that a democratic society simply does not understand Lukashenko and applies a double standard. It is difficult to argue...

Third, among some European leaders there is a fear that the pressure on Lukashenko could push it into the hands of Moscow, and "Moscow' fears" are absolutely unbearable ... (See, for example., Kramer. Http://www.charter97.org/ru/news/2011/9/27/43004/)

Why these seemingly obvious facts do virtually nothing is known? Why they are often silent about the press? ... Yes, because it's convenient for everybody ... But this is the "real politics"!

The last – but not the least: ***Security problems in the relations of Belarus-Russia-West***. Does NATO and, in particular, Poland's territorial claims to Belarus? The Belarusian authorities are concerned that - yes. And these fears are shared, it seems, in Moscow. Recently the Public Chamber of Russia, was presented the report of the Chief of Staff - First Deputy Defence Minister Nikolai Makarov, Russia on the progress of military reform. If you look at what is happening in neighbouring Russia's borders, it becomes clear that the risk of involving it in a variety of local conflicts has increased dramatically, the general said Makarov. A "under certain conditions, local and regional conflicts could escalate into mass

use of nuclear weapons." From the presentation Chief of Russian General Staff that has territorial claims on Poland to Belarus. (Http://topworldnews.ru/2012/01/07/komu-dostanetsya-belarus /

A fragment of a slide, "Threats to the military security of the Russian Federation" presentation of the General Nikolai Makarov

According to some Russian experts, the likelihood of "small" wars on Russia's borders over the past 20 years has increased considerably. "This could be a major intervention of Western countries (mainly U.S.) in the conflicts in the former Soviet Union. Republic, members of the Organization of Collective Security Treaty Organization (CSTO), by definition, are strategically important area of national interests of our country. If this zone were "visited" by the U.S. and other NATO countries, it could pave the way for a direct confrontation of the armed forces of Western countries and Russia. with the inevitable risk of nuclear weapons. "

However, "direct military threat to Russia from Europe is unlikely without a very long period of concentration, mobilization and deployment of Western military forces."

Despite the low probability of an attack from the West, Belarus is still in the military interests of Russia. Russian military experts appreciate the combat effectiveness of the Belarusian army, in which, according to some experts, Russia borrows many aspects of military reform. "Only the Belarusian army is a valuable military ally of Russia in case of any aggression" (.....)

As an expert put it, Russia has "only military ally and a half" - Belarus and Armenia. The latter "has proved its worth" in the war over Karabakh. But the Armenian resources are limited, and the "balance of power rapidly declined in the direction of Azerbaijan", resulting in Armenia's role as a full-fledged ally of Russia has been gradually devalued.

Everything else CSTO - a "Liabilities", which in the case of the conflict "will have to defend, spending their own resources."

Some of the Belarusian political analysts recall that a prerequisite for NATO membership - no country has territorial claims to neighbouring or other countries, and in fact Poland - a NATO member! In an interview Naviny.by he called the wording used in the presentation of the Chief of Russian General Staff, "a throwback to Soviet-era" and "absurd." "Challenging the

rights to this or that territory may be the subject of discussions of historians, but their opinions do not reflect the official position of Warsaw".***The thesis of the Polish claims to the territory of Belarus is widely used in anti-Western rhetoric of the official Minsk***. "Well, itching Poles - that the western boundary should take place at Minsk - nothing less, nothing more. And some, such as Sikorski (Foreign Minister of Poland - World Bank), before the eyes of Eastern Crecy - September 30, said Alexander Lukashenko. - Well at the expense of this to say: they are trying by hook or by crook, we chop off part of western Belarus - as long as I live and exist here as president of the country, they do not see how their own ears. Our country is united, integral and indivisible »(Quoted from http://news.tut.by/politics/267425.html) A similar statement Lukashenko did and a week later at a press conference for the Russian media.

In response, the Polish Foreign Ministry said that Warsaw has never questioned the integrity of existing borders with Belarus, calling the relevant statements of Belarusian officials "incendiary" and "irresponsible." "The Belarusian society is well aware that Poland is in its policy towards Belarus is guided by European values, which are designed to protect human rights and fundamental freedoms, and offers to start a real social dialogue for democratic change in Belarus," - said in a statement of the Polish Foreign Ministry.

Board member of the Centre for International Studies (Warsaw) Wojciech Smolinski Borodich-claims that after the Second World War, Poland had no territorial claims to any one country. "We are well into our borders, we have enough problems of their own, and we do not need to create a new problem," - he said."Now, in Europe there is a situation that no state has no territorial claims. And no one thinks in terms of the XIX century, that the territory - is the most important thing. "Judge said that in Poland there is no serious political party or movement, which advocated for a revision of the postwar borders:" Even the "Rights and Justice", the most radical of the political parties represented in the Polish parliament today, there is no such thoughts. "However, according to Borodich-Smolinskogo, Poles remember their cultural and historical ties with Belarus:" We regret, for example, that you have such a mode, that you so badly the economy develops, we need a visa to come to Belarus. We regret this, but it's not the reason for its territorial claims ". Http://www.ex-press.by/article.php?id=25448

...So, relations between Belarus and the EU have always been like something "a stable instability." But today we are in a fundamentally new point. Yes, the new framework conditions do not change the status quo: the ball on the Belarusian side of the field. But Brussels is not the same.

Integrity and novelty in the relations between Minsk and Brussels also added "Arab spring". She, like any crisis, has shown weaknesses in EU foreign policy and became an important lesson for all. In particular, it became clear, among other things, that the fall of regimes was possible also because between these regimes and countries did not have the political and military alliance, there was no real integration. In the CIS, it is noted by many...

In June 2011 the reform was approved by the European Neighbourhood Policy, which is described as previous years, the implementation of this policy, which effectively acknowledged its failure. (See "Europe considers Belarus a country" third world "» http://www.regnum.by/news/1445962.html; «The European Union changes its strategy for Belarus" http://ru.democraticbelarus.eu/) Today, Brussels is ready to offer individual neighbours cooperation program with a shorter list of priorities, as well as a clear indication of the effects of various measures. Interestingly, in the former Soviet Union at about the same time and in roughly the same direction taken several major steps towards the establishment of the Eurasian Union..

What is the principled stand today in Brussels? The EU supports the dialogue and leaves, as they say, the door is open: contacts with the Belarusian authorities are not interrupted, Europe believes that Minsk is no other option but to build relationships - the beginning of political dialogue with the Belarusian regime is possible only after will be released rehabilitated, and all those whom the West considers political prisoners, as long as no strategy for Belarus, the EU is not - only after a step forward, when there will be rehabilitated and released political prisoners, the EU is ready to start in Minsk to discuss with the very program of cooperation with "a short list of priorities, and and with a clear indication of the consequences of any action "; no menu, not to mention the dessert map - increased interaction will be directly proportional to the democratic reform and dialogue authorities and civil society: the more human rights, the more assistance.

What the EU can offer to the Belarusian authorities? Brussels had not even considered the projects in Belarus, Lithuania and Ukraine were sent to the framework of the "Eastern

Partnership". So it is with the second round of dialogue on human rights, which started in Brussels in June 2009 and should continue on the Belarusian land. (Http://naviny.by/rubrics/politic/2011/09/13/ic_articles_112_175100/)

The benefits of friendship with the EU declared all the same: Brussels can help in the modernization of Belarusian industrial infrastructure, to bless the IMF and the European Investment Bank in cooperation with Belarus ... But first, according to the EU, the country must begin to reform, and the money will be - if you will! - Then ... (And Russia, we note in brackets, so the question does not make - until it sets.)

But whether EU money for continuing the old policy? It - the big question. Updated on all the European Neighbourhood Policy are planned over the next seven years to allocate 16.1 billion euros, ie about $ 2 billion a year in all countries included in this program. Not much ... But the fall of 2010 the foreign ministers of Poland and Germany, *R. Sikorski* and G.Westerwelle, "promised" to the President A. *Lukashenko* (before the elections) three billion euros! *"It turned out it was a not very serious Polish improvisation on the theme "choose me!* ", - so say today, a number of analysts and the media, not only in the CIS. (See, for example, Http://www.regnum.by/news/belarus/1445962.html , etc.) .... Meanwhile, the West quietly spent the fund to 87 million euros collected by the EU with the U.S. for Belarusian opposition ...

The EU got burned and will wait for further developments as the next "eastern front" and at "the home front." Customs Union with Russia and Kazakhstan have already closed for Belarus an opportunity to conclude an agreement with EU on free trade zone - the same as in Brussels for a long time discussing with Kiev. In addition, the EU has today too many of its very serious internal problems that need attention. Not enough effort and resources not only to Belarus - to the international arena in general.

Brussels is not satisfied by the Belarusian opposition, too. *The EU had for a very long period of time (more than 15 years!) invested big money in the opposition and, - for a long time too - was listening only there "Analysis", forecasts and advices* ... Today, the Western policy-makers publicly complain about the lack of solidarity within the third sector in Belarus: the EU can see only the struggle for grants, for contacts and *contracts*, for

conferences, trainings, seminars etc., - and too little cooperation and no real or *innovative* steps...

But even ***among the EU countries it is difficult to talk about "harmony" and a common foreign policy***. It seems, the EU' foreign policy is determined not by European officials; - they only make some suggestions and opinions... "Who is the real policymaker of the EU' foreign policy?" – This is a question asked by a great number of Belorussian and Russian experts and mass-medias. Belarus never had been the "Priority № 1" for the EU, and now... The EU is now focused on something else: Athens, Paris, Tripoli, - and the euro zone, of course.

For a short period of time (after the "Orange Revolution" and the war in Georgia) Eastern European neighbours have become for him something of a priority. In this situation the EU has born the "Eastern Partnership". However, Brussels, it appears, had not even considered the real projects for Belarus. Why? Maybe we don't know something very important or even "top secrets"? The questions like this are asking in mass-media more and more frequently.

The examples of "a realistic politics": Belarus and NATO. Belarus joined the NATO program "Partnership for Peace" (PfP) in 1995. NATO and Belarus have established a relationship based on the realization of common interests, while still open channels for dialogue. Belarus has developed an Individual Partnership Programme (IPP) and is involved in the Planning and Review Process (PARP). http://www.nato.int/cps/ru/natolive/topics_49119.htm

NATO countries have expressed concern about the lack of progress in democratic reforms in Belarus. However, NATO believes that keeping channels of communication, practical cooperation and dialogue in the interest of regional security.

NATO and Belarus cooperate in several areas, including civil emergency planning, scientific cooperation, and military reforms. NATO will continue to work together with Belarus, to implement reforms in these areas, while continuing to urge Belarus to accelerate the pace of democratic reforms.

Security cooperation:

In 2009, Belarus has proposed the organization of rail transit for countries participating in the International Security Assistance Force (ISAF / ISAF) - NATO's group in Afghanistan. The agreement reached in 2010, allows for rail transport of non-lethal cargo through the territory of Belarus, Russia, Kazakhstan and Uzbekistan.

One important aspect of security cooperation - Belarus' participation in the Planning and Review Process (PARP), designed to promote transparency and to assist the country in the development of capabilities and interoperability for the conduct of international peacekeeping operations. NATO is helping to formulate the task of planning, carrying out that Belarus would be able to provide the potential involvement of forces and means in PfP activities, including operations in the NATO-led PfP, and thereby contribute to strengthening peace and stability.

Demilitarization Project:

A good example of a specific benefit from the practical cooperation is the project of the PfP Trust Fund aimed at helping Belarus to fulfil its obligations under the Ottawa Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction. As part of this joint project, which ended in January 2007 and is led by Canada with the financial participation of Lithuania and Belarus, the country has been destroyed 700,000 antipersonnel mines.

Science and the Environment:

NATO and Belarus are also cooperating in the fields of science related to safety. Since 2001, Belarus has received grants for nearly forty joint activities in the framework of the NATO "Science for Peace and Security." These areas include telecommunications, research on risk assessment in connection with the Chernobyl accident and the detection of explosives. In addition, since 1993, more than 75 Belarusian scientists have received fellowships for research in NATO countries.

Informing the public:

NATO also supports the development of civil society in Belarus. First of all, for that measures are being taken through public diplomacy. Promote interaction of the Belarusian non-governmental and community organizations with the Office of Public Diplomacy of NATO.

In each partner country the embassy of one of the NATO member states serves as the contact for the implementation and acts as a channel for disseminating information about the role and policies of the Alliance. At the moment, NATO Contact Point Embassy in Belarus is France. Alternatives do not cooperate. And the only possible real politics. It is time to understand everything.

7.1. The *Eastern Partnership'* "short story": an expectations and disappointments of Belarus concerning the European Union

The geopolitical and geo-economical context of Belarus- Euro union' relations:

Once upon a time, Belarus was very interested in the EU" initiative Eastern Partnership. The Belorussian Foreign Office' opinion (early expectations and later disappointments) here you are below according to an official sources. (www.mfa.gov.by : http://www.mybelarustoday.com/)

Belarus – it is a European "cross-road" (geographically, geopolitically and geo-economically) and is located between two important geopolitical centres of influence: Russia and the European Union.

The Russian Federation - the key ally and the priority partner of Byelorussia. One of the main vectors of the Belarus foreign policy is development of the Belarus-Russian relations and construction of the Union (Allied) State of Russia and Belarus. Basing the attitudes on the Union (allied) base, Belarus and Russia keep the sovereignty; remain full subjects of international law.

Byelorussia and the Russian Federation have to the greatest degree promoted in development of integration on space of the CIS: borders are opened, the economy is considerably integrated, introduction of the uniform Customs union is supposed, joint military doctrines are spent, the United (uniformed) Regional Group of Armies is created and functioning, in February-2009 Belarus has entered into the Agreement on Creation of United (uniform) Regional System of Air Defence.

Being an integral part of the European continent, Belarus gives great value to construction of a good-neighbourhood so with the European union and sure with the neighbouring EU' states-members: Poland, Lithuania and Latvia.

Belarus is the important transit corridor between the East and the West, providing about 30 percent of deliveries of the Russian gas and almost 50 percent of deliveries of the Russian oil to the EU countries. Byelorussia is the important transport artery through which automobile and tracks from above 100 million tons of cargoes annually follows, thus about 90 percent from them make cargoes of the EU countries to Russia and from Russia to the EU countries.
The Russian Federation and the European Union are the main trading partners of Byelorussia which general share in the Belarus foreign trade in 2008 has exceeded 3/4 its total volumes.

EU is the most important partner, a mainstream for the Belarus export. For 2008 the Belarus export to the countries of the European Union has grown for 36 percent up to 14, 4 billion US dollars, import - for 36,9 percent up to 8,6 billion US dollars. The positive balance in foreign trade from EU in favour of Belarus in comparison with 2007 has increased for 35 percent and has made nearby 5, 9 billion US dollars.

The volume of the Belarus export to the Russian Federation in 2008 has made nearby 10, 6 billion US dollars and has increased for 31, 1 percentage in comparison with 2007. Import from the Russian Federation has made nearby 23, 6 billion US dollars.

The countries of the European Union - the greatest partner of the Belarus export - 44 percent (to Russia - 32 percent). The first place on volume of commodity circulation in 2008 borrowed the Russian Federation (47 percent, or 34,2 billion US dollar), the second - the European Union (32 percent or 22,98 billion US dollars). Trade with Russia in 2008 has increased for 31 percent in comparison with 2007, from EU - more than for 36 percent.

In current year in connection with the crisis' phenomena in economic the delay of trade' growth between Belarus and EU is observed. In January-April, 2009 export from Belarus in EU has made 2, 3 billion dollars, that twice less than a same period of 2008. Commodity circulation has decreased for 58 percent and has made 4, 2 Billion dollars. The balance is kept positive for Belarus and on results of January-April, 2009, makes 520 million dollars.

In January-April, 2009, export from Belarus to Russia has made 1, 8 billion dollars, that twice less than a similar period of 2008. Commodity circulation has decreased for 58 percent and has made 6, 6 billion dollars. The balance develops negative for Belarus and on results of January-April, 2009 makes 2, 8 billion dollars.

For today Belarus - ***the country with the highest level of internal stability*** on the post-Soviet space. The most important aims of the RB are the construction of the state of a social equality and well-being, so ***RB has avoided transformation of our country into the source of criminal, political conflicts, interethnic and confessional conflicts. It is very important as well for Belarus and the Europe.***

Belarus plays a key role in a safety on the European continent, actively cooperates with EU in questions of protection of borders, struggle against illegal migration, contraband, trade in people, drugs traffic and distribution of nuclear materials.

Cooperation of Belarus with the Commission of the European communities on a line of boundary and customs services as European partners recognize, is an exemplary example of responsible and reliable interaction.

Belarus provides the guaranteed transit of volumes of energy carriers essential from the point of view of the European Union from Russia. Once again we have proved it in practice in conditions of recent Russian-Ukrainian gas crisis.

At all not having the signed contracts on import and transit of gas, Belarus provided its unobstructed transportation the West. Moreover, Belarus has essentially increased its pro-rolling through the gas-transport system, having modernized for own means transit capacities and a technical infrastructure. From the objective point of view Belarus has no opportunity to choose between two main partners - Russia and the European Union. The republic is interested to have substantial attitudes with both the centres of force. Friendship from EU cannot be under construction to the detriment of or due to attitudes of Belarus with Russia since it will lead to the extremely negative consequences for national safety of Belarus.

About a situation around Abkhazia and South Ossetia:

The question on recognition of independence of Abkhazia and South Ossetia is rather sensitive for Byelorussia. Minsk is under accruing pressure from Russia; therefore to be kept from recognition of independence of Abkhazia and South Ossetia all it becomes more difficult. Political pressure of Russia gradually develops in economic which are critical for a national economy of Belarus. On a way of the Belarus export new barriers are established. Power vulnerability of Belarus (96 percent of energy carriers are imported from Russia) is used.

In these conditions toughening of requirements of EU to Minsk concerning non-recognition of independence of Abkhazia and South Ossetia looks the ultimatum in a context of participation of Belarus in the initiative « East partnership ». Instead of it Brussels should render Minsk assistance in cardinal strengthening positions of Belarus in difficult dialogue with the Kremlin.

About expectations of Belarus concerning EU...

For today potential of cooperation between Belarus and EU is realized far not to the full. Unfortunately, a number of the sharpest and mutual important problems remain the hostage of a political conjuncture.

After expansion of the Schengen zone the Belarus citizens have collided with the discrimination visa policy of EU which considerably has limited contacts to our European neighbours. Both authorities, and the population of Belarus expect, that the European Union will make steps aside depreciations of visas and simplification of visa formalities within the limits of the corresponding agreement. It and in interests of the European Union defining as one the key purposes development of interhuman contacts. Minsk is interested in actuating the Temporal agreement on trade between Byelorussia and the European Union from 1996 or to reconsider and update it in view of present realities in mutual relations of Belarus and EU.
Belarus is interested in improvement of conditions of deliveries of the Belarus goods on the market of EU. It would allow to lower dependence of economy of republic on the Russian market, to deduce development of economic attitudes from EU on qualitatively new level.

The important step in this direction could become renewal of participation * Byelorussia in the Generalized system trading preferences the European Union. Now EU applies to Belarus

the same trading mode, as well as to the most developed industrial states that damage to the Belarus economy.

The economy of Belarus vitally requires the large European capital that EU is equitable to strategic interests as to Belarus and, no less than to acceleration on a mutual basis of an output from global crisis. Thus it is a question not of fragmentary investments from the fine and average companies, and about assistance from the European Union, the governments of its leading states-members in attraction to Belarus really large and serious investors in mutually advantageous strategic projects.

The facts testify that the Belarus authorities wish to balance presence at economy of Belarus of the European and Russian capital and are ready to consider an opportunity of participation of investors from EU in such strategic projects, as privatization and modernization ON «Нафтан», an oil pipeline "Friendship". Participation in similar projects of the European and Russian partners will promote in practice to strengthening of wide integration processes and formation of uniform economic space on the European continent.

Belarus is objectively interested in realization of power, transport and ecological projects, the decision of the general customs problems, rapprochement with the European technical norms and standards, harmonisation of the legislation with the purpose of improvement of access of Belarus production on the market of EU.

Cooperation with the European Union in sphere of power represents the greatest interest. It is unequivocally favourable also to neighbours of Belarus to the-states-members of EU, and all European Union.

Concrete projects in power could become construction in Belarus the gas storehouses necessary for maintenance of stable deliveries of natural gas to the Europe during the crisis moments, introduction European energy safely technologies and experience of use of renewed and alternative energy sources, connection through Belarus of power supply systems of the former USSR and EU with the purpose of overflows of the electric power between them. In the long term it is expedient to consider an opportunity of pro-rolling of the Caspian oil through territory of Belarus to Poland, Lithuania and Latvia, and also realizations in interaction from EU and Russia of the project « Yamal - Europe-2 ».

New conditions which develop in economic and also qualitatively other character of dialogue of Belarus with the Europe demand from Brussels more a constructive approach to negotiations with the Belarus party on connection of Belarus to the World trading organization. Besides the recognition the European union of Byelorussia as the country with market economy would allow to raise essentially a transparency of antidumping trials and to leave from the unilateral estimations sometimes applied concerning the Belarus goods exported to EU.

Proceeding from features of the industry, Belarus is ready to take up obligations on reduction of emissions of hotbed gases on the same level and even in a greater degree, than other countries-participants of the Kioto' protocol. In this connection Minsk is interested in the prompt ratification by the EU' countries -members the corresponding amendments to the Kioto' protocol offered by Belarus.

About possible steps of the EU on economic support of Belarus.

In conditions of a world economic crisis Belarus, as well as many other countries, requires external financial support. Buyers of Belarus production have problems with payment, external loans therefore are necessary for maintenance of normal work of the large industrial enterprises of Belarus, many of which are so called "*city-forming*" (very important for the appropriate functioning of the modern cities). Thus Belarus is interested in a diversification of the sources of loans in order to not admit sharp increase in dependence from any one of them. Allocation of a EU' credits of a corresponding size will radically change the big dependence of Belarus on Russia and will strategically transform a geo-economic situation of the RB.

Attraction of untied financing from EU and its states-members is very important for a creation of necessary « pillows of safety » for the Belarus economy and a financial system. It will help to strengthen opportunities of the national budget on maintenance of process of reforms and support of socially significant spheres.

So as the European Reconstruction and Development Bank (ERDB) shows significant interest to design ideas of Belarus within the limits of « East partnership » (EP), *it is expedient to expand as soon as possible the mandate of the ERDB to Belarus* that would allow bank to finance regional projects with its participation. Otherwise Belarus will be deprived an

opportunity to bring the high-grade contribution to their realization that will negatively affect their result.

Granting of the macro-financial help of EU as well is extremely important for a creation of necessary « pillows of safety » for the Belarus economy and a financial system. It would strengthen opportunities of the national budget on maintenance of process of reforms and support of socially significant spheres.

The vital value for Belarus within the limits of dialogue from EU has an output of production of the Belarus agriculture (first of all livestock products) on the European market. Now Belarus can export to EU casein, dry milk, skins alive horses and aquaculture.
Within the limits of branch dialogue between Belarus and EU in January, 2009 the Commission of the European communities has inspected Belarus' milk-factories for a possible access of their production on the market of EU (Open Society »Savushkin Product" («Савушкин продукт»), joint venture "Santa Bremor" and Open Society «Berezovsky chees' factory»). As the results of the inspection the further work on elimination of the revealed discrepancies is on the way. After the end of the process (roughly September, 2009) this Belarus' milk - enterprises should receive sanctions to export there production to the EU.

Development of branch dialogue would allow to involve for Belarus the tool of the Technical Assistance Information Exchange (TAIEX) , providing transfer of a know-how, technologies and experience of EU for rapprochement of the legislation of Belarus with the European right in spheres of mutual interest.
As a whole it will promote the further rapprochement of national economy with standards of EU, to increase of competitiveness and investment appeal of the Belarus enterprises.

About interests of the RB in the initiative «East partnership»: the basic regional economic projects. The program of EU « East partnership » represents a significant interest for Belarus. However authorities of Belarus cannot consider the participation in "EP" not as "concession" or "award" of the European Union. Considering, that the introduction of Belarus into « East partnership » also is interfaced to considerable difficulties for the country, it is obviously important, that interaction within the limits of «EP» looked as the equal in rights cooperation, favourable to all states-participants of the given initiative and the Europe as a whole. By present time Belarus de facto already became the partner of EU on many questions

of the all-European value (energy' transit, transport, migration, political stability). Participation in « East partnership » will allow to expand and deepen considerably these directions and projects, and also as a whole economic and, hence, political attitudes.

In structure of EP' program is designated »4 platforms ": 1) questions of democracy and the government, human rights and a civil society (including approach of the national election' legislation the European norms), 2) questions of economic integration, 3) power safety, 4) contacts between people, humanitarian sphere.

Now all participants are preparing the offers, projects, recommendations, etc. The working group on each of four platforms in each country-participant is headed by the assistant to corresponding profile department. So, on the first platform (democracy and human rights) the Belarus group is headed by the deputy minister of foreign affairs. In September-October this year there will pass the next sessions of platforms and the further detailed elaboration of the program.

Interests of Belarus in connection with participation in « East partnership »: Cooperation with EU in trade and economic sphere, including creation by the European Union of more fair conditions in trade with our country and expansion of access of our goods on the market of EU; the joint decision of questions of national and all-European power safety (diversification of a sources and routes of power supply, compatibility and mutual integration of electric systems, construction of gasholders); -cooperation in visa and migratory spheres (simplification of a mode of mutual trips, struggle against illegal migration and trans boundary criminality).

«East partnership » should "work" for needs of the states-participants. In this connection Belarus is interested in filling by its concrete regional projects, favourable by all. For example: Transportation of the Caspian oil by the pipeline « Odessa-Brody » and through the Belarus sites of an oil pipeline "Friendship" ("Druzhba") in western and northern directions; Construction of an electric interconnectors «Ross-Narev» and «Ross - Bialystok »; Realization of the pilot project on an exchange of customs data on the basis of platform SPEED in formats « Belarus- Liethuva (EU) », « Belarus-Latvia (EU) », « Belarus-Poland (EU) », and also connection to pilot project SPEED in a format "EU-Russia"; Electrification of sites (parts) of a Pan-European corridor 9 "B" between Lithuania, Belarus and Ukraine;

Development of a road infrastructure Klaipeda - Vilnius-Minsk - Kiev (a corridor 9 "B"); Development of a road infrastructure of a route Warsaw-Minsk - Moscow (a corridor №2); Restoration of the Dnepr - Visla(Poland) – Oder' navigable waterway which once in Middle Ages connected the Central Europe and the Black Sea and Midetterainean region; Construction of additional storehouses of gas.

Development of opportunities for container transportations between Baltic and Black seas for high-speed train »Viking ". For 2008 in structure of a train has proceeded nearby 40 thousand containers, basically from Belarus; In May, 2008 Lithuania, Belarus and Ukraine have signed the Agreement on the further development of transportations of cargoes in a direction Baltic sea - Black sea. Participants of the Agreement negotiate with Azerbaijan for joining a route of "Viking" with route TRACECA (a transport corridor the Europe-Caucasus - Asia). There is an opportunity of prolongation of the Lithuanian site of "Viking" within the limits of the transport project «EAST-WEST» (Belarus- Lithuania-Kaliningrad-Sweden-Denmark). Turkey is interested in the project too - It is fixed within the limits of a meeting of ministers of transport of Belarus, Lithuania, Turkey and Ukraine in a Kiev in October, 2008.

Assistance in connection to the European information system SPEED (system of an exchange of the preliminary customs information about Cargoes and the vehicles moved through customs Borders). EU coordinates the decision of this problem to results of realization of the corresponding pilot project with the Russian Federation and the general warming of the Belarus -European attitudes. Belarus is objectively interested in active introduction of standards of EU in national system of technical normalization, certification of domestic export production under standards of EU, perfection of test base existing in Belarus, connection of republic to participation in the European organizations on standardization and accreditation.

About a liberalization of the RB-EU trade:

Byelorussia is interested in elimination of unreasonable barriers and discrimination measures of EU for the Belarus export. It would allow to reduce dependence of the country on the Russian market, and to improve economic relations with EU for a mutual benefits.

Today the market of EU practically is completely closed for deliveries of Belarus production with the high added cost. 80 percent of the Belarus export to EU - raw material, 3,22 percent -

the industrial goods, 0,6 percent - the agricultural goods and foodstuff (for comparison, in the Russian Federation the given figures make - 1,8 %>, 40,8 % and 17,4 %>, accordingly).

Though the average tariff of EU makes only 5,2 %, to a number of especially competitive Belarus goods with a high share of the added cost high enough import duties are applied: gon lorries - 17 %, tractors - 16 %, cheeses - 45 %, cottage cheese - 78%o, milk - 65 %, oil - 82 %), sugar - 67 %>, a beef - 90 %).

Belarus - one of few countries (as well as USA, Australia, Japan and a number of other advanced industrial countries), with only a regime of "a most favourable nation" in trade with EU, - this regime usually is applying only to a industrial' high developed countries. Losses of Belarus from this regime are up to some hundreds of millions dollars annually.

In this connection as the first necessary element of trade' liberalization it is considered the prompt restoration of a regime (a mode) of the Common Preferences' System (CPS) – this is a common practice in trade between Industrial Nations and post-soviet countries. Belarus. Trade and economic sanctions concerning Belarus contradict interests of the European countries.

Since 1993 EU is restricting (by "quotas") Belarus' textile import though since 2005 it is forbidden by rules of WTO. Belarus - the unique country in the world to which similar restrictions till now are applied in Europe.

A number of categories of the Belarus export for a total sum nearby 550 million US dollar are object of antidumping measures of EU. At carrying out of antidumping investigations the EU Commission starts with not market status of the Belarus economy that initially puts in a losing position the Belarus' exporters.

About ratification of the Belarus amendment to the Appendix "B" to Kyoto' protocol:

Now in Kyoto' protocol participate 181 state. As of May, 2009 the Belarus amendment to the Appendix "B" to Kyoto' protocol besides Belarus was accepted by Azerbaijan, Armenia, Australia, Vietnam, India, Kyrgyzstan, Mexico, Moldova, Norway, Russia, Turkmenistan, Uzbekistan, Czech Republic, Serbia.

According to the given amendment the quantitative obligations at a rate of 92 percent from base 1990 for the first period of obligations Kyoto' protocol (2008-2012) are established for RB. These obligations of Byelorussia correspond to obligations of the majority of the states-members of EU and EU as to the organization of regional economic integration. In EU lower volume of obligations, than at Belarus, have only Hungary and Poland (94 percent). The volume of obligations of Canada and Japan also is equal to 94 percent. Russia and the Ukraine which has signed the Kyoto' protocol in 1997, have obligations at a level of 100 percent.

According to the amendment Belarus till 2012 should reduce emissions of hotbed gases by 8 percent in comparison with 1990. These are higher obligations, than what have taken up Russia, Ukraine and a number of the EU countries. Acceptance of corresponding obligations by Belarus answers purposes of Kyoto' protocol and interests of preservation of the environment in the Europe and the world.

7.2. The expectations of the Belarusian Opposition.

About possible cooperation between RB and EU on realization of some Copenhagen principles.

Certainly, it is very difficult to discuss and describe in detailed form the most significant directions of cooperation between the RB and the EU in the given concrete analysis - and there is no necessity at this moment. Therefore below we shall list only the most important points.(For more see, for example: http://liberty-belarus.info/ ; http://n-europe.eu/).

Let's remind the structure of this program now provides four blocks of questions (»four platforms«): 1) political questions and human rights, 2) economic, 3) power safety and 4) humanitarian sphere and contacts between people. Offers on each platform prepare each country-participant of the program. The working group on each platform is headed by the head of corresponding state department.

Also it is necessary to note, that offered below a direction of possible cooperation as a whole do not contradict to the so-called »Copenhagen criteria of membership in EU« (accepted in June, 1993). Certainly, today it would be pointless and frivolous to speak about an opportunity or impossibility of the introduction of Belarus in EU. But on their plan, on their idea it is possible to regard the Copenhagen criteria as certain general criteria and principles

of a western civilization. In practice, as is known, each country understands these principles on the, sometimes, rather various image, But for this reason quiet unbiased dialogues and even attempt of realization of those principles (criteria) which do not cause irreconcilable contradictions are necessary.

The opinion of a so called "democratic opposition" according to the possible directions of cooperation between RB and EU is well known:

1) Sphere of the youth organizations:

- Carrying out of youth meetings, years (winter) schools, seminars, conferences on the themes connected with various aspects of activity of EU, problems of integration (political, economic, social, humanitarian, etc. aspects);
- The organization of training of students and young experts of high schools of the European countries-members of EU in the Belarus high schools and the organizations and, certainly, Byelorussians - in the European organizations;
- Formation of brigades (time creative collectives) young scientists and experts for propaganda and an information work among youth in the EU countries and in RB;
- Formation of a "structures" (" *the centres of temporary employment* ") which helps students and youth with years (seasonal) employment;
- Formation of the training centres for mastering by separate specialities which are in demand in the market of Belarus;
- Formation of schools or rates of foreign languages, with the purpose of promotion of the European values through programs of training to language;
- The organization of a Belarusian youth' participation in a European youth' actions all over Europe;
- Support of civil-engineering designs of habitation for youth (delivery of long-term credits for youth at construction of houses in places of potential employment - in coordination with authorities).

2) Sphere of the female organizations:

- Creation of the centres of support of mother and the child;
- The statement of programs of the female organizations working in region
- Retraining and improvement of professional skill of jobless women;
- Creation of the centres of legal support of women in case of household and family problems (fight in family, problem children, drunkenness, a narcotics, etc.);

- The organization of participation of representatives of the Belarus female organizations in actions, organized in the countries-members of the European Union;
- Holding conferences, regional seminars on problems of gender equality, female unemployment and flexible forms of female employment (outsourcing, out-staffing etc.), modern ways of realization by women of the potential on a labour market;
- Support of joint projects of the female organizations of EU and Belarus;
- Support of the programs, directed on the social help to large families, including at reception of formation, the organization of education, treatment and summer holiday of children and mothers;

3) Sphere of the ecological organizations:

- Support of projects on drawing up of ecological cards and programs of steady development of regions, the organization of actions on studying and introduction of the best practices;
- Realization of programs of ecological formation, release of books, educational materials for schools and high schools;
- Carrying out of ecological conferences, seminars, including in regions which are ecologically unsuccessful,
- Development and arrangement of agro-eco-tourism routes;
- Realization of programs of neutralization and processing of production wastes and household waste; on separate system of gathering of dust (plastic, glass, food waste, a paper) in cities of Belarus;
- Creation and support of the centres on studying the Belarus and international experience of liquidation of consequences of failure on the Chernobyl atomic power station; participation of EU in realization of programs of social and professional rehabilitation suffered from failure on the Chernobyl atomic power station (treatment, medicines, vocational training, grants for youth from a so-called Chernobyl zone, etc.);
- Development of a rate of ecological formation for children of the senior classes of high school, preparation of teachers for work according to programs (special courses).

4) Sphere of universities, scientific research institutes, research funds and the organizations; the educational and educational centres:

- Support of the Belarus scientific research institutes, laboratories and « the brain centres » (first of all at HIGH SCHOOLS) which are engaged in development of problems and the

projects directly aimed at development of the European integration, on all-round participation RB in the European processes and structures;

- Creation of information centres with participation of young scientists and post-graduate students, teachers of high schools, for informing the public and experts in various programs and projects of EU and about possible participant participation of RB' citizens, Carrying out of the joint conferences, devoted a various sort to problems of integration.,
- The organization of training of teachers and employees of the Belarus HIGH SCHOOLS, scientific research institute, etc. in analytical structures of the European Union, leading high schools of the Europe;
- Financing publications of employees of the Belarus HIGH SCHOOLS, scientific research institute and the independent analytical centres directed on the analysis of geo-politic and geo-economic problems of the European integration, on development of recommendations;
- A joint writing and distribution of popular information materials and textbooks for high schools on geopolitics, economy, ecology, to the regional policy, corporate management, the finance, innovative activity, etc.;
- Support of projects on improvement of professional skill of teachers of high schools (years schools, seminars, trainings), development of methodical and information materials in the help to teachers,
- The organization and support of student's and student's exchanges between schools and high schools of Belarus and EU; carrying out of joint years schools on the basis of the Belarus camps (rest houses) and in the European centres;
- Translation into the Belarus (Russian) language of educational, methodical, information materials about the European Union and their publication in Belarus (distribution on schools, libraries, high schools);
- The organization together with the Belarus experts (workers of HIGH SCHOOLS) the information training-centres on questions of cooperation with the European Union for the Belarus deputies.

The Belarus' disappointments.... From this positions it's easy to understand the nowadays (from June-2010 till now) an official appreciations of the EU-Belarus' relations.

1. The Eastern Partnership ("EP") falls short of the expectations laid on this initiative and is, in essence, of a declaratory character. With the current state of affairs in the economy of the European Union, the Belarusian society has no reason to expect that the situation can change for the better in the near future.

1.2. As for the civil dimension of EP "("Civil Society Forum"), there is a clear bias towards the EU's relations "with the civil society of Belarus" in the EU structures as compared to the cooperation with official institutions. We regard it as an attempt to lower the means to get "pro-European lobbies" and additional leverage in the partner countries.

1.3. As for of parliamentary dimension of EP ("Euronest"), it appears to be reasonable that the European Commission and the Council of Europe have a necessary influence on the position of the European Parliament on the "Belarusian issue": MEPs always consult with the European Commission and EU Council.

1.4. *The process of "blurring" participants of thematic platforms due to excessively large number of non-governmental advisory organizations leads to an increase in mutual antagonism and increased roll in the direction of the European Commission.*

1.5. It makes sense to abandon the practice of accreditation of participants, as permanent representatives on the EP thematic platform. Instead, the involvement of particular candidates, individually and on an ad hoc basis should be agreed. It will also allow Brussels to save the funds allocated for organizational costs.

2. Visa liberalization regime could be an exemplary sphere for joint efforts of the EU and Belarus. Visa regime topic being a sensitive issue on the bilateral agenda, parties should continue to work on the harmonization of their visa policies, to work with the population on explanation of the visa regime and to attract EP Civil Forum for the involvement of Belarusian NGO.

The EU states should undertake the real liberalization of visa regime especially in the following: - to provide Belarus with more diplomatic representations; - to simplify the set of documents required for visa application; - to accept the documents in English and not to demand their translation into languages of the EU states; - to elaborate the enhanced visa regime for members of the Euro regions.

3. As the interregional and regional cooperation is a main target of ENP and EP, the Belarusian' experts agreed on the necessity to increase the regional component of the EU-Belarus cooperation, stimulating self-organization of the population. The independent role of regions in European integrations should be encouraged by the government. At the regional level it is essential for the EU to support the contacts between the civil society organizations

with local authorities, to develop local programs of self-organization of civil society and to encourage the work of consultative groups of local authorities.

Belarusian society supports the dialogue between RB and EU and different realistic movements from both sides to meet each other for the Fostering mutual cooperation and understanding between EU and RB.

CHAPTER 8

The New Geopolitical Reality on the EU' Eastern Border: "*Pro & Contra*"

In 2010 three members of the Eurasian Economic Community -- Russia, Belarus and Kazakhstan – set up a Customs Union eliminating duties and most other restrictions in mutual trade. Since January 1, 2012 this group of states has created a common economic space – a single market with free movement of goods, services, capital, labour and a coordinated economic policy. In order to expand integration in March 2012 a treaty on the Eurasian Economic Union was to be signed. Why did not it take place? What is the way out of this situation?

"Stumbling blocks"

The agreements on ultimate elimination of the Eurasian Economic Community structures and their transformation into the structures of the Eurasian Economic Union were reached at the summit of the leaders of EurAsEC member states on December 19, 2011. At present the Eurasian Economic Commission chaired by Viktor Khristenko (Russia) has already started its work. The Commission is to take over the functions of the liquidated structures of the Customs Union. The formation of the Eurasian Economic Union was aimed at elevating the status of this Commission. The Court is also being created as well as other governing structures of the Eurasian Economic Union. All these issues were discussed at the last EurAsEC summit on March 19, 2012 in Moscow. However, an agreement on the results of the summit was not signed.

Initially the Russia' media reported that **the main obstacle to signing the agreement was the position of Belarus**. (http://russiancouncil.ru/en/?id_4=322) Moscow was in favour of vesting the supreme council of a new alliance consisting of presidents of the three countries with the right to take final decisions. There was also the proposal to give the Eurasian Economic Commission the right to conclude international contracts on behalf of the three countries. **Belarus insisted on the right to veto** any future decisions of the alliance at a state level. Moscow suggested naming the new organization the Eurasian Economic Union (EAEC), Belarusians - the Eurasian Common Economic Space (EAEEP).However, after the failure to sign the agreement the head of the Republic of Belarus Alexander Lukashenka launched a "public relations" attack in the Russian media claiming that the reason for not signing was not his position but the position of Kazakhstan. In particular, he said that in

principle he agreed that the Eurasian Economic Commission should be given the right to conclude international agreements.

The official position of Kazakhstan on the treaty was clarified at a press conference of E. Bulegenov, Ambassador of Kazakhstan in the Republic of Belarus, at the end of March 2012. He said in particular that in the opinion of his country the transformation of EurAsEC into the Eurasian Economic Union should not be accelerated; it is necessary to get **adapted to the conditions of the Single Economic Space first**. *("Лукашенко: Договор о трансформации ЕврАзЭС не подписан из-за позиции Казахстана"* http://news.tut.by/economics/280065.html)

There are a lot of difficult problems on the way to signing the treaty, affecting primarily economic relations between Russia and Belarus. And it is not without reason that most experts call the position of Minsk a major obstacle to an agreement.

The economy of Belarus is markedly different from those of Russia and Kazakhstan. In fact, the country continues to live in socialism, with the economy being dominated by public sector. In contrast to Moscow and Astana, Minsk's accession to WTO is a long way off. Spurring integration would make the country's leadership automatically speed up market reforms, which could lead to changes in the political system as well. Belarus would become more and more indebted to Russia. It could only pay off these debts by privatizing its enterprises in the interests of Russian capital. That is why there is tough bargaining under way as Minsk is trying to substantially inflate the cost of sellable assets. The growing influence of Russian capital in the country causes strong resistance of pro-Western right-wing opposition. The authorities often try to use these nationalist sentiments for preserving the political status quo.

The relations with Belarus from the point of view of Russian economic interests are rather problematic. For more than two decades Russia has been supplying energy to Minsk at prices significantly below world prices. At the same time Belarus also sells and resells Russian oil and its derivatives on the international market at a huge profit. To illustrate, two thirds of Belarusian exports to the EU are oil and petroleum products totalling $10.4 billion. As a result of the Belarusian economic system inefficiency, even with such huge hidden subsidies, the country has found itself deep in debt. The servicing of external debt alone in 2012 amounts to about 19 billion dollars -- 34.6% of the GDP. One important source of foreign currency was

$3 billion loan of the EurAsEC Anti-Crisis Fund. On March 20, 2012 the government of Belarus sent a letter to the EurAsEC with a request to grant the third $440 million-worth tranche of this loan. Besides, according to Russian experts, **Belarus may involve the emerging Common Economic Space into a confrontation with the EU:** Russia's representatives have recently sent several statements to the EU on the effect of possible strengthening of sanctions against Belarus. From a purely economic point of view Minsk seems to be more of a liability for the Eurasian integration than an asset. The main arguments of supporters of integration with Belarus are not economic but rather geopolitical, military and cultural.

In contrast to Belarus oil- rich Kazakhstan is a strong economic player. Its integration with Russia has never incurred any additional economic costs – on the contrary, it has always offered great prospects. As a matter of fact, the idea of a Eurasian economic integration was first put forward by the President of Kazakhstan Nursultan Nazarbayev. However, even as far as Kazakhstan is concerned, the implementation of the agreements on the establishment of the Customs Union and Common Economic Space is not without its problems. In particular, the processes of integration with Russia have led to a sharp rise in prices reaching the Russian level and consequently to increased social tension. This in turn has spurred the growth of nationalist sentiment against integration with Russia. Accordingly, Kazakhstan, as its official representatives have stated, needs time to adapt its economic and social system to integration with Russia.

Prospects of the Eurasian Union

In principle the failure to sign a treaty would not lead to any negative consequences. On the contrary, it would offer an opportunity to elaborate on respective documents. As is shown by the previous experience of the development of post- Soviet space, the signing of excessively comprehensive documents on economic integration (for example, within the CIS and EurAsEC) has often been no more than a declaration of intent. Therefore, caution should be taken while implementing such ambitious projects. As D. Medvedev said summing up the results of the EurAsEC Inter-state Council meeting the approach to the EurAsEC reorganization will be discussed at the next summit of presidents of member countries: "Sometime later, after our authorized representatives hold consultations we will consider at the next summit the approaches to how reform these institutions".

The Kazakh Ambassador to the Republic of Belarus E. Bulegenov confirmed that his country's position is that the agreement on the establishment of the Eurasian Economic Union will be signed by January 1, 2015. Astana has repeatedly demonstrated that it honours its integration obligations; moreover, the economies of Russia and Kazakhstan can integrate easily enough. In my opinion, the uncertainty of signing the treaty by 2015 stems from the position of Belarus. Minsk is certain to use the signing of this document for obtaining further subsidies from Russia, and the continued membership of Belarus in this structure will depend on the Russian aid.

The prospects of the emerging structure, where the main axis will obviously be the cooperation between Russia and Kazakhstan, were outlined in the article by V. Putin "*The New Integration Project for Eurasia: the Future in the Making*", published on October 4, 2011 in the newspaper "Izvestia". He pointed out, in particular, that this alliance will be one of the centres of the world economy and policy and "will ensure sustainability of global development" alongside with the EU, U.S., China and APEC. Putin also pointed out the possibility of expanding cooperation of the Eurasian Union and the EU. The two structures have a potential to complement each other. The new union can offer Europe the resources while the European Union can offer Eurasia investment capital and new technologies. Moreover, the Eurasian Union has very good prospects for the development of transcontinental transportation routes. However, there are a number of barriers to the realization of the above potential. Among them are the divisions over Belarus, geopolitical divergences between Russia and NATO, different approaches to values and ideology, associated with the problems of democratization, human rights and the rule of law, conflict in the area of energy security, in particular the confrontation over the Energy Charter etc. The solution of all these mutually complementary problems can take a long time. In the short- and medium-term, especially given the problems with Belarus, the best way for Russia and Kazakhstan is to conclude direct agreements with the EU.

However, **even without a rapprochement with the EU the Eurasian integration has certain economic prospects.** Analysts at the Eurasian Development Bank (EDB) have assessed the macroeconomic impact of integration of Russia, Belarus and Kazakhstan in the Common Economic Space. According to their estimates, by 2030 integration might ensure the annual increase of Russia's GDP by 75 billion dollars, Belarus - 14 billion dollars and Kazakhstan - 13 billion dollars in 2010 prices. (http://www.evrazes.com/)True, in this case,

too, the economic impact will depend on whether all kinds of political risks not taken into account in the study done by the EDB are successfully neutralized.

Russia–Belarus former trade disputes: economic basis and political background

2004 Russia–Belarus gas dispute was a commercial and diplomatic dispute between Russia and Belarus that escalated in January 2004. Close relations between the two countries and willingness for political integration had made it possible for Belarus to purchase gas from Russia at heavily discounted prices. In the late 1990s, Russian foreign policy shifted away from geopolitics and became more pragmatic and economical, especially after the inauguration of President Vladimir Putin. As a result, Gazprom moved to ensure the reliability of gas transits to Europe by attempting to establish control over the Belarusian transit network. Belarus initially agreed to sell 50% of the network, but after disagreements over price, Belarus severed the contract. Gazprom announced price rises, and after Belarus refused, Gazprom ceased to import gas to Belarus on 1 January 2004. Belarus compensated by siphoning from gas meant for transit to Europe, which on 18 February resulted in Gazprom completely shutting off the supply to Belarus. Other companies supplied Belarus on short-term contracts until June 2004, when a new contract with Gazprom was finally signed.

Economic background

Belarus is an important transit route of Russian gas to Europe, with around 20–25% of Gazprom's European exports passing through Belarusian territory. Two major pipelines run through the country: Northern Lights and Yamal-Europe. The former is used to transit Russian gas to Europe as well as for Belarusian domestic use; the latter transits gas solely for export to Europe. The Belarusian economy is heavily gas dependent—gas accounted for 59.9% of the country's energy balance in 2003. In addition, most of the electricity in the country is generated from gas. In 2003, Belarusian gas consumption was 16.66 billion cubic metres (588 billion cubic feet). Domestic gas production amounted to only 0.25 billion cubic metres (8.8 billion cubic feet). The rest was imported from Russia, chiefly from Gazprom. For political reasons, Belarus was able to purchase gas from Russia for Russian domestic prices, which were only a quarter of the international market price. In January, 2003, Belarus paid $34.37 per 1,000 cubic meters for its imports.

Political background

After the dissolution of the Soviet Union in 1991, Russia and Belarus enjoyed relatively good relations. Both countries strove for political integration, Russia mostly for geopolitical and Belarus chiefly for economic reasons. Russia also saw political integration as a means for eventually gaining full control over the Belarusian transit routes—thus ensuring the reliability of transit. The Belarusian leadership chose to build close relations with Russia, with the ultimate aim of formal unification. Gas price agreements between the two countries were settled politically, with the commercial side being given less attention.

The relations between the two countries began to change as a result of the 1998 Russian financial crisis. Russia no longer saw itself strong enough to sustain its aspirations of superpower status. Consequently, Russia began to attach more significance to geo-economics rather than geo-politics in its relations with CIS neighbours. This development accelerated during Vladimir Putin's presidency, when Russian foreign policy became more pragmatic and economised.

Because of domestic payment collection problems, Belarus accumulated debts for its gas imports. When disagreements over the political integration increased, Gazprom realized that the Belarusian debts would in future undermine the reliability of Belarusian transit routes. Consequently, Gazprom sought to establish a joint venture to own and operate the Belarusian transit network, to ensure uninterrupted transit of gas to Europe.

The 2004 dispute in an intergovernmental agreement signed in April 2002, Belarus promised to sell 50% of Beltransgaz, the company owning the Belarusian transit network, to Gazprom. The agreement also stipulated that gas prices to Belarus would be the same as Russian domestic prices for the next five years. The contract did not specify the value of Beltransgaz. Belarus estimated it as $5–6 billion, while Gazprom proposed a price of $500–600 million. The Belarusian President Alexander Lukashenko later suggested $2.5 billion as a lower limit, but this was rejected by Gazprom. As the political agreements that had given Belarus the right to purchase gas at Russian domestic prices were now broken, Gazprom, backed by the Russian government, now moved to abolish the price discounts.

Gazprom stated that if an agreement was not signed until 2004, it would increase gas prices from $30/m to $50 per 1,000 cubic meters. Belarus refused, and on 1 January 2004, Gazprom stopped shipping gas via the Northern lights pipeline. Belarus was able to compensate by purchasing gas from non-Gazprom exporters such as Itera and TransNafta on short-term

contracts. This continued until 18 February, when the companies refused to sign further short-term supply contracts. Since Belarus was dependent on gas for most of its heat and electricity production, the situation in the country during cold winter started to become critical. After deliveries stopped, Belarus started to siphon gas meant for transit to Europe from the Yamal-Europe pipeline, without Gazprom's approval. As a result, at 18:00 Moscow time on 18 February, Gazprom completely cut off supplies to the Belarusian network. Germany experienced only minor shortfalls in deliveries because of extensive storages of gas and due to most of imports coming through Ukraine; however, Poland reported more severe disruption. Supplies to Kaliningrad Oblast were also affected. Belarus managed to sign a new short-term contract with TransNafta at the price of $46.68 per 1,000 cubic meters, which resulted in Gazprom resuming supplies before midnight of 19 February. Similar contracts supplied Belarus until June, when Belarus finally agreed a new contract with Gazprom for delivering gas for the rest of 2004 with the price of $46.68 per 1,000 cubic meters. In mid-2004, political relations between Belarus and Russia started to improve, and a new agreement between Belarus and Gazprom was signed. The two sides now agreed to appoint an outside consultancy firm to define an appropriate value for the sale of Beltransgaz.

Implications

Although the 2004 dispute further strengthened the perception that Belarus and its economy were heavily dependent on Russian gas and Gazprom, it also became clear that Belarus also possessed some important cards. In 2007, after a later dispute, Gazprom agreed to pay $2.5 billion for Beltransgaz—several times more than it was prepared to pay in 2004. The 2004 dispute also raised concerns about reliability of Gazprom's supplies to Europe, and highlighted the fact that Gazprom had not solved the issue of reliable transit.

The Russia–Belarus energy dispute began when Russian state-owned gas supplier Gazprom demanded an increase in gas prices paid by Belarus, a country which has been closely allied with Moscow and forms a loose union state with Russia. It escalated on January 8, 2007, when the Russian state-owned pipeline company Transneft stopped pumping oil into the Druzhba pipeline which runs through Belarus because Belarus was siphoning the oil off the pipe without mutual agreement. On January 10, Transneft resumed oil exports through the pipeline after Belarus ended the tariff that sparked the shutdown, despite differing messages from the parties on the state of negotiations.

The Druzhba pipeline, the world's longest, supplies around 20% of Germany's oil. It also supplies oil to Poland, Ukraine, Slovakia, the Czech Republic, and Hungary. For the long period, the gas price for the most of former USSR republics was significantly lower than for the Western European countries. In 2006 Belarus paid only $46 per 1000 m^3, a fraction compared to $290 per 1000 m^3 paid by Germany The annual Russian subsidies to the Belarusian economy were around $4 billion, as Russian president Vladimir Putin said on January 9, 2007. In 2006 Russia announced a higher price for 2007. After Alexander Lukashenko, President of Belarus, rejected this price change, and without a new treaty, Gazprom threatened to cut gas supplies to Belarus from 10:00 MSK on January 1, 2007. Both sides finally agreed on the following terms: Russian gas to be sold to Belarus for $100 per 1000 m^3 (compared to Gazprom's original request of $200 per 1000 m^3) Belarus to sell Gazprom 50% of its national gas supplier Beltransgaz for the maximal price of $2.5 billion. Gas prices for Belarus to gradually rise to the European market price by 2011 Belarus's transit fees for Russian gas to increase by around 70% .

Another part of the energy dispute is the dispute for oil. In 1995, Russia and Belarus agreed that Russia would not impose any customs on oil exported to Belarus. In exchange, the revenues from this oil processed in Belarus would be shared by 15% for Belarus and 85% for Russia. In 2001, Belarus unilaterally cancelled this agreement while Russia continued its duty-free exports. Lukashenko's state kept all the revenues, and many Russian oil companies moved their processing capacities to Belarus. On this arrangement, Russia also lost billions of dollars annually. On December 18, 2006, Russia put an end to this practice, announcing a standard $180 per ton toll on Russian export oil to Belarus. In response, Belarus imposed a tariff of US$45 per ton of oil flowing through the Druzhba pipeline, prompting Russia to claim that the move was illegal and to threaten retaliation,[9] since it contradicts bilateral trade agreements and worldwide practice. Only imported or exported goods are being tariffed while transit goods are not objects of tariffing. Russia rejected paying the newly imposed Belarusian tariffs.

In compensation, Belarus began siphoning off oil from the pipeline.[10] According to Semyon Vainshtok, the head of Russia's pipeline monopoly Transneft, Belarus had siphoned off 79,900 metric tons of oil since January 6. Vainshtok said this was illegal and the move was made "without warning anyone." In response, Russia stopped oil transport on January 8.

A Belarusian team led by Vice-Premier Andrei Kobyakov flew to Moscow on 9 January to pursue a solution but initially reported that they had not been able to start negotiations.

On January 10, the Belarusian government lifted the tariff, and Russia agreed to start negotiations. The oil flow was resumed. In the wake of the dispute, Gazprom acquired 50% stake in the Belarusian gas pipeline operator Beltransgaz for 2.5 Billion USD.

August 2007 developments

Following the alleged violation of previous agreements and the failure of negotiations, on August 1, 2007 Gazprom announced that it would cut gas supplies to Belarus by 45% from August 3 over a $456 million debt. Talks were continuing and Belarus has asked for more time to pay. Although the revived dispute is not expected to hit supplies to Europe, the European Commission is said to view the situation 'very seriously'. Following overnight negotiations in Moscow, on August 3, 2007, $190 million of the debt was repaid, and Belarus was given a further week to pay the remainder or face a 30% cut in supplies.

As of August 8, 2007 Belarus has fully paid its $460 million debt for Russian natural gas supplies, ending a dispute between the country and Gazprom.

Related disputes

The situation is reminiscent of other recent price tensions between Russia, one of the world's energy superpowers, and other states since the start of 2005. These have resulted in increases in the prices paid for gas by **Moldova** (now paying US$170 per 1,000 cubic meter), Georgia (US$235 per 1,000 cubic meter) and **Ukraine** (following the 2006 Russia-Ukraine gas dispute, which also resulted in a 4 day cut to European gas supplies) with Azerbaijan having recently stopped oil exports to Russia.

On 29 July 2006 Russia shut down oil export to Mažeikių oil refinery in Lithuania after an oil spill on the Druzhba pipeline system occurred in Russia's Bryansk oblast, near the point where a line to Belarus and Lithuania branches off the main export pipeline. Transneft said it would need one year and nine months to repair the damaged section. Although Russia cited technical reasons for stopping oil deliveries to Lithuania, Lithuania claims that the oil supply was stopped because Lithuania sold the Mažeikių refinery to Polish company PKN Orlen.

Impact

All IEA member countries who are net oil importers have legal obligation to hold emergency oil reserves, which is equivalent to at least 90 days of net oil imports of the previous year. Furthermore, under the EU regulations there is obligation to hold reserves equivalent to 90 days of consumption, so unlike the gas dispute with **Ukraine** in 2006, consumers were not affected. Poland had an 80-day oil reserve. The **Czech** Republic reported drawing oil from its 100 day reserves. Had the dispute prolonged, it is likely that alternative supplies would have been secured. International oil prices were not significantly affected.

The involved countries have, however, expressed concerns about the reliability of the Russia-Belarus oil pipeline and Belarus as an oil middleman supplier.

The events have also provoked renewed discussion on the government policy of phasing out nuclear power in Germany.

EU' Reaction

The European Union has demanded an "urgent and detailed" explanation, according to a spokesman for Energy Commissioner *Andris Piebalgs*.

Piotr Naimski, **Poland**'s deputy economics minister who is responsible for energy security, stated "*This shows once again that arguments among various countries of the former Soviet Union between suppliers and transit countries mean that these deliveries are unreliable from our perspective*."

German Economy Minister *Michael Glos* stated that the dispute showed that "one-side dependencies must not be allowed to develop."

Following a meeting with European Commission President *José Manuel Barroso* in Berlin, German Chancellor *Angela Merkel* condemned the action, stating "It is not acceptable when there are no consultations about such actions". Commenting on the importance of trust in energy security, she said "That always destroys trust and no trusting, undisturbed cooperation can be built on that." Merkel continued by saying "We will certainly say to our Russian partners but also to Belarus that such consultations are the minimum when there are problems, and I think that that must become normality, as it would be within the European Union." Barroso said that "while there is no immediate risk to supplies, it is not acceptable" for such actions to be undertaken without prior consultation.

Belarus-Russia' 2009 diplomatic row

In 2009, a serious diplomatic row erupted between the two countries. President of Belarus Alexander Lukashenko accused Russia of offering a $500 million loan on the condition that Belarus recognize Abkhazia and South Ossetia, but added that the position of Belarus was not for sale. Lukashenko has declared that Belarusian citizens must abide by Georgian laws when traveling to the two regions and the Foreign Ministry has stated that all Belarusian citizens must use points of entry on the Georgian side. Lukashenko declared that instead of Russia, Belarus should "look for happiness in other parts of the planet". Commenting on the close military cooperation between the two countries, Lukashenko likened Belarus' 10 million people as a human shield for Russia against the West, a service that he said "was not free". In July 2009, the so-called Milk War erupted, when Russia banned all dairy imports from Belarus, saying that did not comply with new regulations. Belarus accused Russia of employing the ban for political reasons, while Russia denied that the ban was political. Russia soon lifted the ban and Belarus resumed deliveries of dairy products to Russia. However, a new dispute arose when Russia claimed that Belarus owed $231 million for gas supplies it had used since the start of the year. Belarus threatened to introduce Border and Customs control on its border with Russia, and refused to attend Collective Security Treaty Organization talks in Moscow. In an interview, President Lukashenko questioned the necessity of diplomatic relations with Russia, since Russia is "blockading" Belarus.

Pro-West' Belorussian opposition: "Belarus Trapped into Eurasian Integration"...

... An economic integration is more beneficial with prosperous countries, not with oil-rich backward Russia and Kazakhstan which want to protect themselves from foreign competition. If Ukraine is a member of the Eurasian Economic Union, it would have to pay high levels of compensation for its trade partners outside the Union as the country has lower import tariffs under its WTO obligations. The member of the Eurasian Economic Union does not have a right to conduct separate trade negotiations with any countries.

What is more important, a member of the Eurasian Economic Union does not have a right to conduct separate trade negotiations with any countries. Instead, it should ask for permission of the supranational Eurasian Economic Commission and take into account economic interests of all member states. It means that in practice Belarus cannot launch negotiations with the EU on Free Trade Agreement without Russian consent even if all political prisoners are free.

Why Belarus Chose Eurasian Integration?

Petrochemicals amount to more than 65% of Belarusian export to the EU countries

As many other Eastern Partnership countries, Belarus has at least 25% EU share in its trade balance. As opposed to them, petrochemicals amount to more than 65% of Belarusian export to the EU countries. Only Azerbaijan surpasses Belarus with its 99.5% share of oil and gas in export to the EU. Whether it is a coincidence or not, both countries are authoritarian and are not WTO members.

However, while Azerbaijan has its own oil, Belarus mostly relies on Russian oil producers. In January 2012 its export to the EU increased fourfold from $439m to $1.74bn as compared with the previous year due to favourable conditions of oil supplies from Russia.

EU-Belarus relations on a political level may make Russia angry and thus put an end to its oil paradise

But the significant improvement in EU-Belarus relations on a political level may make Russia angry and thus put an end to its oil paradise. Benefits from reduced import tariffs in trade with the EU will not cover losses from a decrease in the amount of oil refined in Belarus. The reason for Eurasian integration is very simple: Belarus is badly dependent on Russia.

Belarusian Authorities "Live For The Moment"

Another reason for choosing the Eurasian integration is the unwillingness to undertake any significant reforms. Belarusian authorities would like to maintain the existing political and economic status quo for as long as they can. Most of the Eastern Partnership countries on the contrary intend to improve their administrative and legislative systems according to European standards in order to attract foreign investments.

It clearly illustrates the dilemma that the Belarusian ruler faced in 2010. On the one hand, he could follow the path of modernization and liberalisation. It was a sound strategy, but it demanded large sums of money and could have caused social and political instability. On the other hand, he could restore deteriorating relations with the Russians and reinstate their generous support in exchange for promises of future concessions.

Finally, Lukashenka prefers short-term benefits over long-term advantages and is unwilling to invest money in the democratic future of Belarus.

Belarusian authorities are forced to rely on Russian support to survive, but Russia may soon get control over all strategic assets in the country for cheap. ***Thus participation in the Eurasian Union poses a threat to Belarusian sovereignty. But it also has at least one positive consequence – Belarus will be forced to become a WTO member and this will consequently encourage authorities to make economic reforms.***

Russia does not guarantee that it will keep its oil and gas discounts for a very long time. Sooner or later Belarusian authorities will face the prospect of the collapse of their economic model. At that moment the EU should be ready to offer Belarus a comprehensive package of financial and technical assistance in reforms and enter into a dialogue with authorities and businessmen on the future development of the country. http://belarusdigest.com/story/belarus-trapped-eurasian-integration-9029

Military Cooperation between Belarus and Russia as Justification of Economic Subsidies

In all cases when Lukashenka calculated what Russia should pay Belarus for, he puts the military component of cooperation first. He often emphasises the role of the Belarusian army as a shield for the central part of Russia from NATO and the importance of the Belarusian air defence and Russian military bases.

Only afterwards does he speak about cheap transit, ten millions of Russians employed at businesses linked by technology to Belarusian companies, and communication between Russia and its Kaliningrad enclave and its supply. In extreme cases, during his most bitter disputes with Russian leaders, he lays out his other trumps on the table: he speaks about participation of Belarus in Russia's strategic integration projects and dependence of the Russian ally from the stable functioning of high-technology enterprises of the military and industrial complex in Belarus.

In late April 2010, commenting on the agreement concluded between Russia and Ukraine extending the stay of the Russian Black Sea fleet in Sevastopol, Lukashenka said that Russia had paid about $40bn to Ukraine for the sites which had less importance for Russia than the

missile attack warning centre near Brest, and the nuclear submarines communication centre near Vilejka (Minsk region).

The talks between the United States and Russia about conditions of deployment of joint missile defence facilities in the territory of eastern members of NATO failed. In late November 2011, Russian President Dmitry Medvedev said in a special television address that they were not able to come to an agreement with the United States and NATO. Russia cannot accept weakening of the Russian deterrent capability and has to take special measures.

Deployment of Iskander Missile Systems. Also in November, the Russian news agency Interfax reported, citing a source in the Kremlin, that if the talks with the United States on missile defence failed, Russia could deploy missile systems Iskander in the territory of Belarus as well.

In the first week of February 2012, several web sites, citing a source in the Presidential Administration of Belarus, published information that the issue of deployment of missile systems Iskander in the territory of Belarus had been discussed during the visit of Russian Deputy Foreign Minister Grigoriy Karasin to Minsk on 30-31 January 2012.

On 8 February, answering questions from journalists regarding the topics of conversation between Head of the Presidential Administration *Uladzimir Makiej* and Foreign Minister *Siarhiej Martynau* and the Russian envoy, Head of the Foreign Policy Directorate of the Presidential Administration *Maksim Ryzhankou* said that the outcome of the talks between Russia and the United States on missile defence had been discussed among other matters for which "it was important for Russia to enlist support of its like-minded friends".

On 6 February, Lukashenka met with State Secretary of the Security Council *Leanid Maltsau* and Minister of Defence *Jury Zhadobin*. Lukashenka said: "I sent a letter to Medvedev about the necessity to look for additional funds for the Belarusian military… The two countries have basically a single army and similar tasks that they are facing".

On 9 February the mass media spread around *Zhadobin*'s explanations of Lukashenka's opinion: "Actually, it was underscored that military cooperation between our countries could become one of arguments for getting preferences in economic matters, e.g., regarding oil and

gas supplies, which could be used to increase the national budget funds and augment our military men's money allowances." It is hardly probable that Russia will dare deploy the Iskander missile systems in Belarus. Lukashenka will not agree to deploy Russian military detachments on the territory of Belarus, except for the military bases near Hantsavichy and Vileyka. Also, Russia will not entrust Lukashenka with efficient offensive weapons, let alone the missile systems. Some Russian generals believe that Lukashenka is not consistent enough as an ally. They do not have any guarantees that the supplied Iskanders be turned to the East.

Anti-Western Rhetoric in Common Interest.

However, Russia and Lukashenka's regime share common interests of convincing the West in the reality of deploying the offensive armaments, including Iskander missiles systems on the territory of Belarus. It is a constituent part of Russia's plan of reaction to deployment of the US Anti-missile defence system in Europe.

Lukashenka treats the mere update of the Iskander deployment talks, as a counteraction to the United States and NATO, as a sufficient means of putting pressure on Russia's policy. He will urge Russia to pay for the mere statements about the targeting of NATO military facilities, located close to the Belarusian border.

According to Zhadobin's statement, which was clearly authorised by Lukashenka, the Belarusian government intends to coerce Russia into introducing more beneficial conditions of economic cooperation for their Belarusian ally. Particularly, it concerns the issue of energy carrier supplies.

In the least, the Belarusian government would like to force Russia to restructure the Belarus' foreign debt to its eastern neighbour, including the country's financial obligations to the Anti-crisis Fund of the Eurasian Economic Community.

Independent Western' Analytics about Putin's Eurasian Union: A danger or strategic opportunity for the West?

When Vladimir Putin recently published an article in the Russian daily *Izvestia* that officially announced his plans for the establishment of an Eurasian Union in the geographical space of former USSR countries, he caused quite an uproar in the Western media.1 The headlines such as those in the Telegraph run that Putin's wish is nothing short of re-forming 'a pseudo-Soviet

Union' reassuring readers that the plan is about 'reclaiming the Russian Empire',2 even though in the same article Putin explicitly rejected any comparison with the USSR. Newspaper commentaries are naturally inclined to exaggeration and the use of catchy words to raise readership figures, but they still reflect general fears of the West towards the resurgent Russian foreign policy of the last decade. The essential policy question for the EU and US is whether these concerns about a Eurasian union are justified and reflect a real threat of some 'incoming Russian empire'. Or perhaps, if considered from a different angle, the Putin's and Russian administration's plans might just as well present the NATO allies with a real strategic opportunity.

A short notice to readers about my argument's presuppositions is first due, however. In the grand realm of foreign policy, one can speak about natural allies and interests only with a grain of salt. If the cultural and value-based factors remain excluded, economics, neither energy, nor even geography can offer clear-cut answers on choosing a country's allies and by extension, also its enemies. To say that Russian foreign policy now poses a threat or strategic opportunity then implies taking a particular normative stand, which is in turn arguable based on the principles adopted. In this short piece, my purpose is singular: to contrast the arguments of those on the side of the EU and US who claim that the Russian initiatives in the Eurasian basin should be opposed with those less numerous voices to which I also humbly join, who argue that Putin's 'Eurasian Union' is a sound initiative of regional integration that can serve the EU's and US's interests in stabilising the whole region thus creating a strong ally to balance out other rising superpowers such as China.

Belarus, Kazakhstan and Russia already formed a Customs' Union, so Eurasian Union will be its successor. The critics of the Russian foreign policy generally argue that Russia under Putin and Medvedev is simply rebuilding its former empire, sometimes using its leverage in energy resources, sometimes outright military aggression as in case of Georgia. In their interpretation, such efforts must be vigorously opposed, as the result will be nothing but Russia's domination of its 'Near Abroad' that will prevent countries such as Ukraine and Georgia in making a free choice to join the international community of liberal democratic states. These arguments are often joined by those in the EU who believe that the Union's foreign policy should be based on stabilising its neighbourhood through spreading of its norms, functioning as a sort of 'a neo-medieval empire' (Jan Zielonka) or 'neoliberal empire' (Warwick Armstrong and James Anderson). Naturally, approaching Russia, a country that has

consciously adopted a development strategy of 'modernisation without Westernisation', with this approach is inherently ineffectual, as the EU as Russia's equal ally does not have any leverage that it could impose on its eastern partner. The result is that Europe's prominent politicians such as German FM Guido Westerwelle and his Polish counterpart Radek Sikorski, who recently addressed a joint letter to the EU's chief of foreign affairs Catherine Ashton, where they urged her to reorient her policy towards realpolitik of securing energy supplies and modernising Russian economy.3

If the Russian leadership's military solutions to the Georgian and 2nd Chechnyan conflicts can regarded as controversial, Putin's latest initiative shows that the Russian political elite clearly realises that their country's influence on its neighbourhood can be achieved only if it brings benefits to both sides and is not based on force. Far from being a Russian empire, the Customs Union, which is to be a first step towards a full Eurasian Union, was joined by Kazakhstan and Belarus of their own sovereign decision and they will retain a proportionate control over the decision-making of the whole union. Indeed, Kyrgyzstan and Tajikistan already have submitted their own bid for the membership. Similarly, where Russia once had relied on its hard currency reserves to gain from its neighbours political concessions through cheap provision of loans and direct subsidies of fuel, the new policy aims at elevating the economic prospects of the entire region with Russia serving as a natural gravity well.4 While Russia will over time benefit by reinforcing its status as the region's financial and business centre, the other countries of the Union will be more competitive in agriculture and heavy industry such as steelmaking, gain investments for their backward, Soviet-style economies (this especially applies to Belarus), just as benefit from the competitive advantage of their cheaper labour force.

For the EU and US, the Russian effort to lead a regional integration brings a **possibility of an alternative form of the international ordering.** Without making any positive or negative judgments, the present international order can be broadly labelled as the **global military hegemony of the US with the support of its NATO allies**. This hegemony has been supported by the combined economic might of the US, EU and Japan, but as the economies of indebted Western countries will be experiencing their relative decline, their military control will inevitably wane too. The obvious alternative is that this hegemony will be replaced by another – that of the Asian or Chinese century. As this is naturally an infeasible outcome for the European and American interests, maximum effort should be made to seek out other

options, the most significant of which is a return to the principle of balance of power remodelled for the purposes of the 'grand scale' of the globalised world. While the original international order of nation-states presupposed the relative equality of countries in the still rather localised world of the 19th century, sovereignty in the postmodern world becomes intangible but for the largest of polities that possess a broad control over the world's natural and economic resources. Thus, political equality in the 21st century can be achieved only on the level of 'grand spaces', by political groupings that are sufficiently large and powerful to maintain an effective control over their territory that would balance out that of other similar entities.

A Eurasian Union, modelled on the EU, is a clear step into the direction of such a multipolar world. As its plans develop from the current Customs Union to a full economic union, it is based on fully voluntary grounds and is expected to bring benefits of peace and economic growth to all its members – not just the Russian giant. In the rapidly changing world of the 21st century, a Eurasian Union could well become a strong ally of the EU and US and help them to ensure that their relative strength will remain preserved, even against the odds of the rising Chinese dragon.
http://www.europeanstrategist.eu/2011/11/putins-eurasian-union-a-danger-or-strategic-opportunity/

The Customs Union and Europeans

What can Europeans expect from these unification efforts of the Eurasian troika? For those who hope that one day international affairs will be better off when centred around multiple regional poles, which would be politically, socially and economically integrated on the basis of their shared identity, the Russia-lead regional efforts are clearly a much welcomed step. Indeed, it is one of the main tenets of the European Strategist to endorse such very efforts. And notwithstanding recent disputes between Belarus and Russia, it seems that the creation of the customs union will move the region a few steps closer to a hypothetical 'Eurasian federation' of the Commonwealth of Independent States, as is a long-time dream of Kazakh president Nursultan Nazarbayev and several other visionaries.

From this it precedes that the Europeans should bear in mind at least three points when following new developments in the region. First, the integration efforts are not yet complete. The parties stress that the customs union will allow them to proceed with the next stage of the

integration in creating a common economic space (by 1 January 2012) with the free movement of goods, services and labour. This would create a major economic zone of about €1,473 billion of nominal GDP, 1 or roughly about 12 % of the EU-27's GDP of €12,683 billion.2 The initiative further proposes to unify the countries' taxes (quite many Russian commentators applaud this step, because they fear that the customs union without common tax rates might lead to companies leaving the country to their neighbours, mainly to Kazakhstan),3 and establish common and trade monetary policies. Indeed, swiftness with which the Russians and its partners move is even more commendable when one considers that any effort to harmonise diverse tax regimes in the EU's member states would be a political impossibility: even the Commission's initiative to create a so-called Common Consolidated Corporate Tax Base ("CCCTB") is being met with a considerable opposition, although it is being prepared in various working groups for last 7 years.

Second, the move is also another clear signal that in the follow-up to the 2008 financial crisis, Moscow is changing its economic policies in the former Soviet space. New York Times observed already a year ago that whereas formerly, Russia relied on its hard currency reserves to gain from its neighbours political favours by providing them with loans and direct subsidies of fuel, the new policy aims at elevating the economic prospects of the entire region with Russia as a natural gravity well.4 In the short term, Russian farmers and steel workers might lose in the competition with Belarus and Kazakhstan, but over time, it is assumed that Russian banks will benefit from gaining access to Belarus' backward, Soviet-style economy, which is currently on the way towards privatising its major services and industries. Moscow will thus reinforce its role as the region's financial and business centre and even more increase the allure of its domestic market for other neighbouring countries. Indeed, Kyrgyzstan and Tajikistan are already bidding for the membership.

Putin's and Medvedev's greater openness to their country's economic integration has also a strong European dimension, as they would hope to extend the free trade partnership also to the EU and other EFTA countries. Here, however, they will not get any further without the co-operation of EU's political leaders, which is lacking. The EU's politicians are now on one hand much more concerned with the financial problems of the euro zone and, on the other, lack strategy and political will for leading a strong, common EU-Russian foreign policy.

Preferably, this should be complemented by restarting the efforts at Euro-Russian strategic partnership and thus proceed along the way that would offer economic, social and strategic

benefits to everyone in Europe without the destructive zero-sum logic of 'either Kremlin or Brussels'.

Having said that, it is clear that the new Customs Union of Belarus, Kazakhstan and Russia will play a key role in the region in the next few years. For the time being, the Europeans will do well to remember these three tenets in mind: it will continue on, signals a change in Russia's neighbourhood policy, and Ukraine will be the main unknown in the geopolitical game. Will the EU and European political elite prepare a common and adequate foreign policy that would respect these stakes? That is to be doubted. But no matter, that is no reason for analysts not to keep trying for their voice to be heard and hope that after the euro zone problems get solved, European political representatives will gradually turn outwards to their partners and use the economic initiatives such as the Customs Union for their shared benefit. http://www.europeanstrategist.eu/2011/07/towards-a-eurasian-federation/ ...So, the Western opinions on the Eurasian integration are more balanced and more realistic then the opinion of the Belorussian so called "pro-EU" opposition...

CHAPTER 9

The "New Dialog" between EU and Belarus: Is it possible?

The new discussion now is taking place in the Belorussian civil society on the so called "New Dialog" between the EU and Belarus. The main independent tribune for the discussion is the famous and authoritative *German Radio* (and Internet' site) "***The German' Wave" ("Die Deutche Welle", or DW).*** So the DW is a sort of "Leader of public opinion" for the EU' oriented ("pro-West oriented") Belarusian' NGO. Very interesting: **the DW does not publicities any alternative opinions – only the opinions of the "pro-EU" ("pro-West") activists and experts. For example, the opinions of the EuroAsian' integration is some sort "a taboo". So, we have some sort of the "Bolshevistic approach" to the "New EU' Dialog"… Is it NEW? Is it a dialog?**

EU' official opinion:

"Launching European Dialogue on Modernisation with Belarus"

Commissioner for Enlargement and European Neighbourhood Policy Štefan Füle today launched the European Dialogue on Modernisation with Belarusian society at a meeting in Brussels with representatives of Belarusian civil society and political opposition. This follows the conclusions of the Foreign Affairs Council last week welcoming the idea of launching such a dialogue with the Belarusian society. (Brussels, 29 March 2012, http://europa.eu/rapid/pressReleasesAction)

"I am glad to be able to launch a positive agenda on Belarus in these troubled times, together with representatives from the Belarusian opposition and civil society. I hope our joint and committed work will help clarifying our understanding on the vision of what a modern and democratic Belarus could look like and about what would be needed to take us there," Commissioner ***Füle*** *said after the launching event. "At the same time we deplore the fact that some of the participants have been prevented by the authorities to come to Brussels. But this will not prevent the views of these people to be taken into account and become integral part of our dialogue. You can be assured that we will make this dialogue inclusive for all who have a vision of better, European future for Belarus," he added.*

The European Dialogue on Modernisation is a multi-stakeholder exchange of views and ideas between the EU and representatives of the Belarusian civil society and political opposition on

necessary reforms for the modernisation of Belarus and on the related potential development of relations with the EU, as well as possible EU support in this regard.

The dialogue will focus on **four key areas for EU-Belarus relations**:

- political reform;
- reform of the judiciary and people-to-people contacts;
- economic and sector policy issues;
- trade and market reform.

The dialogue will be conducted in stages, with a first stage running until the parliamentary elections in Belarus in September.
(http://europa.eu/rapid/pressReleasesAction).

So, this is seems to be very useful, but… But the real EU' approach to the dialog is very disappointing for time being! EU seems have learned no lessons: **EU' is trying to start the modernization with the help of an old methods, old experts and old ideas!... EU' is trying to ignore the new geopolitical reality on the EU' Eastern boundary – the Eurasian Economic and Political integration**. But if you don't like something – it's no use to ignore it…

9.1. The opinions of the pro- EU' Belarusian experts promoted by the DW

First of all it's necessary to note that there are some sort of "*a democratic Bolshevism*" now in the Belarusian independent mass-media: the majority of so called "*independent mass-media*" (including the INTERNET' resources) are sponsored by the EU' grants and so they think they are *obliged* to express the *only* position – i.e. the position of the EU. So this kind of a narrow-minded *"experts"* feel some sort of *obligation to "paint in black"* the Russian ideas – the idea of Eurasian Union (EAU) – and more too it, even the ideas of ***collaboration between EU and EAU!***

…Helas, this is the reality too: the democratic civil society is not ready for a democratic dialogue…

Pro-EU analysts believe that the EU program "*Dialogue on the modernization of Belarus*" gives Minsk an opportunity for long overdue reform. The project's success, experts say, depends on the consolidation of efforts of all Belarusian citizens.

Assessing the possibility of "*a dialogue on the modernization of European Belarus*", which was introduced March 29 in Brussels by the EU Commissioner for Enlargement and European Neighbourhood Policy, Stefan Fule, the DW' experts noted that "*Minsk had a chance to hold successful democratic transformation*". (http://www.dw.de/dw/0,2142,9500,00.html At the same time, they said, the main role in determining the future of the country will play the Belarusians themselves.

There are some opinions by the DW' "experts".
Supporting reforms in Belarus Analyst of the Centre *for Eastern Studies* in Warsaw said to the *Deuitche Welle* (DW):

The first - the entrance - the stage of a broad program to support reforms in the country will begin with "a study of problems in various areas of the seminars with the participation of experts from the EU and Belarus". (http://www.dw.de/dw/article/0,,15880949,00.html)

According to him the leading role in such consultations is given to Belarusian participants. Moreover, the discussion will be invited from Belarus, not only representatives of the independent experts and the opposition, whose assessment of the situation in the country are well known. Expert stressed that the EU is also important to the opinion of representatives of government agencies, such as the Central Bank or the Ministry of Finance. At the same time, according to an analyst of the Polish, Belarusian high-ranking officials to participate in the dialogue will not be able to as long as the relations between Minsk and Brussels will not improve and will not be lifted sanctions from the EU.

EU starts a dialogue with the Belarusian society and DW reported that a series of workshops in the capitals of EU member states is planned in the coming months. The first one will be held in mid-April in Warsaw and will be devoted to the topic of privatization. The goal is to estimate the situation in the field: what has been done in Belarus, you need to do how. "*Then, after creating the theoretical framework of practical development of the next stage of the*

dialogue will depend on the state of relations between Belarus and the EU, which today, unfortunately, frozen", - says Polish expert.

Need for a dialogue within the country expressed by the director of the *Centre for European transformation* (http://cet.eurobelarus.info/en/) in an interview with DW he recalled that "the European dialogue on the modernization of Belarus," the content is focused on a previously prepared by the European Commission joint interim plan of bilateral cooperation in the framework of the "Eastern Partnership" and the "EU Neighbourhood Policy".

This plan was put aside after the last presidential election in Belarus; the authorities began a campaign of repression against the opposition and civil society activists. He indicates that while the "European dialogue on the modernization of" designated as a draft framework for the development of the reform package. To fill the specific content of discussions will be set up steering group. Its members include representatives of the European Commission, European foreign policy activities of the service, as well as analysts from Belarus and the EU. Director of the Centre for European transformation emphasized that during the presentation of the program in Brussels, it was stated that the discussions will be conducted in the four thematic areas - political and economic reforms, labour market and trade as well as reforming the judicial system. According to the expert, a process of open dialogue, a new strategy towards Minsk will be able to develop and the European Union. "As the commissioner Stefan Fule, the special shutter have no idea about a new strategy for Europe, the Belarusians themselves," - he said. He added that the success of the reforms must first contribute to the *socio-political dialogue of the authorities and civil society in Belarus.*

The formula for success, according to the Director of the *Warsaw Information Office of solidarity with Belarus (https://www.facebook.com/SolidarityBY)* also noted by DW. The director believes that the proposed EU project - perhaps the last chance to stay (for Minsk) on the European path of development. "In order to modernize the dialogue gave the result, it is necessary to take into account all the errors made in the past". Sure that the project's success is directly dependent on how well the Belarusian expert community formulates goals and objectives of the dialogue. Director of Information Office of solidarity shared the view of Stefan Fule that the very need for reform in Belarus, "*it will be difficult to challenge even the most critically-minded participants to debate*". So, the debate about the prospects of the country as a European state give hope to bring together the Belarusians, regardless of their

political views. Now the most important thing is that the EU's readiness to assist in the modernization of the Belarusian "*believe all citizens of the country.*" *(??)*

Representatives of civil society in Belarus have different opinions on a new EU initiative to start a dialogue about modernization. Optimists believe in achieving the stated goals. Pessimists say the impossibility of such a dialogue.

"EU ready to help but how?"

The proposed EU dialogue manager of the campaign "*Our House*" (https://nash-dom.info/) is to help to the Belarusian civil society. According to the NGO, the EU is ready to help modernize the country, but subject to the interest in the Belarusians themselves. However, the EU still does not know what help is effective.

As an example, she (the above mentioned manager) cited the decision of Brussels' Europe for Belarus to open and close the Belarusian regime. »The tightening of sanctions against senior officials led to difficulties in obtaining Schengen visas ordinary Belarusians, and expected changes in the Belarusian domestic and foreign policy have not occurred.

In understanding the leader of the NGO "Our House" dialogue on the proposed modernization of the Belarusian leaves behind Lukashenka and his entourage, as it implies a conversation with their opponents. But the real change, according to Karachi, is hardly possible without the participation of representatives of the authorities in a dialogue.

*Three obstacles to dialogue. S*lightly different perspective on the initiative of the EU Parliament expressed by the member of the international consortium "*EuroBelarus*". He sees it as a variant of the old, previously made proposals to Minsk, in particular in the framework of the EU "Eastern Partnership". Hopes for a successful EU-Belarus dialogue on the modernization of the country he relates to the fact that despite the sanctions Brussels support for Belarusian civil society from the EU did not stop, as well as technical cooperation between the EU and Belarus.

To succeed, the spokesman in the dialogue "EuroBelarus" considers it necessary to resolve the three contradictions. *The first, between the EU and the Belarusian authorities, neglecting*

democratic values and second, among the opponents of the Belarusian authorities. Third - between the Belarusian government and its opponents.

Opportunities and needs: Welcoming the initiative of the EU, the head of "*Office for Democratic Belarus"* sees it as new opportunities to engage in contacts with representatives of the various social groups and organizations.

If the purpose of the new EU proposals - a dialogue with society, we should focus more on social policy, this is the board while waiting for the public and a representative of the *Bologna Committee.* He is a supporter of integration of the education system of Belarus in the Bologna process.

Otherwise, he said, dialogue partners will remain a narrow circle of politicians and "politicized" non-governmental organizations. An even more skeptical about the initiator of the project "*Gender route".* She shares the view of doubting the effectiveness of the new EU initiative, who believe that the EU does not need it.

About EU' sanctions... Many experts express their opinions on EU' sanctions against Belarusian VIPs. The tightening of sanctions against senior officials led to difficulties in obtaining Schengen visas for ordinary Belarusians" – this is more popular opinion. By this way it's impossible to changes the Belarusian domestic and foreign policy, - the examples of the kind "have not occurred".

More too it, there is very strong probability for more severe measures of Minsk according to the Belarusian opposition and to a different spheres of Belarus-EU relations – first of all, the traffic of drugs, people etc. across the Belarusian' territory… The real change is hardly possible without the participation of representatives of the authorities in a dialogue. … So, do you see any **new** ideas? And what do you think about the perspectives of the "New Dialog", if there are no ideas at all – both the "new" and "not very new"…

9.2. The opinion of the EuroAsian' oriented experts:

Modernization of Belarus prevented by the "Democratic Bolshevism" of civil society and by the ancient EU' ideas...

Civil society in Belarus and other CIS countries, formed at a very substantial assistance of the European Union and the United States: a variety of programs, grants, training, etc. This initiative - one of the external and obvious causes of stable preferences of Belarusian NGOs to

the European Union and to the traditional European' values. Of course, these values and the declared principles of the EU for many people are very attractive by themselves, but a systemic policy of the EU on their promotion is also crucial - perhaps even decisive in our cynical times. Expressed in terms of modern management and marketing, the EU managed to form a "true loyalty" ("true devotion") of there supporters: their internal sympathy for the "brand" (EU) is supported by some very tangible support: grants, money, seminars etc. Russia - or rather, the Russian government - has not bothered to concerns about civil society in Belarus, as well as in neighbouring countries. Moscow has long believed that the total economic dependence of the neighbour-countries automatically generates enormous ***sympathy*** for Russia, for its leadership, its policies. But the modern management-marketing claims, and thus can generate only a "false loyalty" of the client: he willingly uses material bonuses, but the sympathy felt for other "brands". As a result, the Belarusian civil society has developed "pro - European majority": the majority of NGOs sympathetic to the EU and European values. And the attitude to Russia, if not explicitly "anti - Russian," then certainly "anti-pro-Russian": all "pro-Russian" initiatives or ideas are rejected initially, simply because they are "Kremlin' hand" or seem so.

The "*basic instinct*" for the "pro-European majority" is »the demonization" of the Russia and the Kremlin, is the "witch-hunt" …

This amplified scheme helps to assess the situation that arises in the Belorussian Civil Society about the "New EU' Dialog". Nothing is known yet about the nature and structure of these Dialog, but with surprising tenacity carried the idea that these programs for two countries (for Belarus and Russia) should be "different" and that "Russia cannot be an example for Belarus" in the modernization…. Perhaps it will be so in the final - but why to reject in the very beginning all the possible compatibility of these programs, all the possible points of contact? ... After all, this compatibility can improve their performance! ... But for supporters of the "independent Belarus' modernization" more important - "*just not in Moscow' way*" ...

For example, mass-media reports about "*Putin's re-election will accelerate the implementation of infrastructure projects*» ("La Tribune", France http://www.inosmi.ru/russia/20120416/190617768.html): highways, logistics centres and, of course, thousands of new jobs. If we look objectively, without the "Bolshevism", it is quite clear that these infrastructure projects are needed not only for Russia but also for the

European Union and - even more so! - For Belarus. Thus, for the EU, Russian and Belarusian roads are needed for the export of Russian raw materials and import of European (EU) goods: an improved logistics would substantially reduce the costs of European' goods. For Belarus, except for the modernization of its transit infrastructure and the development of its transit potential, it could create thousands of decent jobs - in Belarus! And, possibly, reduce the considerable flow of migrant workers of Belarus to Russia. It is in this format can be claimed well known ideas of the opposition' leader about creating one million new jobs. This project will reduce the number of huge Russia's influence on the neighbours ... Is not the aim of EU and anti-Russian NGOs? So, think about it! These are really new idea! But the installation has already been given by the EU' and anti-Russian "experts": "*Russia cannot be an example ...*"

Conclusion

… **So there are no any "*New EU' Ideas*" - and no "*New EU' Dialog*"…** Most likely, the European Union under the new name is preparing a "*new hybrid*" of a two old well-known initiatives: the *European Neighbourhood Policy and Eastern Partnership*.

A couple of years ago at the Partner Conference of NGOs from the EU and Belarus in Minsk were presented fairly new proposals for wider and effective use of IT-technologies in various forums and dialogues. The principle is very simple, efficient, not very expensive to implement and very democratic, *"at first - the idea (maybe even anonymously, on-line), then - its discussion.*"…

Alas ... this idea was not accepted by EU experts…

And in the "backward and vicious" Russian "authoritarian regime« now this IT-technologies are applying in election campaigns, and today, after the campaigns…Feel the difference ...

Belarus does need normal and constructive relations with the European Union. But now EU has no any new ideas – because EU even doesn't want to listen to any new experts and any new ideas… For the last 10-15 years EU only keeps listening to the old experts and there old ideas. So EU is going the old ways and keeps saying the old words – but this is not a politics.

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APPENDIX 1

Participation of the RB in the international organizations: attempt of the RB' isolation has failed?

Today it is possible to note, that attempt of isolation РБ is not has gone right, - if at all there was such attempt. Today РБ consists in the several unions and in the various international organizations. From the beginning 90 Belarus has built the independent attitudes with the world. And attitudes in most cases friendly. Below the brief list of the basic international organizations with the instruction of their essence and value for РБ is resulted.

Friends in the East: Russia and the post-Soviet countries

The Belarus-Russia' Union State ("Soyuznoe Gosudarstvo")

In what an essence of the association

Since 1996 the country (RB) goes to this union, but most important details (currency, Constitution) have not yet cleared up. More to it, Belarus and Russia have absolutely different position on the "principals of the construction" of this Union (Allied) State, on the principle of decision' making: RB is for "an absolutely equal roles" of RB and Russia , but for Russia - as for Federal' State and nuclear super-power - it's almost impossible. One of these days Alexander Lukashenko has named the Allied state "not completed project, however not a failure and not a Utopia ".

What for it is necessary to us

The Union State has helped Belarus to not lose trading and economic relations with Russia. The Belarus goods had free (until recently) access on the Russian market, the reduced price of energy is very important. (Some Russian' experts appreciate different sorts of Russian' economic support as 3-5% of GNP of RB.) Visas to Russia are not necessary to citizens of Belarus, they can study there free of charge, as it there easier officially to work, than to inhabitants of other countries.

The Commonwealth of Independent States (CIS)

In what an essence of association

The CIS have created in 1991 for »the civilized divorce« at disintegration of the USSR. Russia wished to keep the influence by means of the CIS, and citizens of the ex-USSR felt more easy because "not everything" from former life has collapsed.

What for it is necessary to us

Cynical political scientists speak about structures of the CIS as about " a good place for ex-officials ", less cynical - about the summits of country leaders of the CIS as a place for meetings, about coordination of actions in the politician, economy, about social development.

The EuroAsian Economic Community (EurAsEC)

In what an essence of association

It since 2000 includes Belarus, Kazakhstan, Kyrgyzstan, Russia, Uzbekistan and Tajikistan. EurAsEC - the economic organization, in its frameworks is supposed to create the customs union (for Belarus, Kazakhstan and Russia), the general power market, close economic cooperation.

What for it is necessary to us

In this union the main uniting role is played by Russia. One of these days for the countries of the EurAsEC the Anti-recessionary fund is established with the authorized capital $10 billion, a share of Russia - $7, 5 billion, Belarus will bring $10 million. From this fund it will be possible to receive the help to the countries-participants which have suffered from crisis.

The Organization of the Collective' Security Treaty (OCST – ОДКБ in Russian)

In what an essence of association

Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan enter. Owing to this organization created in 2002, Russia keeps the military press since at the Central Asia.

What for it is necessary to us

It is the military union for struggle against the international terrorism, a turn of drugs; it prosecutes subjects of collective defence of the countries-participants. And in it the greater role is played by Russia. Belarus participates, supports the ally... But during "milk or dairy war« Alexander Lukashenko has not gone on OACS' summit and has not signed the agreement on creation of Collective Forces of Operative Reaction (CFOR - KCOP). Some Russian politicians even criticized Moscow: the pier, safety is more important some milk, not necessary to swear at the ally. (… by the way, after the "milk war" A. Lukashenko has removed from the posts a number of heads of the dairy enterprises which for 7-8 months have not found time to prepare the engineering specifications on production according to new requirements of Russia. It is difficult to present, that such "delays" would be possible in trade, for example, with Germany, Poland or other EU country …)

Friends and Partner's in the West: NATO and EU

The program of the European Union »East partnership«

In what an essence of association

This is not the union, but the program which since 2009 unites Belarus, Ukraine, Georgia, Moldova, Azerbaijan, Armenia and EU.

What for it is necessary to us

Money. Real while it is not enough (all hardly more 600 million euro for 4 years), but under projects within the limits of the program milliard credits can be allocated million, and even. Can be and other kinds of the financial help. For example, euro commissioner Benita Ferrero-Valdner has brought 10 million euro of free aid for agriculture.

The organization on safety and cooperation in the Europe (OSCE - ОДКБ)

In what an essence of association

This largest organization includes 56 states-participants: all the European countries, the CIS countries, the USA and Canada.

What for it is necessary to us

It prestigiously and favourably: the majority of the developed countries plus our ally - Russia there consists. Though now OSCE created during cold war, practically is not engaged in serious political projects, observes of elections.

The program of NATO »Partnership for the Sake of Peace« (PSP) and Council of the Euro-Atlantic Partnership (CEAP)

In what an essence of association

The program is created for the help in reforming armed forces. In CEAP representatives of all countries of NATO and the countries - participants of the program PSP are trying to discuss and to solve the problems of the general policy, to make a decisions within the limits of PSP' mandate.

What for it is necessary to us

The concrete help, for example, by means of NATO Belarus utilized a part of stocks anti-infantry' mines. There are programs of training for militaries, as well, for example a language' courses. There are exchanges of new technologies, introduction of new standards, Byelorussians participate in inspections of military objects of other countries, check a course of disarmament, and discuss safety issues and defences.

The Central European Initiative (CEI)

In what an essence of association

The regional association created still in 1989. Now there Belarus (since 1996), Albania, Austria, Bosnia and Herzegovina, Bulgaria, Hungary, Italy, Macedonia, Moldova, Poland, Romania, Serbia, Slovakia, Slovenia, Croatia, Czechia, Montenegro and Ukraine.

What for it is necessary to us:

To consist there it is prestigious, it is a good forum because of serious structure of participants. Practical advantage: CEI allocated money for rehabilitation of Chernobyl areas, for introduction of modern technologies in an agriculture, for minimization of possible negative consequences of expansion of EU.

(About the European policy of the neighbourhood it is told above).

Friends and Partners from other continent

Belarus - the unique European country in »Movement of non-alignment« (MNA). Is an association which in 1961 was created with 25 states of the world, now it unites 119 states. However, European only one - Belarus. Other countries of Asia, Africa, Latin America. Major principle of association: nonparticipation in military blocks and the unions. Following MNA' chairman will be Iran.

Only figures and the facts

Belarus participates in more than 40 international organizations, not including number of specialized agencies of the United Nations. Our country carries out about 2000 international agreements. More than 200 documents within the limits of the United Nations and its specialized establishments, nearby 700 - within the limits of the CIS and Euro-Asia Economic Community (EurAsEC).

On July, 1st 2010, Belarus has received the status of the observer in Council of the of the Baltic Sea' States (CBSS). It is quite prestigious and favourable event: The Council includes Germany, Denmark, Iceland, Latvia, Lithuania, Norway, Poland, Russia, Finland, Sweden, Estonia, and also EU Commission.

Belarus is also a member of many other organizations:

- *the international organization on sugar*
- *the International episootic' bureau (monitoring an illnesses of animals in the different countries)*
- *the International Council on wheat (observer)*
- *the International Council of Archives*
- *the International Bureau of exhibitions*
- *the International Center on settlement of investment disputes and other.*

APPENDIX 2

NATO's relations with Belarus

Belarus joined NATO's Partnership for Peace (PfP) in 1995. NATO and Belarus have established a relationship based on the pursuit of common interests, while also keeping open channels for dialogue. Belarus has developed an Individual Partnership Programme (IPP) and participates in the Planning and Review Process (PARP).

NATO Allies have expressed their concern at the lack of progress in democratic reforms in Belarus. Nonetheless, NATO Allies believe that keeping open channels of communication, practical cooperation and dialogue is in the best interest of regional security.

NATO and Belarus cooperate in a number of areas, including civil emergency planning, scientific cooperation, and defence reforms. NATO will continue to work with Belarus to implement reforms in these areas, while continuing to call on Belarus to increase the pace of its democratic reforms.

- **Framework for cooperation**

The belief that there is value in communication and practical cooperation is put into practice in several ways. Dialogue takes place within the framework of the Euro-Atlantic Partnership Council (EAPC) and is facilitated by the existence of Belarus' diplomatic mission to NATO, which was opened in April 1998. Under the Partnership for Peace, NATO and Belarus are developing practical cooperation in a number of areas through Belarus' Individual Partnership Programme (IPP).

On the basis of the IPP, Belarusian personnel are attending courses in NATO countries and practical cooperation is being developed in areas such as civil emergency planning, crisis management, arms control, air defence and air traffic control, telecommunications and information processing, as well as language training and military education.

- ***Key areas of cooperation***

Security cooperation

In 2009, Belarus extended an offer of rail transit to nations participating in NATO's International Security Assistance Force (ISAF) in Afghanistan. Completed in 2010, the agreement allows for the shipment of non-lethal cargo by rail through Belarus, Russia, Kazakhstan and Uzbekistan.

Another important aspect of security cooperation is Belarus' participation in the PfP Planning and Review Process (PARP). This is aimed at encouraging transparency and at assisting the country in developing capabilities and interoperability for international peace-support operations. NATO helps set planning targets that will enable Belarus to develop some of its forces and capabilities for potential participation in PfP activities, including NATO-led PfP operations, and in this way contribute to security and stability.

Demilitarization project

A good example of the tangible benefits of practical cooperation is a PfP Trust Fund project, aimed at helping Belarus meet its obligations under the Ottawa Convention on the prohibition of the use, stockpiling, production and transfer of anti-personnel mines and on their destruction. Completed in January 2007, this joint project, led by Canada and co-funded by Lithuania and Belarus, involved the destruction of some 700,000 anti-personnel mines in Belarus.

Science and environment

NATO and Belarus also cooperate on security-related science. Scientists from Belarus have taken leading roles in 125 activities, including collaborating with experts from the Czech Republic on exploring safer methods to destroy stockpiles of persistent organic pesticides and holding an advanced study institute course in May 2010 on advanced training of architects of secure networks.

Since 2001, Belarus has received grant awards for about 40 cooperative activities under NATO's Science for Peace and Security Programme. Areas include telecommunications, Chernobyl-related risk assessment studies and explosive material detection systems. An ongoing project has brought together scientists from Belarus, Norway and Ukraine to assess

the hazards posed by radioactive contamination in the Polessie State Radiation-Ecological Reserve.

In addition, over 75 science fellowships have been awarded to Belarusian scientists to study in NATO countries since 1993.

Public information

NATO also seeks to contribute to the development of Belarusian civil society. This takes place primarily through public diplomacy activities. Belarusian non-governmental and civil society organisations are encouraged to engage with NATO's Public Diplomacy Division.

In every partner country an embassy of one of the NATO member states serves as a contact point and operates as a channel for disseminating information about the role and policies of the Alliance. The current NATO Contact Point Embassy in Belarus is the embassy of France.

Evolution of relations

Formal NATO-Belarus cooperation began when Belarus joined the Partnership for Peace in 1995. While relations have fluctuated over the years, NATO Allies firmly believe that a policy of engagement, consultation, and transparency is preferable to pursuing an approach which seeks to disengage and isolate. At the same time, NATO will continue to push Belarus to improve its democratic, human rights, and rule of law standards, in line with the commitments it has undertaken in joining the Partnership fo Peace and the Euro-Atlantic Partnership Council.

Key milestones

1992	Belarus joins the North Atlantic Cooperation Council (NACC, later renamed the Euro-Atlantic Partnership Council in 1997).
1995	Belarus joins the Partnership for Peace, a programme aimed at increasing security and defence cooperation between NATO and individual Partner countries..
	Belarus takes part in a NACC meeting, for the first time, in June, in Oslo, Norway.
1998	Belarus opens a permanent mission at NATO Headquarters.

1999	Belarus temporarily halts all cooperation with NATO, including the PfP programme and EAPC, in protest at NATO's Kosovo air campaign.
2004	Belarus joins the PfP Planning and Review Process (PARP).
2006	NATO Allies condemn the presidential election in Belarus as failing to meet international standards and conduct a review of NATO-Belarus relations.
2007	NATO and Belarus complete the first PfP trust fund project in Belarus, which destroyed some 700,000 anti-personnel mines.
2010	NATO completes the arrangements with several countries, including Belarus, for the transit of non-lethal ISAF cargo to Afghanistan by rail.
2011	NATO sponsors new flood risk monitoring system in Ukraine and Belarus

The Science for Peace and Security (SPS) Programme is a policy tool that enhances cooperation and dialogue between NATO and its partners. It is based on security-related civil science and technology and helps to contribute towards the Alliance's core goals. It also aims to promote regional cooperation through scientific projects and activities.

As demonstrated over time, civil science can be a highly effective vehicle for international dialogue. This is mostly due to its universality and dependence upon international networks. The pool of knowledge and skill sets found in these scientific networks can be utilized to address the emerging security challenges faced by the Alliance and its partners. Science has the unique ability to provide solutions to security challenges as well as fostering collaboration, even between disparate nations and regions.

The SPS Programme supports practical scientific and technical cooperation among scientists and experts from NATO and its partners. This is on a broad range of security-related issues in the fields of defence against terrorist threats and countering other threats to security. The SPS programme consists of NATO-funded activities, as well as nationally-funded SPS activities. In the former case, the activities are either based on applications submitted by scientists or experts (i.e., bottom-up activities) or on proposals submitted by the ESC/SPS Working Group (i.e., top-down activities), based on specific requests by NATO and partner nations.

SPS has well-established and flexible grant mechanisms, enabling a timely response to submitted and accepted applications. Funding is highly leveraged as the prestige of the NATO brand has the ability to attract further resources, i.e., the SPS Programme acts as a catalyst.

The SPS Programme demonstrates NATO's commitment to security and peace by facilitating scientific collaboration with its partner nations. Communication tools such as the NATO website, SPS exhibitions, NATO update stories; NATO feature stories and NATO Internet TV provide the SPS Programme with a dynamic and far-reaching public diplomacy dimension.

(http://www.nato.int/science/about_sps/introduction.htm)

Historical Context

The origins of the NATO "Science" Programme can be traced to a 1956 report on non-military cooperation by the foreign ministers of Canada, Italy and Norway, otherwise known as the "Three Wise Men". This report suggested that progress in science and technology could play a decisive role in determining the security of nations and their subsequent positions in world affairs. It also acknowledged the special importance of science and technology to the North Atlantic community.

With this report in mind, the North Atlantic Council (NAC) established the NATO Science Committee (SCOM) in 1958, holding its first meeting in Paris, France in March of the same year. Later, during the period of détente, the Allies became increasingly aware of the common environmental problems that posed a threat to the welfare and progress of their respective nations. In response to this, the NAC established the Committee on the Challenges of Modern Society (CCMS) in 1969.

The NATO Science Programme was established to promote scientific collaboration. For the next 40 years the programme supported cooperation between scientists in NATO countries, which set a new standard of scientific excellence. From the early 1990s, after the end of the Cold War, the Programme was gradually opened up to scientists and experts from non-NATO countries. By 1999 this expansion of the NATO Science Programme grew to providing support, in the form of funding, to facilitate collaboration between scientists in NATO,

Partner and Mediterranean Dialogue countries. The clear focus was the promotion of progress and peace by building cooperative links between NATO and partner countries.

In 2004 it was decided to concentrate support on security-related collaborative projects. This came as a response to the new threat of global terrorism and the other security challenges of the modern world. In parallel, to better reflect this new focus, the name of the NATO Science Programme was changed to the NATO Programme for Security through Science.

Meanwhile, the activities of the CCMS were expanded over the years to include Partner countries in the Euro-Atlantic Partnership Council (EAPC) and were later adapted to take into account emerging security challenges. The North Atlantic Council in Ministerial Session decided that CCMS activities should also include experts from Mediterranean Dialogue countries.

In 2006, a new era began when SCOM and CCMS merged to form the Science for Peace and Security (SPS) Committee. The need for restructuring was driven by the rapidly changing nature of the global security environment, and the subsequent emergence of common priorities in the two programmes. The new committee combined the functions of the two previous ones by focusing on initiatives in civil science and innovation related to defence against terrorism, as well as countering other threats to security.

For several years the SPS Committee facilitated, among many projects and activities, research and development in explosives' detection and protection against chemical, biological, radiological and nuclear (CBRN) agents. Further activities focused on the destruction of hazardous chemicals in Partner countries, helping to provide Internet access to the Afghan academic community in Kabul and other provinces, as well as the eight countries of Central Asia and the Caucasus through the "Virtual Silk Highway Project".

Following a major reform undertaken in 2010 at the NATO Headquarters, the Science for Peace and Security Committee was disbanded. However, the NATO nations acknowledged the value of the cooperative framework that the SPS Programme provided for NATO and its partners.

On 1 November 2010, the SPS Programme and its staff were transferred to the Emerging Security Challenges Division (ESC). The Assistant Secretary General for Emerging Security

Challenges (ASG/ESC) is responsible for the management and implementation of the SPS Programme and reports to the nations through the Political and Partnerships Committee (PPC), which agrees on an SPS Work Programme and Key Priorities. Under the ESC Division, the ESC/SPS Working Group is responsible for monitoring and implementing the SPS Programme. The PPC is the body which approves the awards recommended after the scientific review by an Independent Scientific Evaluation Group (ISEG).

It is to be noted that the NATO-Russia Council (NRC), established in 2006, remains in existence. Activities conducted under this Committee are based on the NRC(SPS) Action Plan which is approved for a three-year period.

BELARUS and NATO

Cooperative Activities under the SPS Programme

Belarus has been involved in NATO science activities since 1992, when science cooperation was first opened up to include Partner countries. In total, scientists and experts from Belarus have had leading roles in 125 activities, and more have joined various cooperative activities as participants and key speakers.

Today, NATO science activities enable close collaboration on the two key priorities of **defence against terrorism** and **countering other threats to security** and are managed under the Science for Peace and Security (SPS) Programme. SPS activities contribute to NATO's strategic objective of partnership, helping to connect scientists and experts from NATO countries with their counterparts from Partner and Mediterranean Dialogue countries through workshops, training courses, team collaborations and multi-year projects.

All activities supported by the SPS Programme are approved by NATO nations on the basis of consensus. (http://www.nato.int/science/studies_and_projects/country-reports/2010/BELARUS%20flier.pdf)

Examples of Activities

An upcoming advanced study institute to be held by Belarusian scientists in collaboration with their Italian colleagues took place in Italy on 17-22 May 2010. The course topic **"Advanced Training of Architects of Secure Networks"** is aimed at scientists, trainers and architects who develop networks and wish to learn recent techniques in the field of secure networking. They were taught how to design and implement security solutions that will reduce the risk of revenue loss and vulnerability. The course was a mix of hands on

experience, instructor-led and e-learning for the 50 participants coming from NATO and Partner countries.

An ongoing project has brought together scientists from Belarus, Norway and Ukraine to cooperate on the assessment of the hazards posed by **"Radioactive Contamination in the Polessie State Radiation-Ecological Reserve"** in Belarus. The initial work has involved the analysis of archival material on contamination levels and field measurements. Another major task will be to develop uniform methods for sampling and measurement of a number of isotopes in soil and water, and the level of contamination within the Chernobyl exclusion zone and the Khoiniki District of the Reserve will be measured. In the coming months, the project teams will use data from recently collected soil samples to study the migration and transport of the contamination through the atmosphere and water. The Ministry of Emergency Situations and Ministry of Environmental Safety and Natural Resources of Belarus will be the major end-users of the results.

Experts from Belarus are also collaborating with experts from the Czech Republic on the **"Destruction of Pesticides Using Thermal Plasma Technology"**.

www.nato.int/science

In recent years, pesticides and their decay products have also been found in underground water. The conventional method of destruction—incineration—results in emissions containing dioxins, but a new, safer method using a technology based on high-temperature plasma treatment is promising. After in-depth analysis and repacking of the pesticides, the scientists will develop a pilot set-up to test the plasma destruction method. The safe destruction and improved long-term management of POPs will contribute to community health protection and the prevention of environmental degradation. The result will be the development of a technical base in Belarus for the fulfilment of the country's obligations under the Stockholm convention. [ref. 983056]

Researchers from Belarus, France and the Russian Federation are working on a project to develop **"Bio detectors Based on Advanced Microchips"** for detection of biological agents. This project will couple protein microarrays and liquid phase, Nano crystal-encoded microchips in a flow cytometer set-up. A technique will be used to detect of the fluorescent signal emitted when biological molecules immobilized on the surface of the liquid- phase chip are excited. The resulting detection kits will be able to detect bacteria such as *Meningitis*, *Mycobacterium* and *Bacillus anthraces.* The scientists will develop advanced optical equipment suitable for use with FRET and double-band emitting Nano crystals, which will be transferred to the commercial end-users of the project. [ref 983207]

In addition to NATO-funded activities, the SPS Programme facilitates the development of nationally funded activities, such as pilot study on

"Risk Assessment of Chernobyl Accident Consequences: Lessons Learned for the Future". The project organizers recognized that there was still room for improvement in coordinating the response to nuclear accidents and in decision-making during the initial and later phases after an accident. The pilot study gathered experts from Belarus and several other countries for a number of meetings focused on the lessons learned from the Chernobyl accident and formulated recommendations for future research and response measures.

Bridge

International Project co-financed by the European Commission, EuropeAid

Fostering mutual understanding and co-operation of the EU with Belarus, Moldova, Russia and Ukraine 2008 - 2012

ANALYSIS OF THE EU – REPUBLIC OF MOLDOVA RELATIONS IN THE CONTEXT OF THE EU 2014-2020 FINANCIAL PERSPECTIVE

Zorina SISCAN, Associate Professor, Ph.D.,
Academy of Economic Studies, Republic of Moldova

CHISINAU, MOLDOVA, 2012

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ABSTRACT

The juridical base for establishing and developing the EU-RM relationship has been constructed due to concluding the Partnership and Cooperation Agreement between the European Communities and their Member States, on the one side, and the Republic of Moldova, on the other side. It was signed on November 28, 1994, entered in force in 1998 and was foreseen for 10 years with the right to prolonging in case of positive cooperation results.

Right after its constitution as an independent state in 1991, the Republic of Moldova had manifested a great interest in *integration* into the European space. In 2004 the country was included by the EU in its European Neighbourhood Policy, the latter, however, was not oriented toward the integration of the covered countries into the union but to deepening the cooperation with them. Within the ENP there was elaborated a joint EU-RM Action Plan for 2005-2008 which allowed attributing to the cooperation between the EU and the RM deeper and more practical character. Owing to considerable progress in implementation of the socio-economic, political and cultural reforms stipulated in the EU-RM Plan of Action as well as being sound in its interest in integration into the EU space, the Republic of Moldova, along with other few states of the European Neighbourhood Policy, had been included in the EU Eastern Partnership (2009) which was formed to encourage those six partner countries of the EU in their passage from cooperation with the EU to the integration into it, as a long-term perspective, by the means of more profound multidimensional reforms, standards harmonization, markets assimilation as well as the easier access to the resources of each other for mutual benefit.

Having leaned upon the Eastern Partnership strategic vision, the Republic of Moldova has initiated the constitution of other than the PCA juridical base for the developing relations with the EU. As an outcome, in January 12, 2010 the EU and the RM launched a negotiation process regarding an Association Agreement. The rounds took place in 2011 and are continued to be in 2012. The process is highly relevant if taken into account the appearance of Eurasian Customs Union which welcomes Moldova. The country, hence, has to make decisions of vital importance, keeping balance between its own interests and the interests of its strategic partners (the EU, Romania, USA and Russia).

The current negotiation process with the EU can be considered as a fruitful one in sense of the elaboration of a number of particular Plans of Action regarding the Visa liberalization, Integrated Borders Management, Deep and Comprehensive Free Trade Area etc.

The participation of the RM in the ENP and the EP as well as the current negotiation process contribute to the acceleration of the integration of the country into the EU: creation of common

education space by the launch of Bologna Process (2005), becoming a part of the EU Energetic Community (2010), entering the European Research Area by associating with FP7 (2011), participation in number of Programs and Projects of the EU such as TACIS, Jean Monnet, Sigma, Twinning, TAEX etc. which allow harmonization of managerial, educational, research and other domains. Moldova signed the perspective financial agreements with the profile Banks of the EU – the European Bank for Investments and the European Bank of Reconstruction and Development which presuppose the support of SMEs of the country, infrastructure projects, environmental projects etc. Due to the Mobile Partnership and the EUBAM, such specific issues of common interest as migration, asylum, trafficking in human beings and drugs, border management and customs control are addressed.

The actual and perspective strategic documents elaborated by the RM government under the ENP and EP are the Country Strategy Paper 2007-2013, the National Indicative Program 2011-2013 as well as the "Rethink Moldova" Program launched in 2010 and supported by the international donors.

The specifics of the current negotiation process regarding the new juridical base for the EU-RM relations is in fact that it reflects the EU 2014-2020 Financial Perspective priorities so that the further reforms in Moldova are designed in line with the EU possibilities and interests, on the one hand, and the RM ones, on the other hand. For contributing to this process of correlation of mutual interests and possibilities, the present ***Analysis*** has been conducted within the international project "***Bridge***". The research is based on the annual Reports regarding the progress of the EU-RM relationship fulfilled in the period of the project 2008-2012. The annual Reports not only registered the facts related to the development of the EU-RM relations in key domains of cooperation (politics, economy, law, civil society, education and research) but also reflected the events organized by the "Bridge" project for the sake of deepening mutual understanding between the EU and such its neighboring states as Moldova, Ukraine, Belarus as well as a country of strategic partnership – Russia – at the levels of government, civil society, university and academic community etc. by the means of such instruments as conferences, round tables, workshops and joint research activities. The present *Analysis* combines, therefore, dynamic approach to the EU-RM relationship with the multidimensional approach to it. It is finalized with the recommendations to both the RM government and the EU authorities which have been drawn and expressed not only by the author of the *Analysis* but also by the representatives of the civil society, university and academic community and the EU experts in time of international professional meetings within the project. The author has also been based in this *Analysis* on the national and the EU

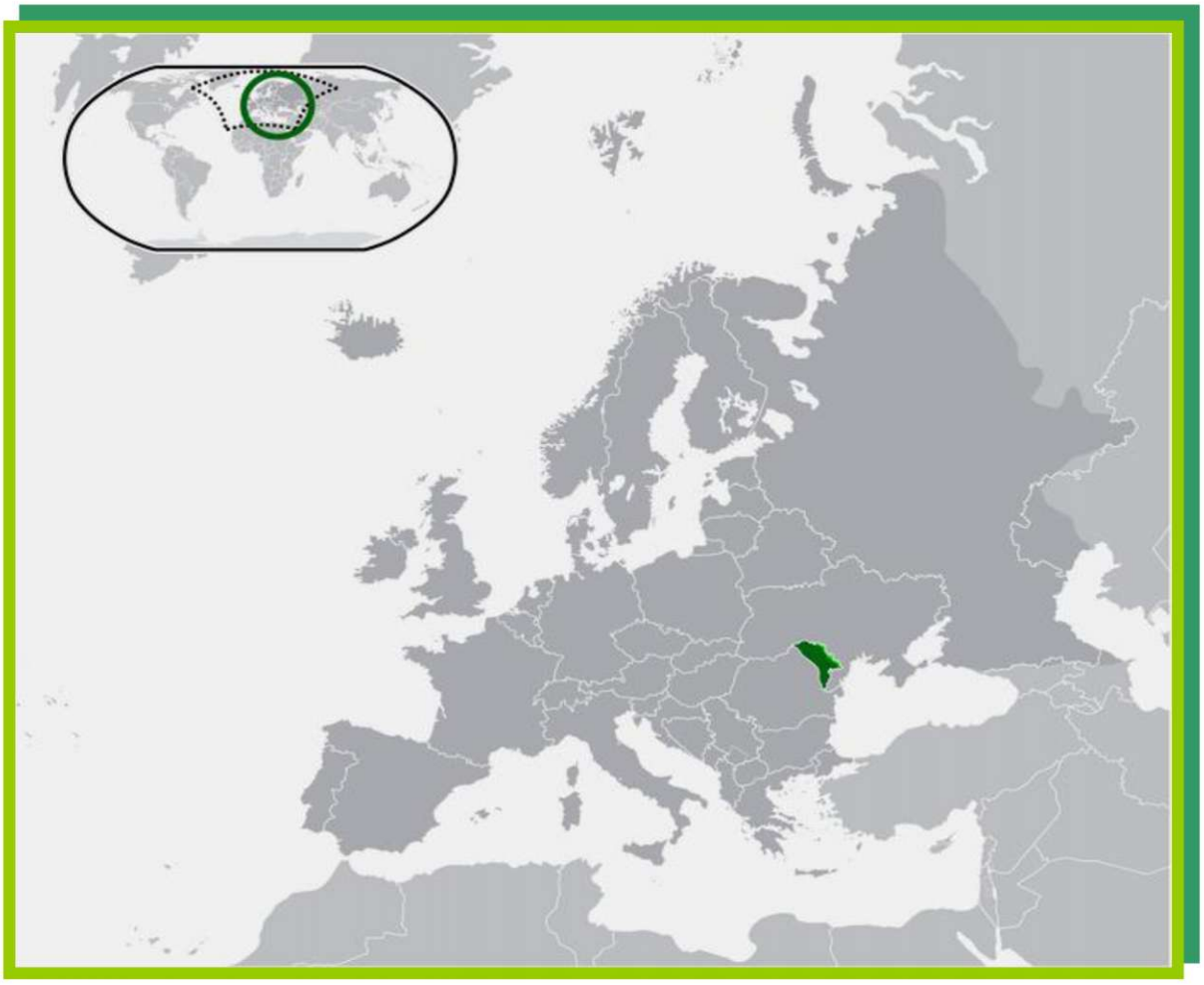
statistical data and documents as well as the relevant research materials worked out within the projects implemented by the profile civil society institutions, the mass-media sources, taking into account various points of view for making the *Analysis* as objective as possible in order to trace the perspectives of the EU-RM relationship for the benefit of both sides.

CHAPTER I

THE REPUBLIC OF MOLDOVA – IDENTIFICATION DATA

The Republic of Moldova is the country that geographically belongs to the European space (see map. 1). Such a position has determined the fact that Moldova shared history and values with European countries. It also conditions the present strategic orientation of the state to the integration in to the European Union.

Map. 1. Geographical position of the Republic of Moldova



Source: *Republic of Moldova, 2012*

The Republic of Moldova has common borders with Romania to the West and Ukraine to the East (see map. 2). It also includes Transnistria as a territorial unit which is under strong political and cultural influence of Russia so that the Republic of Moldova represents actually a geopolitical and geoeconomic bridge between the EU and Eurasia.

Map. 2. The Republic of Moldova and its Neighbouring countries

Source: Republic of Moldova, 2009

The generalized identification data on the country are exposed in table 1.

Table 1

The identification data on the Republic of Moldova

LOCATION OF MOLDOVA (GREEN) ON THE EUROPEAN CONTINENT (GREEN + DARK GREY)		
Capital (and largest city)		Chișinău 47°0′N 28°55′E47°N 28.917°E
Official language(s)		Moldovan (Romanian)
Recognised regional languages		Gagauz, Russian, Ukrainian and Bulgarian
Demonym		Moldovan, Moldavian
Government		Parliamentary republic
-	Acting President	Nicolai Timofti
-	Prime Minister	Vlad Filat
-	President and Speaker of the Parliament	Marian Lupu
Consolidation		
-	Declaration of Sovereignty	June 23, 1990

-	Declaration of Independence (from the Soviet Union)	August 27, 1991	
Area			
-	Total	33,846 km^2 (139th) 13,067 sq mi	
-	Water (%)	1.4	
Population			
-	January 1, 2012 (preliminary) estimate	3,559,400 (does not include Transnistria and Bender)	
-	2004 census	3,383,332*	
-	Density	121,9/km^2 (87th) 316/sq mi	
GDP (PPP)		2009 estimate	2011 estimate
-	Total	$10.141 billion	$11.998 billion
-	Per capita	$2,842	$3,373
GDP (nominal)		2009 estimate	20119 estimate
-	Total	$5.403 billion	$7.003 billion
-	Per capita	$1,514	$1,968
Gini		37.1 (medium) (2006-2007)	
HDI		0.708 (medium) (111th) (2007) 0.649 (118th) (2011)	
Currency		Moldovan leu (MDL	
Time zone		EET (UTC+2)	
-	Summer (DST)	EEST (UTC+3)	
Drives on the		right	
Internet TLD		.md	
Calling code		373	
*	2004 census data from the National Bureau of Statistics.[3] Figure does not include Transnistria and Bende		

Source: *composed by the author on the basis of BNS data, 2009, 2011*

Geographical description:

Moldova is situated in the South-Eastern part of Europe. At North, East and South it is neighboring with Ukraine, at West – with Romania. The area is equal to 33,8 thou. km^2. From North to South it has 350 km, while from West to East – 150 km.

Moldovan relief is presented by hills and plains, which are mostly in the central part of the territory. The highest elevation number above the sea level is 429 m (Balanesti) and the minimal – 5 m (Giurgiulesti).

The climate of Moldova is temperate-continental, influenced by Atlantic air masses coming from West, Mediterranean – from South-West, and Continental – from North-East. Average annual temperature constitutes 8,4° – 10,8 °.

Moldovan rivers are a part of the Black Sea basin. The main rivers are Nistru and Prut, which have their spring in Carpati. Moldova has the entrance to Danube, on a small portion of land in the South of the country. On the Moldovan territory, influenced by relief and climate factors, the two types of flora are predominant: forest and steppe. In the deciduous forests there are oaks, beeches, elms and hornbeams.

The fauna of Moldova is grouped in 5 biotypes, represented by various species. In the forest live wild boars, badgers, deers, roes, different birds and reptiles. In the steppe zone are widespread the rodents. Aquatic fauna of Moldova is represented by various species of fresh water fish: cat-fish, carps, breams. The natural resources of Moldova are less variate. The main natural richness is the soil, represented by various types of chernoziom. Other natural resources are the construction materials: granite, limestone, clay, sandstone.

Cultural description:

Located geographically at the crossroads of Latin, Slavic and other cultures, Moldova has enriched its own culture by adopting and maintaining some of the traditions of its neighbors and of other influence sources.

The country's cultural heritage was marked by numerous churches and monasteries build by the Moldavian ruler Stephen the Great in the 15th century, by the works of the later renaissance Metropolitans Varlaam and Dosoftei, and those of scholars such as Grigore Ureche, Miron Costin, Nicolae Milescu, Dimitrie Cantemir, Ion Neculce. In the 19th century, Moldavians from the territories of the medieval Principality of Moldavia, then split between Austria, Russia, and an Ottoman-vassal Moldavia (after 1859, Romania), made the largest contribution to the formation of the modern Romanian culture. Among these were many Bessarabians, such as Alexandru Donici, Alexandru Hâjdeu, Bogdan Petriceicu Hasdeu, Constantin Stamati, Constantin Stamati-Ciurea, Costache Negruzzi, Alecu Russo, Constantin Stere. Mihai Eminescu, a late Romantic poet, and Ion Creangă, a writer, are the most influential Romanian language artists, considered national writers both in Romania and Moldova.

Moldova has also produced artists recognized worldwide: composers (Gavriil Musicescu, Ştefan Neaga, Eugen Doga), sculptors (Alexandru Plămădeală), and architects (Alexey Shchusev). In the field of popular music, Moldova has produced the band O-Zone, who came to prominence in 2003, with their hit song *Daragostea Din Tei*. Moldova has been participating in the Eurovision Song Contest since 2005. Another popular band from Moldova is ska rock band Zdob ;I Zdub that

represented the country in the 2005 Eurovision Song Contest, finishing 6th. They also again represented Moldova in the 2011 Eurovision Song Contest, finishing 12th.

Zdob şi Zdub performing at the 2011 Eurovision Song Contest

Also worth mentioning is the band Sun Stroke Project, which along with Olia Tira represented the country in the 2010 Eurovision Song Contest with their hit song, *Run Away*. Their performance gained international notoriety as an internet meme due to the pelvic thrusting and dancing of Sergey Stepanov, the band saxophonist. He has been fittingly dubbed "Epic Sax Guy". Among other popular in Moldova and Europe signers should be mentioned Nelli Ciobanu, Natalia Barbu and little Cleopatra Stratan.

Ethnic Moldovans, 78.3% of the population, are Romanian-speakers and share the Romanian culture. Their culture has been also influenced (through Eastern Orthodoxy) by the Byzantine culture.

The country has also important minority ethnic communities. Gagauz, 4,4% of the population, are the only Christian Turkic people. Greeks, Armenians, Poles, Jews, Ukrainians, although not numerous, were present since as early as 17th century, and had left significant cultural marks. The 19th century saw the arrival of many more Ukrainians and Jews from Podolia and Galicia, as well as new communities, such as Lipovans, Bulgarians and Germans. In the second part of the 20th century, Moldova saw a massive Soviet immigration, which brought with it many elements of the Soviet culture.

Moldovan culture was much influenced by historic minority ethnic communities, and in turn has produced an influence upon the culture of these groups such as Bessarabian Germans and Bessarabian Jews[1].

Căpriana, one of the oldest monasteries in Moldavia

Religion in Moldova:

For the 2004 census, Orthodox Christians, who make up 93.3% of

620, Jews in Bessarabia in 1897 or 11,8% of the population)

Moldova's population, were not required to declare the particular of the two main churches they belong to. The Moldovan Orthodox Church, autonomous and subordinated to the Russian Orthodox Church, and the Orthodox Church of Bessarabia, autonomous and subordinated to the Romanian Orthodox Church, both claim to be the national church of the country. Around 1.9% of the population is Protestant, 0.9% belongs to other religions, 1.0% is non-religious, 0.4% is atheist, and 2.2% did not answer the religion question at the census (see table 2).

Table 2

Religion in Moldova	
Religion	Percent
Orthodox	93.34%
Protestant	1.89%
Old Believer	0.15%
Roman Catholic	0.14%
Atheist	0.38%
Non-religious	0.98%
No answer	2.24%
Other religion	0.88%

Source: *Religion in Moldova, 2012*

As to the population of the country, in the Republic of Moldova there is a freedom of choice of religious confession. It is guaranteed by the Constitution of the RM (1991) which stipulates the right of every citizen has to profess freely religious belief as well as to disseminate this belief privately or in public, in case if it does not contradict to the fundamental law of the country – the Constitution of the Republic Moldova. Two world religions co-exist peacefully in Moldova: Christianity and Judaism. Christians of Moldova has totally about 1035 churches, 35 monasteries and 7 skitoves. The number of its attendants is about 5000 people: priests, clerks, trustees.

The leader of Orthodox Church in Moldova is Metropolitan of Chisinau and of the whole Moldova – Eminence Vladimir – head of the Metropolis of Moldova (www.mitropolia.md). The Metropolis of Moldova includes four dioceses: Chisinau, Cahul and Lapushna, Bricheni, Dubassari and Tiraspol as well as an operating vikariat in the north of the Republic of Moldova, in Balti-City.

The number of educational theological institutions in the Republic counts totally four basic institutions: Theological Academy at the State University of the Republic of Moldova in

Chisinau, capital of the country, Theological Seminary at monastery Nolu Neamts in village Kitskan, and two specialized lyceums: Spiritual Lyceum for girls at monastery Surucheni, and Spiritual Lyceum for boys at monastery "Christians Christmas", situated at the territory of village Zebricheni.

Education:

In Moldova, there are 16 state and 15 private institutions of higher education, with a total of 126,100 students, including 104,300 in the state institutions, and 21,700 in the private ones.

The National Library of Moldova was founded in 1832. The Academy of Sciences of Moldova that manages all scientific research of the country was established in 1946.

Actual political description:

The Republic of Moldova signed its Declaration of Sovereignty on 23 June 1990 and its Declaration of Independence from the Soviet Union on 27 August 1991.

The country's central legislative body is a unicameral Parliament, which has 101 seats, and whose members are elected by popular vote on party lists every four years. The head of the state is the President of Moldova, who is elected by Moldovan Parliament, requiring the support of three fifths of the deputies (at least 61 votes). The president of Moldova has been electing by the parliament since 2001, a change designed to decrease executive authority in favor of the legislature before he was elected by direct popular vote The president appoints a prime minister who functions as the head of government, and assembles a cabinet, both subject to parliamentary approval.

The Constitution establishes an independent Constitutional Court, composed of six judges (two appointed by the President, two by the Parliament, and two by the Supreme Council of Magistrature), serving six-year terms, during which they are irremovable and 20 not subordinate to any power. The Court is invested with the power of judicial review over all acts of the Parliament, presidential decrees, and international treaties, signed by the country.

Since 1991 Moldova enjoys a political pluralism that manifested itself through number of political parties, movements and independent candidates who participate actively in parliamentary elections.

Due to the parliamentary elections, of April 2009 the Communist Party won 49,48% of the votes, followed by the Liberal Party with 13,14% of the votes, the Liberal Party with 12,43%, and the Alliance "Moldova Noastră" with 9,77%.

The collision of political interests provoked a civil unrest. Moldova faced with a political crisis which manifested by the inability of the Parliament to elect a President of the country. In August 2009, four Moldovan parties – Liberal Democratic Party, Liberal Party, Democratic Party, and Our

Moldova Alliance – agreed to create a governing coalition that pushed the Communist party into opposition.

In September 2010 the Parliament was dissolved again and a new parliamentary election was scheduled for 28 November 2010 [47]. On December 30, 2010 (Reuters, 2010]. The results of those elections are presented in table 3.

Table 3

Summary of the 28 November 2010 Parliament of Moldova election results

Parties and coalitions	Votes	%	+/−	Seats
Party of Communists of the Republic of Moldova	676,761	39.32	−5.37	42
Liberal Democratic Party of Moldova	506,365	29.42	+12.85	32
Democratic Party of Moldova	218,847	12.72	+0.18	15
Liberal Party	171,434	9.96	−4.72	12
Party Alliance Our Moldova	35,282	2.05	−5.30	0
European Action Movement	21,105	1.23	—	0
Humanist Party of Moldova	15,456	0.90	—	0
National Liberal Party	10,923	0.63	—	0
Social Democratic Party	10,161	0.59	−1.27	0
Christian Democratic People's Party	9,046	0.53	−1.38	0
United Moldova	8,178	0.48	—	0
For Nation and Country	4,808	0.28	—	0
Roma Movement of the Republic of Moldova	2,391	0.14	—	0
Conservative Party (Moldova)	2,084	0.12	—	0
Popular Republican Party	1,999	0.12	—	0
Republican Party of Moldova	1,771	0.10	—	0
Equality	1,783	0.10	—	0
Patriots of Moldova	1,583	0.09	—	0
Ecologist Party of Moldova "Green Alliance"	1,380	0.08	−0.33	0
Labour Party	875	0.05	—	0
Independents	18,805	1.09	—	0
Total (turnout 63.37%)	**1,720,993**	**100.00**	**—**	**101**

Source: *IPU (http://www.ipu,org/parline-e-/reports/2215_E.htm, cec.md(http://cec.md/index.php?pag=page &id=43&1=0 [30;31]*

The crisis has been was got over in 2012 when the Parliament finally succeeded in elections of the President. Nicolae Timofti was elected as the President of the Republic of Moldova 16 March, 2012.

National Symbols:

Flag – The State flag of the Republic of Moldova is of three colours. The colours are arranged vertically in the following order from the flagpole: blue, yellow, red. The coat of arms is printed on the central yellow stripe of the tricolour.

Coat of arms – Moldova 's coat of arms consist of a shield divided horizontally into two parts: the upper part is red, and the lower part is blue with a superimposed auroch's head showing, between its horns, an eight-pointed star. On its right the auroch's head is flanked by a five-petalled rose, and on its left by a slightly rotated crescent. All heraldic elements present on the shield are of golden (yellow) colour. The shield is laid on the breast of a natural eagle holding in its break a golden cross, in its right claw a green olive-tree branch and in its left claw a golden sceptre.

Military:

The Moldovan armed forces consist of the Ground Forces and Air Defense Forces. Moldova has accepted all relevant arms control obligations of the former Soviet Union. On October 30, 1992, Moldova ratified the Treaty on Conventional Armed Forces in Europe, which establishes comprehensive limits on key categories of conventional military equipment and provides for the destruction of weapons in excess of those limits. It acceded to the provisions of the nuclear Non-Proliferation Treaty in October 1994 in Washington, DC. It does not have nuclear, biological, or chemical weapons. Moldova joined the North Atlantic Treaty Organisation's Partnership for Peace on March 16, 1994.

Administrative description:

Largest cities of Moldova

Chișinău	Rank	City	Urban	Rank	City	Urban	Bălți
	1	**Chișinău**[1]	723,500 (2012)	11	**Comrat**[3]	25,600 (2012)	
	2	**Tiraspol**[2]	148,90	12	**Ceadîr-**	22,80	

Tiraspol Bender			0 (2011)		**Lunga**[3]	0 (2012)	Rîbniţa Cahul
	3	**Bălţi**[1]	144,300 (2012)	13	**Străşeni**[3]	21,200 (2012)	
	4	**Bender**[2]	93,700 (2011)	14	**Drochia**[3]	20,400 (2012)	
	5	**Rîbniţa**[2]	50,100 (2011)	15	**Edineţ**[3]	20,200 (2012)	
	6	**Cahul**[3]	41,100 (2012)	16	**Căuşeni**[3]	19,900 (2012)	
	7	**Ungheni**[3]	38,100 (2012)	17	**Durleşti**	18,700 (2012)	
	8	**Soroca**[3]	37,500 (2012)	18	**Făleşti**	17,800 (2012)	
	9	**Orhei**[3]	33,500 (2012)	19	**Hînceşti**	16,900 (2012)	
	10	**Dubăsari**[3]	25,700 (2011)	20	**Vulcăneşti**	16,900 (2012)	

Source: *Moldovan Census (2004); Note: 1.World Gazetteer. Moldova: largest cities 2004. 2.Pridnestrovie.net 2004 Census 2004. 3. National Bureau of Statistics of Moldova*

Transnistria, which with the exception of a few localities corresponds to the part of Moldova east of the Dniestr/Nistru River, is *de jure* a part of Moldova, although in reality it is not controlled by the Moldovan government. In addition, Bender/Tighina municipality and 3 communes of Căuşeni district, all situated in the security zone, are *de facto* controlled by the breakaway regime of Transnistria.

The administrative divisions of Moldova are also presented in the map.3.

The territorial dispersion of Moldovan population shows that 21% live in Chisinau municipality (every the fifth citizen), 4,6% in Gagauzia, 3,8% in municipality of Balti. The districts with population over 100 thousand inhabitants are: Cahul, Hincesti, Orhei, Ungheni. The lowest number of citizens is in such districts as Basarabeasca (29 thousaand), Dubasari (34 thousand), Soldanesti (42 thousand) and Taraclia (43 thousand).

Map 3. Current administrative divisions of Moldova

Source: *BNS, 2009*

Demographic situation:

With accordance to the last (2004) Census, the total population of the Republic of Moldova with Transnistrian region members 4.128.047 inhabitants and 3.383.332 excluded the region (BNS, Population, 2010).

According to the preliminary estimate of 2012 the population of Moldova constitutes 3.559.500 inhabitants (BNS, Population, 2012).

From 1998 till 2011 the populations of Moldova decreased by 95.2 thousand inhabitants (Olga Gagauz, 2012). The principle contributing factors appeared so be high mortality and mass migration. Having been based on the analysis of demographic components as mortality, rate of birth and migration, the specialists in domain make the prognoses as follows. The continuous drop of population number from 2010 till 2050 because of high mortality rate, continuous mass migration (from 600.000 to 1 mln work today abroad, most illegally) and birth rate. Although, if the latest data are analysed, the positive dynamics can be observed (see table 4).

Table 4

Evolution of principle indicators of natural of population (including some data from the left of Nistfer and Bender municipality

	2009	**2010**	**2011**	**2011 in % 2010**
New-born, persons	40803	40474	39162	96,8
Died, persons	42139	43631	39234	89,9
From which children under 1 year	493	476	430	90,3
Natural decline	1336	3157	72	2,3
Number of marriages	26781	26483	25889	97,8
Number of divorces	11884	11504	11119	96,7

Source: *Situația demographică în RM, 2012*

As it seen from the table, the number of new borns shows dynamics for decrease: from 40.803 persons in 2009 to 40.474 in 2010 and 39.162 persons in 2011, the alarming is that those died exceed in numbers the new born persons. Both facts contribute to the pessimistic demographic prognose. At the same time, the number of died people also is in decrease (from 42.139 in 2009 to 39.234 in 2011). Children died under 1 year show the same decreasing dynamics (from 493 in 2009 to 476 in 2010 and 430 in 2011). The natural decline has got down from 1.336 in 2009 to just 72 in 2011. These facts allow some optimism in demographic prognoses. The sociologists, however, are still pessimistic, emphasizing the fact,

that total number of population of Moldova will be decreasing from 2011 till 2050, even if fertility rate will be increasing [ibid.]. As the major factors one can refer to the decreased number of women of productive age as well as the continuous emigration of people of productive age. Thus, "according to prognoses if in 2011 the total number of new borns is about 40 thousand then in 2050 it is expected to be under 19 thousand" (O. Gagauz, 2012).

The associated tendency is the reducing share of youth in population of the country. In doing 80, the number of pupils in primary and secondary education foes down (see fig.1).

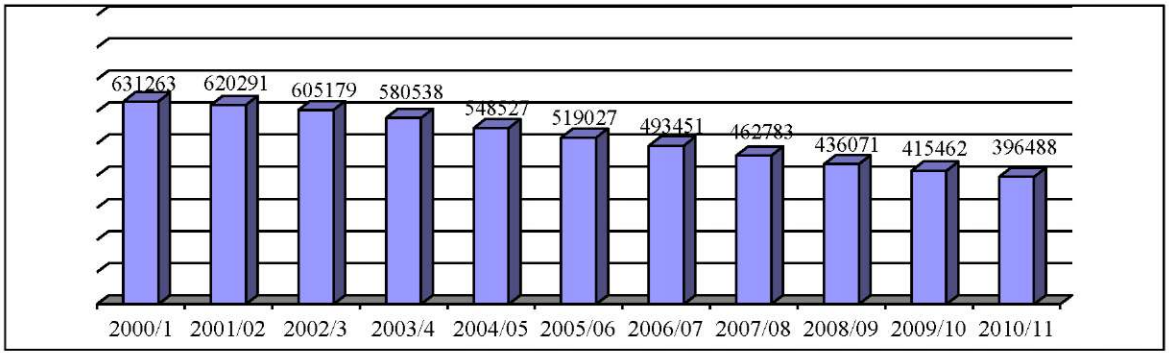


Figure 1. Pupils' number dynamics in institutions of primary and secondary education

Source: *Populatie si Dezvoltare 2012, p.10*

"If in 2005-2006 academic year in 1.558 school of the republic there studied 519 thousand pupils, then in 2010-2011 academic year in 1.489 schools there studied 396.5 thousand pupils that means 123 thousand pupils less" (Galina Gavrilina, 2012).

In order to optimize the school education, government of *Moldova launched a National Plan of Action for the implementation of structural reform in education* to be realized in 2011-2013 with support local public administration.

The third demographic tendency, associated with those mentioned above, is demographic ageing, which is expected to be in growing.

The analysis of the structure of resident population by sex and type of location.

Shows that share of women prevails over that of men in both urban and rural population (see fig.2).

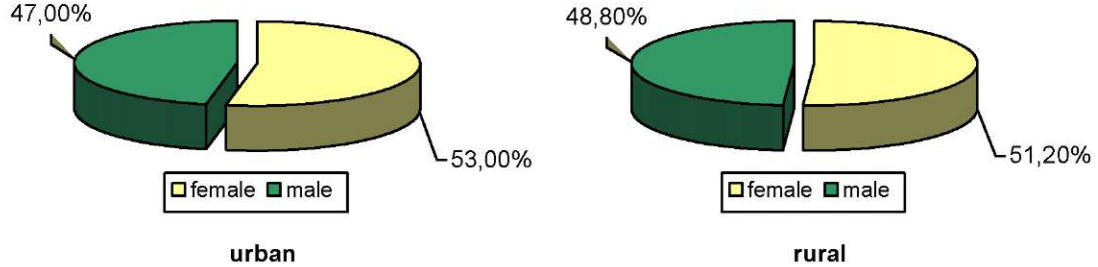


Figure 2. Structure of resident Population by sex and type of location as for January 1, 2011

Source: *BNS, 2011*

The analysis of resident population by location, sex and age groups in 2010-2011 (see table 5) shows that there were not significant changes in dynamics of the indicators. These is a slight decrease of female share of population in age groups of 0-15 years and 16-56 years and a slight increase of female share in age group of 57 and above. The tendencies are for both urban and rural female shares.

Table 5

The Resident population by area sex and age groups as for January 2010 and 2011

	Total				**Urban**				**Rural**			
	both sexes		**from which women**		**both sexes**		**from which women**		**both sexes**		**from which women**	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**
Total	3563,7	3560,4	1850,2	1848,3	1476,7	1481,7	782,2	784,9	2087,0	2078,7	1068,0	1063,4
from which:												
Male and female 0-15 years	649,1	635,1	316,0	308,7	227,4	224,1	109,8	107,8	421,7	411,0	205,2	200,9
Male 16-61 years, female 16-56 years	2371,2	2374,7	1157,3	1155,7	1042,8	1042,8	527,3	525,9	1320,4	1331,9	630,0	629,8
Male 62 years and older, female 57 years and older	435,4	550,6	376,9	383,9	206,5	214,8	145,1	151,2	336,9	335,8	231,8	232,7

Sources: *Anuarul Statistic al RM 2010, p.39, Anuarul Statistic al RM, 2011, p.39*

In all regions of Moldova the dispersion of the population by male and female is quite equal (around 50% per each sex) (see table 6).

Table 6

Resident population by sex, in territorial aspect, as of January 1, 2009

	Total populaţie *Все население* *Total population*			În % faţă de total *В % к итогу* *In % to the total*	
	ambele sexe *оба пола* *both sexes*	masculin *мужчины* *males*	feminin *женщины* *females*	masculin *мужчины* *males*	feminin *женщины* *females*
Total / *Всего* / *Total*	**3567512**	**1714931**	**1852581**	**48,1**	**51,9**
Municipiul Chişinău	**785600**	**368856**	**416744**	**47,0**	**53,0**
Nord / *Север* / *North*	**1013717**	**482525**	**531192**	**47,6**	**52,4**
Municipiul Bălţi	148100	67937	80163	45,9	54,1
Briceni	76201	36239	39962	47,6	52,4
Donduşeni	45902	21412	24490	46,6	53,4
Drochia	91000	43302	47698	47,6	52,4
Edineţ	83600	39506	44094	47,3	52,7
Făleşti	93102	45091	48011	48,4	51,6
Floreşti	91000	43655	47345	48,0	52,0
Glodeni	62502	29986	32516	48,0	52,0
Ocniţa	56502	26704	29798	47,3	52,7
Rîşcani	70900	33960	36940	47,9	52,1
Sîngerei	93800	45745	48055	48,8	51,2
Soroca	101108	48988	52120	48,5	51,5
Centru / *Центр* / *Center*	**1065194**	**520450**	**544744**	**48,9**	**51,1**
Anenii Noi	83100	40525	42575	48,8	51,2
Călăraşi	79302	38879	40423	49,0	51,0
Criuleni	72800	35568	37232	48,9	51,1
Dubăsari	35200	17294	17906	49,1	50,9
Hînceşti	123200	60800	62400	49,4	50,6
Ialoveni	98300	48337	49963	49,2	50,8
Nisporeni	67199	33145	34054	49,3	50,7
Orhei	125900	60400	65500	48,0	52,0
Rezina	53000	26066	26934	49,2	50,8
Străşeni	91493	44889	46604	49,1	50,9
Şoldăneşti	43800	21355	22445	48,8	51,2
Teleneşti	74700	37055	37645	49,6	50,4
Ungheni	117200	56137	61063	47,9	52,1
Sud / *Юг* / *South*	**543101**	**266227**	**276874**	**49,0**	**51,0**
Basarabeasca	29500	14305	15195	48,5	51,5
Cahul	124400	59915	64485	48,2	51,8
Cantemir	63200	31589	31611	50,0	50,0
Căuşeni	92700	45469	47231	49,0	51,0
Cimişlia	62601	30710	31891	49,1	50,9
Leova	53800	26830	26970	49,9	50,1
Ştefan Vodă	72400	35782	36618	49,4	50,6
Taraclia	44500	21627	22873	48,6	51,4
UTA Găgăuzia	**159900**	**76873**	**83027**	**48,1**	**51,9**

Source: *BNS, 2009*

The Republic of Moldova is a multiethnic state. With accordance to the Moldovan Census 2004 and the Census of Transnistria 2004, the ethnic composition is as follows (see table 7):

Table 7

The ethnic composition of the Republic of Moldova

	Nationalities	R. Moldova	% Mold	Transnistria	% Tran	Total	%
1.	Moldovans	2.564.849	76,2%	177.156	31,9%	2.742.005	69,5%
2.	Ucranians	282.406	8,3%	159.940	28,8%	442.346	11,2%
3.	Russians	201.218	5,9%	168.270	30,3%	369.488	9,4%
4.	Gagauzians	147.500	4,4%	11.107	2,0%	158.607	4,0%
5.	Romanians	73.276	2,2%	1000	0,5	74.276	2,0% (?)
6.	Bulgarians	65.662	1,9%	11.107	2,0%	76.769	1,9%
7.	Other (Poles, Jews, Greeks etc.)	48.421	1,4%	27.767	5,0%	76.188	1,9%
8.	TOTAL	3.383.332	100%	555.347	100%	3.938.679	100%

Source: *BNS, 2010*

Socio-economic description:

The evolution of socio-economic situation and reforms as well as the analysis of the current situation in line with the EU integration vector of the Republic of Moldova are presented in the Chapter III of the given Analysis. In this section, hence, there are summarized the key socio-economic indicators and exposed in the table 8.

Table 8

THE LATEST KEY SOCIO-ECONOMIC INDICATORS	
GDP (PPP) total	$10.21 billion (2009 est.) $11.998 billion (2011) est.
GDP growth	-6.6% (2009 est.) 6,9% (2010 est.)
GDP per capita	$2,400 (2009 est.) $3,373 (2011 est.)
GDP by sector	agriculture: 21.8%; industry: 17.6%; services: 60.6% (2009 est.)
Inflation (CPI)	0% (2009 est.) 7,4% (2010 est.)
Population below poverty line	29.5% (2005) 30% (2009)
Gini index	33.2 (2003)
Labour force	1.336 million (2009 est.)
Labour force by occupation	Agriculture: 40.6%; industry: 16%; services: 43.3% (2005) // - // 31,3%; 19,6%; 49,3% (2008)
Unemployment	2.6% (2009 est.)
Main industries	sugar, vegetable oil, food processing, agricultural machinery; foundry equipment, refrigerators and freezers, washing machines; hosiery, shoes, textiles
	External
Exports	$1.24 billion (2009 est.)

Export goods	**foodstuffs, textiles, machinery**
Main export partners	**Morocco 48.1%, Russia 14.8%, Romania 8.1%, Italy 5% (2008)**
Imports	**$3.14 billion (2009 est.)**
Import goods	**mineral products and fuel, machinery and equipment, chemicals, textiles**
Main import partners	**Ukraine 20.2%, Russia 19.7%, Romania 14.3%, Germany 7.9%, Italy 5%, Belarus 4.2% (2008)**
FDI stock	**$1.813 billion (2008)**
Gross external debt	**$3.97 billion (31 December 2009 est.)**
	Public finances
Public debt	**31.3% of GDP (2009 est.) 26,3% (2010), 23,4% (2011)**
Revenues	**$1.751 billion (2009 est.)**
Expenses	**$2.112 billion (2009 est.)**
Foreign reserves	**$1.2 billion (31 December 2009 est.)**
	Main data source: CIA World Fact Book (for est. up. to 2008) *All values, unless otherwise stated, are in US dollars* **for 2010/2011 est. – Report of Prime Minister of April 2012; BNS, 2011**

Foreign relations, Geopolitical and Geoeconomic orientation:

Embassy of Moldova in Washington, D.C.

After achieving independence from the Soviet Union, Moldova established relations with other European countries. A course for European Union integration and neutrality defines the country's foreign policy guidelines. In 1995 the country was admitted to the Council of Europe.

In NATO's it also participates in Partnership for Peace program. Moldova is member state of the United Nations, the organization for Security and Co/operation in Europe (OSCE), the North Atlantic Cooperation Council, the World Trade Organization, the International Monetary Fund, the World Bank, the Francophonie and the European Bank for Reconstruction and Development.

Summing up participation of Moldova in international organization, one should mention the following: ACCT, BIS, BSEC, CCC, CE, CEI, CIS, EAPC, EBRD, ECE, FAO, IAEA, IBRD, ICAO, ICETU, IDA, IFAD, IFC, ILO, IMF, Intelsat (nonsignatory user), Interpol, IOC, IOM (observer), ISO (correspondent), ITU, OPCW, OSCE, PFP, SECI, UN, UNCTAD, UNESCO, UNIDO, UPU, WHO, WIPO, WMO, WtoO, WtrO (applicant) (Politics of Moldova, 2012).

In 2005, Moldova and the EU established an Action plan that sought to improve the collaboration between the two neighboring structures. At the end of 2005 EUBAM, the European Union Border Assistance Mission to Moldova and Ukraine, was established at the joint request of the presidents of Moldova an Ukraine. EUBAM assists the Moldovan and Ukrainian governments in

approximating their border and customs procedures to EU standards, and offers support in both countries' fight against cross/border crime.

After the War of Transnistria, Moldova sought a peaceful resolution to the conflict in the Transnistria region by working with Romania, Ukraine, and Russia, calling for international mediation, and cooperating with the OSCE and UN fact-finding and observer missions.

According to the PCA provisions the institutional dialogue between the Republic of Moldova and EU is done within the following cooperation structures at the

Political level:

- The Cooperation Council Moldova-EU, meets once a year at the high officials level (Prime Minister (President)/Commissioner for External Relations and ENP, High Representative for the CFSP, Secretary General of the Council of the EU/EU presidency). The goal of the meeting is to set up the strategic development directions of the Moldova-EU relations;
- The Cooperation Committee Moldova-EU, meets at senior civil servants level in order to discuss the tendencies of the sectorial Moldova-UE cooperation;
- The Parliamentary Co-operation Committee between the European Parliament and the Moldovan Parliament – meets at the level of the Heades of Moldovan and European Parliaments.

Working level:

- Sub-Committees are sectorial meetings at specialized experts' level are organized once a year and these are:
  - Sub-Committee on Trade and Investment;
  - Sub-Committee on Financial, Economic and Statistical issues;
  - Sub-Committee on Customs and Cross-border Cooperation, and Justice, Freedom and Security;
  - Sub-Committee on Energy, enviroment, networks, science and technology, training, education.

In September 2010, the European Parliament approved a grant of €90 million to Moldova (EU grant September, 2010). The money will supplement $570 million in International Monetary Fund loans (IMF loans 2010), World Bank and other bilateral support already granted to Moldova. In April 2010, Romania offered to Moldova development aid worth of €100 million while the number of scholarship for Moldovan students which were double in 2011 to 5,000 (Romania, Moldova boost relations, 2010-2011). According to a lending agreement signed in February 2010, Poland will provide US$15 million and will support Moldova in its European integration efforts (Poland support 2010). The first joint meeting of the Governments of Romania and Moldova, held in March 2012, concluded with several bilateral agreements in various fields. The European orientation "has been the policy of

Moldova in recent years and this is the policy that must continue", Nicolae Timofti told lawmakers before his election" (Washington Post, 2012).

The export/import fluxes of the Republic of Moldova clearly show the reorientation of the country from the CIS markets to those of the EU, the fact considered in Ch. III. At the same time, the geopolitical and geoeconomic situation of Moldova "is very similar to that of the EU: both have to "balance" between "Western" and "Eastern" partnership to survive economically. The EU develops negotiations, on the one hand, with NAFTA, on the other hand, with Eurasia Union member-states regarding the matters of economic cooperation and integration (Russia-Baltic-Germany gas pipe line, TRACECA and other projects). The Republic of Moldova keeps balance between the EU, enjoying the Autonomous System of Preferences, and the CIS, benefiting from the membership in the Free Trade Area.

The geopolitical accent, however, is shifting to the "Western" vector as it has become clear from the fact that the first visits after being elected as the President of Moldova, Nicolae Timofti paid to Brussels and Bucharest.

The Republic of Moldova has signed a number of Treaties with the EU (see Annex 1). At present, the government of the country continues the negotiation rounds regarding the Association Agreement with the EU.

"The excellent diplomatic relations have been built with neighbourers: Romania and Ukraine. The strategic relations are developet with the USA and Russia" (V. Filat, Report 2012).

CHAPTER II

THE REVIEW OF THE MAIN DOCUMENTS REGULATING EU-MOLDOVA RELATIONS IN THE CONTEXT OF ENP AND EP POLICY

Moldova declared its independence on the 27th of August, 1991. Within the period of 1991-1992 Moldova got international recognition as an independent state and became a member of the United Nations Organization, the OSCE and other international bodies. Owing to its geopolitical position on the European part of the continent, Moldova has been aiming at the European Union.

The Government of Moldova systematically addressed the appeals to the European Communities to initiate the process of integration.

Thus, on the 1st of November 1993 and then on the 28th of January 1994 the first President of Moldova Mircea Snegur addressed letters to the Presidents of the European Council and the European Commission regarding the cooperation between Moldova and the EU. On the 13th of December 1996 and then in October and December 1997, the second Moldovan President Petru Lucinschi sent letters to the European Communities referring to the will of the Republic of Moldova to get the statute of associate-member.

However, in order to start the cooperation and integration processes, Moldova had to resolve number of issues. **One group of issues** was about territorial integrity of the country that implied the unification with Transnistrian region (Moldova considered the region to be the part of the country, while Transnistria declared itself as an independent republic. At the same time, Moldova was recognized as an independent state with composition of Transnistrian region but Transnistria as an independent republic did not get its international recognition).

Another group of issues referred to the presence of the foreign military troops on the territory of Transnistrian region (the 14th Russian army that had been placed in Moldova in time of Soviet Union) and to the necessity of their withdrawal. **The third group of issues** concerned the political, juridical, social and economic reforms that had to be done in order to initiate the integrative process. In spite of the fact that those and other serious issues had not been solved yet, the European Communities cautiously started collaboration with Moldova.

On the 28th of November 1994 the Partnership and Co-operation Agreement (PCA) was signed. On the 13th of July 1995 Moldova became the first CIS member-state to join the Council of Europe.

On the first of July 1998 the PCA entered into force setting up the legal basis for a closer collaboration between the EU and the RM as well as for the implementation of TACIS Assistance Programme. Because of political instability in 1999 the realization of PCA was postponed but the general process of Moldova's approach to the EU could not be stopped. The country has been involving more and more actively into the European and world circuits, establishing cooperation relationship at European regional and sub-regional levels. Being a member of the Council of Europe, the Central European Initiative, the Organization of Black Sea Economic Co-operation, the Danube Commission, the Partnership for Peace, the Euro-Atlantic Partnership Council and other international co-operation structures, Moldova was the only country in the CIS that had become a member of the South-East Europe Co-operation Initiative and the Stability Pact for South-Eastern Europe. Moldova is an observer in the South-East European Co-operation Process.

The Republic of Moldova is also the only country of the CIS, country-member of the World Trade Organization (since May 2001), included in the European Neighborhood Policy. So, in its relationship with the EU, Moldova has advanced further than other CIS member-states, neighbors of the EU.

On the other hand, the European Union is getting closer to Moldova as a result of its enlargement to the East. After the European Neighborhood Policy was launched in 2003, two extremely important events happened in 2004: on the 2nd of April, seven new states, including Romania, joined NATO and the western border of our country became a border with NATO. On the 1st of May 2004, as a result of the accession of ten new states to the European Union, Moldova got closer to the EU but in 2007, when Romania and Bulgaria jointed the EU, Moldova has found itself as an immediate neighbor of the EU. In the same period, Moldova, the first western member-state of the CIS, started negotiations on the **Action Plan**. The document was signed on the 22nd of February 2005 in Brussels.

In order to implement that Plan, a number of activities, researches and evaluations regarding the modes of the EU-RM cooperation and the ways to solve the categories of issues mentioned above, was realized by the European and Moldovan authorities and experts. The illustrative bibliography, based on the notes to those research papers and reports on activities, is exposed by us in table 9. The most significant pieces of research papers with full notes are submitted in the Annex 1 to this Analysis.

Table 9

The illustrative references to the activities and research papers realized by European and Moldovan authorities and experts before the implementation of the Plan of Action RM-EU

1. Appeal of the Presidium of the Moldovan Parliament on the aggression of the Russian Federation towards Moldova (Sfatul Tarii, no. 108, June 24, 1992), Declaration of the Ministry of Foreign Affairs of the Republic of Moldova on the 14th Army Military Involvement (Moldova Suverana, no.86, June 23, 1992).
2. McCormick, John, "Understanding the European Union. A Concise Introduction"; Palgrave, 2002.
3. Partnership and Cooperation Agreement between the European Commission and the Republic of Moldova, 1994.

4. Oleg Serebrian, "An Assessment of the present status of the Republic of Moldova's accession to the EU", in "The Republic of Moldova and European integration", IPP, Cartier, 2002.
5. Ministry of Foreign Affairs of the Republic of Moldova, The Foreign Policy Guidelines for the period of 1998-2000, Chisinau: June 1998).
6. Wim van Meurs, Moldova ante portas: the EU Agendas of Conflict Management and "Wider Europe", CAP.
7. II Meeting of the Regional Table, Thessalonica, 8 June 2000: Record of the meeting – www.stabilitypact.org.
8. Ion Stavila, Moldova between East and West: a Paradigm of Foreign Affairs, Ann Lewis (ed), in 'The EU and Moldova', Federal Trust, 20004, London.
9. IPP, Federalization Experiment in Moldova, Russia and Eurasia Review, Vol.1., No.4, 16 July 2002.
10. Nicu Popescu, The EU and Transnistrian settlement, www.azi.ind, Moldova Azi, 23 June 2003.
11. Commission Communication: *Wider Europe — Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors.* 11 March 2003, Foreign and Commonwealth Office.
12. Fritz Bolkestein, The limtis of Europe. http:/yforeignpolicy .org.ua/eng/topic/index.shtml7id-~2821; Sep. 28, 2004.
13. N. Popescu. "The Options of the Republic of Moldova in its relationships with the EU" http://www.azi.md, January 19, 2004.
14. Dov Eynch, The New Eastern Dimension of the Enlarged EU, in Judy Batt et al (eds), Partners and Neighbors: A CSFP for a Wider Europe (EU 1SS Chaillot Paper no.64: Paris, September 2003).
15. Vladimir Socor, Maastrich must not be another Porto – nor a mini-Yalta, 1ASPS Policy Briefings: Geostrategic Perspectives on Eurasia, No, 35, 36, 37. Eurojurnal.org, November, 2003.
16. Human Development Report on the Republic of Moldova, UNDP/IPP, 2003, pp.39-42.
17. Nicolae Chirtoaca, Moldova: Reform Requirements, Harmonie Papers 17, in Security-Sector Reform and Transparency-Building, CESS, 2004, pp.93-102.
18. European Commission, WK/Neighborhood. COM (2003) 104 final, 11 March 2003.
19. Gheorghe COJOCARU, for Moldova Azi, http://www.azi.md/comment?ID=27101,

Russia's "near abroad" or EU's "new neighborhood"?
20. Democratia, October 21, 2003, p. 10.
21. 14 June 2004: Moldova KU Council Conclusions.
22. "The aim of the new Neighborhood Policy is therefore to provide a framework for the development of a new relationship which would not, in the medium-term, include a perspective of membership or a role in the Union's institutions. A response to the practical issues posed by proximity and neighborhood should be seen as separate from the question of EU accession". Commission Communication: Wider Europe – Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors. March 11, 2003.
23. Interview with Andrei Stratan, Minister of MOF, June 18 (Interfax), 2004.
24. The Implications of Baltic States' EU Membership, Sven Arnswald & Mathias Jopp, February 27, 2003, NDCFSP.
25. Every European state may adhere to the EU, says the art.49 of the Political Treaty of the Union.
26. Tsonkalis Loukas, "Noua economie Europeană revizuită", traducere din engleză, editura Arc, 2000.
27. http://www.azi.md.January 25.2003.
28. Gheorghe Cojocaru, Politica Externa a Republicii Moldova, Civitas, 2001, p.202.
29. Zussamenrassung from the EU council, June 14, 2004: Council conclusions on Moldova.
30. EU looks on warily as its Eastern neighbors move in, Thomas Fuller/IHT, Aprilie 29, 2004.
31. Vlad Socor, Why is the West repairing the Old Iron Curtain?, Wall Street Journal Europe.
32. UNA/UNSO paramilitary organizations acted in 1992 on the same part with Russian military and Cossacks on behalf of the secessionist regime of Transnistria. Khotin, Rostyslav. Moldova and Ukraine: Pro-Western Guarantor to the East; Chilli, Iulian. Diplomatic War in Bessarabia. Bucharest, Romania: Editura Paideia, 1997.
33. Oazu Nantoi, The Issue of the Conflict in the Eastern Zone of the Republic of Moldova after Maastricht, November 2004, IPP, www.ipp.md/studii.
34. Brussels, 7 October 2004, Statement by Mrs Marianne MIKKO at the first working session of the European Parliament delegation to the EU-Moldova Parliamentary Cooperation Committee.
35. June 14, 2004: EU COUNCIL CONCLUSIONS ON MOLDOVA (Luxembourg). Since December of 2002 the LU has issued three declarations addressing the situation in Transnistria, which is seen as an almost unprecedented level of attention on its part.
36. The ECHR's (July 8, 2004 No. 349 8.7.2004 (Ilascu against Moldova and Russia) verdict.
37. October 1-3, 2004 The Wall Street Journal Europe, "An Opportunity on the Dniester", by lad Socor.

Source: *Composed by the author on the basis of research conducted by the IDIS viitorul and AESM.*

As it is seen from the table, the Plan of Action was perceived by Moldovan authorities as a step of the way toward integration to the EU, especially, taken into account that "every European state may adhere to the EU" as the article 49 of the Political Treaty of the Union says (item 25, table 7). But the European authorities, considered it just as a mean to arrange a better-off neighborhood (item 22, table …). The development of the RM-EU relations,

however, has shaken such a categorical position of the European authorities that is shown by our analysis below.

Summing up and analyzing the ideas expressed in papers that have been exposed in table 7, it should be mentioned the following:

- The papers contained an assessment on objective and subjective interests of the EU and the RM related to the integration of the RM into the EU and to their cooperation within the ENP. In this context the following fact is worthy to be considered. In June 2001, Moldova was invited to join the European Conference, and this was followed in 2002 by *new initiatives coming from Brussels to expand the dialogue with Moldova* in several other fields. *The number of politicians and diplomats* who acknowledge the experience of the Baltic States on their successful path towards the EU is increasing, and so is the popular apprehension that *the EU integration is 'the right option for the country'*. Thus, according to the data provided by the Public Opinion Barometer (IPP), European integration has reported a growth from 34% to 51%, while for CIS – it dropped from 52% to 27% between March 1998 and November 2003 [item 16, table 6]. Proceeding from the above, a Declaration signed by the majority of Moldovan politicians: 23 political parties and the absolute majority of the MPs affirmed, in July 2002, the will of the political class and society of Moldova to join the EU.

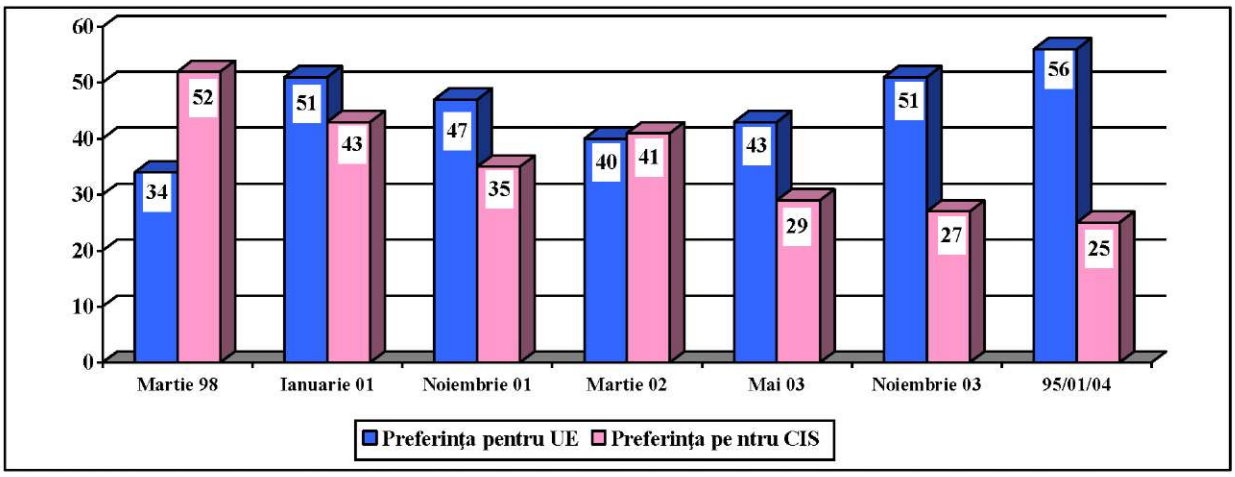


Figure 3. The Public Opinion Barometer Data regarding the Eurointegration Option of the Moldovan Population

- The papers contained the evaluation of the Moldova's Action Plan in the light of the ENP methodological principles and approaches (differentiation, progressiveness, multifaceted alignment, conditionality principles and gradualist approach).

- There have been formulated some recommendations and proposals for the implementation of the Action Plan.

Among *the short and medium-term steps and policies* to Moldova there have been indicated: Opening up a Moldovan Delegation at EU Office in Brussels, Opening up an EU Delegation in Moldova, EU participation in the conflict settlement process, Benchmarking instruments, Home Affairs and Justice Argument for the relevant reforms, the development of trans border cooperation etc. It has been emphasized that the "Action Plan is a clue to further EU's talks". Among *the long-term priorities*, one can enumerate the following: Concluding Asymmetric Trade Agreement with EU, Free-visa regime with EU, Capacity building for country's performances, Perspective to association and full integration with EU.

- There have also been revealed some *obstacles* that could influence the implementation of the Plan of Action RM-EU, among which:
  - ✓ **Extra-territorial "Soviet legacy"** (it referred to the presence of the troops of former Soviet army in Transnistrian region);
  - ✓ **inside separatism** and its demolishing by the means of involving the EU and the USA, alongside with Russia and Ukraine, into the negotiations with Transnistria;
  - ✓ **too large neighbors** (the main idea here: Moldova has to enhance its "good neighboring relations and mutual regional cooperation with Ukraine", but to promote a competitive policy as concern the EU accession);
  - ✓ **exhausted costs for EU expansion** (process of the new members inclusion in EU have already created formidable budgetary burdens and any financial possibilities may appear only after 2007, with the new budgetary cycle of the EU);
  - ✓ **anticipations of a crisis** in Moldo-Romanian relationship because of the Romanian integration into EU. At the same time, there was anticipated a new, favorable, direction of the development of that relationship in case of share of Romania integration experience with Moldova and the facilitation, so far, the Moldovan access to the EU;
  - ✓ **the CIS membership:** although, no EU officials ever referred to the current CIS membership as an 'obstacle' in Moldova's relations with EU, it served in fact as an excuse to postpone some technical projects, as well as some institutional commitments that were vital to the crystallization of the statehood in Moldova.

Having evaluated the focus of the research papers, mentioned above, one may notice that it was mostly social-political and organizational.

Keeping, updating and developing this focus, the present Report contributes to the research on the co-operation between the EU and the RM also through the analysis in economic, scientific and educational dimensions.

Having evaluated the realization of short, medium and long term objectives and priorities as well as the demolishing the obstacles exposed in papers, it is worthy to mark the following: the EU Delegation in Moldova was opened in October 6, 2005 in Chisinau, but the Moldovan Delegation at the EU Office in Brussels was not opened on 1 January 2005 as planned. The 14th army troops were withdrawn from Transnistria and the EU and the USA participated in negotiations with Transnistria alongside with Moldova, Ukraine and Russia. The conflict, however, still exists.

Other indicated objectives and priorities are either in the process of implementation or have already been realized or are the matters of visible perspective as it is demonstrated by a chronicle of Moldovan eurointegration steps synthesized by the author as a summary of key activities and outcomes of the implementation of the RM-EU Action-Plan and the EU-RM cooperation projects that we have composed and that follows the chronicle As back sources there were used www.gov.md, www.nm.md 07.122007; www.expert-grup.org.

- **2001** → ***June 28***, Moldova joined the Stability Pact for South-Eastern Europe;

  → ***September 9***, in Chisinau there was signed *Financial Memorandum for the TACIS Program*;
- **2003** → ***June 23-24,*** within a visit of the President of Moldova in Brussels, the European Commission expressed its intention regarding the elaboration of an individual plan for the RM;

  → ***September 29***, in Brussels there was signed an Agreement on the implementation of the double control over export of Moldova with regards to some kinds of metallurgic products;
- **2005** → ***February 22***, the Delegation of the Republic of Moldova in the European Union and the representatives of the EU signed in Brussels a protocol decision regarding entering in force of the ***Plan of Action RM-EU***;

  → ***May 11***, the participation of Moldova in the Summit of the heads of states and governments in South-Eastern Europe Cooperation Process (SEECP) that took place in Bucharest;

  → ***June 7***, work visit of the President of the RM in Brussels within which there took place a number of meetings: in the NATO HQ, the Council of the EU, the Parliament and the Government of Belgium. The President of Moldova passed to the General

Secretary of the NATO a letter in which the Republic of Moldova offered the realization of an individual plan of partnership actions "RM-NATO", with the purpose of increasing the level and cooperation quality of the country with that organization;

→ ***October 6***, the Delegation of the European Commission was opened in Chisinau;

→ ***October 7***, the EU Mission for Monitoring the Moldo-Ukrainian border (EUBAM) started its activity;

- **2006** → ***April 11***, in Luxemburg, there was signed the *RM-EU Agreement regarding some aspects of avia transit*;

  → ***May 11***, a Perspective Agreement regarding external assistance was signed between the RM and the Commission of European Communities in Brussels;

  → ***June 21-22,*** a work visit of the Moldovan President to Brussels, in the context of which the Vice-president of the European Commission, the Commissar for External Relations, Justice, Freedom and Security Franco Frattini suggested an establishment of a Centre for Schengen visa in Chisinau;

  → ***November 1,*** a Framework Agreement on Cooperation between the Republic of Moldova and the European Bank for Investments was signed in Brussels;

- **2007** → ***January 29-31***, a work visit of a Special Coordinator of the Stability Pact for South-Eastern Europe Erhard Busck in Chisinau;

  → ***April 24-25***, an official visit of the Vice-president of the European Commission Franco Frattini for the inauguration of the *EU United Visa Center in Chisinau*;

  → ***June 18-19***, Moldova participated in the 9th Session of the Council for EU-RM Cooperation;

  → ***June 25***, Moldova participated in the Summit of the Organization for Economic Cooperation of the Black Sea Countries that took place in Istanbul, Turkey;

  → ***October 10***, in Brussels, some agreements regarding the facilitation (simplification) of visa regime for the RM citizens and the readmission of citizen were signed between the EU and the RM;

- **2008** → ***February 14-15***, an official visit of the Commissar for External Relations and ENP Policy Benita Ferrero Waldner to Chisinau;

  → ***June 5,*** the Joint Declaration on Mobile Partnership between the EU and the RM was signed in Luxemburg;

  → ***June 16,*** a work visit of the General Secretary of the Regional Council for Cooperation Hido Biscevici to Chisinau. That organization replaced the Stability Pact for South-Eastern Europe maintaining its responsibilities and empowerment;

→ ***October 13***, the Council of Europe confirmed the EU decision on the initiation of a new negotiation round for a new agreement between the EU and the RM;

→ ***November 28***, the Summit of the heads of the States-participants in the Central European Initiative was held in Chisinau.

The institutionalization of the European orientation of the Republic of Moldova has manifested itself through the following:

1) establishment of a National Commission for European Integration (in November 2000) which developed the Concept of integration of the Republic of Moldova into the European Union and remitted it to the European Commission;
2) a Parliamentary Committee for European Integration, an Department for European Integration of the Ministry of Foreign Affairs as well as ministerial and departmental subdivisions in charge of the European integration were established in 2003; the Ministry of Foreign Affairs has even changed its name and became the Ministry of Foreign Affairs and European Integration;
3) an inter-ministerial group in charge of legislative harmonization was established in 2004 and the decision was adopted to open a diplomatic mission of the Republic of Moldova to the European Communities (the latter has not been realized yet);
4) to ensure the effective implementation of the Action Plan Republic of Moldova – European Union, the President of the Republic of Moldova issued, in December 2004, a decree to appoint the Minister of Foreign Affairs of the Republic of Moldova as Vice-Prime Minister.

As the significant outcomes of the implementation of the Plan of Action, it is worthy to refer to the following:

(1) With accordance to the Plan of Action RM-UE, the Republic of Moldova enjoyed the **General System of Preferences** (GSP+) granted by the EU on the 1st of January 2006. Free access to the euromarkets has been ensured for 7200 categories of Moldovan goods (C TPL, p.9).

(2) *Autonomous Trade Preferences* (ATP). Delegation of the European Commission to the Republic of Moldova was opened in October 6, 2005 in Chisinau. The Delegation has got a statute of diplomatic mission (http://www.delmda.ec.europa.eu/).

(3) There has been issued the Decree of Government of the RM # 1524 of 29 December 2007 on *Communication Strategy toward the European Integration of the Republic of Moldova*. The Key subdivisions of the Strategy are: the Strategy for External Communication EU (SEC EU) and the Strategy for Internal Communication (SIC). The purpose of the SEC

EU is an informational campaign for the institutions and population of the EU about Moldova, in general, and the promotion of its image as an attractive European state with a firm intention to fulfill all requirements necessary for the integration to the EU, in particular.

The purpose of the SIC is a transparent informational campaign for the population of Moldova regarding the EU, the directions of cooperation between the EU and Moldova as well as the intensification of communication links between the citizens of Moldova and those of the EU.

It has been foreseen to create an informational infrastructure with multiple informational sources about EU that are not linked with each other. The aim of this new information infrastructure will be the formation of an integrative information providing system.

It is be based on six pillars created for short, middle and long term perspective:

- EU internet site
- European interactive centers/informational centers EU
- free telephone line with EU
- informational bulletin EU and Moldova
- data base of news and experts.

All these communication instruments (Strategies) are co-ordinated by the Ministry of Foreign Affairs and European Integration.

With accordance to the EU requirements there have been elaborated and are in action *the Conception for Guarding the National Frontier for 2007-2010 and National Strategy for Integrated Management of the State Frontier of the RM* (2010).

It is also worthy to mention that in:

- ***December 21, 2009*** The EU Commissioner for External Relations and ENP Benita Ferrero-Waldner and the Prime-minister of the RM Vlad Filat signed a "Memorandum of Understanding for Consultant Assistance to the Government of the RM". In his interview for *Euronews* the Prime-minister emphasized the strategy of the country: "Moldova's final goal is to join the EU, obviously, but we will accomplish that gradually" (www.euronews.net/interview).
- ***January 12, 2010*** the EU and the RM launched a negotiation process on an Association Agreement.
- ***March 24, 2010*** *the Delegation of the Government of the Republic of Moldova took part in* ***the Consultive Group Meeting: Moldova Partnership Forum****, that was jointly*

hosted by the European Commission and the World Bank in Brussels, Belgium (Annex ...). At the meeting the Prime-Minister of the RM Vlad Filat presented a strategic paper for presented a strategic paper for Medium Term Development of the country "Rethink Moldova". ***The Government of Moldova reaffirmed its commitment to the European integration is its key priority*** *and the most efficient way to achieve political, economic and social modernization.* International donors supported the document

In the Report "Moldova and the EU in the ENP Context. Implementation of the EU-Moldova Action Plan, February 2005 – January 2008" published at (www.expert-grup.org), Chisinau more outcomes of the Action Plan EU-Moldova are exposed.

The Community has provided more than €300 million of assistance to Moldova since 1991. this includes assistance under the Tacis programme (incuding its national, regional and cross-border components) as well as support under thematic budget lines such as the Food Security Programme (FSP) and the European Initiative for Democracy and Human Rigts (EIDHR), macro-financial assistance and humanitarian assistance by ECHO.

(4) With accordance to the Plan of Action RM-UE and to the Economic Growth and Poverty Reduction Strategy of the RM there has been adopted such European Neighborhood and Partnership Instrument of the Republic of Moldova as the *Country Strategy Paper (CSP) 2007-2013* (Strategic Objectives UE in Moldova). In the CSP there has been reviewed the period of 1991-2006 of the EU-RM relations as well as it has been underlined the fact that "the Community has provided more than €300 million of assistance to Moldova since 1991. This [CSP 2007-2013, p.10].

The results of the assistance, in general, were evaluated as positive to that the CSP as the he European Strategy of Moldova was elaborated by the European and Moldovan experts in close collaboration with the authorities of Moldova and was officially adopted by the Commission on the 7th of March 2007. The consultations with the EU state-members, civil society, international organizations and other donors were conducted for elaborating the document (http://ec.europa.eu).

The assistance for the implementation of the CSP has been foreseen under the ENPI. In the CSP it has been stipulated that the principle objective of EU-Moldova Cooperation. The principal objective of EU-Moldova cooperation at this stage is to develop an increasing close relationship between the EU and Moldova, going beyond past levels of cooperation, to a deepening of political cooperation including in the area of foreign and security policy and in the resolution of the conflict in Transnistria, and to promote economic growth and poverty

reduction on the basis of the EU-Moldova Action Plan and the Economic Growth and Poverty Reduction Strategy Paper (EG-PRSP).

In the framework of the CSP there have been launched two National Indicative Programmes (NIP). First NIP for the period 2007-2010. which translated the principle objective of the CSP into priority support for three strategic categories:

1) democratic development and good governance;
2) regulatory reform and administrative capacity building;
3) poverty reduction and economic growth.

The National Indicative Programme 2007-2010 (http://ec.europa.eu). Last year the Program was supplemented with the National Plan of Development for 2008-2011 that is focused on the valorification of external technical and financial assistance, and harmonization with the European standards.

In May 2010 there was adopted the Second *National Indicative Programme for 2011-2013*. its budget constitutes €273,1 mln. The priority areas defined in the MIP are as follows. Good governance, rule of law and fundamental freedoms as the priority area1; Social and human development as the priority area 2 and Trade and sustainable development marked as the priority area 3. These priorities have been developed by the Moldovan not only in the framework of the ENP but also in line with the Eastern partnership Flagships [NIP 2011-2013, p.4]. The necessity fining a new rather than PCA Agreement EU-Moldova has been emphasized in the Program "The new Agreement will enhance EU-Moldova relations across all areas of cooperation, and provide for establishing a deep and comprehensive free trade area (DCFTA) with the EU, if and when Moldova is deemed to be ready to cope with the impact of far-reaching liberalization and to take on the related commitments.[2] At the same time, the EU-Moldova Action Plan will continue in force pending the end of negotiations: while the legal framework for EU-Moldova relations remains very stable, deeper changes are in the making. It has also been put a special accent on the need in migration issues resolution. Besides migration, other key horizontal issues which are either new or to which the EU has made. Specific commitments, cooperated with the CSP 2007-2013, are as follows: aid for trade; climate change, energy, high food prices; fight against illegal drays trafficking and confidence – building measures and possible host-settlement assistance in the context of the Transnistria issue. In order to meet the established commitments, the priority areas have been specified by sub-priority areas [NIP 2011-2013, p.12]:

[2] Moldova has been a member of the WTO since 2001.

Priority Area 1: *Good governance, rule of law and fundamental freedoms*

- Sub-priority area 1: Rule of law, human rights and security
- Sub-priority area 2: Public administration reform
- Sub-priority area 3: Facilitation of new EU-Moldova Agreement

Priority Area 2: *Social and human development*

- Sub-priority area 1: Social protection
- Sub-priority area 2: Health system reform
- Sub-priority area 3: Labour market reform & education

Priority Area 3: *Trade and sustainable development*

- Sub-priority area 1: Facilitation of deep and comprehensive FTA
- Sub-priority area 2: Regional and local development
- Sub-priority area 3: Environment & energy efficiency / renewable energy and diversification

Under the NIP 2011-2013, Moldova will receive total € 273.14 million from the European Neghbourhood and Partnership Instrument (ENPI): This includes the € 41.16 million earmarked for the Eastern Partnership Comprehensive Institution Building programme (CIB), which is an "Agreement-driven" programme intended to assist Moldova with institution building for a number of core institutions that are central in preparing the ground for and implementing the future EU-Moldova Agreement. In case the CIB cannot be agreed or its implementation is delayed, the earmarked funds will be fully or partly reallocated to other programmes. In addition, € 6.98 million have been reserved for Cohesion Policy.

In December 2010 the RM signed a Financial Agreement with the FC for € 90 mln of macro-financial assistance in the form of grant which suppose to contribute the implementation of the NIP 2011-2013 priorities.

With accordance to the CSP 2007-2013 and NIP 2011-2013, the negotiations for a new juridical basis for the EU-RM relations – an *Association Agreement* – were launched in January 2010 and continued in 2011 and 2012. In line with the negotiations, in July 2011 in Brussels there was adopted the Annual (2011-2012) Action Program for the RM worth €78.6 mln. Its pillars are: Sector Policy – Support Policy on Energy; A Support Programme to Justice Sector; Confidence Building measures Programme to facilitate resolution of Transnistrian conflict; A Framework for an Association Agreement, Deep and Comprehensive Free Trade Area and Visa Liberalization Dialogue negotiations.

Referring to the documents in which it has been evaluated the progress of the EU-RM relationship development in the framework of the ENP and EP, it is worthy to mention:

a) The European Commision's Progress Report of May 2010. On the basis of the Report, the Council of the EU has drawn such a principle conclusion: "the Council acknowledges the European aspirations of the Republic of Moldova and welcomes its efforts towards political association and economic integration with the European Union. It underlines the very positive dynamics in EU-Republic of Moldova" relations during the last year as well as the active contribution of the Republic of Moldova to it (www.consilium.europa.eu.2010).

b) Joint Staff Working Paper regarding the Implementation of the European Neighbourhood Policy in 2010. Report on Eastern Partnership [EN SEC (2011) 641] in which the Republic of Moldova was mentioned among leaders related to the progress in socio-economic and cultural reforms agreed with the EU. In particular, is has been noticed that "the Republic of Moldova acceded to the Energy Community in May 2010 and is implementing energy sector reforms in accordance with the agreed commitments" [EN SEC (2011) 641, p.4]. The Paper developed a methodological and financial framework for the countries, members of the EP to develop further their Plans of Actions meeting those "four thematic platforms which address areas that are seen as crucial to the objectives of the Eastern Partnership. They cover Democracy, good governance and stability; Economic integration and convergence with EU sector policies; Contacts between people [EN SEC (2011) 641, p.6].

   The implementation of the respective flagships by the RM will be addressed in the following thematic Chapters.

c) Joint Staff Working Paper related to the Implementation of the European Neighbourhood Policy in 2010. Country report: Republic of Moldova [EN SEC (2011) 643]. In the paper there has been registered progress of the country in the line with the ENP priorities and the CSP 2007-2013 and NIP 2007-2010 as well as there have been marked the shortcomings and perspectives related to the implementation of the reforms to which the Republic of Moldova has taken the commitments. In details, the information will be addressed to in the thematic chapters further on.

d) Joint Staff Working Paper on the Implementation of the European Neighborhood Policy in 2010, Sector Progress Report [EN SEC (2011) 645]. In the paper the focus is put on comparative analysis of the progress of the countries covered by the ENP in their reforms agreed with the EU. Analysis has shown that the Republic of Moldova

along with Georgia and Ukraine is among the leaders in fulfilling their commitments for the EU. The details will also be referred in thematic chapters.

e) On 8 June 2010 and 11 April 2011 there were issued the First Joint Progress Report and the Second Joint Progress Report, respectively, related to the Negotiations on the EU-RM Association Agreement. There has been mentioned a "good progress made on the Preamble, the Objectives and General Principles, Institutional and General and Final Provisions of the Agreement" as well as the fact that broad agreement was reached on the elements covering the Political Dialogue and Foreign and Security Policy and Justice, Freedom and Security (Joint Progress Reports 2010-2011). There have been elaborated by the EU side the "Key Recommendations" addressed to Moldovan Government to be followed in order to start the negotiations on Deep and Comprehensive Free Trade Area. Both sides aknowleadged the constructive engagement of each other as well as the smoothly and quick pace of the negotiations (ibid.).

Among the most recent and important events and documents related to the development of the EU-RM relations in line with the ENP and EP, it is worthy to mention the *negotiations* on a *Common Aviation Area Agreement* launched on 27-28 July 2011 in Chisinau and the *Memorandum of Understanding on Association of the Republic of Moldova to the 7th Framework Programme of the European Union* – signed on 11 October 2011 in Brussels.

In September 29-30, 2011 Moldova reaffirmed commitment to the ENP and EP by its participation in the Eastern Partnership Summit in Warsaw which took place at the level of the heads of state of government. At the Summit it has been underlined that "over the period 2010-2013, approximately €1.9 billion is allocated in the frame of bilateral and regional ENPI programmes to support the implementation of the EaP". [EU Factsheet Press, p.1]. The EU has allocated amount of €273.14 million to Moldova for its 2011-2013 National Indicative Programme (NIP) financed under the European Neighbourhood and Partnership Instrument (ENPI). This is an average of € 91.05 million per annum, a substantial increase on the € 66 million allocated to Moldova in 2010, under the previous programming period 2007-2010. The overall objectives of bilateral EU assistance for Moldova are agreed in the Country StraTEGY Paper (CSP) 2007-2013:

The priority areas as set out in the NIP are:

Good governance, rule of law, fundamental freedoms;

Social and human development;

Trade and sustainable development. Moldova NIP http://ec.europa.eu/world/enp/pdf/country/ 2011_enp_nip_moldova_en.pdf

"The EU'sassistance to Moldova makes an impact in all spheres of life in the country, benefiting directly its citizens. Natural disaster relief (support to the victims of droughts and floods), the rehabilitation of roads, the upgrading of the Chisinau trolleybus fleet, the improvement of the local water supply and support to confidence-buildings measures in the Transnistrian region of the Republic of Moldova are just a few examples" (http://eeas. Europa.eu/delegations/moldova/eu_moldova political_relations/eu_moldova_ relations_deliverables/index_en.htm).

Thus, Moldova and other partners of the EP could harmonize their multidimensional Plans of Actions with the structured flagships. In Joint Declaration of the Eastern Partnership Summit it has been emphasized that the EP presupposes deeper bilateral engagement with the EU in terms of political association, socio-economic integration and mobility, participation in EU programs and Agncies and enhanced sector Cooperation as well as strengthening multilateral Cooperation (EP Summit, p.2).

The contribution, at the extent possible, to the assessment of the development of the relations of the EU and the RM in the context of the ENP and the EP has been brought by number of researches within the profile national, European and joint Centers, Institutions and Projects which will be referred to in the the *Analysis*, including the experts and coordinators of the international project "Bridge".

The special seminars and workshops were organized within the project "Bridge" for academics throughout the country to raise their awareness of the respective issues and to involve in research in domain (seminars held in Chisinau on 23 March 2009, Cahul on 24 March 2009, Balti on 25 March 2009 etc.). There were also organized number of conferences and round tables for representatives of civil society and the experts in domains of ENP and the EP priorities followed by the recommenddations which are included in the thematic chapters.

CHAPTER III

THE ANALYSIS OF STRUCTURAL REFORMS UNDERTAKEN BY THE MOLDOVAN GOVERNMENT AIMED AT THE REALIZATION OF OBJECTIVES OF EU-RM ACTION PLAN

3.1. Analysis socio-economic of the evolution in the context of the development, of EU-RM relationship ENP and EP

Having received the international recognition as an independent state (1991-1992), the Republic of Moldova started its new economic and social history with the transition from the centralized planned economy based on public property to the market economy, implying the development of private property. In doing so, Moldova had to pass through a complex of social-economic reforms, determined by the doctrine of liberalism. However, the liberalization of economy by the method of "shock therapy", alongside with the fact that market economy foundations had not been constructed yet as well as the rupture of former economic links, the loss of markets and state control over the economic agents, all these togheter caused, at the beginning of the reforms, deep recession in production, high inflation, unemployment and harsh decline in living standards.

The sharp drop in GDP [see fig. 4] caused the growth of inflation that in 1992-1995 constituted, in average, 1000% yearly. The official level of unemployment (with accordance to the state statistic data that took into account only those registered) constituted just 2%, latent unemployment, however, was much higher – around 20% (Nadejda Şişcan, R. Bulut, p.85). The real incomes of population dropped in two times.

The share of poor people constituted 80% of the whole population that was one of the highest indicators in countries of transitional economy. The specifics of poverty in Moldova was the fact that it embraced not only those unemployed and pensioners (800 000 people), the disabled (150 000) and the family with many children but also the employed population, especially, teachers, medical workers, agricultural workers.

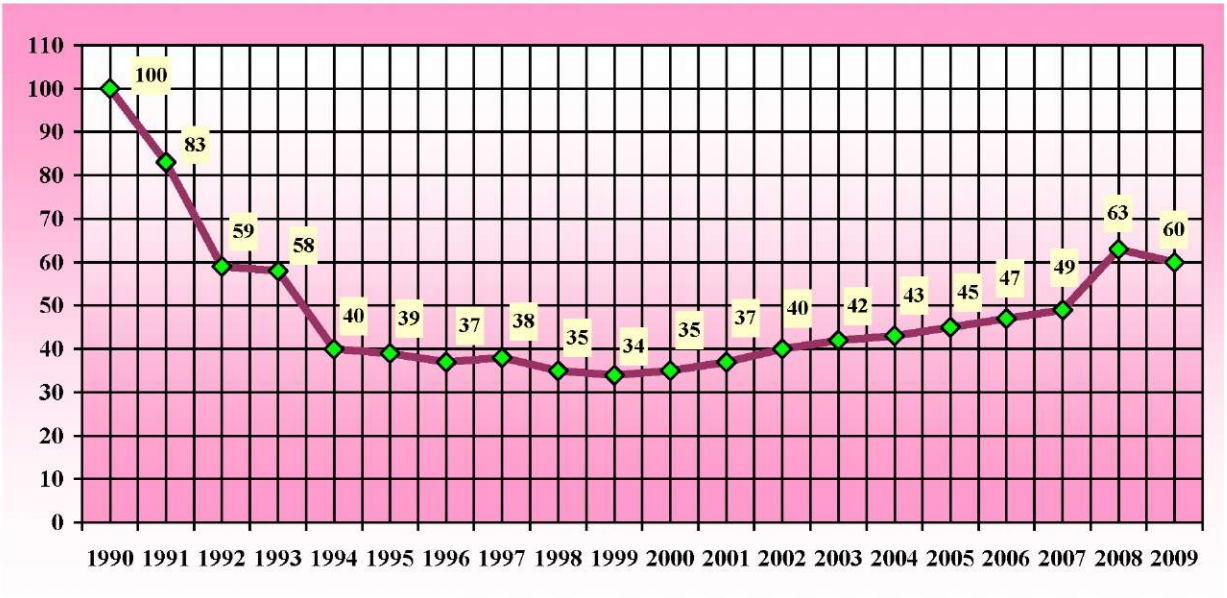


Figure 4. The GDP Dynamics of the Republic of Moldova

The crisis phenomena manifested themselves in the decade 1991-2001 that was reflected in dynamics of the GDP of the RM (fig 4).

Having analysed the critical period of the country of 1991-2001, one should mention that the decrease in the GDP and in incomes of population had a negative impact on the life expectancy of population. It was reduced from 72,3 years in 1989 to 69,7 years in 1995 for females and from 65,5 to 61,8 for males (Social Monitoring, UNICE, 2003, p.118).

The education of population was also deteriorated. The index of prime education coverage came down from 93,9% to 79%, of secondary education from 64,3% to 40,3% and of higher education from 15,5% to 13,7%. As an outcome, the human development index (HDI) dropped from 0,736 to 0,684 in the period of 1990-1995 (Human Development Report, 2003).

The economic and social factors mentioned above called forth the mass migration of Moldovan population abroad (more than 600 thous. people).

After 1995, however, a new conception of social-economic development of Moldova was elaborated. The conception emphasized the necessity of the development of social-oriented market economy, the increase of the role of state in the implementation of strategies and tactics of the social-economic reforms, raising the role of science etc. In the context of the concept, the government of the RM, in collaboration with the World Bank, elaborated the Programme related to the structural reconstruction of economy. Along with the Academy of Economic Studies of Moldova and the Centre for Strategic Research attached to the WB, the government of Moldova elaborated the Strategic priorities for 1998-2005. The President

Council together with the UNDP worked out the Project "National Strategy for Sustainable Development. Moldova XXI century".

From 1995 till 1997 social-economic situation tended to its stabilization, although being shaken by the crisis of 1998 in Russia that affected all countries of the CIS. At the same time, by the end of the 90s it became possible to stop the recession and to get a gradual growth of the GDP.

Referring to the formation of the institutional environment important for the development of market relations of the Republic of Moldova in its first yeas of independence, one should mention the following. It started with the adoption of the Fundamental Law of the state – Constitution of the RM – in the 1994. This Law envisages the development of *social-oriented market* in Moldova, the fact that has increasingly been paid attention to beginning with the XXI century. The very idea appeared under the influence of the social-oriented market economy models of the developed countries (France, Germany, Scandinavian countries, Japan, USA etc.).

Other laws that formed the base for market relations were: Law about support and protection of small business (1994), Law about privatization (1997), Law about activities of entrepreneurs and enterprises (1997), the Decree of Government # 270 of the 8th of April 1999 about the approval of the Government Activities Programme for 1999-2002 "Supremacy of Law, Economic revitalization and European integration".

Due to these and other laws and decrees, the structure of property changed. If in 1990 among economic agents there dominated public property (60,4%) and collective property (39,6%), then in 2008 public property was 26,4% and private property constituted 66,8%. At present, around 90% of property is private (Moldova în cifre, 2009).

The reform of financial-credit system took place: establishment of an autonomous statute of the National Bank, formation of Commercial banks, introduction of national convertible currency (leu), creation of stabilization currency fund, balancing budget, reducing inflation etc. It was implemented the reconstruction and modernization of enterprises, the fact that increased share of those employed in industry from 10,6% in 2000 to 12,8% in 2006 (figure 5). The sphere of services developed and its share of employed grew from 37,9% in 2000 to 48,3% in 2006. Respectively, the number of employed in agriculture went down from 50,6% in 2000 to 33,6% in 2006. The decrease went on and in 2008 constituted 31,3% of those engaged in agriculture. At the same time, in other sectors it is seen a slight increase, compared with 2007.

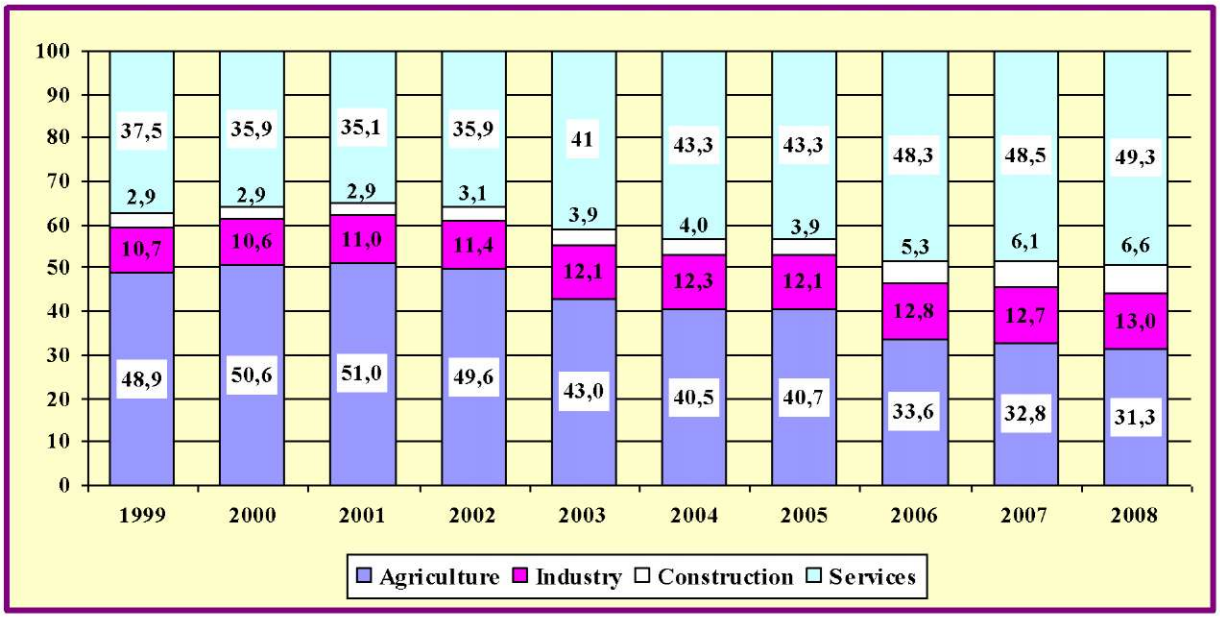


Figure 5. Distribution of employment by sectors of ownership

Source: Anuarul statistic al Moldovei, 2009

The adoption of the Plan of Action Moldova-EU (2005-2008) within the PCA and ENP as well as the elaboration of National Strategy of Building the Informational Society within the Programme Electronic South-Eastern Europe, supported by the Stability Pact for South-Eastern Europe, the UNDP, the European Commission and other organizations, intensified the socio-economic and cultural co-operation between RM and UE and contributed to the development of information and communication technologies. With accordance to the survey of "Measuring the Informational Society 2007", Moldova, although being backward in comparison with economically advanced countries, found itself among the states with mean Information and Communication Technologies (ICT) indicators (table 10).

Table 10

Distribution of the countries according to their ICT indicators

Country	Networking indicator	Education indicator	Information indicator	Intensivity indicator	Magnitude of ICT Index	Average annual growth
The highest ICT values (29 countries)						
Sweden	605,1	153,8	464,5	470,59	377,69	43,52
Hong Kong, China	553,7	117,0	366,7	751,74	365,54	57,09
Netherlands	555,6	141,6	472,6	466,09	362,82	53,04

USA	346.7	143,3	443,6	499,37	323,85	44,17
Japan	243,3	132,7	386,5	348,96	256,90	42,71
Finland	371,3	154,0	347,9	373,18	293,51	43,63
The high ICT values (28 countries)						
Cyprus	233,6	121,3	279,1	307,04	221,95	42,80
Latvia	228,7	138,5	262,1	257,85	218,77	98,92
Romania	158,3	120,8	165,1	162,38	150,45	86,33
The mean ICT values (63 countries)						
Uruguay	145,9	128,2	164,0	137,49	143,31	37,66
Argentina	149,4	137,1	135,3	140,23	140,40	37,86
Livan	110,6	120,9	153,9	182,19	139,15	49,61
Moldova	101,2	111,2	114,2	84,82	102,19	71,49

Source: *Measuring the Informational Society 2007, ICT Opportunity Index and World Telecommunication/ICT Indicators, 1 st edition 2007*

The table shows that by its average annual grows rating Moldova even exceeds the countries with the highest ICT value.

In the context of building the Informational society, Moldova succeeded in the domain of Telecommunications.

The first million of mobile telephone users was registered in September 2005. The number of mobile telephone users in Moldova increased by 47.3 % in the first quarter of 2008 against the last year and exceeded 2 million 88.6 thousand.

At the end of 2008 there were 1 mln 151000 Internet users in Moldova with overall Internet penetration of 30,1%. In September 2009, Moldova was the first country in the world to launch high-definition voice services (HD voice) for mobile phones, and the first country in Europe to launch 14,4 Mbps mobile broadband at a national scale, with over 40% population coverage.

Due to the PCA and the EU-RM Plan of Action within the ENP as well as the cooperation within the CIS, from 2001 till 2008 there has been registered as low but permanent growth of the GDP and the economic revival.

In 2006 the GDP constituted about 2890 mlrd USD that corresponded to 860 USD per capita or around 2 390 USD (PPP), exchange rate being US $1 = 14 lei. In 2007 the GDP constituted $ 4.104 mlrd (49.248 mlrd lei, exchange rate being roughly US$ 1 = 12 lei). That was the growth with 3% of the 2006 indicator. In 2008 the GDP constituted 62 840 mln lei or 17 602 lei per capita, exchange rate was roughly US $1 = 10 lei. Still, it was one of the lowest indicators among the countries of the European part of the continent and it also constituted just about 60% of the level the GDP level of 1990.

In general, the gradual economic growth and the EU assistance in the solution of inner problems of Moldova influenced positive upon the social and economic state of population. In the period of 1995-2006 life expectancy for female grew from 69,7 to 72,0 years and for male from 61,8 to 65 years. The coefficient of prime education coverage went up from 79,0 to 95,0 and that of higher education from 13,7 to 22,6. The share of poor people reduced from 80% till 40% (if calculated on the income basis lower than US$ 1 (PPP) per day) and till 20,8% (income lower than US$ 2.15 (PPP) per day). Respectively, the Human Development Index (HDI) increased from 0,654 in 1995 to 0,708 in 2006, that is classified as medium in world human development. The growth of the HDI continued after 2006 as well: in 2007 it constituted 0.725 and in 2008 – 0.733.

The ENP encouraged the support of Moldova by such significant European Banks as the European Bank for Reconstruction and Development (BERD) and the European Investment Bank (EIB).

In Moldova, the EBRD focuses on improving the business climate, supporting economic diversification and reforming the energy and municipal sector. In particular, the Bank supports private companies with direct investments, with intermediary finance through local banks, and by developing local business skills. It also pays particular attention to privatization and post-privatization.

It supported the growth of the private sector, including SMEs with a loan of up to €20 million equivalent to Mobiasbanca – Groupe Société Generale S.A. In 2008 the BERD. The EBRD has seen a significant increase in its business volume in Moldova in 2008 by signed number of projects with the total value of € 77 million constructing so far, a strong pipeline for the near future. Among the Bank's investments are the projects in infrastructure, the corporate sector and financial institutions.

In 2006 in Brussels there was signed a Framework Agreement regarding the Cooperation between the RM and the EIB for 2007-2013. In 2006 the EIB offered to the RM a loan in sum of 630 mln which was followed in 2007 by the second one in sum of €20 mln, both being directed to the reconstruction and capacity extension of Chisinau Internet on airport.

The European Investment Bank signed in 2010 the lending operations to the Republic of Moldova for an amount of €150 mln of which: 75 mln to upgrade the quality of Moldovan wine production and €75 mln support the rehabilitation and upgrade of priority roads [JSWP Country, p.21].

In 2009 a sharp drop of GDP was registered (see fig. 4). It constituted 60.043 mln MDL (Moldova în cifre, 2009) exchange rate being roughly $1 = 12 MDL. That means a drop by 6,5% of the 2008 indicator. The fact can be explained, first, by the World financial crisis of 2008 which produced its impact upon Moldova later because of gasterbeiters working on the countries that suffered substantially of the crisis (the remittances and investment falled by around 30% ISWP,

Country); secondly, because of political instability of the country in 2009 (see Ch. I). It is not incidentally that the Human Development Index of Moldova decreased constituding 0,727 in 2009 (BNS, statistica.md). The solution was found in intensification of international cooperation and partnership of the RM with the EU.

In 2009 Moldova becomes a member of the EU Eastern Partenership. As it has been underlined in the presentation of the External Relations Unit of the European Commission (www.ec.europa.eu) for the period 2007-2010 Moldova received EC financial assistance of € 209,7 mln that is the largest after Ukraine (€ 494 mln). For Armenia the amount is of € 98,4 mln, Azerbaijan € 92 mln, Belarus € 21 mln and Georgia € 120,4 mln, plus € 500 mln to cope with the effects of August 2008 crisis. For the members of the Eastern Partnership it is foreseen a 75% increase in funding for 2011-2013. 50% of the additional funds are to be devoted to Comprehensive Institution Building Programmes and 20% to regional development.

In January 29, 2010 the RM received a financial assistance provided by the IMF in sum of $560 mln (€ 420 mln) spread over 3 years. The grant was supplemented by the EU macrofinancial assistance of € 90 mln. As an outcome, "in 2010 the Moldovan economy began to recover. Real GDP grew by 6,9%" [JSWP, Country, p.8] and constituted 4,4 billions [IMF, Worldoutlook 2010 est.]. The government has focused fiscal and monetary policy on ensuring macroeconomic stability and fiscal consolidation. Budget deficit was reduced and constituted 2,5% of GDP in 2010 via 6,3% in 2009. The reduction was reached at the expens of cuts in general public services, regulatory rises in taxation, increases in VAT on gas, higher excise duties on tobacco products, luxury cars, alcoholic beverages, perfume etc.

At the same time, inflation rate registered 7,4% increase in 2010 [IMF, Worldoutlook 2010]. In was driven up by increases in food prices, energy tariffs, the depreciation of MDL and higher excise rates. The Consumer Price Index rose to 7,41% [JSWP Country, p.8].

Besides, "the economic recovery has not yet reflected in *employment* creation. Unemployment continued to rise and was estimated at 6.5% according to the survey-based ILO methodology at the end of 2010 – while officially registered unemployment is estimated at 3.4% for the same year. Youth unemployment (16-24 years old) also rose, to 18.9% (JSWP, Country, p.9).

Some growth of GDP has not reflected in the solution of poverty problem either: 30% of the population lives in absolute poverty and 4.5% – in extreme poverty (ibid).

In the context of efforts to put the economy on a reform path as well as to improve the social situation, the government of Moldova has adopted a wide-ranging medium-term structural reform programme ("Retnik Moldova"). The programme received the support of international donors at the Consultative Group meeting of March 2010 organised by the

World Bank and by the Commission. In the medium term, the government aims at further narrowing the budget deficit, mainly through an adjustment of current expenditure on wages, goods and services, and subsidies. In line with Action Plan objectives, the government also aims at reforming the civil service and the judiciary; combating corruption; reducing and streamlining business administration, providing greater support to small and medium-sized enterprises, and improving education and health. A total of EUR 1.9 billion (of which EUR 550 million from the EU) were pledged by international donors in support of the programme for the period 2010-2013 (ISWP, Country, p.9).

As a result of governmental efforts, it was approved the 2010 Narional Action Plan on Employment (March 2010); national legislation was further adjusted to the EU directives[3], following the *ratification of the ILO Convention on occupational safety* and *health* (May 2010).

The Amendment to Article 20, paragraph I of the Convention on the Elimination of All Forms of Discrimination against Women was ratified in September, 2010.

The Labour Code was amended in July 2010 with changes aiming at respecting human dignity, preventing discrimination based on gender and against persons infected with HIV, as well as at combating sexual harassment at the workplace.

In order to analyze the results of joint efforts of Moldovan Government and the EU partners in socio-economic domain for the period 2009-2011 in line with the ENP and the EP, it is relevant to address to the recent Report of the Prime-Minister of the RM Vlad Filat.

In April 27, 2012 the Prime-Minister reported to the Parliament and people of the country related to the implementation, in 2011, of the governmental program "European Integration Freedom, Democracy, Wealth, 2011-2014" (Vlad Filat, Raport, 2012). In was emphasized that the GDP of the country grew up by 6,4% and constituted 11.998 billion USD. For the first time in the last two years the investments increased by 9,3%. Foreign direct investments grew up by 38,8% compared with 2010 and constituted 274 million USD. State deficit was reduced up to 2,4% (compared with that of 6,3% in 2009). State debt was reduced from 26,3% in 2010 up to 23,4% in 2011. The volume of industrial production increased by 16,7% and the volume of agricultural goods grew up by 4,6% compared with 2010. The volume of subsidies for agriculture constituted 400 mln MDL. In energy sector it is planned to unite the energetic networks of Moldova and Romania.

[3] Decision of May 2010 transposed into Moldovan national legislation the EU Directive (89/391/EEC) regarding the minimum requirements for **health and safety at the workplace**.

Having analysed the business climate in Moldova, one can refer to the dynamics of the country rating in Doing Business World Bank Annual Reports. Thus, one may register dropping in positions from 2006 (position 83) to 2010 (87) and 2011 (90) (Corneliu Gu'u, 2011) with sharp rise by 18 positions in 2012 (V. Filat, Raport, 2012).

The explanation can be found in the analysis of the "most problematic factors for doing business" section. For Moldova among the top six factors for 2008-2009 there were: access to financing, corruption, inefficient government bureaucracy, tax regulation, inadequately educated workforce, policy instability (fig. 6)[4].

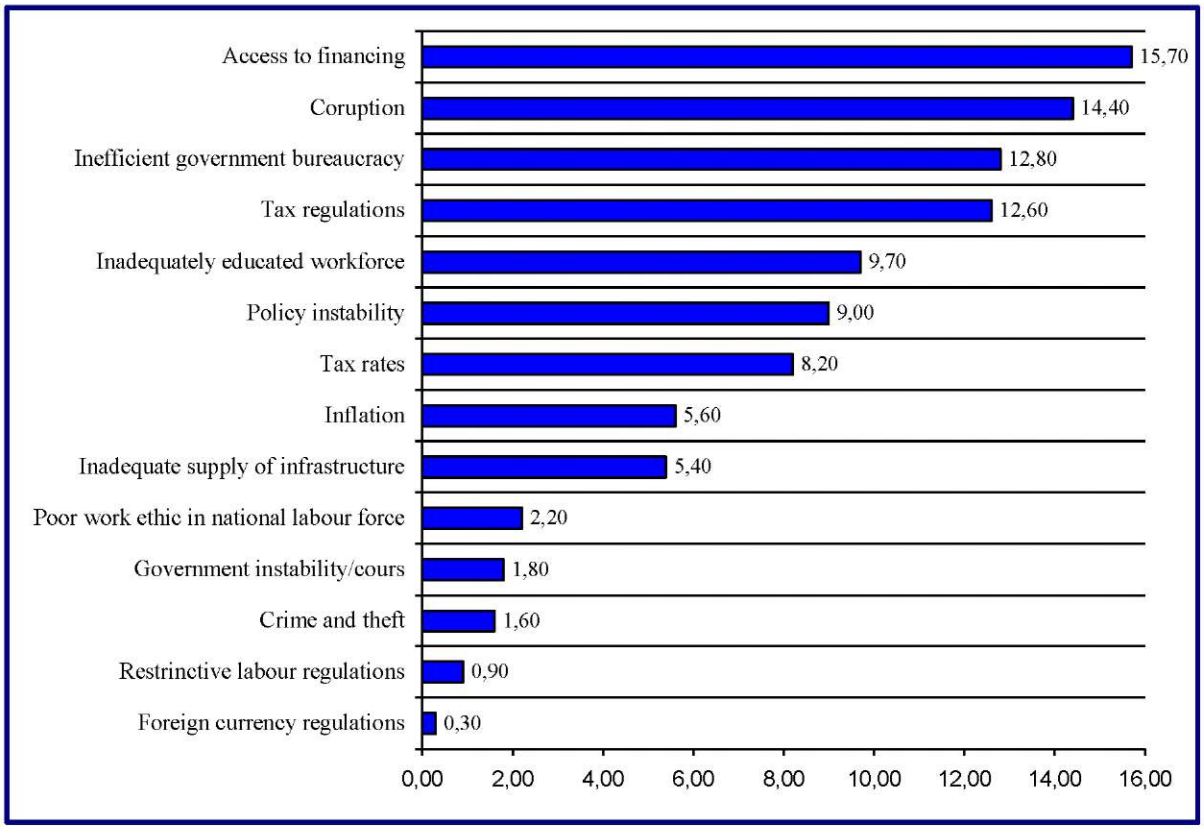


Figure 6. The Most Problematic Factors for Doing Business in Moldova

Source: *Global Competitiveness Report, 2009*

The problematic factors for doing business in 2010-2011 there were reported as "policy instability (19,5%), corruption (16,8%), access to financing inefficient government bureaucracy (9,2%), government, instability (9%) (Global Competitiveness Report, 2011). Thus, it is not incidental the pump by positions up for Moldova in 2012, reported by the Prime Minister, if taken into account that the President of the country was finally elected,

[4] Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between I (most problematic) and 5. the bars in the figure show the responses weighted according to their rankings.
Source: (GCR – 2009).

political crisis was overcome and political parties, keeping their pluralism, let the government work smoother and more effective, consistently implementing the NIP 2010-2013 in which, among others, it has been envisaged the fight against corruption, facilitation of the access to financing of business and administrative reform in order make governmental bureaucracy more efficient.

The business climate was also improved due to the adoption of a Law on a "one-stop-shop" for business registration (June 2010) and a new Law on Internal Trade (September 2010) in which the authorization procedures for business activities are clearly stipulated. In order to strengthen tax administration it was developed and launched in 2010 the State Tax Service Development Plan for 2011-2015. The law on securities transaction was adopted in November 2011.

In August 2010 it was adopted the Action Plan for the Development of Accounting and Auditing on the Corporate Sector for 2009-2014. It presupposes the SMEs reporting with accordance to the new National Accounting Standards which have already been updated in line with recent developments in International Financing Reporting Standards. This fact allows better "financial understanding" between Moldovan and European business partners and financial instutions.

In the area of *social protection* it can be traced the dynamics of the relevant economic indicators and level of existence of population in Moldova (see table 11).

Table 11

Evolution of the principle economic indicators which characterize incomes and level of existence of population in the Republic of Moldova in 2001-2010

Indicators	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Nominal average monthly salary of an employee in economy, MDL	543,7	691,5	890,8	1103,1	1318,7	1697,1	2065	2529,7	2747,6	2972,2
Disposable incomes of population, MDL	241,0	321,6	422,4	491,4	568,6	839,6	1018,7	1188,6	1166,1	1278,2
Average monthly pension, MDL	135,8	161,0	210,5	325,3	383,2	442,3	546,2	646,4	800,8	809,1
Minimum	468,7	538,4	628,1	679,9	766,1	935,1	1099,4	1368,1	1187,8	1403,2

existence, MDL										
In the ratio of minimum existence, %:										
- disposable income	51,42	59,73	67,25	72,28	74,22	89,79	92,66	86,88	98,17	91,09
- nominal average monthly salary	116,00	128,44	141,82	162,24	172,13	181,49	187,83	181,91	231,32	211,82
- average monthly pension	28,97	29,90	33,51	47,85	50,02	47,30	49,68	47,25	67,42	57,66

Sorce: *www.statistica.md*

As it is seen from the table, both salaries and pensions have been growing from 2001 to 2010. The growth continued also in 2011 and 2012. As it has been reported by the Prime-Minister, poverty in Moldova decreased in 2010-2011 by 4,4% (V. Filat, Raport, 2012).

Since June 1, 2011 salaries of 107 thousand of state budget beneficiaries were raised by 8,5%. In February 2012 average salary in economy has constituted 3.166 MDL what is by 9,8% higher than in February 2011, The average salary of state budget beneficiaries raised by 16,6%, constituting 3.028 MDL. In the real sector of economy it increased by 7%, constituting 3.234 MDL. In April 1, 2012 pensions and social assurance payments from the state budget were indexed by 9,6%. The average pension after that constituted 988 MDL (V. Filat, Raport, 2012). At the same time, as it is seen from the table, the pension sum composes just around 50% of the minimum of existence. More than that, the high rate of inflation mentioned above, along with the high tariffs for communalities, do not allow to the majority of age-advanced people to cope with poverty, been taking into account some social compensations for communalities, which hardly cover the 1/10 of he required payments. As an example of discrepancies between incomes in forms of salaries and pensions, on the one side, the minimum of existence which does not include average payment for communalities, on the second side, and the tariffs for only one kind of communality services – thermal energy (heating) that population has to pay monthly from Fall till Spring, on the third side. In table 12 the tariffs are specified by regions of Moldova.

Table 12

Tariffs for thermal energy which is provided to consumers

Enterprise	Tariff (Without VAT) MDL / GR
ISC "Thermocom"	898
ISC "Apa-Canal Chisinau"	934
?? "Termogay" (mun. Balti)	1047
ISC "Comgaz-Plus" (Ungheni)	1126
?? "Retelele Termice Calaras"	1505
?? "Centrale si Retele Termice" (Orhei)	1161
?? "Retelele termice Cimislia"	1432
?? "Retelele Termice" (Comrat)	1123
?? "Antermo Anenii Noi"	1053
?? "Retelele Termice Stefan-Voda"	1466

Source: *Monitorul Oficial 22-24/128, 04.02.2011*

As it has also been mentioned in the EU-RM JSWP Country Report 2011, "in the area of **social protection**, the Republic of Moldova put in place targeted compensation schemes for heating costs for families receiving social assistance, low wage public sector workers and pensioners on low incomes. The minimum guaranteed income was increased in October 2010 by 40% for the first three months of 2011. Although social aid continued to expand, as of August 2010 it only covers 27% of the poorest 10% of the population and 7,6% of the second poorest. The Republic of Moldova continued to extend the new targeted social assistance scheme and, according to the ministry of labour, Social Protection and Family over two thirds of the eligible households (a target agreed with the IMF) benefited from at least one social allowance by the end of 2010 [JSWP, Country, p.10].

It is not incidently that alongside with GDP growth, Moldova experienced a significant drop in its HDI which constituted 0.649 in 2011 via 0,727 in 2009 (Raportul Naţional de Dezvoltare Umană, 2010-2011, p.19). Besides social factors, the demographic factors contributed to this fact (see Ch. I).In this context highly welcomed is the cooperation of Moldovan government with the UNDP and the profile structures in their effort for the elaboration and implementation of the strategic vision regarding passage of Moldova from social exclusion to the inclusive human development (Raportul Naţional de Dezvoltare Umană, 2011). Having analysed the *external trade relations issues* in the context of the ENP and EP, the following matters are worthz to be mentioned.

The socio-economic and human development of Moldova is much influenced today by the intensified globalization processes, on the one hand, and by the interest of the country in the integration into the regional structure of the EU, on the other hand. Moldova is more and

more actively involved in European and world economic processes. This is manifested, first of all, by the increase of its external trade volume (ETV). For only the last decade the ETV grew from US$ 2mlrd in1997 to US$ 3.7 mlrd in 2006. The noteworthy tendency here is that the share of the CIS countries goes down in both export and import of Moldova while the share of the EU countries goes up (table 13).

Table 13

The share of countries of the CIS and the EU in export and import of the RM (in% to total)

	Export			Import		
	1997	**2006**	**2008**	**1997**	**2006**	**2008**
CIS	68,6	50,5	39,2	51,6	36,6	35,5
EU	10,3	29,7	51,5	20,0	32,5	42,9
Other countries	21,1	19,2	9,3	28,4	20,9	21,6
TOTAL	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

(Composed and calculated by Z. Siscan on the basis of the data of Annual Statistic Report of Moldova, 2007 and 2009)

Under the Eastern Partnership the tendency is expected to be intensified. In 2010-2012 it has been maintaining around 51-52% of Moldovan export was oriented to the EU markets. At the same time, because of high competition for the similar with Moldova goods at the EU markets as well as the differences in standard requirements, Non-European countries remain to be the principle commercial partners of Moldova (Marocco with 48,1% and Russia with 14,8% as main export partners and Ukraine with 20,2% and Russia with 19,7% as the key import partners in 2010 [BNS].

The main reason for such import partners is that their products are much cheaper but still of rather good quality what is important for Moldovan population, the incomes and expenses of which have been analysed above.

Among European partners Romania is a leader for both export from and import to Moldova. Thus, in 2009 it was the second partner for export with $ 239,7 mln and the third partner for import with $ 311,7 mln [BNS]. The situation has not changed much as of January 2012. Al though the EU is leader by its share in Moldovan export (50,72% or around $ 75 mln), the CIS countries are leaders in import to Moldova (41,18% or around $ 140 mln). Among the European partners for Moldovan export Romanian is the first (16,11% or about $ 24 mln) and Italy is the second (11,20% or about $ 17 mln). Among the key export partners of the CIS, Russia is the first (26,39% as about $ 40 mln) followed by Ukraine (5,9% or 7,5 mln). The main

import European partners are: Romania (10,84% or about $ 37 mln), Germany (5,4% or about $ 18 mln) and Italy (4,42% or about $ 15 mln). From Non-European import partners there distinguished: Russia (25,7% or $ 87 mln), Ukraine (9,68% or about $ 33 mln), China (8,46% or about $ 29 mln), Turkey (7,01% or about $ 24 mln) and Belarus (5,31% or arount $ 18 mln) [BNS, 2012]. The actual reasons for such commercial situation are the same as mentioned above.

The negative trend that persists in Moldovan external trade is a huge trade balance deficit. The level of coverage of imports by exports in 2006 was just 39% compared with 47% in 2005 and 56% in 2004. The tendency persists if taken into account that in 2008 the trade balance was also negative and constituted -3307345,6 thou.MDL [BNS] that is just 32,5%.

Among the main causes of such a situation one maz refer to almost full liberalization of trade at the beginning of the reforms, economic crisis of 1998 in Russia, the embargo of Russia on the import of Moldovan wine-cognac products in 2007, the World crisis of 2008 etc.

In 2009 there was observed some improvements but in 2010 the trade deficit increased again (see fig. 7).

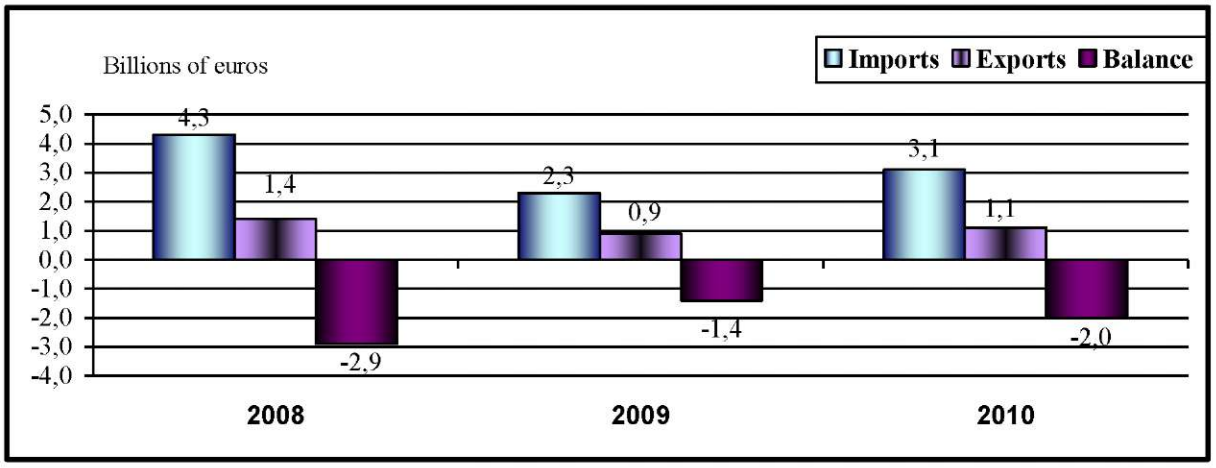


Figure 7. Moldova's trade with the world

Source: *IMF (Direction of Trade Statistics – DoTS)*

The EU goods exports to Moldova constituted € 1,6 billion and the EU good imports from Moldova were € 582 million in 2010 [www.ec.europaeu/trade]. The trade balance shows constant positive dynamics [fig. 8].

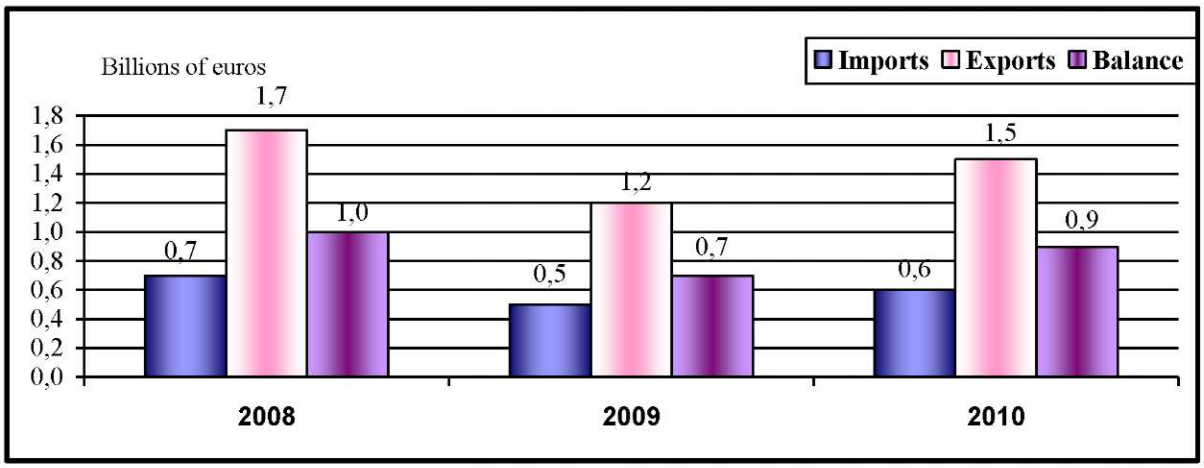


Figure 8. EU27 with Moldova

Source: *Eurostat, Statistical Regime 4*

As of January 2012, it has been registered also trade deficit (-191.406,5 thous. MDL) [BNS]. The level of courage of imports by exports, however improved and constituted 43,5% (via 32,5% in 2008).

In order to solve the problem of trade deficit as well as to adjust the Moldovan goods to the higher international standards of the European markets, Moldova has to use in fuller extent those opportunities which have been providing by the EU as juridical basis for the development of bilateral commercial relations.

In 1999 on the basis of PCA Moldova was granted by the EU with *General System of Preferences* (GSP) according to wich the customs tariffs for the Moldovan exports to the EU were partially or totally reduced. The *System* was applied for 7000 processed good (from 10.200 goods total of International Nomenclature of goods Classification and Description) (CTPL, 2008, p.8). Since January 1, 2006 the EU launched for Moldova *the GSP* for the period of 2006-2015 which included 7200 groups of products (Jurnalul Oficial, 2005). The decision was made within the ENP. Due to the positive results of the implementation of the EU-RM Action Plan 2005-2008, Moldova was granted in January 2008 with *Autonomous Trade Preferences (ATP)* up to December 2012 which gave an unlimited and duty free access to the EU markets for all products originating in Moldova for certain agricultural goods (Council Regulation, 2008). The ATP Regulation was amended in July, 2011 to increase tariff rate quotas from wine (from 2011), wheat barley and maize (from 2013) and to extend the validity by 3 years to December 2015)[5]. As one may notice, the development of juridical base

[5] Moldova will be able to export duty free an additional 5 million litres of wine (50,000 hectolitres, or more than 6.6 million bottles) in 2011 to the EU, brinding it to a total of 150,000 hl for 2011. the volume will increase to 180,000 hl in 2012 and 240,000 hl for the each on the years 2013 to 2015.

for the EU-RM commercial relations is in acceleration. This fact can be explained by the deeper involvement of Moldova in political and economic commitments with the EU: from the ENP to the EP and to the negotiations Association Agreement, at present.

As an outcome of the EU-RM markets liberalization the bilateral trade between the EU and the RM has shown an increasing trend from 2006 to 2008 when total turnover of the EU trade with Moldova reached 2,5 billion. In 2009 it was registered a decline by 30% because of World financial crisis and in 2010 and 2011 a recover and growth were registered (2,1 bln and 2,7 bln, respectively). The boost of Moldovan exports was also conditioned by the implementation of the project "the Support to Export Promotion and Investment Attraction in the Republic of Moldova", for which country received from the EU € 1,6 mln in 2009.

Within the negotiations on the Association Agreement, the European Commission established, in June 2010, a detailed assessment of Moldova's preparedness for a *Deep and Comprehensive Free Trade Area (DCFTA)*. The "key recommendations" were elaborated. To address them, Moldova adopted an Action Plan in October 2010.

The DCFTA means higher degree of economic integration: not only goods but also services will receive access to circulate free at the EU-RM market. It also presupposes higher degree of intellectual property protection of the EU and the RM and higher technical requirements, quality standards etc.

As a base for the DCFTA there become such facts as the Republic of Moldova has adopted over 700 EU standards since late 2009 on the free movement of goods and technical regulations, develops food safety Strategy and is in gradual approximation with the EU rules in the area of sanitary and phyto-sanitary (SPS) standards; Moldova trained SPS experts, further strengthening laboratories etc.; adoption of the Law on Copyrights and related rights in July 2010 [JSWP Country, p.11], the Agreement on Geographical indicators which allow better identification of Moldovan goods by their origin as well as the adoption of the Law on Securities of Transactions (24.11.2011) contribute also to the base.

In February 2012 the EU Trade Commissioner Karel De Gucht came to Moldova to launch the negotiations on DCFTA. The first round was scheduled for March 2012. The signing of future agreement is foreseen for September 2013.

Alongside with optimistic expectations in respect of the DCFTA, the Moldovan experts share the opinion that it is also a great challenge for Moldovan economy. Thus, the vice-director of the Centre for Strategic Research and Reforms doctor in economics Elena

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The annual duty free tariff rate quotas for barley, maize wheat have been increased by 5,000 tonnes per year for the years 2013 to 2015 [Brussels, 2011,www.trade.ec.europa,eu/].

Gorelov was underlined the following. While the import of Moldovan goods to the EU markets grew up in 2011 up to $ 1,08 billion, the import of the EU to Moldova increased up to $ 2,25 billion. The chronic negative trade balance is dangerous for sustainable economic development of the country. More than that, the persisting tendency of negative trade balance has been taking place under the GSPt and then ATP. In other words, Moldova has not solved yet its problem with competitiveness of its goods at the EU market as well as with strengthening its trade positions even having unilateral trade preferences. "The Agreement on DCFTA contains high risks for local producers… The Implementations of the system evaluation of goods in line with the EU standards, infrastructures for quality and SPS norms are very expensive. It would be good if Europeans help in purchasing the necessary equipment for laboratories. The further maintaince of their functioning, however, is expensive for economy... I [also] worry if Moldovan goods will be able to compete at the local market with the European ones which would be free from customs duties. It is important to take into account that agriculture of the European countries is seriously subsidized, and export of goods is encouraged… In the remaining year and a half *it is necessary to calculate every step and take measures for increasing the competitiveness of Moldovan goods"* [www.aif.md,No 10, 2012].

It is important to take measures also with regard to the Consumer protection. "About 60% of vegetables are imported to Moldova from Turkey, Poland and Holland. If such products are processed by pesticides which are not registered in Moldova, our laboratory can not register it as we can not identifity them because we do not have the necessary for this chemicals-reactors" – such fact has been reported by a representative of the General Inspection on Phytosanitary and Seeds Control [Antena, 29.04.2012]. As a result, the importers recessive certificates for "quality" of their goods but consumers suffer of alergy. The DCFTA is welcome in this context *to harmonize the SPS and to establish* the EU-RM joint laboratories. It will definitely encourage the further development of eco agroproducts in Moldova as the EU is interested in such products[6] and the positive forecast for export volume growth on this respect will become true (see fig. 9 and table 14).

[6] The autonomous Trade Preferences regime provides Moldova with substantial export opportunities, including unused potential for exports of beef, poultry, eggs, and dairy products. The EU is supporting Moldova in its efforts to meet the EU's public health requirements so that these products can be exported to the EU.
Vir: Brussels, 1 July 2011: Eu grants greater access to Moldova's exports from 1st July http://trade.ec.europa.eu/doclib/press/index.cfm?id=722

Table 14

The forecast for export volume growth of eco agro goods

	2009	2010	2011	2012	2013	2014	2015
Total surface	32102	34525	38825	43450	48200	52760	58685
No. of Eco Producers	161	201	253	319	387	459	535
Volum prod. – Export	23766	31870	42370	48750	57800	67730	75760
Volum prod. – Local	780	9780	13496	14625	17398	20319	22738
Cereals	9500	9800	10250	11815	13750	14770	15500
Oils/proteins	8500	9650	10750	11815	12950	13430	14275
Fruits	3417	3500	3675	3915	4220	4645	4970
Medicine plants	1215	1340	1350	2400	3025	4160	4765
Pastures	3450	4080	6500	7170	7810	8270	8630
Other cutures	6025	6155	6200	6315	6435	7485	10545

Source: *Ministry of Agriculture of Moldova, data 2011*

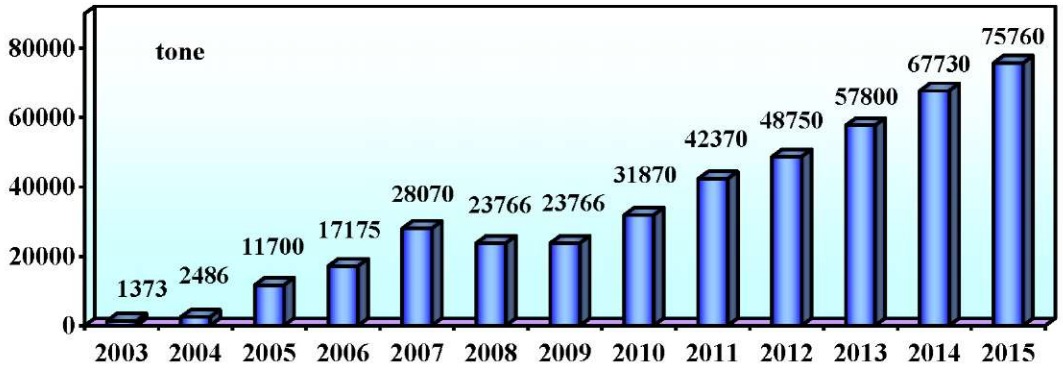

Figure 9. Forecast for export volume growth of Moldovan eco agro goods

Source: *Ministry of Agriculture of Moldova, data 2011*

The problem here can be the increase of a negative for Moldova tendency: the eco agro goods are mostly exported from Moldova and lack of them remains at domestic market (see fig. 10).

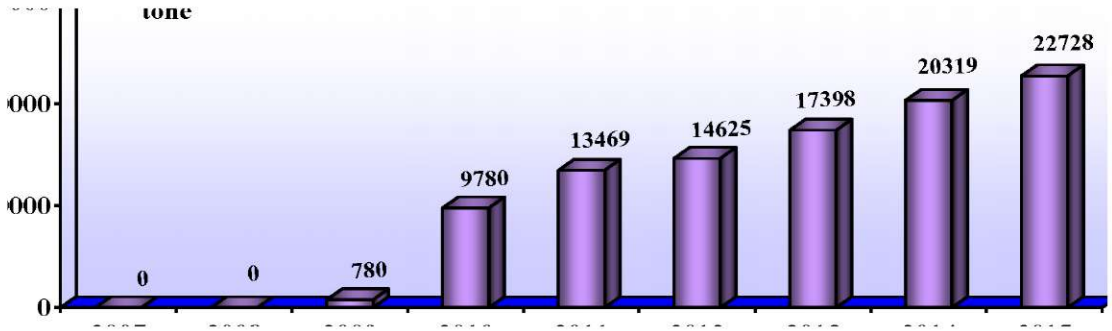

Figure 10. The forecast for commercialization volume growth of eco agro goods at local market

Source: *Ministry of Agriculture of Moldova, data 2011*

Instead, ecologically suspicions products are imported as mentioned above. Hopefully, the DCFTA would encourage the development of ecoproducers and their goods, and more products will be sold at domestic market.

One more problematic issue with respect to the DCFTA is linked with the recent appearance of the Eurasion Union or Customs Union of Russia, Kazahstan and Belarus on the basis of the CIS. Taking account Moldova's heavy dependence on the Russian import of energetic resources, its immense and accessible market for Moldovan goods, the country balancing today in its geoeconomic orientation.

With accordance to the Study of "Public Opinion Barometre" conduced by Public Policy from April 10 till May 10, 2012 38% respondents would vote for joining the Customs Union and 35% for the EU in case they would be asked to choose under conditions of Referendum[7] [kp.md, 16.05.2012, p.3,5]. Of course, such a study is highly relative. At the same time, it reveals a real public trend and discrepancies in the society.

At the level of politics, the Russian Prime Minister Dmitrii Medvedev has emphasized: "If you participate in an international formation, you receive a certain set of privileges. If you do not participate in such a juridical association, you can face with some problems…" [www:.nm.md, 21.03.2012 No 32 (1160), p.2]. Among the privileages, Moldova can benefit with the reduced tariffs for gas, for example. On the other hand, the Head of EU Delegation in Moldova Dirk Schubel has underlined that in case of Moldova's joining the Customs Union, it will lose all trade preferences with the EU: "If Moldova aimes at deeper trade regime with the EU, it should determine itself on the way as the EU and the CU are not compatible for us, because in the EU there are other rules, taxes and tariffs" [www.nm.md cited izvestia.md.2012].

The Minister of Moldova for Foreign Affairs and European Integration Juirie Leanca, in time of his work visit to Washington, noticed that the Customs Union is not on Agenda of Moldova yet. "The free trade zone within the CIS suit us at the moment as well as the same free trade zone which we start negotiating with the EU" [news-Moldova Agency cited bt www.nm.md 21.032012 No 32 (1160)].

At the level of civil society experts, the following advantages and disadvantages of joining the EU or the CU have been traced (see table 15).

[7] The Study was Conducted among 1055 respondents the level pf error being ±3% [www.kp.md, 16.05.2012].

Table 15

Advantages and Disadvantages of joining the European Union or Eurasian Customs Union

	European Union	Eurasian Union
+	• Liberalization of Visa regime (as a long term perspective) • Access to European markets • Possibility to work and study in the EU Countries	• It is easier to negotiate with partners of the former USSR • Moldovan goods will be more competitive • It is possible to negotiate the cut of tariffs on gas
–	• Moldovan goods can be seen as of less quality • High probability of disappearance pf local producers (those who would not be able to endure standards [and expenses	• Eurasian Union is just forming • We won have preferences of the EC: high probability of the protectionists measures for Moldovan goods by the EU

Source: *www.kp.md, 16.05.2012*

The range of public opinion can also be explained by the fact that the Eurasion Customs Union is associated today in public mind first and foremost with economic issues. The entrance in it is not linked with the radical change in Christian values of the population of Moldova as in case of the EU (regarding the sexual and family life). When the socio-economic and compatible cultural issues and reforms were on the EU-RM agenda, in had been registered the pro-EU growth dynamics via the CIS (see Ch. II, Barometer of Public Opinion 2004). As other experts stated, implying local politicians, "it is easier to call to the Customs Union and to promise that such joining will reduce prices on food and tariffs on communality services rather than to modernize the economy and to raise its competitiveness" (Vladimir Golovatiuc, dr. econ., director of the Institute for Modernization of Moldova (www.aif.md, No 11(814), 2012). "We have already been building Europe at our home" – stated the director of European Institute for Political Research Viorel Cibotaru, citing the words of the Prime-minister Vlad Filat, and continued "Moldova is a part of Europe, we want it or not. So we do not have another alternative" [www.kp.md, 16.05.2012].

It is also important to bear in mind that sociological studies are pretty relative and should be taken into account as general trens. To examplity, one may refer to another study which was conducted almost the same time than that mentioned above on 10-24 April, 2012 among 1105 respondents of right of the Nister. Responding the same question what Union they would choose to enter, 56% voted for the EU and 48% for the Customs Union of Eurasia. The error constituted ±2,6% (www.kp.md, 02.05.2012).

3.2. Administration reform in Moldova

In order to get a sound institutional ground for future implementation of Association Agreement, including DCFTA and visa liberalization, the special *Comprehensive Institution Building Program* (CIB) has been envisaged within the Eastern Partnership and € 41,16 mln have been reserved from the NIP 2011-2013 envelope of € 273,14 mln for its implementation [NIP, p.12]. The EU-RM Memorandum of Understanding regarding the CIB was signed on 15.05.2010. The CIB counterpart in Moldova is regarded to be General secretariat of the Government (GSG). The key reform challenges have been identified as Rule of Law, Public administration reform and DCFTA preparation and implementation. The cluster approach to the institutions to be of CIB has been used. As an outcome, *cluster 1* is represented by GSG; *cluster 2* has included the Ministry for Internal Affairs and Center for Combating Economic crime and Corruption; *cluster 3* has been formed by Ministry of Economy and Ministry of Agriculture, General Inspectorate for Phitosanitary Surveillance and Seed Control, Competition Agency, Procurement Agency, and Intellectual Property Rights (C. Vardakis, EEAS, 18.04.2011 JSWP Eastern Partn SEC (2011) 641, p.4-16).

Another aspect of the *administration reform* is decentralization. A national Strategy for Regional Development was approved in March 2010. The new national Coordination Council for Regional Development monitorizes the process of its implementation. The progress however, was hampered on the ground because of lack of resources at the local level [JSWP Country, p.4].

As for the justice system reform, in July 2010, the Law on the Status of Judges was amended to increase judges' responsibility. The self-government bodies of the judiciary were re-cast, in line with a decision of 2008. The implementation of a comprehensive judicial information system, ensuring the random distribution of cases, the recording of court sittings and the publication of court rulings, continued (JSWP Country, p.4). The Law on the bar was amended to create a self-governing body for lawyers, introduce a system of mandatory training, reform the apprenticeship system, and forbid representation in court by non-lawyers.

The national Institute of Justice stepped up its training and qualification activities for judges and prosecutors. Nevertheless, the existence of a parallel qualification system at the Superior Council of Magistrates, and the direct appointments of judges, continue to raise questions as to the consistency and cost efficiency of public policy in this area.

While access to justice continued to be improved, with the introduction of a ceiling on case registration fees, other shortcomings of the legal aid system – mainly the lack of resources for its administration were reacted by the fact that in September 2010 the government adopted an action plan on the funding of the judicial system which began to address resources constrains.

The "efforts to secure greater judicial independence, effectiveness and impartiality" in the Republic of Moldova with Armenia, Azerbaidjan and Ukraine were appreciated in the Sector Progress Report on the ENP-2010 (JSWP Sector Progress, p.11).

In 2011 it was adopted a Strategy for Justice Sector reforming for 2011-2016 as well as an Action Plan for its implementation. The organization and functioning of justice system were improved due to the abolishion specialized courts, including the widely-criticized ones. There were formulated amendments for improving legislation of both kinds – Civil and Criminal procedure.

It was initiated demilitarization of Ministry of Internal Affairs (V. Filat, Report, 2012).

On 7 July 2011 in Chisinau it was held a specialized conference "Justice Sector reform coordination and strategy", organized by the EU Delegation and Moldovan partners.

In May 2010 a Civil Council was established to monitor the activities of the Center for Combating Economic Crimes and corruption (CCECC). According to this Center, the annual Index of Corruption Reception calculated by Transparency International shows that both the citizens and the international community perceive Moldova as a country where corruption is highly spread, as in 2010 the level reached 2.9 (on a 0 to 10 scale, with lower levels showing higher perception of corruption).

In 2011 the index did not changed (2,9) what corresponded to position 112 from 182 possible. If compared with 2009 when it had constituted 3,3, it became worse the last two years. Among the CIS countries Moldova is the least corrupted state: Russia and Belorus both occupied position 143 (2,4), Ukraine – 152 (2,3), Turkmenistan and Uzbekistan – 177 (1,6). But if compared with the EU countries, Germany occupied position 14 (8,0), France – 25 (7,0), Moldova's European neighboures Romania and Bulgaria – 75 (3,6) and 86 (3,3) respectively [kp.md, 02.12.2011].

The Council of Europe's Group of States against Corruption (GRECO) concluded in 2010 that 5 from its 6 recommendations made in 2008 reguired further work. As an outcome the GRECO elaborated 17 recommendations for the country. Among them are: to join the International Convention on the Group Elaboration of Financial Measures for Fight Against Money laundering as well as to establish a new state organ – Financial Intelligence Agency.

All financial institutions of the state are due to inform the Agency regarding their concerns on Clients' participation in money laundering and terrorism financing. The NGOs have also been monitorized by the Agency. Mihai Poisic, dr. in economics of the Institute of Economy, Finance and Statistics of the Academy of Sciences has considered the new structure as a good opportunity to eliminate corruption in Moldova [Moldovan News, 12.02.2010, p.3]. The experts also set their hopes on the structure as powerful enough to make the prices in national economy lower, especially in pharmaceutics (only last 3 years prices here jump around 5 times). In 2012, the prices in this domain, for the first time, have manifested some decrease. The head of Association for Small Business of Moldova Eugen Roscovan stated that any new state structure is a potential challenge for freedoms of citizens. But the structure is not dangerous if professionals and patriots work there. Such an Agency is useful for Moldova as it is known that within shadow schemes the sums of two-three budgets of the country are in circulation [Moldovan News, 02.02.2010, p.3].

3.4. Human Rights and Democracy reform

In March 2010 it was initiated a dialogue on human rights between Moldova and the EU. In September 2010 the National Action Plan on Human Rights 2011-2014 was considered by the Parliament. The reform of the Center for Human Rights (Ombudspersons) was initiated.

"The EU welcomed Moldova's readiness to set up a regular dialogue on Human Rights", - it was emphasized at the 299 Council of the EU meeting in Brussels on 15 February 2010 (www.european-council.europa.eu).

In 2010 the government launched a National Programme on gender equality for 2010-2012. In February 2010 there were adopted regulations on shelters for the victims of domestic violence as well a number of professional guidelines, including for the police. In practice, effective protection remained unavailable in most rural areas, owing to the lack of shelters and appropriate social services.

The progress was made regarding labour rights what was considered in Ch. II of this *Analysis* in the context of employment and social protection.

In 2010 the National Council for the Protection of Children's Righrs was re-established the special judges for juvenile justice were designated; the legal framework for the adoption of children was adopted (in May) and the national Action Plan for protecting children without parental care in 2010-2011 was also approved (in June). Within a school

reform the government launched in 2011 optimization of schools. Number of schools in rural areas and towns were closed but children were supposed to travel by specialized bus to the nearest village in rural areas. In September 2011 not all demand for school buses was covered so that children had to travel by foot often few km long. By the end of academic year 2011-2012 the major demand was covered. There were bought 102 buses for school circulation (V. Filat, Raport, 2012). Since January 1, 2012 in 11 regions of the country it was applied a new financing formular for schools: financing is calculated per each pupil. The wage of 55 thous. teachers was raised in 2011 by 25% average (V. Filat, Raport, 2012). As for the Law on preventing and combating discrimination, its part that refers to the ethnic minority rights met a progress: the Rome Statute of the International Criminal Court was ratified by the end of 2011 as a part this law in discussion. The part which refers to the people of other sexual orientations met hot discussions at both levels: official politicians and the society, including Church. The Prime Deputy of the President of Parliament Vlad Plahotniuc emphasized that "for the ratification of the document there should be taken into account those elements which can influence negatively on local traditions" [www.kp.ru, 02.12.2011, p.11]. "Family in which there are father and mother is a Christian value of thousands of years", – stated the Speaker of the Parliament Marian Lupu [www.kp.md, 23.03.2011, p.3]. Dmitrii Diacov, the Honour President of Democratic Party of Moldova stated: "We do not leave in vacuum. If we want to join the European family, we have to manifest honour even in more complex issues" [www.kp.md, 23.03.2011]. Beside a clash with traditional family and Christian values, there is also a matter of respect for children human right to free choice in sexual orientation. In case on living on or being adopted by a heterosexual family, a child can experience love for a woman (mother) and a man (father) or both. In future, therefore, he/she can be more liberal in his/her decision to vote for homo – or hetero – sexual orientation, than in case homosexual adoption. For the sake of research, the author of the Analysis has undertaken the direct interviewing of public of various age (youth and age – advanved). The result has shown that people are not against recognition of sexual minorities they consider the sexual orientation to be the matter of personal life and personal choice but they are apraid of "aggressive marketing"of the ideas and manifestations of sezual minorities. Besider, they would not like to have the same consequences as for feminist movement: women get more opportunities for promotion and support within specialized programs and funds so that men feel less protected and carred of. Highly valuable in this context is considered to be the suggestion of Lease

Christoffersen[8] to take into account the experience of the EU and, for example, Norway, in which there are particular laws that protect various categories of citizens which can become victims of discrimination [www.kp.ru, 02.12.2011].

In May 2012 the Law on Preventing and Combating discrimination was processed and re-named as a Law on Equal Chances. As the Prime-Minister of Moldova Vlad Filat stated, – "the provisions of the law do not touch family which is based on classic marriage between man and woman and will not influence the process of adoption" [www.kp.md, 12.05.2012]. the Parliament is still in discussions.

In 2010 Moldova ratified the International Convention on the Rights of Persons with Disabilities. The following remained to be ratified: the Optional Protocol to the latter convention, the International Conventions for the Protection of All Persons from Enforced Disappearance and on the Rights of All Migrant Workers and Members of their Families, and the European Charter of Regional and Minority Languages. The Republic of Moldova continued to cooperate actively with the UN human rights mechanisms, and in June 2010 extended an open invitation to all UN special procedures[9].

As it has been evaluated by Freedom House, Moldova's grade for Political Rights is 3 that remained unchanged from 2006 till 2010 (with some deviation in 2009 as 4). The same rating is for Ukraine. It is lower than in Israel, that on the top in this respect among the ENP countries (grade 1) but much higher than for Belarus (grade 7). The grade for civil liberties in Moldova is lower (4) than for Ukraine and Israel, both got 2, but higher than for Belarus (6) [JSWP SEC (2011) 645, p.29].

In March 10, 17 and 24, 2011 there were hold 3 training seminars on international standards for combating ill-treatment and impunity organized as a part of the Democracy Support Programme. There were trained 70 judges and prosecutors. On 11, 18 and 25 March 2011 there were held 3 training seminars on the use of alternatives to pre-trial detention and imprisonments also within that Programme. 80 judges and prosecutors were trained within the same Programme on 14-18 March 2011. 14 radio journalists of "Teleradio Moldova" were trained to improve their public broad casting skills [Newsletter of the EU Delegation 2011].

[8] The suggestion was made in time of a dinner with the Prime-Deputy of President of Parliament Vlad Plahotniuc and co-reporter of Parliamentary Assembly of the Council of Europe Peter Vah during the official visit in Chisinau on 28 November – 1 December 2011.

[9] More about the state of ratification of Conventions regarding human rights in comparison with other states of the ENP see Annex

The Programme also contributed to the provision of legislative expertise for the elaboration of the draft Law on modifications of the Electoral Code, in particular, the mass-media coverage of local electoral campaigns.

To conclude, the Republic of Moldova makes, although in various pace, but definite permanent progress in its socio-economic, political and democratic human rights reforms.

The contribution to this process has been made by the "Bridge" project in the form of holding the specialized seminars in Comrat (15-16.04.2011) regarding further development of Gagauzian autonomy) and in Odesa (1-2.06.2011). The respective recommendations of the Bridge participants see in Ch. IX.

CHAPTER IV

ANALYSIS OF THE EU-MOLDOVA COOPERATION IN THE FIELDS OF EDUCATION, SCIENCE AND CULTURE

Since the Republic of Moldova has chosen European integration as its strategic priority, its education system has been submitted to institutional and conceptual reforms. The Bologna process has been launched in 2005 in order to harmonize the Moldovan education system with the European standards. Besides, the Institutions of Higher Education of the Republic of Moldova has been drafting and implementing various projects focused on education for democratic citizenship, European history and modern languages, intercultural and inter-confessional dialogue, permanent education for social cohesion, universities as areas of European citizenship, education and teaching in an informational society, cultural European heritage, values etc.

According to our analysis for the Bridge Project, there is a growing interest toward the EU-RM cooperation at the university and scientific research communities. In fact, all leading Universities of Moldova develop various modes of collaboration with the EU and/or its particular Higher Education Institutions and Research Centers. Our attention, however, has been drawn to the fact that the process of elaboration and launching the university curricular regarding the EU in general or its particular aspects (political, legal, economic and cultural) is just at its beginning. The elaborated courses refer mostly to the EU in general or its economic, political or legal dimensions. The majority of the courses are foreseen for the Cycle II (Master Programme) that has recently been started (with some exceptions) within the Implementation of the Bologna Process. All the Institutions of Higher Education of Moldova (with exception of Transnistria) have been starting the respective reform that stipulates the revision of existing curricular and the elaboration of a new one for the Cycle I (License level) and the Cycle II (Master level).

Below the results of the author's investigation on the leading Universities of the Republic of Moldova is presented.

At the ***Academy of Economic Studies of Moldova (Chisinau):***

For the Cycle I (License in Economy) such course as Economic Integration and European Economy is delivered by the International Economic Relations Chair for all the Faculties (Specialties) of the AESM.

In September 2009 at the AESM there was launched a special Master Program focused on the EU-RM Cooperation within the European Neighbourhood and Partnership Policy and

on the eurointegration studies. The Program has been elaborated by the group of international and national experts within the international project "Master Studies in European Integration and Neighbourhood Policy – MEINEPO". The international coordinator of the project was Prof. Dr. Silvo Devetak, University of Maribor, Slovenia and National Coordinator was Dr. Olesea Sarbu, AESM.

The very launch of the Project at the AESM, the University of Cahul, the University of Balti and the University of Tiraspol, has produced a great impact on the mentality of academic authorities and professors by raising there awareness of the related issues. Just to compare in dynamic: according to the investigation on the existence of the euro integration relevant courses, realized in 2007 by Ms Olesea Sarbu for the MEINEPO Project, at the AESM, for instance, there were revealed just **two** courses at the undergraduate level (European Economic Integration and European Law). Due to the training sessions, organized by the MEINEPO international and national coordinators for the authorities and some professors of the AESM, there have been elaborated and launched for the Cycle II numbers of courses, provided not only by the Chair of International Economic Relations but also by other chairs and faculties. Courses that have been elaborated and launched for the Cycle II (Master) by other chairs and departments of the AESM are as follows: Geopolitics in the context of European integration (the Chair of Geography and Economy of Environment), Social European Law (the Chair of Private Law); European Contract Law (the Chair of Law), European Institutions and Policies; Substantiation and Coordination of Economic Policies in the EU (the Chair of Social Management); The European and International Accounting Standards (the Chair of Accounting and Audit).

The education and training processes at the AESM are realized in four languages: Romania, French, English and Russian.

The AESM is open to euro integration processes and has got an intensive collaboration with the Universities and Research Centers of France, Germany, Italy, Slovenia, Poland, Romania (Bucharest, Napoca, Constanta, Galati).

Besides, since 2009 at the AESM a Center for European Integration Studies has started its work. The Director of the Center is Dr. Olesea Sarbu. In September 2011 at the AESM the Superior School for Turism and Hotel services was opened within the EC Tempus Program. Since 2010-2011 academic year the Euroclub for students was launched at the Department of International Economic Relations with the support of the Delegation in Moldova. The coordinator is Marina Popa, professor of the IER chair.

At the ***State University of Moldova (Chisinau):***

Having paid attention to the euro integration issues, the SUM established a special Section for European Integration, Documentation and Professional consultancy, the mission of which is "to support the policy for integration of the SUM to the European educational system by the implementation of the Transferable Credit System…" (www.usm.md).

The Cycle II (Master) consists of two parts: Professional Master Program, that has got two relevant courses ("South-Eastern European History and Civilization"; "European Studies") and Research Master Program that has no specialized courses but euro problematic is a part of some general courses like "International Law in the System of International Relations"; "International Economic Relations" etc.

At the Chair of Marketing and International Economic Relations of the Department of Economic Sciences such course as "The Policy of European Integration" is foreseen in Master Programme.

Besides, on the SUM's site the monitoring of the Bologna Process implementation is reflected and a special Bologna Follow-up Group has been established. The SUM has closely cooperates with the European Center for Higher Education (CEPES), European Training Foundation (ETF), European Students' Union (ESIB/ESU) and Council of Europe. Within Tempus Program there were opened the Pro-Bologna Interuniversity Center and the Center for Continuous Learning.

At ***Technical University of Moldova (Chisinau)*** the collaboration with European Higher Education Institutions and research centers is highly active developing. On the basis of interuniversity international agreements, the TUM students benefit themselves with number of scholarships and events: Erasmus Mundus Program for Master degree offers its courses, the University Agency of Francophone – its scholarships; an opportunity to participate in the European Week Eindhoven 2009 comes from the Netherlands; the Alma Mater University of Sibiu informs about its International Conference. The scholarships in Germany, Summer program 2009 in Sweden, scholarships at TOMAS BATA University, Czech Republic etc. The TUM also cooperates with Italy, England (UK), Belgium, and Slovakia. The TUM is a member of the Universities Network of Black Sea Region, which consists of 11 countries of Regional Economic Cooperation.

Master degree studies have been organized at the TUM since 1999. However, no specialties linked with European integration and no relevant to the Bridge Project courses were found in the curricular.

At the same time, there is launched a *European Master Program* on the specialty "Environment and Clean Technologies". Although it does not include any courses related to the Bridge topics, it is European by character: the European partners have brought their standards. The Program is the result of serious national and international partnership: Technical University of Moldova, State University of Moldova, Academy of Sciences of Moldova, Royal Institute of Technology of Sweden, Technical University of Berlin, Ministry of Ecology and Natural Resources of Moldova and Ministry of Energetic of Moldova.

At the ***Pedagogic State University "Ion Creanga (Chisinau)*** the process of euro cooperation is also active. The PSU established relationship with the Universities of England (UK), Holland, Romania (Bucharest, Napoca, Constanta, Galati), Germania (Dusseldorf).

At the Department of History and Ethno pedagogy a special Master Program "The Comparative European History" was opened. The Cycle I does not have any relevant courses.

At the ***State Medical and Pharmaceutical University "Nicolae Testemiteanu" (Chisinau)*** the euro collaboration is intensive. The SMPU is a member of European and World Universities Associations.

The training process is realized in four languages: Romania, French, English & Russian. Among the active European partners of the SMPU are: France, Italy, Holland, Germany, Poland, and Romania. On of the basis of intergovernmental agreements the diploma of the State Medical and Pharmaceutical University "Nicolae Testemiteanu" is recognized in Romania, Bulgaria, Ex-Soviet countries and, generally, all over the world after a respective test of the graduate.

One of the accomplishments of the international collaboration is the opening of the Consulting Centre Manshell LIT with the support of the British Company Manshell. This centre aims at the familiarization of students and residents with the educational system in Great Britain and the USA as well as the contemporary developments of the West-European medicine. The activity of the centre is expected to contribute in to the integration of the national medicine in the European community.

As for the SMPU Master Programs, they were launched in 1996, however, no relevant to the Bridge topics specialties were found.

The ***Free International University of Moldova (FIUM/ULIM) (Chisinau)*** is a private but leading University of the RM. The site of the University demonstrates its euro intention. "European Studies and European future for you" is taken as a motto. Master Plans are developed at the Department of Law. Master Program on International Law has number of courses like: Theory and Practice of European Law; European Security in the light of

Common External and Security Policy; Theory and Practice of European Court Jurisprudence of Human Rights; Juridical Nature of the European Union Constitutional Acts.

The Master Program on Civil Law includes just one course: Commercial Societies in the Process of European Integration. The Master Program on Constitutional Law contains no special courses on euro integration.

The *Academy of Law* of the Republic of Moldova was reorganized and started its activity in August 9, 2006 as the *University of European Studies of Moldova*. At the same time, our investigation showed that there is no department, chair or education program specialized in European Studies or euro integration process. The Department of International Relations, however, is in the process of the new courses elaboration, among which there expected to be courses relevant to the Bridge topics.

At ***Balti State University "A. Russo"*** the interest toward the euro integration process and the interuniversity collaboration has also been manifested. The BSU became the partner of the MEINEPO Project, within which the University elaborates number of courses relevant to the Bridge topics: European Construction; Trends of Development of the Social Politics in the European Union; Communitarian Business Law, The Institutional Communitarian Law, and European civilization.

In the Admission Plan for both Master Programs (Research and Professional) that are out of the MEINEPO Project, the relevant to the Bridge topics course have been lacking (www.usb.md/ro/?d=14).

At the ***University of Cahul "B. P. Hasdeu":***

The preparation of specialists at the Cycle I (License stage) started in 2005 with accordance to the requirements of the Bologna Process. The first promotion came into being in 2008.

Within the Curricular for the Cycle I there were elaborated some courses with the euro integration topics: European Economic Integration, European Business Environment (for the specialties of economic profile like Business and Administration, Finances and Banks, Accounting, Tourism), European Institutions (for such specialties as the Law and the Public Administration), European Integration (for such specialties as History, Romanian/English/French Language and Literature; Pedagogy in Prime Education; Psycho pedagogy).

Since the first of September 2008 at the USC three Master programs were organized as the Cycle II: Public Administration (professional); History (research), History

(professional). Within these programs such course as History of European Union is foreseen and elaborated. The course is due to be delivered beginning with the 1st of September, 2010.

At present, in collaboration with the AESM and the University of Balti, at the USC the Master program of the MEINEPO Project is being elaborated within the TEMPUS Project. The team of authors had got a special training in Slovenia and Romania in order to prepare the program. It was launched in September 1, 2009.

The Cahul University has become a highly active partner of the EU within Tempus and Erasmus Mundus Programs. Besides the TEMPUS CD_JEP-27034-2006-2009 MEIMEPO, the University participated in: TEMPUS SM_SCM-T065A 06-2006 support to the creation and activities of National Teams of Bologna Promoters (HERES); TEMPUS-516597-1-2011-FR –Création réseau universitès thématiques en Sciences appliqués et Sciences économiques en Moldavie (CRUNT); 132855-EM-1-ES-ERASMUSMUNDUS-ECWPP – Lot 6 – Erasmus Mundus External Cooperation Window for Belarus, Moldova and Ukraine (lot 6); BMU-MID –Erasmus Mundus Action 2 – Academic Mobility programme in Innovations and Development for Belarus, Moldova and Ukraine; TEMPUS SM_SM-T070A06 –Quality Assurance in implementing Bologna Objectives (QABO); 144790-TEMPUS-2008-RU-JPCR Creation de 4 „Ecoles Hotelieres Superierus d'Application" (ESHA); 144920-TEMPUS-2008-FR-JPCR –Modernization et Development de cours Professionalises (MODEP); 145035-TEMPUS-2008-LT-JPTHN – Western-Eastern Teacher Education Network (WETEN); 159338-TEMPUS-1-2009-1-LV-TEMPUS-SMHES – Higher Education System Development for Social partnership Improvementand Humanitz Sciences Competitiveness (HESDeSPI)

At ***Comrat State University*** the Bologna Process has started since 2007 but the special courses on European Integration have not been delivered yet, although they are stipulated in new curricular that are in the process of elaboration. Master Program already exists.

The general **conclusion** that can be drawn due to the investigation is as follows: there are some problems common for all Moldovan Higher Education Institutions with respect to the elaboration and implementation of the courses related to the European Integration processes and the EU-RM Cooperation. *The first key problem* is that the professional preparation of the specialists responsible for the elaboration and implementation of the respective curricular is, as a rule, too general and is not always updated (for example, specialists in World Economy and International Trade, or International Law are not always in the course of details regarding the ENP). The specialists, who were involved in the TACIS or other Exchange Programmes, had got professional training in their domains (economy, law,

informational technologies) but were not necessarily trained in the domain of European Integration and the EU-Moldova cooperation process. *The second problem* refers to the lack of updated literature, relevant elaborated courses support, data bases etc.

The Deans of Faculties and Chiefs of Chairs at which courses are foreseen shared with us that they *are looking for the specialists in domain of European integration issues* (economic, legal, political issues) as well as *are interested in the creation of the data base of such specialists and of information regarding the EU-RM cooperation process.* That is why, it is important to organize the respective training and to create such data bases within the future Projects that will concretize the general EU-RM cooperation strategies and programs.

The Higher Education Institutions of Moldova develop also some programs as international university collaboration activities. The AESM, for example, has got a Francophone Center in collaboration with France, the Mediateca that has got an official directory of the EU in RM; the State University collaborates with the Universities of Germany, the Netherlands etc. But there are still no specialized programs or training on a system basis on European Integration and the EU-RM cooperation issues within this collaboration. As a perspective in this context is considered to be a Center for European Integration Studies launched in 2009 at the AESM, the Director is Dr. Olesea Sarbu. The increase of interest in European integration among students has been manifested by the extension of their inclusion in the European youth networks and the establishment of filial of the European-based youth organizations. Bright examples in this context are: the Moldovan filial (Chisinau) of the Junior European Federation – JEF (HQ in Brussels) and the Youth Eastern Partnership network, both launched in 2009 as well as the Euroclub AESM mentioned above.

Highly worthy it was the launch of the Communication Network of the EU Delegation in Moldova represented by the EU InfoPoints opened at the leading universities of Moldova (Balti State Univ., AESM, State Univ. of Moldova, SMPU, Cahul State Univ. and Comrat State Univ.) (see the e-contact addresses in references).

In general, the EU spends 2% of its GDP on higher education. Due to PCA, ENP and EP Moldova has got opportunities to participate in number of the EU educational and research programs to continue the implementation of Bologna Process and adjusting its education to the respective standards. Among such programs are TEMPUS, Erasmus Mundus, Lean Monnet, in master Programme of the European Inter/University Centre for Human Rights & Democratization, master Programmes of the European Colleagues, John Smith Fellowship Programme etc.

Thus Moldovan State University and Cahul State University are the full partners of the EU in Erasmus Mundus Actions. The Academy of Economic Studies of Moldova received a Jean Monnet project to increase the understanding of the Eastern partnership by public servants, students and academics [JWP Country Report]. Jean Monnet conference was held 5-7 May 2011 in Chisinau, AESM, coordinator of the project being Dr. Olesea Sarbu.

5 projects of Moldova were selected under the 3d call for Proposals for TEMPUS IV (see mentioned above).

Having investigated the *scientific research community* with respect to the issues of the EU-Moldova cooperation processes, the results got are as follows:

- The growing interest of scientific researchers toward these issues that is manifested through the increasing number of the relevant topics for and research outcomes of the doctorate theses. Thus, exploring the official site of the National Commission for Attestation and Accreditation, the following theses in economics on the relevant topics were defended in 2006-2009: Eleonora Graur – 2006 – "Financing mechanism of the small business in agriculture in the Republic of Moldova in the context of European integration"; Lucia Juravschi – 2007 – teza de doctor in economie "The European Economic Integration and its incidences on the foreign trade"; Gheorghe Gorinoiu – 2007 – teza de doctor in economie "Perfection of tax systems in the perspective of European integration and their contribution to formation of budgetary incomes"; Maria Cucu – teza de doctor in economie – 2007 "The aspect of stabilization and increase in soundness of functioning of Moldovan banking sector in the context of EU integration".

No theses were indicated for 2008.

In 2009 these were defended: the thesis for the Degree of Doctor Habilitat in Economics by the Rector of Cahul State University Mr Andrei Popa with the topic *Strategic Management of Regional Development in the context of Integration into European Space*; the thesis for the Degree of Doctor in Economics by Ms Olesea Sarbu, Director of the Center for European Integration Studies of the AESM and the Deputy Coordinator of BRIDGE International Project. The topic of the thesis is *Regional Transborder Cooperation as an opportunity for the development of small countries in the process of the EU extension.*

It was observed the growing number of master theses on relevant topics as an outcome of launching the respective master Programs mentioned above.

- The Institute of Economy, Finances and Statistics of the Moldovan Academy of Sciences had a Laboratory "The Problems of Economic Integration" within a tree-year research project (2006-2009). The main activities were: organization and participation in scientific

conferences and round-tables, publication of the research results in scientific collections and journals on the relevant topics etc.

- Such a non-governmental organization as the Institute for Development and Social Initiatives (IDIS) "Viitorul" is highly active in two directions: the promotion of the NGOs collaboration (both national and international) for the EU-Moldova cooperation and the research activities on the respective topics. The executive director of the Institute Mr Igor Munteanu, Dr in Law, MA in Political Sciences, contributed a lot to the research activity on the EU-RM cooperation issues. In 2007 it was published in English & Russian in Lviv, book "Quo Vadis, Moldova?" In which various aspects of the EU-RM Cooperation were researched. The Book is a collection of articles of the following authors and topics: Igor Munteanu "Moldova's road to independence and strive for territorial integrity", Vlad Spanu (Presindent of the Moldova Foundation, USA) "Conflict in Moldova's Eastern Region of Transnistria: what is the way out?", Igor Volcinschi (political correspondent of "Infotag" agency, deputy editor of "Profit" magazine, Chairman of Association for Democracy, Education and Reforms) "Relations of Moldova with Russia, Ukraine and Romania", Iulian Chifu (Director of the Conflict Prevention and Early Warning Center in Bucharest) "Moldova between East and West", Ion Marandici (employed with Soros Foundation-Moldova, editor of Europa.md) "Moldova's neutrality: what is at stake?", Dan Dungaciu (researcher at the Institute of Political Sciences and International Relations, Romanian Academy) "What is happening there? Identity, democracy and public sphere in the Republic of Moldova", Oazu Nantoi (Program Director at the Institute for Public Policy) "New Initiatives are the Key to Success", Lilana Vitu (Program/Communications Officer at the Eurasia Foundation, Moldova Representative Office) "The EU and Moldova: vague perspectives and clear shortcomings"[...[. The publication became true due to the cooperation between the IDIS – Moldova and the European Integration Studies Center. The latter was initiator and organizer of the publication.

The public *institution European Integration Studies Centre*, counting its ten years of existence (established by the Ministry of Foreign Affairs of the Republic of Lithuania and Vilnius University), with its miscellaneous activities (academic studies, publishing of books, organizing of discussions, seminars and conferences in the context of the European Union) was very important for Lithuania in the process of its integration into the European Union. Today the main objective of the institution is to contribute to a closer EU integration and development. Hopefully, that the Moldovan-Lithuanian Fund being established in Chisinau will not only reinforce the co-operation between Lithuania and Moldova on all levels, but also

helps to expand the Moldova and EU cooperation and assist Moldova in integration into the European Union.

- Numbers of research programs and opportunities have come into being within the PCA and the ENP. Here it is worthy to mention:

a) ***The Regional Environmental Centre-Moldova (REC Moldova)*** was established by the Decision of the Government of the Republic of Moldova no. 1071 of the 22nd of October 1998, according to the agreement signed on the 15th of July 1998 in Brussels by the Government of the Republic of Moldova and the European Commission. The REC Moldova was created to assist in solving the environmental problems in Moldova and neighboring countries through the promotion of co-operation between NGOs, Governmental bodies, local communities, the business sector and all other environmental stakeholders at both national and regional levels. The REC aims to increase public participation in environmental decision making process. Whenever possible, the REC Moldova works in partnership with existing Regional Environmental Centers for solving trans boundary and regional environmental problems. The REC Moldova is an independent, international, non-for-profit and non-political organization. REC Moldova is part of a network of similar centers: REC for Central an Eastern Europe (with the headquarters in Szentendre, Hungary), REC from Russia, REC from Caucasus (with the headquarters in Tbilisi, Georgia), REC from Central Asia (with the headquarters in Almaty, Kazakhstan).

b) ***The Twinning programme***, launched in May 1998, is one of the principal tools of Institution Building Accession assistance. Twinning aims to help beneficiary countries in the development of modern and efficient administrations, with the structures, human resources and management skills needed to implement the acquis communautaire to the same standards as Member States. Twinning provides the framework for administrations and semi-public organizations in the beneficiary countries to work with their counterparts in Member States. Together they develop and implement a project that targets the transposition, enforcement and implementation of a specific part of the acquis communautaire. Twinning Projects will best fit to the quality perfection of Moldovan legislation by the means of simplification and codification of laws, elimination of the useless instructions, especially in economic domain. *Twinning Light* is the instrument of mid-term support (up to 6 months) and is a bridge between the complete programme Twinning and the support within the TAIEX programme. The latter is decoded as Technical Assistance and Information Exchange. It is a project designed for a short-term support, organized by the European Commission. The TAIEX can especially be useful in the sphere of freedom, security and justice (in the form of training of police and other representatives of justice).

c) ***The SCOPES programme***, which is financed by the Swiss National Science Foundation (SNSF) together with the Swiss Agency for Development and Cooperation (SDC), boosts scientific co-operation between research groups in Switzerland and Eastern Europe as well as supporting institutional partnerships with scientific establishments in the target regions. A total of CHF 16 million is available for the programme. As before, the following instruments are included: Joint Research Projects, Institutional Partnerships, Conference Grants, Preliminary and Valorization Grants. There are no specific thematic requirements. However, the projects must, besides having scientific quality, show potential for application and development possibilities (capacity building) for the Eastern European partner(s).

New for partner countries of 2009-2011 call was the division into two categories: a first group (West Balkan States, South Caucasus and Central Asia as well as Moldavia and the Ukraine) and a second group (Eastern European members of the EU as well as Croatia and Russia). Bilateral projects are only possible with partners in the first group. Tri- and multilateral partnerships can be launched with countries from both categories, whereby at least half of the Eastern partners must be from the first category. As before, research costs will only be covered for the Eastern European side. However, the co-ordination funding on the Swiss side will be increased, and the amounts per project depend upon the number of partners.

d) As a precursor of advanced multidisciplinary research ***the COST Program*** plays a very important role in building a European Research Area (ERA). It anticipates and complements the activities of the EU Framework Programmes, constituting a "bridge" towards the scientific communities of emerging countries. It also increases the mobility of researchers across Europe.

e) ***SIGMA Program*** (The support for Improving Government and Management) is a joint initiative of the OECD and EU and is designed to intensify administrative effectiveness in countries of Central and Eastern Europe. The Eastern format of partnership should tend to include Moldovan institutions into the regional network that has been developed as a part of SIGMA Program and includes, among others, supervision institutions and audit agencies. SIGMA Program should be used, as experts stress it, for further evaluation of the effectiveness of Moldovan administration and for the support of institutional reform especially in bodies of control.

f) ***"Know-how exchange Programmed" (KEP)*** is the Program created by the Central European Initiative in response to the EU enlargement. The KEP opens access for the countries-

participants CEI to the purposed funds with the participation of the EBRD and under the patronage of Italy.

g) ***The Scientific and Technique Center of Ukraine (STCU)*** is an intergovernmental organization, the mission of which is to make expert examination regarding the weapons of mass extermination. Since 1993 the private companies and government agencies of the EU, USA and Canada have been using the STCU to run more than 1300 R&D projects of the total budget more than US $ 182 mln. The STCU consists of one main bureau in Kiev and seven regional offices in Lviv, Dnepropetrovsk and Harkov (Ukraine) as well as in Tbilisi (Georgia), Baku (Azerbaijan), Chisinau (Moldova) and Tashkent (Uzbekistan).

To measure the results of the EU-RM cooperation in education and research for Moldova: 11 Twinning projects for 2005-2010; 3 SIGMA (2010) for Legal Framework, Civil Service and Justice; 173 TAIEX for 2007-2010; 10 scholarships awarded to the College of Europe 2010; 31 scholarships in European Integration Studies in European Universities (2010); 10 scholarships for students of academic year 2009-2010 and 6 for 2010-2011, 1 Scholarship for scholars 2009-2010 within Erasmus Mundus Action 1; within EM Action 2 2010-2011 there were 66 motilities flows funded for Moldova [JWP SEC (2011) 645].

As of January 2012, Moldova is associated to the EU's 7th Framework Programme for Research and Technological Development. At the policy level, it allows Moldovan representatives to participate as observes in FP7 management committees. For its association, Moldova has to make a financial contribution to the FP7, which is calculated on the basis of its Gross Domestic Product (GDP). It is encouraged to attract the Moldovan emigrants in such projects.

The association also allows to attract the Moldovan sciences emigrants to participate in EPs projects. As a "foreseen" of this it was the event as follows. During the period of September 2010 – March 2011. twelve highly qualified Moldovan professionals residing in the USA, Austria, France, Switzerland, Germany, Japan, Sweden, Israel, Russia have benefited from the temporary return program of scientific Diaspora within the EU-funded project *"Supporting the implementation of the migration and development component of the EU-Moldova Mobility Partnership"*.

The ***cultural projects*** implemented in Moldova by its civil society are in mainstream of the European Agenda for Culture (since 2007) and the ideas suggested at the Ljubljana Conference of May 13-14, 2008 "New Paradigms, new models – Culture in the EU External relations" held under the Slovenian Presidency in the EU. The focus is on intercultural

dialogue to ensure the EU's cultural diversity, cross-border mobility of artists and workers in cultural sector, linkage of Culture Programme with Lisbon Strategy (2000) for growth and jobs through creativity. The EU's Culture Programme for 2007-2013 has a budget of € 400 mln and the third countries that concluded AA or CPA like Moldova are eligible to participate in special projects. *Here are some examples.*

On July 3, 2009 the European Commission announced about its € 40 mln allocation to fund programmes strengthening regional cooperation in culture policies and civil society, SME networks, education border management, air quality governance and disaster preparedness in Ukraine, Russia, Republic of Moldova, Belarus, Armenia, Azerbaijan and Georgia.

On January 20, 2009 the EU Development to Moldova awarded journalist specialized in EU-Moldova cooperation and assistance. Selected from 30 participants, six winners (3 from print media and 3 from audio-visual) of first ever national media competition "EU and Moldova: aspects of Cooperation" received awards.

In August, 2009 Moldova was granted a € 45 mln assistance package under the 2009 EC budget for project 2009-2012 on water supply and sewage disposal to bring them closer to EU standards. Besides the improvement of the system of laboratories for waste pesticide monitoring, customs control and staff training, there was elaborated an Action Plan implemented in 2010 worth 44 mln lei.

On January 12, 2010 the Delegation of the EU to the RM has signed two new projects with Chisinau City mall. Projects are funded by the EC with a total budget of € 1.348.000. The goal of the first project is to develop and implement innovative actions on Climate Change due to the renovation of pluvial sewerage in Chisinau and Odesa. The objective of the second one is to increase energy efficiency of Chisinau and Sevastopol municipalities.

The profile round table on the EU-RM cooperation in the field of Education, Science and Culture was organized in Chisinau within the «Bridge" Project on 18-21.02.2010. There were elaborated the proposals and suggestions regarding the improvement of the EU-RM Cooperation in that field and directed to the Moldovan and the EU authorities. Some of them to be reinforced and supplemented with new actual recommendations are presented in Ch. IX.

CHAPTER V

ANALYSIS OF THE EU-RM REGIONAL AND CROSS-BORDER COOPERATION

The Republic of Moldova participates and benefits from the cooperation activities financed by the EU under its ENPI Cross-border, inter-regional and regional programs.

1) The ENPI Cross-border Cooperation Programme (CBC), specialized in Joint Operational Programme (JOP) Romania-Ukraine-Moldova for 2007-2013.

Republic Moldova ENPI CBC 2007-2013". The area of the program embraces such territories of those three states as Botosani, Galati, Iasi, Suceava, Tulcea and Vaslui of Romania, Odessa and Cernauti of Ukraine and all the territory of Moldova. The Joint Operational Programme "Romania-Ukraine-RM 2007-2013" has a budget of 137,4 mln € in which the part of the EMPI is 126 mln [63 mln € Romanian contribution from the EFDR], the share of countries – participants is established as 10% of general budget EU in this Program and it includes means allotted for technical assistance (12,6 mln €). The priorities of the Program are: competitiveness of the border economy, environment, emergencies and interaction between people and communities living in the border areas.

Within the Program there have been developing number of projects, among which:

a) *"The development of curriculum and improvement of university management in domain of European Studies in the RM"*. The Soros – Moldova Foundation co-financed and administrated the Project. 15 professors of various universities of Moldova paid the short-term professional visits to the universities of Bucharest, Oradea and Iasi in 2011-2012 academic year. As an outcome, there was elaborated and a Reader for the course "Economic Integration and European Economy" which is due for the third year Licence cycle at all the departments of the Academy of Economic Studies of Moldova and majority of Economic department of other leading universities of Moldova [see Natalia Lobanov, Mihai Hachi, 2011].

b) *The Cross-border educational exchanges in European studies – favorable framework in the diminishing of the border effects at the Eastern frontier of the EU* (CEDES) Project co-financed by the European Commission and administrated by the Centers for studies in European Integration of Iasi, University "Al. I. Cuza", Chisinau (dr. Olesea Sarbu) and the specially created similar Center at the Cernauti. The activities of the Project (workshops, discussion panels) doctorate students and academic staff in broad exchange of information, options and research results related to the identification of

the common grounds and problematic issues of the Romania-Ukraine-Moldova Cooperation, the EU-Eastern partners collaboration etc. The efforts are due to be resulted in some publications and further joint projects directed to the solution of the problematic issues.

2) ***The ENPI CBC Black, Sea Basin Programme with the budget 21.3 mln for 2007-2013***. The European Commission by its Decision C (2008) 7406 of 27 November 2008 adopted the Black Sea Basin Joint operational Programme 2007-2013 in which there are 10 participating countries: Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Russian Federation, Turkey, Ukraine, Romania, and Greece. The official launch of the programme, as well as the first call for proposal was due to the beginning of 2009. The first meeting of the Joint Monitoring Committee for Black Sea Basin JOP was organized on the 16th of December 2008 in Bucharest by the Romanian Ministry of Development, Public Works and Housing.

The main priorities of the programme are to support cross-border partnerships for economic and social development based on combined resources, to share resources and competencies for environmental protection and conservation, and to support cultural and educational initiatives for the establishment of a common cultural environment in the Basin.

It was developed a Black Sea Synergy, regional cooperation initiative among other things involves the establishment of sector partnerships, like the one concerning environment (to be launched soon). Other cooperative schemes are also being explored in maritime management, fisheries, migration, the fight against organized crime, the information society and cultural cooperation. To support these efforts, the EU has established cross-border cooperation programme involving local authorities in the countries around the Black Sea, and supporting the activities of civil society organizations.

In the mainstream of the Program, in *March, 2009* the RM committed itself to improve its water related legislation in conforming with the EU directives to ensure environmental protection in the Black Sea region.

3) ***The ENPI South-East Europe Transnational Cooperation Programme.***

Within that Strategic Program, on the 5th of May 2008 there was launched an *Operational Program 2007-2013 for South-East Europe*, and Moldova was included. The main goal of the Program is the improvement of "the process of economic and social development, favor the unity, stability and competitiveness due to transnational partnership". The topic priorities of the Program are: innovations, natural environment, accessibility and sustainable development of cities. The total budget of the Program is 245 mln €.

On January 23, 2009 the European Commission supplied equipment for € 1, 6 mln. through the regional Project 2008/162079 "Supply of Mobile Inspection and Screening X-ray Scanning Systems for State Customs Services of Belarus, Ukraine and Moldova. Due to its geographical location in the Danube Basin, the Republic of Moldova is part of the Danube macro-region and therefore plays an important role in achieving objectives of the future EU Strategy for the Danube Region as a whole.

4) ***Moldova is a member of the Danube-Black SEA (DABLAS) Task Force***, witch provides a platform for cooperation between IFIs, donors to and beneficiaries of water protection and water-related measures concerning the Danube and the Black Sea. The main aim is to encourage a strategic approach to the use of financing, and to coordinate action between all financial instruments operating in this region. Moldova is also a member of the International commission for the Protection of the Danube River (ICPDR), which is identifying the work necessary to implement the EU Water Framework Directive – with the aim of keeping water in a good ecological and chemical condition – across the whole of the basin.

5) Moldova is participating in the ***Eastern European, Caucasus and Central Asia component of the EU Water Initiative***, a regional component of the EU Water Initiative as announced at the 2002 World Summit on Sustainable Development. The initiative aims to promote better water governance and coordination between stakeholders. A National Policy dialogue has been established.

6) Moldova also participates in the ***Europe and North Asia Forest law Enforcement Governance (FLEG) process*** concerning forest governance and the protection and sustainable management of forest in the region.

7) ***The Moldova Regional Environmental Centre (REC)*** aims to address environment issues in Moldova and neighbouring countries by promoting cooperation various stakeholders at national and local levels, including NGOs, governmental bodies, local communities and the business sector. The REC also aims to promote public participation in the environmental decision-making process.

8) ***Euro zones Cooperation.*** The main Euro zones which Unite Romania, Moldova and Ukraine are "Prut-Up" and "Danube-Down" /more about the cooperation in this respect see (Andrei Popa, 2009 and Olesea Sarbu, 2009)/

Under the ENPI-financed Neghbourhood Investment Facility (NIP), one project was approved for the Republic of Moldova in 2010: the Water Utilities Development Programme (NIF grant contribution: EUR 10 million, total project cost: EUR 31.5 million).

In March 2009 the endeavors have been undertaken in Cahul region within the project "Sustainable Integrated Land use of Eurasian Steppes for Moldova, Russia and Ukraine, launched by the European Commission in 2007 with the purpose of cross-border development of ecosystem.

In 2007 when Romania jointed the EU, Moldova appeared to be in the direct neighbourhood with the EU. At the same time, there is no official Agreement between Romania and Moldova regarding the state border and the respective Law. Since Romania prepares it self to joint the Shengen Area, Moldova participates actively in joint Romania-Moldova projects to increase security and modernize border guard and customs services with accordance to the highest, Shengen, requirements. Thus, in September 2008 the General Director of Customs Service of Moldova Viorel Melnic and the members of a delegation of national Customs Authorities of Romania manifested their readiness to cooperate and strengthen the European customs space. It was also agreed about quarterly-regular working meetings to be held at the crossing points of moldo-romanian frontier as well as about professional visits of Moldovan customs officers to Romania Colleagues [www.nm.md, Nr.131/512 09.2008]. the juridical for such a cooperation is the Agreement between Governments of the RM and Romania regarding Customs cooperation and mutual administrative assistance for preventing investigating and combating the illegal actions in the field, signed in Bucharest on 24 April 2000.

The new President of Moldova Nicolae Timofti announced about the results of his discussion with the President of Romania Traian Basescu in time of his visit to Bucharest 2012. There were discussed such common projects as gas pipeline Iasi-Ungheni and modernization of bridges over Prut and of railway Iasi-Chisinau. Besides, Romania offers 5 thous. Scholarships for youth of Moldova in 2012. In 2013 the number will be increased up to 10 thous (www.kp.md. Nr 65(25878), 2012).

Another neighbour of Moldova is Ukraine. From the total 1222 km of moldo-ukrainian border, 470 km are not controlled by the Border Quard service of Moldova as it is the border with transnistrian region. To increase security on this side, the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) was launched on 30 November 2005 following a request made jointly by the Presidents of the Republic of Moldova and Ukraine. EUBAM is fully funded by the European Union Administrative and logistical support is movided by the United Nations Development Programme. It is an advisory, technical body. It has no executive powers. The Mission is seeking to make a sustainable contribution to the development of border-management procedures that meet

European Union standards and serve the legitimate needs of Moldovan and Ukrainian citizens, travelers, and trade, which in turn enhances regional security and supports economic development.

Over 200 staff members of the Mission work along all the Moldovan-Ukrainian border. These includes more than one hundred customs and border guard experts from 22 EU Member States; representatives of several CIS countries of the UNDP contingent, and staff from Moldova and Ukraine. The Mission's experts are located in six field offices: Basarabeasca, Chisinau and Otaci in Moldova, Kotovsk, Kuchurhan and Odessa Port in Ukraine. The Mission has its headquarters in Odessa, Southern Ukraine.

As it has been underlined by the Head of EUBAM Representation in Moldova, the Advisor on Border and Police Issues Constantin Sharigins, the main goal of the EUBAM is to support Customs Border Quard Services of Moldova in their efforts to increase security of borders, to intensify fighting with illegal trade and illegal crossing of moldo-ukrainian border. At present, the modernization of customs and border guard services takes place with accordance to the principles of European management, their work becomes more contemporary in order to correspond to the aquis of the Shenghen Area member-states [www.kp.md, 2011].

The cooperation activities between the Border Guard Service and EUBAM are targeted to ensure security and stability in the region, to consolidate cooperation between all concerned parties, to adjust the institutional and legal border management framework, to provide legal expertise and profile consultation within the reformation process of the Border Guard Service, as well as to contribute to the development of cooperation between FRONTEX and other international organizations.

In order to improve the national integrated border management system according to the EU requirements, EUBAM has been actively involved in the process of elaboration and implementation of *the Strategy on Integrated Border Management*[10] *and its Action Plan for 2011-2013.* At the same time, EUBAM has participated in the national Council for Integrated State Border Management; as well it has conducted several training activities for all partners involved in border management.

The EUBAM experts have provided legal expertise and consultation for the elaboration of the following legislative projects: the Law on State Border of the Republic of Moldova, the Law on Border police, the Law on amendment and supplement to some legislative acts.

The above-mentioned activities constituted an essential and relevant support, taking into account the fact that these have been conducted in order to fulfill the provisions of the first Phase of the National Program on the implementation of Moldova-EU Action Plan on visa regime, under the competence of the Border Guard Service.

[10] The Integrated Border-Management Initiative EP Playship initiative was launched in October 2009 [JWP EP, p.11].

The Mission's Mandate has been extended 3 times (in 2007, 2009 an 2011). The la test one will continue until 30 November 2015. The budget for the Mission for 2011-2013 is € 21 mln. In addition to the EC funding under the ENPI a number of EU member states fund secondments of border professionals from their national services to the Mission.

Due to the joint efforts of the EU experts, EUBAM, Romania authorities and Moldovan authorities, the Customs and Border guard services reform is taking place.

As of January the Customs Service of the republic of moldova (MDCS) comes under the ministry of finance. The modernization of the MDCS in line with the EU standards is continuing via the implementation of the 2009-2011 Institutional Development Plan and the Strategy of Professional Training for 2010-2013. In order to strengthen customs control based on risk management, the MDCS developed a risk management action plan. It also drafted new regulations on procedures for risk assessment, analyses, profiling, monitoring and reviewing of the risk management process, including the reporting system. It furthermore reinforced the central and local levels by means of additional personnel and training. The MDCS set up a specialized IPR division at central level. In June 2010, the Republic of Moldova adopted a Law for abolishing customs fees. Since July 2010 the Republic of Moldova has applied the ATA carnets System for the facilitation of temporary import procedures. The MDCS launched the implementation of the "Trustworthy economic operators" programme which provides for a simplified customs control procedure for reliable companies. In July 2010, the MDCS approved a regulation which outlines the criteria and procedures for obtaining the said status. As far as cooperation with other enforcement agencies at the border is concerned, in April 2010 the MDCS and the Border Guard started implementing a new on-line information exchange system to simplify control procedures [JSWP Country, p.10-11].

Improving cooperation, risk management at borders and speeding up customs procedures to secure and facilitate trade – these are the main priorities of the new strategic framework, which has been endorsed by Algirdas Šemeta, EU Commissioner for Taxation, Customs, Anti-fraud Audit and Moldovan Prime Minister Vlad Filat at their meeting on 19.10.2011. the funds for various initiatives will be allocated for 2011-2014.

The strategic framework builds on three shared priorities for this period. First, customs are an important link in the supply chain between Moldova and EU. The focus lies therefore on improving cooperation and risk management at borders and speeding up customs procedures to secure and facilitate trade. Second, illegal trade on EU's Eastern border is a major challenge. The aim is therefore to effectively detect and decrease illegal trade on the Moldovan border. Better risk assessment, more exchange of information and a dialogue on the fight against fraud are crucial to optimize customs controls in this respect. Third, stepping up investment in customs modernization is key to strengthen the customs capacity on the

Moldovan border. This could for instance include the development of border infrastructure on both sides of the border.

The endorsement of the Strategic Framework for EU-Moldova customs cooperation will serve as a basis for a more structured approach in customs relations and will help to address effectively growing challenges and opportunities on both sides (http://www.enpi-info.eu/eastportal/news/latest/26744/Moldova-to-benefit-from-EU-support-in-strengthening-its-customs)

The expert conference in the field was organized within the "Bridge" Project in Chisinau on 26-27 November 2010 (the recommendations see Ch. IX).

CHAPTER VI

ANALYSIS OF THE EU – MOLDOVA COOPERATION RELATED TO THE REGULATION OF MIGRATION AND VISA LIBERALISATION ISSUES

At the end of the XX c. – beginning of the XXI century, the need of population in migration increased. It has been determined by a number of factors among which: the intensification of globalization socio-economic megatrend which, in its own turn, was conditioned by the law of rising needs, the necessity to raise labour productivity and to economize time, the laws of market as well as the transition of economically developed countries to a new economy – informational, socially-oriented market economy.

In Europe a "splash" of migration has been caused by the collapse of the USSR, the countries of Warsaw Agreement and the socio-economic crises in those regions (N. Siscan, 2011).

As it has been shown in Ch. I, the Republic of Moldova had also found itself in a deep socioeconomic crisis. Under the deep and quick restructuration of economy, associated with the break of traditional economic links, on the one hand, and the low pace of creation of new jobs and businesses, on the other hand, the rate, of unemployment sharply increased. The level of wages for existing and new created jobs was extremely low if compaired with galopy inflation (up to 1000%). As an outcome, an average 700 thous. people found Themselves as emigrants for 2001-2009.

The National Bureau of Statistics together with the International Labour Organization, the International Center for the Development of Migration Policies and in partnership with the Ministry of Economy and Trade conducted in 2008 a socio-economic investigation of 318, 3 thousand of migrants [Migraţia Forţei de muncă, 2008]. These were the people of the main able-bodied age (average was 34 years), 2/3 of them had families, over 80% had only one child. Among migrants male predominated – 66%, female constituting 34%. All emigrants enjoyed high enough level of education: more than a half received high or a specialized secondary education, the rest graduated from a lyceum or a gymnasium.

The main reasons for outgoing migration flux are: lack of workplaces in Moldova (53,3% of male respondents and 48, 2% of female ones) and the low level of wages (44, 9% of males and 47, 5% of females).

The considerable share of migrants (61, 4%) work in Russia that is determined by higher than in the EU transparency of frontiers, as well as the knowledge of the language; 29,6% work in the EU and the rest 10% in other countries of the world (see table 16). Despite

the high level of education, 68% of migrants in Russia work in construction and 14% in trade. In the EU countries 28, 7% are engaged in construction and 47, 3% in private house holdings. If those 9 categories of employment which refer to rate of job significance are analyzed, then it becomes clear that Moldovan migrants are engaged in jobs which do not require high qualifications. Thus, the share of men in the categories 1-4 which refers to public authorities, top and middle managers, highly and medium qualified personnel, supervisors etc. is insignificant (1, 2 thousand averages from the total 205, 5 thousand investigated). The share of women in the categories 1-4 is 0, the category 2 (highly qualified specialists) being an exception. It constitutes 1 thousand females from 107, 0 thousand investigated.

Table 16

Distribution of migrants by their motive of emigration and sex

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Motive of emigration	Total	Group of countries		
		EU27	Russia	Rest of the world
Total	**100,0**	**100,0**		
low salary	145,7	45,3	87,8	12,6
lack of workplace	164,0	42,0	104,7	17,3
other motive	8,6	4,2	3,1	1,3
Male	**210,0**	**42,2**	**153,0**	**14,8**
low salary	94,4	18,9	69,7	5,7
lack of workplace	111,9	21,5	81,7	8,7
other motiv	3,7	1,7	1,5	0,0
Female	**108,3**	**49,4**	**42,5**	**16,4**
low salary	51,3	26,3	18,0	7,0
lack of workplace	52,1	20,5	23,0	8,6
other motiv	4,9	2,5	1,5	0,0

Source: *Migraţia Forţei de muncă, BNS, 2008, p.15.*

Compared with emigrants to Russia, those to the EU distinguished Themselves bz being more advanced in age, higher level of education and, as a rule, benefited from being emplozed. From the EU concentries Italz was a leader as destination (18,3% of total). The share of women emigrants to Italz constituted 70,1%)the 3+d place after Israel – 86,6% and Turkey – 81,5%) (ibid., p.5).

Having analyzed the dispersion of the emigrants by area and countries destination one may notice that rural population prevails in emigrating to Russia and in the total number of emigrants as well [figure 11].

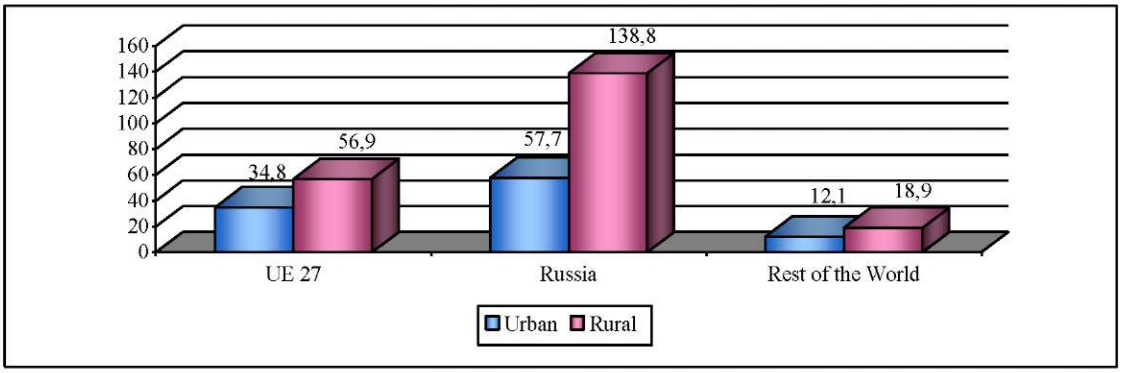

Figure 11.
Source: *Migraţia Forţei de muncă, 2008, p.5*

What is explained by low economic efficiency of using small pieces of land after its privatization, high costs for energy and transport as well as underdeveloped infrastructure for business in rural areas. At the same time, Russian market appeared to be more consulting for less – qualified workforce.

The most significant share of men is in category 7 (118, 9 thousand). It refers to qualified workers engaged in industrial enterprises, construction, transport, telecommunications, geology and geological investigations. This category is followed by the category 9 (54, 0 thousand) that refers to the non-qualified workers. The most significant share of women is in category 5 (30, 8 thousand engaged in house holding, services, trade) and in category 9 (57, 2 thousand non-qualified workers) (Migratia fortei de munca, 2008, p.32-33).

In spite of being engaged in the low-qualified jobs which do not always correspond to the level of education of the migrants, the level of remuneration in the recipient countries is much higher (5-7 times for males and 4-6 times for females). The wage received in a recipient country allows satisfying the basic needs, purchasing long-consumption goods, repairing or constructing a house, paying for education of children. A certain amount of money is often transferred to relatives. The total annual amount of gastarbeiters' transfers constitutes 1 mlrd USD. It considerably increases the National Product of the country calculated by consumption.

At the same time, the migrants face serious problems in the recipient countries: a hampered access to medical services (27, 1% in Russia and 34, 2% in the EU), lack of language knowledge (65% in the EU), and difficulties with the local authorities (as a rule, it happens because of illegal residence or non-correspondence of job to the level of education).

As our research conducted under the guidance of German Prof. I. Hentze on 7 countries of European space (Germany, Poland, Czech Republic, Ukraine, Moldova and Macedonia) has shown [8, p.43], the Moldovan citizens have as high level of need in self-realization, creative, innovatory and intellectual job as the population of the West. 80-90% of Moldovan respondents considered such kind of job "important" and "highly important". In reality, however, many of them are forced to do low-qualified kinds of job.

Another serious problem caused by migration is that country loses the most qualified personnel able to create and to increase the National Product. As an outcome, the technological potential of the country as well as its educational and cultural levels decrease. Besides, the dependence of Payment Balance on gastarbaiters' money transfers increases; the demographic situation worsens as the most able-bodied part of population exiles; many families are destroyed: the number of divorces goes up; 90 thousand children remain home with one parent and 30 thousand children without any parent.

Thus, emigration in Moldova is a complex and contradictory phenomenon which has its advantages and limits. The recipient countries also are under the contradictory impact of international migration, including from Moldova.

Having referred to the positive side of the ingoing migration to Russia and the EU, one can mention an influx of cheap labour force to the branches of those countries which demand for heavy and low-qualified labour. For instance, in the EU there have been formed two labour markets that are not in competition. The first is about innovative, intellectual and high enough paid jobs which are fulfilled mostly by the EU citizens, the emigrants being rarely attracted. The second deals with low-qualified jobs and is left for migrants. A recipient side (the EU or Russia) has a chance to improve its demographic situation as the migrants are able-bodied people. The state can also economize on education. Besides, the migrants are mostly used in production and services. When they receive salary, they increase demand for food and services in the recipient side.

Among the limits of ingoing migration flux for the recipient side one can mention the increase in labour supply and the decrease in general level of wage; the problem of social integration of migrants; the compensations for social expenses and transfers; sharpening the social conflicts which the establishment of immigrants communities contributes to.

Summiting it up, the socio-economic consequences of immigration are not simple for both a donor side and the recipient one. At the same time, under globalization migration becomes an objective, demanded phenomenon and process. All the territories of the world

have already got to be linked by the migrant fluxes of various intensity, direction and quality composition.

The large-scale world migration confirms a conclusion of scientists regarding the existence of migration global nets. At the same time, the latter calls forth the elaboration of an effective and efficient mechanism for regulation and optimization of migration. As the investigations of the National Bureau of Statistics of the Republic of Moldova showed, such mechanism of migration has not been proved for the country yet. As an outcome, the character of migration remains to be stochastic. The main share of migrants (3/4) goes out due to the assistance of relatives and friends, 12% owing to the direct relationship with an employer, 2% by the means of private agencies and no one has gone by the use of National Bureau for Employment [ibid., p.27].

It is highlz important in this context the elaboration of such mechanism in the context of the ENP EP.

JWP see migr. laws etc. achievement one may refer to as the start of regulation of migration in format EU-RM are: the Agreement on Facilitation of the assurance of visas and readmission of persons residing without authorization signed in 10.10.2007 and entered in force on 01.01.2008; Joint Declaration on EU-Moldova mobility partnership launched June 5, 2008.

On May 13, 2009 in Chisinau took place *the Third Cooperation Platform Meeting of the Mobility Partnership EU-Moldova*. The Head of Political and Economic Section of the European Commissions Delegation to Moldova Wolfgang Behrendt emphasized that "the objective of the Mobility Partnership is to better manage migration for the EU, Moldova and benefit of the migrants… In 2009 the European Commission signed with the government of Moldova a Financing agreement worth 10 mln EUR for projects in this field. In addition, there will be a project launched on May 14, 2009 regarding labour migration where the European Commission contributes with 3 mln EUR" (www.delmda.ec.europa.eu).

The Mobility partnership reflects the major areas of the Global Approach to Migration:

- Migration and development;
- Promoting legal migration;;
- Fighting illegal migration.

In 2011 Moldova played an active role in the Global Forum on Migration and Development (GFMD) process, participated in number of Thematic of Seminars in France, USA, Chişinău.

International Conference ***"The Eastern Partners' contribution to the Stokholm Program: Synerdies to Improve Mobility and Strengthen Security"*** was organized in Chişinău on the 24-25 January 2011 by the Ministry of Foreign Affairs and European Integration of the Republic of Moldova. It served as a platform for discussions on the establishment of efficient cooperation between the Eastern Partners and EU member states in the field of migration and security within the Stokholm Programme.

The conference's Key Recommendations were mentioned in European Commission Communication on cooperation in the area of Justice and Home Affairs within the Eastern Partnership (September 2011).

The ***National Strategy in the field of Migration and Asylum (2011-2020)*** was approved by the Government on 6 July 2011. The Strategy is meant to facilitate short, medium and long term comprehensive planning and managing of migration and asylum policies.

The draft ***Action Plan*** on the implementation of the Strategy in the field of migration and asylum was adopted on 9 November 2011 in order to provide concrete steps to smoothly put into practice the guidelines contained in the Strategy.

The draft ***Law on the Integration of Foreignes on the Territory of the Republici of Moldova*** was approved by the Government on 9 November 2011 and submitted to the Parliament for approval. The draft law aims to meet European standards and to ensure the implementation by the Moldovan authorities of a coherent integration policy of foreigners, including refugees, beneficiaries of humanitarian protection and asylum seekers.

In 2011 preparatory activities for the establishment of an Extended Migration Profile (EMP) of the Republic of Moldova continued within the project t"Supporting the implementation of the migration and development component of the EU-Moldova Mobility Partnership" implemented by the IOM Mission to Moldova.

The project ***"Supporting the implementation of the migration and development component of the EU-Moldova Mobility Partnership"***, financed by the EC the European Neighbourhood and Partnership Instrument (ENPI), is being implemented since 2009 by the IOM Mission to Moldova.

The project ***"Development of the Professional Training and Education System in Moldova"*** is implemented by the European Training Foundation (ETF) in partnership with the Ministry of Education of the Republic of Moldova (ME).

Since the turn of this year the Republic of Moldova is implementing the ***CEEPUS III Mobility Program foe Central Europe***. Under this program, 100 months of scholarships are

available for Moldovan students and young researchers in order to participate in internships, trainings and scientific events in European universities. In the 2011-2012 academic year about 3,500 students from Moldova are expected to participate in mobility programs. This will be achieved both through the implementation of bilateral agreements signed with Romania, Bulgaria, Greece, Slovakia, Belgium, Germany, as well as in the framework of the EC programs: Tempus, Erasmus-Mundus, Lean Monnet and e-Twinning.

To strengthen the promotion of legal migration:

The project "***Strengthening of Moldova's Capacity to Manage Labor and Return Migration"*** is implemented by the Swedih Public Employment Service (SPES) in cooperation with the National Employment Agency (NEA) and will last until the end of this year.

The joint initiative ***"Effective Governance of Labour Migration and its Skills Dimensions in Moldova"*** was launched in March 2011 for 30 months by the International Labour Organization (ILO), IOM, WB and the Moldovan Government.

The EU-funded project ***"Addressing the Negative Effects of Migration on Minors and Families Left Behind"*** was launched in May 2011 within the EC Thematic programme of Cooperation with Third Countries in the Areas of Migration and Asylum.

A new project ***"The Effects of Migration in Moldova and Georgia on Children and Elderly Left Behinf"*** is implemented by the University of Maastricht within the framework of the thematic funding line Support to Eastern Partners. The project is designed for the period December 2010 – December 2012.

A quakitative research *"Specific Needs of Children and Elderly Left Behind as a Consequence of Migration"* was conducted in 2011 by the MLSPF in the framework of the projects ***"Supporting the implementation of the migration and development component of the EU-Moldova Mobility Partnership"*** implemented by the IOM Mission to Moldova and ***"Support to the National ActionPlan on the protection of children left without parental care as a consequence of migration"*** implemented by the State University of Moldova and funded by the Czech Development Agency through Caritas Czech Republic as well as the UN Population Fund in Moldova (UNFPA).

In the area of fighting against illegal migration:

The two-year project ***"Strengthening Capacities and Cooperation in the Detection of false and forged travel documents at the Moldovan-Romania Border"*** organized by the International Centre for Migration Policy (ICMPD) was concluded with a conference on 24 March 2011.

On 13 May 2011 the launching conference for two projects funded by the EU and implemented by ICMPD, ***"Building training and analytical capacities on migration in Moldova and Georgia" (GOVAC)*** and ***"Supporting the Implementation of the EC visa facilitation and readmission agreements in Moldova and Georgia"*** (REVIS) took place in Chisinau.

On 18-20 July the EU-funded project ***"Eastern Partnership-Integrated Border Management Flagship Initiative Training Project"*** held the first training on detection of forgeries during first line check for representatives from the Border Guards and Police from Armenia, Belarus, Georgia, Moldova and Ukraine. They were trained by international experts from the Dutch Royal Marechaussee and the Ministry of Interior of Slovakia. [Info Newsletter EU-Mld MP nr.4, 07.2011].

As a part organization regulating mechanism, on the one side, and of an Association Agreement negotiations on the other side is visa Liberalization Dialogue launched on 15 June 2010. This visa dialogue allowed the European Union and the Moldovan authorities to examine the technical preconditions for the establishment of a visa0free regime for Moldovan citizens. On 16 December 2010, the Council endorsed the Commission's Action Plan on visa liberalization for the Republic of Moldova.

The European Commissioner for Home Affairs Cecilia Malmström presented it to Prime Minister of the RM Vlad Filat on 24 January 2011. The main elements of theAction Plan (APVL EU-RM 16,02.2010) are divided into mains blocks, each due to be realized to two phases – "legislative and policy framework" and "benchmarks for effective implementation". *Block 1* deals with *documents security, including stipulates the perfection biometrics*. It of legal framework for adequate protection of personal data, obligatory introduction of biometric passports and enbanced cooperation on document security with the respective EU structures.

Block 2 refers to *irregular immigration, including readmission*. It puts accent on he area of responsibility to the whole territory of the country; adoption of a new Law on the State Border allowing the Moldovan Border Guard Service cooperate with all competent law enforcement authorities in detection of cross-border crime, and extending Border management, migration management and asylum policy perfection. The first should be developed by the means of. Action National Plan for the effective implementation of the Integrated Border Management Strategy; training programs and ethical codes on anticorruption targeting border guars, customs etc.; provision of adequate infrastructure, technical equipment, It systems, financial and human resources; inter-agency cooperation at

national, regional and international levels (BGS with Frontex and the agencies of neighbouring countries involved in border management). Clause on migration management is concentrated upon the perfection of the migration policy, including effective measures for the reintegration of Moldovan citizens and the fight against irregular migrations; adoption of a National Migration Management Strategy and an Action Plan as well as a mechanism for the monitoring of migration stocks and flows, irregular migration risk analysis and adequate infrastructure and human resources. The perfection of the asylum policy is seen through adoption of legislation on the integration of refugees, adequate infrastructure, strengthening responsible bodies with staff and funding etc.

Block 3 is devoted to *public order and security*. Its main priorities are: preventing and fighting organized crime, terrorism and corruption; judicial co-operation in criminal matters; law enforcement co-operation and data protection.

Block 4 refers to external relations and fundamental rights. It put accent on Freedom of movement within the Republic of Moldova. Conditions and procedures for the issue of identity documents. Citizens' rights including protection of minorities.

As it has been undelined by Dirk Schubel, the Head of Delegation of the EU in Moldova, in the context of the EU-RM negotiations on visa liberalization, it is especially important to concentrate the efforts on asssurance of security of borders (www.vesti.md, Nr.6(1352) 21,01.2011). In doing so, the EU launched the Integrated Border Management (IBM) Flagship initiative within the Eastern Partnership in October 2009. The general aim of this initiative is to improve security, reduce smuggling and human trafficking, and facilitate mobility of people. It also at helping partner countries to develop integrated border management strategies and align border management rules to EU standards. A contract with the International Centre for Migration Policy Development (ICMPD) was signed at the end of 2010, for delivery of training activities (for a budget of EUR 2 million) [JWP EP, p.11]. The Republic of Moldova has adopted the respective Strategy (see Ch. V). The particular measures are taken within the projects on both frontiers: RM-Ukraine Border (1 222 km long, 405 km being under Transnistrian control) and RM-Romania Border (684 km long). Among them are as follows:

- *On July 1, 2009* the Border Guard Service of Moldova was equipped with 20 thermal vision devices in the framework of the BOMMOLUK 3 project, launched in 2006 with a budget of € 9,9 mln.

- *On November 6, 2009* at the request of the Moldovan Government, the European Commission supplied two X-ray scanning systems for the Moldovan Customs Service for Mobile Inspection and Scanning, the total cost of witch is € 3 mln.

In 2010 the Border Guard Service of the RM completed the two-year project on "Capacity Building and Technical Cooperation for Moldovan Border Guards and Border Official" (1,1 mln), bounded by the EU TACIS and co-funded and implemented by the IOM. 150 Moldovan BG officers were trained in application of Moldova equipment in Border control and surveillance (see EUBAM 2011 and 2012 Report for more recent example).

In December 2011 the Moldovan Parliament adopted the Law on Border Police. It was developed in the context of implementing the National Strategy for integrated border management state for 2011-2013 approved by Government Decision of 27.12.2010 nr.1212 and in the context of the EU-RM visa liberalization dialogue.

With respect to the continuous development of the legal framework of border-related cooperation, the heads of border-related institutions of the Republic of Moldova, Romania and Ukraine there were signed the Annual within the Strategy on Integrated Border MG of the RM Cooperation Plan for 2012, as well as bilateral international agreements on strengthening Moldovan-Romanian cooperation at central and territorial levels, established Galati Joint Contact Center, joint patrolling of the Moldovan-Ukrainian border, and carrying out the experiment on conducting joint control at the Border Crossing Point Briceni-Rososani on the Ukrainian territory.

Following the signing of the Working Arrangement and Cooperation Plan for 2008-2011, the Border Guard Service has been intensely cooperating with FRONTEX in various activity fields: dog handler training, risk analysis, detection of false and falsified travel documents and stolen means of transport, personnel training in accordance with the European standards. Once the Cooperation Plan for 2012-2014 is signed, cooperation shall be extended in the field of integrated management. Having analyzed the specifics of visa situation on both frontiers, one should take into account the following.

With Ukraine Moldova benefits from the visa-free regime as both countries are members of the CIS. The Border Management problems here are: border demarcation and solution of property issues (in time of Soviet Union the borders often played symbolic role so that they could be traced in the middle of a village or even a house; to measure border maps of different historical periods have been addressed to; in countries remained objects which were "in common" four property but at the balance of a certain republic (sanatoria, for ex.); illegal

goods and service circulation; obsolete equipment, need in professional development of BGS and CS; Transnistrian conflict with the virtual/real border between the RM and the PMR.

The major role in the solution of these problems plays the EUBAM as well as the EU support within the ENP and EP projects mentioned above.

The specifics of the EU–Romania-RM Management of borders is as follows. Before 2007 Romania and Moldova enjoyed mutual visa-free regime. Moldova also granted all the EU citizens visa-free entry up to 90 days (visa Policy of Moldova, 2012). At the same time, Moldovan citizens should apply for various kind of visa to enter the EU member-states (Romania, Bulgaria apart, Schengen Area countries apart etc.). More than that, since 2007 when Romania jointed the EU and aspires to join the Schengen Area, a Romanian visa was introduced for Moldovan citizens with accordance to Schengen requirements; i.e. witj rigid conditions. As steps toward facilitation of the EU visa regime for Moldova it was created in 2006 a Common Center for Visa in Chisinau, in which Moldovan citizens can obtain visa for Schengen member states. Since 2011 it was introduced a facilitation in that Center for people with doctoral degree, researchers and students manifesting found proves of their participation the EU activities invitations conference, study, work contracts) as well as financial provision of those activities, visa is eliberated free of change. As for Romanian visa, the President of Romania stressed in 2010 that it is not normal to have such rigid conditions between Romania and Moldova, to that he would make efforts to extend the visa duration up to 5 years as well as elimination of the condition of necessary demonstration of € 500 on an account.

Moldovan citizens, however, are increasing in number to obtain Romanian citizenship rather than long-term visa. Actual number of people with double citizenship (which is permitted number being in growth. Thus, Moldova is already integrating in the EU. Another trend is represented by those emigrants who either have already remained in the EU or have come back, could not re-integrate in under Moldovan socio-economic conditions, took/take (the process continues) their Children and came /come back to the EU, applying for citizenship of the member-states. In Italy, Spain, Portugal have already formed Moldovan Communities. This process also refer to the integration of some parts of Moldovan into the EU.

In order to liberalize the Romania-Moldova visa regime in pre-frontier areas, the Convention on Small Scale Border Traffic between Moldova and Romania was signed on 26 February 2010. it covers about 1,2 mln Moldovan citizens from 651 settlement of 18 districts. It presupposes 50 km both sides free traffic (www.mal.ro; www.azi.md).

However, at the beginning of its implementation extra-problems appeared. For crossing the border a permission should be got. For getting the permission, clear reason should be notified in application form and a list of documents was due to be presented (as of March 2010). For example, if the reason was "keeping family relations by visiting relatives". For this purpose the applicant had to submit "an invitation, in original, authenticated by a Romanian public notary or by the Consular department of the Embassy, by which the inviting person undertakes to provide accommodation, food, cover eventual medical expenses and/or repatriation" [www.azi.md/ro/story/9753].

As the Prime Minister of Moldova commented it: "It was a very unpleasant situation for me, because our intention was to solve people's problems, not to create new ones. I discussed with the Prime Minister, Emil Boc and the Minister, Vasile Blaga. They are willing to solve the problem and I am sure that we will manage to do it quite soon", stated Filat, on 3 March 2010, in front of the Consular Department of the Romanian Embassy in Chisinau, accepting applications for small traffic permits, starting from March 1 [ibid.].

The situation was released so as in 2011 people needed just to give a reason in application for getting the permission with minimum documents required. Besides, the process was automatized (see, for ex., Cahul Consulat on-line application www.consular.md). This case one may consider as a good example of operative problem solving on the way of visa facilitation and liberalization process.

In the context of Visa liberalization, Action Plan Implementation the Biometric passport has become obligatory. It was launched in Moldova in 2008 as an optional choice.

The actual biometric passport includes information regarding the blood type, digital finger prints and digital image. Children under 12 years old are not required to include digital finger prints in their passports. The term of validity for a biometric passport is 7 years, for children under 7 years old it is 4 years. The actual cost of the passport is 700 MDL (€ 45). Non-biometric passport issued until January 1, 2011 will be valid until its term expiration, to that the process of the biometric passport implementation is gradual.

In order to increase security and to diminish the process of illegal migration, corruption, drug trafficking and human being trafficking, alongside with BGS and CS modernization and training and the improvement of socioeconomic conditions of the country, the whole mentality of people should be change to tackle the issues effectively and efficiently. It is not incidentally the activities undertaken by the EUBAM for engaging youth in this process by providing it with the specialized training in the fields. Such activities are welcome to raise the awareness and to implement the measures for creating the area of freedom, security and justice. The EUBAM has

been concluding the agreements with the Universities of Moldova and Ukraine. Currently, it has a Cooperation Agreements with Liberal International University of Moldova (ULIM, private institution), Academy of Economic Studies of Moldova (AESM, state institution; the author of the *Analysis* is a contact person from side of the AESM) and Odessa State University.

Within the "Bridge" Project there were organized the specialized seminars on 28-29 April 2010 which involved international and national experts. The recommendations see Ch. IX.

CHAPTER VII

ANALYSIS CONCERNING THE ROLE OF CIVIL SOCIETY IN THE PROCESS OF REFORMS AND IN DEVELOPING THE EU-RM COOPERATION

Due to the PCA, EMP and EP the Civil Society of Moldova has been strengthening as a phenomenon and participates actively on both the socio-economic and cultural reforms of the country and the developing the EU-RM cooperation.

The Eastern Partnership intensified the role of Civil society in partner countries by launching the Civil Protection Flagship in December 2009 and by establishing the EP Civil Society Forum (CSF).

Its main aim is to strengthen the role of Civil Society Organisations (CSOs) in the framework of the EP and facilitate their dialogue with authorities on the issues the EP deals with, in 2010 its representatives presented their recommendations in the spring 2010 round of Platform meetings.

The CSF has been invited to participate in the activities of the several panels: Fight against Corruption, SMFs and Environment and Climate Change; Public Administration Reform and Improved functioning of the Judiciary to be established in 2011. representatives of the CSF also attended the seminar on the Jean Monnet Programme and participated in the civil society consultation on the EU trade policy towards EP countries (JWP EP, p.10).

The Role of the Civil Society is seen in its initiation and participation of various projects under the ENP and EP. The bright examples for 2009-2012 are as follows:

- The Contribution to the revitalization of historic Chisinau was done within the project "Hist. Urban. Integrated revitalization of historic towns to promote a polycentric and sustainable development" for 2007-2009 implemented in Moldova by Plai Resource Association. In total project budget is € 271, 09 from which the EC provided € 243,908.
- *On August 31, 2009* Culture House in the village of Festelita, Stepan Vodă rayon was opened due to its rehabilitation within the project "Cross-border cultural activities – premise for a multilateral sustainable cooperation" in amount of € 318.660 for 2008-2010 allocated by the European Commission.
- *In August, 2009* Moldova was granted a € 45 mln assistance package under the 2009 EC budget for project 2009-2012 on water supply and sewage disposal to bring them closer to EU standards.

- *On November 16-17, 2009* in Brussels 19 Moldovan NGOs participated in the first Eastern Partnership Civil Society Forum.
- *November 20, 2009* the Twinning project "Support to Moldova in Prisons System Upgrading and Penal Reform" was launched and is due to be implemented in the following 15 months. Its budget is € 920.000. The project is financed by the EC and implemented by the German Foundation for International Legal Cooperation, representatives of the government of the Netherlands, Ministry of Justice of Moldova and aims to adjust management of the penal system of Moldova to the European standards.
- *November 2008 – October 2009* the project "Development of Sanitary and Phytosanitary Systems Regarding Non-Animal Original Food Exports" was implemented by the Ministry of Agriculture and Food Industry with financial support of the EC estimated € 130.000. Besides the improvement of the system of laboratories for waste pesticide monitoring, customs control and staff training, there was elaborated an Action Plan to be implemented in 2010 worth 44 mln lei.
- *December 9, 2009* the Care Center "Home" in the village Badiceni, Soroca rayon was opened after its rehabilitation under the EU-funded project "Cross-border Social Partnership for the benefit of elder lonely people" for 2008-2009 estimated € 293.990 of which the EC contributed with € 267,300 (90%).
- *In December, 2009* Moldova received from the EU the first tranche of € 15 mln. from the €45 mln assistance package (see August,2009). This is the third budget support operation implemented by the EU in Moldova in addition to the Social Sector Policy Support (€ 21 mln) and the Health Sector Policy Support Programmes (€ 46,6 mln).
- *In December, 2009* the European Commission launched a new regional project "Waste Governance – ENPI East" within the Eastern Partnership aimed to improve the management of waste. Project Budget is € 5,9 mln. It will be implemented by a Consortium led by Spain's Epista, with the regional partners represented mainly by the Ministries of Environment.
- *On January 12, 2010* the Delegation of the EU to the RM has signed two new project with Chisinau City Hall. Projects are funded by the EC with a total budget of € 1.348. 000. The goal of the first project is to develop and implement innovative actions on Climate Change due to the renovation of pluvial sewerage in Chisinau and Odessa. The

objective of the second one is to increase energy efficiency of Chisinau and Sevastopol municipalities.

- *June-November 2009*, 513 community social workers have been trained throughout the RM under the project "Addressing the needs of vulnerable groups of population of Moldova". Besides training, the project aims at monitoring of a better targeted social assistance system and coordination of the informational flow in the social system. It is financed by the EC (€ 1, 2 mln for 2008-2010).
- The cross-border cooperation project "A family for every Child" implemented since August 2008 is designed to support children from disadvantaged families of Moldova in cooperation with partner institutions of Romania. Its budget amounts to € 223.058 where EC contribution is of € 200.752.20 (90%) and Leova Distinct Council's - 22.305.80 (10%).
- *On February 2, 2010* the new Head of the EU Delegation to Moldova, Ambassador Dirk Schuebel paid his first visit to the TAU Gagauzia. Within the library of the State University of Gagauzia was inaugurated a permanent EU Info Point.
- The first Summer Academy 2010 of the Carl Friedrich Goerdeler-Kolleg has invited for participation 15 young executives from public sector of those six countries of the Eastern Partnership.

In the context of youth contribution to the intensification the EU-RM relations, it is worthy to be mentioned the European Youth Federalists of Moldova NGO which is a part of the European Movement of Moldova, on the one hand, and a member of Junior European Federalists (JEF) international network, on the other hand. JEF was founded in Europe in 1972 but in Moldova in 2002. the purpose of the organization is to strengthen not only the actual but also the future the EU-RM relations by involving the youth in awareness campaign regarding the EU values as well as to disseminate the adequate information related to the European integration processes among the population in general. Among the activities are workshops, round tables, conferences. The specifics is in close ties within the network so that the activities have average 5 visits per year to international seminars held in European countries. The recent eloquent examples of their activities are:

a. 2010 → international seminar "Youth for Change", held in Chisinau, 40 participants including those of various EU countries;
b. →international seminar "Study visit " to Moldova" with participation of 15 young people of Germany;

c. → organization of an European Action "Civil a voice to Democracy";
d. 2011 → "I am young in the EU" project has as an aim informing the youth of Moldova, city-target regarding importance to integrate into the EU;
e. 2012 → "The Benefits of Youth in the process of integration into the EU" project has as a goal informing the youth in rural arrear related to the EU integration process as well as the visa liberalization regime [for more information see www.jef-moldova.org][11].

The special role in strengthening and developing the EU-RM relationship play the research-oriented NGOs. Their contribution is seen in the research of their experts due to which the civil society can manifest not only its active position but also substantiated based on sound arguments, position.

The conclusions and recommendations of such NGOs contribute to the decision-making of both Moldovan governmental structures and the EU bodies. Having referred to such types of NGOs is especially worthy to be Noticed the Institute for Development and Social Initiative "Future" (IDIS "Viitorul"), mentioned in Ch. IV. Among the researches of high actuality and applicability of the Institution there are: "Reglementation of agricultural goods export of the Republic of Moldova (2008) realized by the expert of IDIS "Viitorul" Viorel Furdui for the order of the Members of the Coalition for Rural Economic Development (CDER) within a project "Advocacy Campaign for Support of Moldovan exporters of agricultural goods" financed by Soros-Moldova Foundation and Sweden Agency for International Development (SIDA) (V. Furdui, 2008); "The Impact of Future Agreement on Free Trade between the Republic of Moldova and the European Union Upon the Agro food Sector of the RM" (2010) realized by the group of experts of the Institute Ion Perju, Viorel Chivriga, Alexandru Fala (Ion Perju, 2010) and financed by Soros-Moldova Foundation.

Another NGO important to be mentioned in this context is the Independent Analytical Center "Expert Group". The substantiated opinion of the experts of the Center is often addressed in Moldovan press and is respected in the society. Among their research is "The Agreement of Free Trade between the Republic of Moldova and the European Union Feasibility, Perspectives and Potential Impact" (2009), realized within a project "Commercial relations between the UE and the RM: actual situation and perspectives for deeping", financed by Soros-Moldova Foundation. The research was coordinated by Valeriu Prohnitschi and realized by the group of experts (see reference V. Prohnitschi, 2009).

[11] The author received the presented information directly from her students – activists at the AESM.

Moldovan NGOs are active in their EU cooperation. Among the joint research resulted from such a cooperation it is worthy to be mentioned "The EU-Moldova negotiations: what is to be discussed, what could be achieved?" (2010) realized by the expert Victor Chirila of Foreign Policy Association of Moldova (APE) and the expert Cristian Ghinea of the Romanian Center for European Policies (CRPE) with financial assistance of Soros-Foundation Moldova and Soros Foundation Romania (Cristian Ghinea, 2010).

In the framework of the "Bridge" Project there were also organized number of activities directed to strengthening the EU-RM relations and deepening mutual understanding. The activities were organized at both local level, involving representatives of Civil Society from different regions and cities of Moldova (Chisinau, Cahul, Comrat, Balti, Tiraspol etc.) and international level with the participation of the EU experts and authorities. Among the events focused on Civil Society issues it should be mentioned a workshop held in Chisinau on 5-6 May 2010. a workshop on in Comrat on 15-16 April 2011 was followed by a "Comrat Declaration on Inter-ethnic Relations and Protection of National Minorities in the Republic of Moldova" in which the Gagauzian NGOs manifested their active civil position in line with the EP Flagship initiatives. The Round table "EU-Moldova relations: achievements and perspectives" held in Chisinau on 16-17 March 2012 brought together the Civil society and from different regions of Moldova, the representatives of governmental structures as well as the EU experts. The conclusions and recommendations elaborated in time of this and other events and projects mentioned above are referred in Ch. IX.

CHAPTER VIII

THE ANALYSIS OF THE TRANSNISTRIAN INVOLVEMENT INTO THE EURO-INTEGRATION PROCESSES

VIII.1. General outline of the Transnistrian region

In 1990 the Transnistrian region declared itself as an independent state – Pridnestrovian Moldovan Republic (PMR). But is has not been recognized by international community (by no country-member of the UNO) as it has been considered as the destruction of the integrity of the Republic of Moldova as a Newly Independent State of the former Soviet Union. Despite of this, the PMR tends to act as an independent State. According to the Constitution of Moldova, the Transnistrian region is a part of the RM but, in fact, the territory of Transnistria is out of the RM's control. The PMR has got its own state symbolic:

The profile of the region:

Anthem: Anthem of Transnistria		
Capital (and largest city)		Tiraspol 46°50′N 29°37′E
Official languages		Moldovan (only official in its Cyrillic form), Russian, Ukrainian
Ethnic groups (2005)		31.9% Moldovans 30.4% Russians 28.8% Ukrainians
Government		Internationally unrecognized semi-presidential republic
-	President of the Transnistrian Moldovan Republic	The First was Igor Smirnov; the current, second, is Shevciuc
Autonomous territory of the Republic of Moldova that is de facto independent		

-	Declaration of Independence	September 2, 1990
-	War of Transnistria	March 2 - July 21, 1992
-	Recognition	by non-recognized entities only[1]
Area		
-	Total	4,163 km^2 1,607 sq mi
-	Water (%)	2.35
Population		
-	2007 estimate	537,000[1]
-	2004 census	555,347
-	Density	133/km^2 345/sq mi
Currency		Transnistrian ruble[2] (PRB)
Time zone		EET (UTC+2)
-	Summer (DST)	EEST (UTC+3)
Internet TLD		none[3]
Calling code		+373 spec. +373 5 and +373 2
1	Limited to Abkhazia and South Ossetia, both unrecognized, see Commonwealth of Unrecognized States	
2	Moldovan leu used in the localities under Moldovan control and in the security zone	
3	.ru and .md sometimes used.	

- The territory is divided into 5 administrative regions and 2 cities of republican submission

- The confession of the majority is Christianity (Russian Ortodox Chruch)

The Transnistria is more industrial than agrarian state. The leading position in economy have: machinery construction, metal/working industry, food and light industry, ferrous metallurgy, electro-energetic industry, building materials industry, highly intensive agriculture. The need in fuel and energetic resources the region covers due to their importing.

On the territory of Transnistria there has been concentrated the considerable part of industry of the former Moldovan Soviet Republic. The base for the Transnistrian economy constitute the large enterprises such as Moldovan metallurgic plant, Moldovan Hydro-electric power plant, textile combinate "Tirotex", cognac factory "Kvint", cement combinate of Ribnita, the "Sheriff" (alliance of companies that plays a leading role in the domestic economic life of the Transnistria).

VIII.2. Education system of Transnistria

The Educational system of Transnistrian region represents an integrated network that includes the institutions of education, culture and sport in their various legal and organizational forms. On the basis of Russian education methodology, there have been elaborated the Base Curricular Plan and a package of typical teaching syllabi for the institutions of general state education.

Proceeding from the need of the population, the teaching process is realized in the education institutions in one of the official languages of the PMR. Whatever language, however, the State Education Standard of the PMR is one and the same and is oriented toward the educational standards and space of Russia. For majority of courses the didactical materials are provided by the Russian publishing houses.

The network of professional education of the PMR consists of 9 state institutions of prime professional education (8 lyceums and 1 specialized school); 16 state institutions of middle professional education (7 technical secondary schools, 2 technical secondary schools – state farms (sovkhoz), 5 colleges, 2 specialized schools); two state higher education institutions (Transnistrian State University and Transnistrian Higher Music College).

On the territory of the PMR there situated 5 filials of the Higher Education institutions of the Russian Federation and 1 filial of the Higher Education institution of Ukraine. All these are non-state Higher Education institutions.

The professional education institutions of the PMR are guided by the teaching programs of three levels (prime, middle, higher). The prime professional institutions prepare workers and office employees on 35 specialties in such direction as construction – 39%, industry – 25%, agriculture – 21%, trade and public catering – 10%, consumer services – 5%. The middle – level professional institutions prepare specialists on 51 specialties in the directions as follows: industry – 20%, health protection – 17%, economy and right – 16%, agriculture – 21%, energetic – 6%, construction – 2%, education – 9%, consumer services – 3%, trade and public catering – 4%, culture and art – 25%.

At the Higher Education institutions the professional training is realized on 48 specialties in the following domains: education – 58%, industry – 18%, economy and right – 10%, agriculture – 9% and health protection – 5%.

Post university stages of education are aspirantura and doctorantura (http://www.olvia.idrnet.com/educru.htm).

In the teaching programs the study of euro-integration processes is not stipulated. The phenomenon of euro-integration is supposed to be studied by the Institute of History, State and Law and by the Chair of Politology and Sociology of the Transnistrian State University (TSU). The professors of the Chair, however, are not much involved in research on these issues that has been shown by our analysis of their scientific interests displayed at the site of the TSU (http://www.spsu.ru).

At the level of schools and colleges the topics of euro-integration are not specially discussed but at the universities the round tables and scientific seminars are organized. The Chairs suggest the topics on euro-integration for annual and final (diploma) theses.

The special programs for student exchange between Transnistria and the EU do not exist. But every student can take part in international programs offered by IREX, Soros Foundation and Francophone Alliance.

Having interviewed the representatives of the Ministry of Education of Transnistria, our assistants came to the conclusion that at this level there is no clear understanding regarding the EU programs in education designed for Moldova. The Bologna process has not been launched in Transnistria. It has also been registered the fact of lacking the informational resources regarding the opportunities of international exchange in education. This fact sometimes is used as a pretext for blaming the Moldovan authorities in making obstacles for the integration of the PMR in international education community. On the other hand, it has been noticed the positive attitude toward the PMR-EU perspectives of cooperation in education. Thus, Mr Tokarev S.V., the Head of the Department for professional technical

educational of the Ministry of Education has sustained that Transnistria is ready to cooperate in education with the EU countries at *the intergovernmental level* as it is currently realized with Russia, Ukraine and Byelorussia by the means of quota distribution at the universities of these countries.

At the level of universities there has been registered an intensive international inter-university cooperation. Thus, the Transnistrian State University by T. Shevcenco has concluded more than 50 agreements and memoranda regarding the cooperation with Russia, Ukraine, Byelorussia, China, France, Germany, Bulgaria and Taiwan. The University is the member of the Eurasia Association of the CIS universities, member of the Association of the Universities of Law of Russia, member of the Association of the Universities of Construction of the CIS etc.

Since May 1999 at the Transnistrian State University there has been functioning the joint scientific research and methodic Center of the Moscow State University and the TSU. Beside the joint scientific research activities, participation in international conferences and didactic activities, the Center takes part in the State attestation commissions.

The TSU creates the joint scientific and methodic centers with the Academy of Finances of the Russian Federation Government and with the National University by Mechnicov of Odessa, Ukraine.

In 2003 at the TSU there was founded the Center for French Culture within the cooperation with the "France Alliance" international organization. Currently, the creation of the centers for German and Bulgarian cultures is in process.

Due to these international links the professors and students of the TSU have possibilities to take place in scientific and practical conferences and training abroad (http://www.spsu.ru).

VIII. 3. The position of the Transnistrian society related to the eurointegration process

- **The attitude toward the euro-integration of business elite of Transnistria**

The businessmen of Transnistria express their interest in cooperation with the EU countries. The obstacles for this they see in the unrecognized statute of the region and in its "bad" image caused by the contraband goods and the non-respect for rights and freedoms – the universal as well as the economic ones.

The top managers of such enterprises as Eurostyle, Agrostyle and Intercenterlux sustain that the existing system of the cooperation with the European states is outdated. New mechanisms and new framework for running trade of goods and services are necessary. They have also stressed a huge lack of qualified personnel that can establish new contacts and promote goods at market.

It should be noted, however, that not all representatives of business have positive attitude to the euro-integration process and cooperation. Thus, the "Sheriff" business group that dominates at the domestic market is not interested in Transnistrian integration into the European processes. This can be explained by the monopolist position of the group that gives it possibility to control all spheres of activities in the region. European market mechanism with its competition and economic freedoms will undermine the position of the group. Besides, economic euro-integration will inevitably influence political sphere. That's why the euro-integration phenomena are considered by the top management of companies as a factor of instability for the whole region.

- **The attitude of politicians to the euro-integration**

In legislation of Transnistria the euro-integration vector has not been reflected. The Strategy for the PMR external policy shows this (http:// presidentpmr.org/material/112.html). The priorities here are: normalization of relations with the Republic of Moldova; strengthening and developing the friendly and mutually beneficial relations with the Russian Federation and Ukraine; establishing the relations of equity, good neighborhood and mutual benefit between Transnistria and the CIS.

The politics of Transnistria is oriented to the consolidation of the local power and to deeper integration with Russia. The crush of opposition entailed the lack of any other political vector. The representatives of the political elite sustain that even in the case of recognition of the PMR by states of the world it would be more reasonable to speak not about euro-integration but cooperation in various domains.

At the same time, despite of the unrecognized statute of the republic, its authorities enter the contacts with the institutions of the EU and vice versa. This becomes evident from the analysis of the regional news.

- ✓ "A special Representative of the General Secretary of the Council of Europe in the Republic of Moldova Vladimir Ristovski made a visit to the Supreme Council of Transnistria …

- ✓ In the course of dialogue between the representative of the Council of Europe and the Transnistrian parliamentarians there were discussed the possibilities of cooperation between state-members of the EU and Transnistria in various directions. In particular, *the Council of Europe offered the interaction in Higher education"* (http://www.vspmr.org/News/)
- ✓ The Supreme Council of the PMR has been visited by a delegation of representatives of the Council of Europe. Vice-chairman of the Supreme Council Anatolii Kaminscki and the Chairman of the Commission on External Policy and International Relations Sergei Ceban have met with the representative of the Council of Europe. The European delegation has arrived in the composition of the Director on Political Consulting and Cooperation of the CE Klaudia Luciani, Political Director on Democracy and Political Powers of the CE Olena Petsun and the Special Representative of the General Secretary of the CE in the RM Vladimir Ristovski. In the course of their meeting there have been discussed the possibilities of interaction of the European and Transnistrian mass-media representatives as well as *the cooperation in education*. "These proposals imply the exchange with professionals. – Claudia Luciani commented it. –It is planned to hold the meetings of two parties and to discuss the issues of mutual interest". (http://www.vspmr.org/News/).

- **The attitude of the University community to the euro-integration**

In the course of interviewing the representatives of the community (for instance, the Vice-rector for External Relations of the State University of the PMR Mr Kushakov M.N.) the following opinion has been shared.

There is lack of qualified specialists on the problematic of euro-integration and the EU-Moldova cooperation in university community. The Chairs, however, need them, for instance, the Chair of Politology and Sociology. It has also been stated that "the examination of euro-integration phenomena is a factor and necessary condition for the integration of the PMR into the world politics".

- **The attitude of the civil society to the euro-integration**

The representatives of public organizations are interested in cooperation with the EU institutions. The majority of NGOs is to be beneficiaries of sponsor support of the euro-institutions for realizing various social projects. One of the most active NGOs in the PMR is "Window to World". The organization has developed a special project *"European Home"*.

The "European Home" in the PMR opens its doors to all those who would like to feel the life style of a European, to receive the information about the European Union and its institutions. The elaboration of this project has had as its purpose the creation of conditions for the development and professional growth of youth as the NGO leaders by offering them different services and free access to information about Europe. It is expected that by means of distribution of various brochures, newsletters and holding the educational seminars the Transnistrians will be well informed about the activities of the EU institutions as well as the problems of the euro-integration.

To stimulate the interest toward the issues regarding the European Union, European countries as well as to contribute to the building of the partnership between academic and public structures of the PMR and the EU are considered to be the strategic priorities of the project. (http://www.worldwindow.md/?page=e_center)

Another direction of activity of the "Window to World" NGO is the *European Voluntary Service*. This is part of the "Youth" program, supported by the European Union, which encourages the voluntary service of young people in the age of 18-25 in the states of the EU with the purpose of receiving an informal intercultural experience. It also allows the non-for-profit institutions to have volunteers of 18-25 years old from states of Europe. (http://www.worldwindow.md?/page=programs)

***** The attitude of politicians and business elite to the European Neighborhood and Partnership Policy**

Having analyzed the e-mass-media information, including the official sites, we have got the following results regarding the attitude of the politicians to the ENP:

- The search for the European Neighborhood and Partnership Policy by the key words at the official site of the President of the PMR and at the official site of the Ministry of Foreign Affairs has given **no** results.
- At the site of the Supreme Council it has been registered an ironic and suspicions attitude of the PMR parliamentarians regarding the ENP instrument. Here we call forth a fragment from the news of this site that demonstrates such an attitude.

Some European suggestions were not welcome by the Transnistrian part. In the PMR e-press there was called forth an example as follows. One of the Plenary session of the European it was presented a Report of the Commission on International Relations "The Strengthening of the European Neighborhood and Partnership Policy". The report covered

issues regarding the interaction of particular states in the European space as well as the activity of international and regional organizations of interstate cooperation. It also contained some conclusions and suggestions related to the issues of Transnistrian-Moldovan settlement. Thus, in the item 35 of the Report it has been stressed that the participation of the states in the ENP Program obliges the participant countries to good neighbor relations. "For the best use of the potential of the Program, the participant countries have to undertake new and adequate efforts for finding the long-lasting and vital settlement of conflicts in the regions of "frozen conflicts" as well as to refrain from making statements in bellicose tone, from threats and actions that could worsen the situation and undermine the efforts of international community". In the next, the 36th item, however, the authors of the Report suggested "to call Ukraine, within its cooperation with the Program, for participating in the restrictive measures, taken by the EU against the leaders of Transnistria and thus contributing significantly into the peaceful settlement of the conflict in Transnistria". (http://vspmr.org/News/?ID=1446)

- The negative attitude of those PMR parliamentarians who associate euro-integration and the ENP with an obstacle toward the development of Transnistrian statehood is supported by public manifestations of a governmental youth structure called "Break" which has organized some actions against the representation of the OSCE in the region, pickets and strikes.

*** Having interviewed the top management of large companies of the region regarding the ENP, our research group came to the conclusion that some respondents (Agrostyle, Eurostyle) had not been in the course of such an instrument of cooperation in 2009-2010. Others (for example, Intercentlux) were sure that the inclusion of the region in the framework of the ENP would create favorable conditions for the development of business and promotion of goods.

In 2010-2011 there were undertaken more efforts by the stakeholders of the negotiation process between the PMR and the RM to renew the negotiations in "5+2" format for the purpose of strengthening the trust and attaining mutually beneficial outcomes. As it has been reported by the Prime-Minister of the RM Vlad Filat, there has been implementing the EU-RM-PMR project to strengthen the trust of people of both Nister's sides. The project budget is € 13 mln. 802 Transnistrian enterprises were registered in the Licence Chamber of the RM. For the first time in six years the circulation of trains for goods across Transnistria

has been restored [V. Filat, Raport 2012]. There also has been restored the stationary telephone communication with the region.

Much hope for more fruitful cooperation and more positive attitude is set by the EU and the RM on newly elected president and government of the PMR. New democratically elected president Shevcenco is balancing between the EU and Russia, having attempts to elaborate a harmonious external policy. The new Minister is Foreign Relations of PMR Nina Shtanski confirmed the fact that Transnistrian enterprises are covered by the EU trade preferences and use them However, the number of such enterprises oriented to the EU markets is very limited (A. Labina, www.kp.md, 06.04.2012).

"Transnistrian producers do not participate in negotiations process on free trade with the EU but potential exporters are interested not in being just observers but to stand for each trade position" has noticed the vice-director of the Center for Strategic research and reforms Elena Gorelova (www.aif.md, Nr.10, 2012). The RM experts, there fore, suggest to attract actively the Transnistrian exporters to the negotiations on DCFTA to have a harmonized commercial policy of the country.

On 26.03.2009 within the "Bridge" project there was organized a specialized workshop for academics in Shevcenco University in Tiraspol. The communication got to be fruitful. The University demonstrated intensive international cooperation, mostly with Russian, Ukrainian and Belorusian Higher institutions but also with some European ones and manifested its interest in phinancing the cooperation with the EU.

The recommendations related to the improvement of the PMR-RM-EU relations are presented in Ch. IX.

CHAPTER IX

BRIDGE CONCLUSIONS, PROPOSALS AND THE RECOMMENDATIONS FOR THE FURTHER DEVELOPMENT OF EU-REPUBLIC OF MOLDOVA RELATIONS

On the basis of the Bridge Country *Analysis* as well as the four-year term experience of the project, we conclude that the Republic of Moldova is already in the process of integration into the European Union with accordance to the initial logic of the European Union formation, i.e. economic and socio-cultural integration proceeds political one, and political acts facilitate the process. Such a reasonable and natural logic contributes to the consolidation of both the European Union and the Republic of Moldova.

The actual EU relations with Moldova could be symbolized as a rainbow of plenty of commitments, the realization of which will take time. Negotiations on the EU-Moldova Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA), Visa Liberalization and a comprehensive programme of approximation to the EU acquis have been progressing at a very good pace. In 2011, Moldova was appreciated as a leader in reforms within the Eastern Partnership. The country has cooperated closely with the EU on regional and international issues, and aligned itself with 38 of the 44 EU CFSP declarations open for alignment. The Progress was made in Visa Liberalization Dialogue: 42 documents from 44 of the First phase of Negotiations have already been successfully negotiated and agreed upon within 2010-2011 rounds.

The complex issues regarding regional security have got some progress in movement in 2011 – first half of 2012. Few remaining disagreements over the demarcation of the northern and southern segments of the common border between Moldova and Ukraine have been processing due to the fruitful assistance of the EUBAM.

Moldovan and the new-elected Transnistrian authorities start contributing to the EU sponsored confidence-building projects, and reactivated their bilateral sectorial working groups. The EUBAM contributes also to the confidence-building process through its activities and reports. We are honored with any further progress regarding Transnistria as were proposals of these kinds in the contents of the BRIDGE conference, held in 2009 at the Taras Shevchenko University in Tiraspol.

As to democracy, the EU reported that Moldova managed to make progress towards compliance with democratic principles, the justice system was improved and the rule of law

was strengthened, the situation with regard to freedom of expression, media pluralism and the exercise of the freedom of association and freedom of religion improved.

Moldova is successfully introducing the Bologna process objectives in the high education. Higher education reform continued to benefit from participation in Tempus, Erasmus Mundus Jean Monnet etc. The Moldovan cultural organizations participated in the ENP Special Action under the Culture Programme. The Republic of Moldova associated to the FP7 Program of the EU and is active in developing the joint research and innovation activities, having good potential for this.

Having bearded in mind these and other achievements, we are putting forward the following recommendations, addressing them to the Moldovan authorities, the EU and its member states in order to develop further the EU-RM cooperation for mutual benefit.

Recommendation of General Character addressed to both the Moldovan authorities and the EU structures: Keeping up the dynamics in negotiations of the Association Agreement, in reforms and problem- solving in different fields, to move further *gradually*, on the well - thought basis, to get not negative but positive synergy effect of the integration.

Recommendations specified in fields

1. Democracy, justice, rule of law:

To the EU and the Moldovan authorities

to join further the EU-RM efforts for the development of democracy, reforming the system of Justice and Strengthening the Rule of Law, undertaking more sustained efforts concerning the fight against corruption, and respect for fundamental human rights to decent and secure life, education, health etc.

2. Regional cooperation and local communities: A special attention is due to be paid to signing a Memorandum of Understanding on Regional and Innovation Policies which will allow the better use of mutual EU-RM potential through the integration of the regional innovation networks, development of Euro zones and will boost the development of regions in Moldova. We welcome and support a National Strategy for Regional Development and the establishment of the National Coordination Council for Regional Development as well as the EU-Moldova declaration with the work plan for its realization and propose the following in this regard:

- to consolidate the efforts of the central authorities in the realization of the aims of the governmental program "European Integration: Freedom, Democracy, Welfare – 2011-

2014", regarding decentralization of power and development of local autonomy – which is one of the five strategic priorities – and especially regarding the implementation of the National Strategy on Decentralization (fiscal and financial decentralization, increasing the capacity to co-finance projects etc.);

- to involve institutionally local and regional authorities` associations (LRA) in the negotiations within the future Association Agreement between Moldova and EU, including the examination of the possibilities of the LRA from Moldova to participate in the associations of the LRA in the UE as members or observers;
- to strengthen the cooperation (exchange of experience, including the signing of the twinning agreements; participation in common projects and programs) between the central authorities of Moldova and the EU's which are responsible for regional development, cross-border cooperation, for the relations in the framework of Euro-regions;
- to support by central authorities and civil society in general the ensuring of transparent administration close to the real needs of citizens, compliance with legislation and the institutional development of LRA and the absorption of European funds on projects with local impact as well.

3. Reforms in Economy:

To the EU and the Moldovan authorities

- to harmonize the Sanitary and Phytosanitary standards, in the context of preparation for the DCFTA, and to establish the EU-RM joint centralized laboratories for both Moldovan exporters to the EU and the EU importers to Moldova so that they would not be the subject of double check and payment. The laboratories should be equipped with everything necessary for the analysis of the highest quality and trust, the standards being the same for both sides. The expenses for maintenance of the laboratories should be taken by both sides, at the extent possible;
- to encourage eco agro producers in their business and in both their export to the EU and in their trading at the domestic market;
- to revise the policy of loans giving and taking for using them mostly in favour of the development of *production* sphere, especially supporting and facilitating the joint small and medium enterprises which focus on high technologies of post-industrial society (biotechnology, nanotechnology etc.);

- to support and facilitate the development of spin-off and start-up companies within specialized programs;
- to facilitate linkage of the high-tech SMEs with the universities and Academy of Science, using the potential of the FP7 association in the full extent;
- to adopt a Law on Intellectual Property Rights Protection as an integrated, organic law, which, on the one hand, will integrate the laws in domain previously adopted on various aspects of intellectual property rights, on the other hand, becomes organic in new Moldovan legislation harmonized with the EU aquis communautaire.

To the Moldovan authorities

To elaborate the system of adequate measure for increasing competitiveness of Moldovan producers at local market with respect to future EU competitors in the context of the DCFTA

4. Employment, social policy:

Addressing the Moldovan government

- to promote viable economic policies oriented to increase employment, eradicating long-term unemployment, especially among young people and other categories of persons excluded;
- to implement on the widespread level flexible forms of employment in order to ensure equilibrium in the labor market;
- to improve the measures for integration in the labor market of disabled persons or persons released from prisons;
- to expand public works, which are paid as a temporary measure to protect the unemployed individuals;
- to apply measures for ensuring sustainability of rural incomes, diversification activities in rural areas, and efficiency measures for supporting small business in rural areas;
- to develop and implement an effective education and training in order to maintain and develop the existing human capital and to apply the most wide the possible career planning activities especially for young people with a low level of training;
- to adjust the existing legal framework to the new values of social policies;
- to decentralize social services, enlarge the involvement of civil society in dealing with problems of social services and to overcome social exclusion, and to implement measures which would improve social welfare in disadvantaged areas;
- to diversify continuously the social services aimed at individuals identified as socially and economically excluded people, giving them an inclusive content;
- to elaborate a scale for communalities payments in cooperation with the Center of Consumer Protection and other competent representatives of the civil society. The scale has to be based on the sum paid for communalities as an interest of total family income (apart from the minimum of existence per each family member). As a sample, it is recommended to consider the Law on Consumer Protection of Germany.

5. Enhancement of the civil society:

Addressing the European Commission and the government of Moldova

- to strengthen the attention to the Moldovan civil society organizations in the EU-Moldova Association Agreement that is under preparation;
- to add to the Association Agreements a clause defining the legal conditions to facilitate the effective functioning and independence of civil society organizations (modalities of registration, taxation, co-operation with foreign entities). These particular legal conditions should be specified in a separate document summing up requirements for legislative changes to be made at the national level by Partner countries.

Addressing the government of Moldova

- to continue and enlarge consultations with the relevant non-governmental organizations and institutions on the preparation of agreements on the EU – Moldova relations, and inform them promptly on the on-going activities concerning the implementation of the EU – Moldova cooperation;
- to include the relevant civil society organizations and institutions in the preparation of particular EU-Moldova projects, especially those, where the civil society members have recognized for their expertise and experiences.

Addressing the EU:

- to elaborate an agenda and action plan for the establishment of a Civil Society Facility and of an European Endowment for Democracy;
- ensure the participation of civil society organizations in preparations of regular Eastern Partnership summits, intergovernmental platform meetings and ministerial meetings, and in courses of drafting specific programme modalities as well;

6. Non-discrimination, national minorities, ethnic territorial autonomy:

To the Moldovan government

- At present, Moldova discusses in the Parliament the draft of the Law on Non-discrimination with the purpose of its adoption. It is recommended to accelerate the process.

To increase the protection of national minorities, it is recommended

- to ensure the effective implementation and application of the adopted legislation regulating the status and rights of national minorities and improve and up-date these norms, also in accordance with the obligations of Moldova emanating from the

relevant international instruments, first of all from the CoE Framework convention on the rights of national minorities;

- to ratify the European Charter for Regional or Minority Languages and the Protocol No. 12 to the Convention for the Protection of Human Rights and Fundamental Freedoms prohibiting all forms of discrimination;
- to elaborate and carry out special programs of learning minority languages by the majority population, and the state language by national minorities, with the intention of strengthening the "unity in diversity" of the Republic of Moldova;
- to pay special attention to the problems of Roma population, among other by adopting adequate measures for reducing the negative stereotypes of the majority population towards Roma and for improving their educational opportunities and socio-economic conditions (health, housing, employment, etc.), having in mind, of course, the general socio-economic situation in Moldova;
- to get familiar with experiences abroad concerning the ethnic data collection and to elaborate on this basis their own procedure; these data would be of help for the consideration of ethnic issues in Moldova;
- to encourage further development of cooperation of Moldova with Bulgaria, Romania, Russia, Turkey, Ukraine and other countries on cultural, linguistic, economic and other fields what will be to the benefit of ethnic communities living in Moldova and the Moldovan minority living in Ukraine as well.

Addressing the EU

- to consider the establishing of new programs and financial lines, aimed at increasing the opportunities for developing projects, which will contribute to the further development of inter-ethnic relations and national minority protection, and thus to the political stability and unity of the Republic of Moldova.

Recommendations concerning the ethnic territorial autonomy of Gagauzia

We are convinced that it should be of particular importance to care for a positive political attitude of the Moldovan political structure towards the ethnic territorial autonomy of Gagauzia, which has been a unique achievement of the Moldovan democracy after the independence in 1991. It is thus of paramount importance to develop further this autonomy. Thus are proposing:

- to organize a dialogue between the autonomous authorities and the central government in order to clarify the division of competences in general, and the well-defined

competences of the Autonomous Territorial Establishment of Gagauzia in relation to the central government in particular;

- to provide the Autonomous Territorial Establishment of Gagauzia with legal possibilities for developing territorial cross – border cooperation with regions and local communities in foreign countries, in order to increase its opportunities for cultural, economic and social development;
- to provide a legal basis for establishing regional political parties on the territory of Gagauzia and thus broadening the democratic political structure in that part of Moldova;
- to stimulate and finance (by the Moldovan government and the Gagauzian authorities) research and spreading of results, on national and international levels, of studies on history and culture of Gagauzians and on national minorities living on the territory of Gagauz autonomy as well.

7. Education and culture:

For the Moldovan authorities

- to encourage University charters and consortiums in order to promote national mobility;
- to enlarge the number of credits for optional units and for internships in study plans (I-st cycle of HE);
- to start and develop an information campaign on the importance of linking Higher Education and labor market;
- to develop the opportunities and conditions for the incoming students and professors for short-mobility periods.
- to create the portal with country profile and the tendencies in domain and comprehensive data bases of artists and cultural organizations and update them in real time;
- to establish Contact Points for job and training linking and enlarging the opportunities of domestic market and abroad, including employment opportunities, coproduction, and project opportunities;
- to create a Central Recognition Unit in order to support effective and coherent recognition of study abroad periods or degrees, including also types of recognition such as formal and informal learning and locate this unit within student service functions;

- to contribute to the creation of residences for artists, including cross-border ones;

For cultural organizations: to enlarge the dialogue with the EU on mobility and funding opportunities.

For the EU:

- to establish a Code of Good Practice on Mobility with a separate part on recognition, based on universities procedures;
- to launch a common Erasmus portal that would spread the information on Mobility and on recognition issue.
- to establish a database of study programs, academic calendars and short description of the learning outcomes for different periods of study (alternatively of NQFs of concerned countries).
- to elaborate Recommendations on Procedures on Recognition procedure for Moldova;
- to stipulate a comprehensive and transparent procedures of Recognition in the Partnership Agreement;
- to increase the number of academic staff mobility – as it is the key of change - in order to change stay home mentality;
- to elaborate and implement quality assurance criteria and indicators for mobility programs;
- to ensure access for Eastern partners to the new generation programs, especially programs supporting contacts between people, such as Erasmus for all and creative Europe;
- to continue to support the Jean Monnet Initiative and increase the number of scholarships available for students from Partner countries;
- to develop a network similar to Erasmus Mundus educational program aiming at promoting cultural mobility and long life learning programs for cultural sector;
- to support the elaboration and implementation of a national culture development strategy;
- to facilitate the networking and the best practices experience between EU and Moldova cultural organizations.

8. Cross-border cooperation and Visa Liberalization

Addressing the EU organs and agencies

- to elaborate further the cross-border cooperation with Moldova within the in the ENP and EP programmes;

- to increase the share of the financial means subscribed to cross-border security and territorial cooperation in the region in the next financing period (2014-2020);
- to consider the empowerment of the EUBAM or to create similar organization for the Moldovan-Romanian border in order to further strengthen the security on this border and to contributing to the progress in visa liberalization for Moldovan citizens;
- to continue with the endeavours for diminishing the negative consequences of the Schengen border regime management and of the existing visa system, which is a serious for the people to people programmes and for the development of cross-border cooperation in particular;
- to include in the EU Tempus, Erasmus Mundus, Jean Monnet, Marie Curie, Leonardo da Vinci and research programs priorities that are important for education and training of people and for researching issues related to the development of ENP and EP respectively and CBC, in particular;
- to create and support the joint business info networks and institutions of innovation economy, which would serve for exchange of information, realization of common business ideas and transfer of knowledge;
- to adopt a "Code for Migrants", *in the context of Visa Liberalization Dialogue,* for defending the interests of foreign migrants, including the Moldovan ones. To take it true, a coordinating mechanism has to be elaborated. It will ensure support for the EU state-members in their implementation of "General framework for Integration" in the directions as follows:
  - organization of joint events and European "modules" for facilitating the process of migration by means of training, language studies etc.;
  - participation of immigrants in all domains of social life;
  - elaboration of indicators for evaluation of achievements related to integration of immigrants.

Addressing the Moldovan government

- to ensure an equilibrated regional development through specific regional approaches in order to avoid the increase of social and economic differences, caused also by greater capability of more developed regions to use the EU funds;
- to build up an adequate legal framework – in the context of decentralization – which will provide regional/local authorities with competencies regarding CBC;

- to consider and accelerate procedures for accession to the 3rd Protocol to the Madrid Convention of 2009 on establishment of European Cooperation Groupings (ECGs);
- to strengthen the cross-border cooperation and integration with Romania and the strategic partnership with the EP countries, Russia and CIS, and the USA.

9. Transnistria:

Addressing the EU, Moldovan government and Transnistrian authirities

- to advance the statute of the EU within the negotiations from observer to mediator;
- to develop a democratization and demilitarization policies regarding Transnistrian region, within the trust consolidation efforts between involved parties;
- to include elements for the settlement of the Transnistrian conflict in the instruments and programs of cooperation between the EU, Ukraine and Moldova, particularly in areas of strengthening economic ties between Moldova and Transnistria, implementing joint economic, social and humanitarian projects, infrastructure and communication systems;
- to support the gradual internationalization of the peace-building forces in Transnistria.

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ANNEX 1

Consultative Group Meeting: Moldova Partnership Forum

Wednesday, March 24, 2010

Brussels (Belgium)

Final Statement

1. The Government of Moldova and its international development partners convened on March 24, 2010 in Brussels, Belgium, for the **Consultative Group Meeting: Moldova Partnership Forum.** The meeting was jointly hosted by the European Commission and the World Bank. The Government delegation was led by Prime Minister Vlad Filat and attended by EU member states, and bilateral and multi-lateral development partners.
2. The objectives were twofold: (a) to reach a common understanding of the challenges facing Moldova in light of the economic crisis, Moldova's EU integration objective, and the Government's strategy for addressing them; and (b) to ensure coordination and mobilization of external assistance to support Moldova in overcoming these challenges.
3. The discussions focused on four broad areas: (1) the Government's strategic priorities and political reform agenda; (2) the macro economic situation and the Government's structural economic and social reform agenda; (3) needs for external aid and strategies for enhancing aid effectiveness; and (4) the response from the donor community.
4. The Moldovan authorities welcomed the opportunity of the Forum to explain to the international community the impact of the global economic crisis on Moldova and steps the Government is taking to mitigate these impacts and to move the economy forward in line with the recent three year agreement with the IMF.
5. The Moldovan authorities informed the international community of progress made so far in advancing political, economic and social reforms. The Government reaffirmed its commitment to the European Partnership and underlined that European integration is its key priority and the most efficient way to achieve political, economic and social modernization. This approach reflects ongoing efforts towards political association and economic integration in the negotiation process of an association Agreement. The Government also outlined its commitments to the implementation of existing crisis-response and national development plans in the short to medium term, laying the foundations for sustainable economic growth and bringing improvements to the livelihoods of Moldovans.
6. The Government of Moldova presented its strategic document – **Rethink Moldova**, Priorities for medium term development – which outlines the government's EU integration ambition and summarizes the Government's comprehensive vision of the country's short to medium-term priorities and highlights financing needs in support of the proposed reforms.

7. Forum participants reaffirmed their commitment to supporting Moldova's crisis recovery efforts and welcomed the Government's strategic vision across a range of critical sectors, including: a) improved infrastructure in roads, water, energy and ICT; b) better public services in education, health and social protection; c) improved business environment in support of an export-led growth model; d) efficient local and central public administration in particular through e-governance solutions; e) strengthened independent judiciary; and f) accelerated action to effectively combat corruption.
8. The Government outlined recent efforts to enhance the effectiveness of external assistance and implement fully its aid policy, including through the establishment of Government-led sector level coordination mechanisms and clearer links between monitoring of external assistance and national monitoring systems. The Government welcomed progress made by development partners toward a better division of labour to ensure support is not duplicated and that priority sectors are not neglected. The Development Partnership Principles signed on March 18th 2010 are a key step in ensuring the most effective use of external resources. The Government and Development Partners expressed their commitment to developing a Joint Assistance Strategy which identifies specific, practical steps which will be needed to turn these Principles into reality.
9. Development partners expressed their strong support for the Government's strategies outlined in Rethink Moldova and indicated financial support totaling 2.6 billion US dollars over the next four years, of which 30% is in budgetary and balance of payments support. Key areas for partners' support will be roads rehabilitation, agriculture, water and sanitation, energy, health, regional development and social protection. Government and partners expressed satisfaction that this level of support would make a significant contribution to Moldova's near term financing needs arising in particular from the impact of the economic crisis. All parties recognized the need to maintain the reform momentum necessary to attain Moldova's medium term objectives.

Done in Brussels, on 24 March 2010

His Excellency Vlad FILAT, Prime-Minister of the Republic of Moldova

Stefan FULE, EU Commissioner for Enlargement and ENP

Martin RAISER, World Bank Regional Director for Ukraine, Belarus and Moldova

Bridge

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Fostering mutual understanding
and co-operation of the EU with Belarus,
Moldova, Russia and Ukraine 2008 - 2012

ANALYSIS OF THE EU-RUSSIA RELATIONS

Prof. Irina BUSIGHINA, MGIMO University, Russia

MOSCOW, RUSSIA 2012

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CHAPTER 1

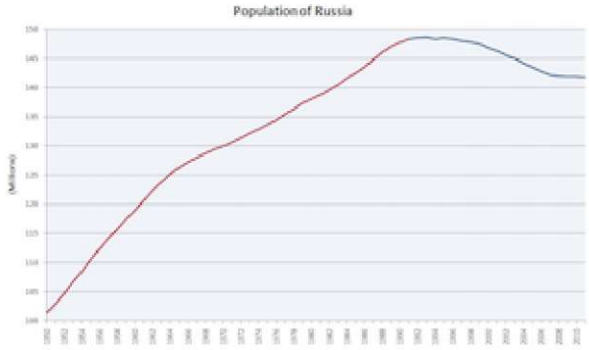
RUSSIA IDENTIFICATION DATA

Demographic figures of the country, including the ethnic and religious composition of the population, its structure by age, education and profession and the similar

The population of Russia in 2011 was 141,837,976, according to Rosstat, the official Russian Government statisticians. However, the measurement of a country's population is an oddly inexact science, however, and the Rosstat figure is not the only valid estimate available. The CIA, for example, gives an estimated 2011 population of 138,739,892, which is considerably lower. Taking the CIA Russian population 2011 estimate of almost 139 million people would make Russia the 9th largest country in the world, sandwiched between Nigeria (155 million) and Japan (126 million), and considerably smaller than China and India, both of which have populations in excess of 1 billion people.

The Russian population in 2011, of course, is much smaller than its predecessor state, the Soviet Union, which had a population of 290 million in 1990.

Is Russia's Population falling?



Since the collapse of the Soviet Union, Russia has suffered a significant decrease in its population. At its peak in 1991, the population of the Russian Federation was 148,689,000, so you can see that Russia has considerably fewer citizens than it used to.

Overall, in the decade following the fall of the Soviet Union, the Russian population fell by an average of 0.5% every year. The size of the fall in population has gradually decreased in the first decade of the 21st Century, however, and in 2009 Russia recorded its first increase in population since 1991 – albeit a small increase of just 23,000.

There have been two main causes for the fall in population – a low birth rate, and increased mortality. It is likely that the root of both of these causes is in the upheaval and reduced living standards that followed the breakup of the Soviet Union. Lack of confidence in future prospects led to a decrease in the birth rate, while the mortality rate has been dramatically affected by alcoholism among Russian men (although there is some evidence to suggest that this is part of a longer term trend, dating back to the 1960s).

Russian demographics have been a hot political topic for many years, and the Russian government has introduced a national programme, which aims to reverse the fall by 2020. As noted above, there are signs that the population of Russia is increasing, although how much of this can be attributed to the programme, and how much should be attributed to wider economic factors is debatable.

The vast majority (around 80%) of people living in Russia are ethnic Russians. Tartars and Ukrainains are the only other sizeable ethnic groups in Russia, with 3.8% and 2% of the population respectively. The remainder of the population is spread among more than 150 different ethnic groups.

Most of Russia's population is based in the West of the country, and the two largest cities in Russia are Moscow (10.5 million populations) and St Petersburg (4.6 million). Only 41 million Russians live in the Urals, Siberia and the Russian Far East. You can see a graphical representation of how Russians are spread across Russia in the picture below.

There are over 20 million Russians living outside of Russia. Most, as a result of the Soviet legacy, are spread across the former Soviet Union – there are estimated to be 8.3 million Russians in Ukraine, for example, and almost 5 million Russians in Kazakhstan. There are

also sizeable Russian populations in the United States (around 2.6 million) and Israel (1 million).

Ethnic and religious composition

The Russian Federation is home to as many as 160 different ethnic groups and indigenous peoples. As of the 2010 census, 80.9% of the population that disclosed their ethnicity (111,016,896 people) is ethnically Russian, followed by (groups larger than one million):

- 3.9% Tatars (5,310,000)
- 1.41% Ukrainians (1,930,000)
- 1.16% Bashkirs (1,580,000)
- 1.05% Chuvashs (1,440,000)
- 1.04% Chechens (1,430,000)
- 0.86% Armenians (1,180,000)

It is important to note that in the 2010 Census; almost 6 million people (about 4% of the overall population.) did not declare any ethnic origin, compared to about 1 million in the 2002 Census.

The most widespread religion in Russia is Eastern Ortodox Christianity, represented by the Russian Orthodox Church. A survey by VZIOM in 2010 (with a 3.4% margin of error) found that 73% of the Russian population is Orthodox and 6% is Muslim. 1% believed in other faiths and the remainder was non-religious, or self-identified atheists or agnostics (self identified religious people and non-religious people can be atheists or agnostics).

Over 80% of ethnic Russians identify themselves as Orthodox. Of these, approximately 2–4% of the general population is integrated into church life (воцерковленные), while others attend on a less regular basis or not at all. Many non-religious ethnic Russians identify with the Orthodox faith for cultural reasons. The majority of Muslims live in the Volga–Ural region and the North Caucasus, although Moscow, Saint Petersburg, and parts of Siberia also have sizable Muslim populations. Other branches of Christianity present in Russia include Roman Catholicism (approx. 1%), Baptists, Pentecostals, Lutherans and other Protestant churches (together totalling about 0.5% of the population) and Old Believers. There is some presence of Judaism, Buddhism, and Krishnaism, as well. Shamanism and other pagan beliefs are

present to some extent in remote areas, sometimes syncretized with one of the mainstream religions.

According to the 2002 Census, 9.96% of the Russian population belongs to ethnic groups which had traditionally practiced Islam (such as Tatars, Bashkirs, Chechens and Azeris)

Population structure: age, education and profession

Median age
Total: 38.8 years
male: 36.1 years
female: 41.1 years (2009)

Life expectancy
Total population: 70.3 years
male: 64.3 years
female: 76.1 years

As of 2011, the average life expectancy in Russia was 64.3 years for males and 76.1 years for females. In the late 1950s, the USSR had a higher life expectancy than the United States, but the Soviet Union has lagged behind Western countries in terms of mortality and life expectancy since the late 1960s. The life expectancy was about 70 in 1986, prior to the transition-induced disruption of the healthcare system. The turmoil in the early 1990s caused life expectancy in Russia to steadily decrease while it was steadily increasing in the rest of the world. Recently however, Russian life expectancy has again begun to rise. Between 2006—2011 the male life expectancy in Russia rose by almost four years, increasing the overall life expectancy by nearly 4 years to 70.3.

According to a 2005 UNESCO report, 96% of the adult population has completed lower secondary schooling and most of them also have an upper secondary education.

Eleven-year secondary education in Russian is compulsory since September 1, 2007. Until 2007, it was limited to nine years with grades 10-11 optional;

Socio-economic data

The GDP of the Russian Federation was in 2010 $1,479,819,314,058 (in current US$).
Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2000 U.S. dollars. GDP is the sum of gross value added by

all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. The GDP growth in Russia was 4,2% in 2010.

The Russian Federation weathered the global crisis of 2008-2009 well, in part due to a large fiscal stimulus. The Government took decisive action to provide emergency support to banks and enterprises bringing returned growth, and implemented social protection measures to prevent a collapse in consumption.

In 2010, Russia's economy returned to moderate growth, on the heels of domestic demand and higher oil prices, with lower than expected unemployment and poverty. In 2011, the country recovered its pre-crisis output level and returned to a fiscal surplus. Russia is the top producer and number two exporter of oil, so when oil prices plummeted during the crisis it served as a stark reminder of the Government's over-dependence on oil and gas and the need to diversify.

Nevertheless, in the past decade, this dependence has increased. The share of oil and gas exports has risen from less than one half of total exports in 2000 to two-thirds in recent years. However, Russia's oil output is projected to reach a plateau from the middle of this

Unemployment refers to the share of the labor force that is without work but available for and seeking employment. Unemployment in Russia is currently 8,2%.

The political and administrative structure (the competences of the head of the state; the name and strength of parties composing the country's political structure; the composition of the Parliament and government; administrative division of the country – regions, provinces, communities - and the competences in general of particular entities; other data).

The Russian Federation was the largest nation to emerge from the break up of the Soviet Union in December 1991. Following the constitutional crisis of 1993, Russia adopted a new constitution in a referendum of December 1993. Essentially the country is described as a federal presidential republic.

THE PRESIDENT

The constitution of 1993 provides strong powers for the President. The President has broad authority to issue decrees and directives that have the force of law without legislative review, although the constitution notes that they must not contravene that document or other laws. Indeed Russia's strong presidency is sometimes compared with that of Charles de Gaulle in the French Fifth Republic (1958-69).

The Law on Presidential Elections requires that the winner receive more than 50% of the votes cast. If no candidate receives more than 50% of the vote, the top two candidates in term of votes must face each other in a run-off election. Under the original 1993 constitution, the President was elected for a four-year term but, in November 2008, the constitution was amended to make this a six year term. The President is eligible for a second term but constitutionally he is barred from a third consecutive term.

The first President of the new Russia was Boris Yelsin who was elected in June 1991. He was followed by his hand-picked successor Vladimir Putin. After a term as Acting President, he was elected for his first term in May 2000 and for a second term in March 2004. In accordance with the constitution, he stepped down in March 2008 and was succeeded by his nominated successor Dmitry Medvedev (previously a First Deputy Prime Minister).

In March 2012, Putin was re-elected as President on the first ballot in a widely criticised election in which the opposition candidates were weak, the media was compliant, and there were many electoral irregularities. He will take office in May 2012 and serve for six years. Constitutionally Putin could seek one further term and, if elected, would therefore be President until 2024 when he would be 71.

THE EXECUTIVE

The Prime Minister is appointed by the President with the approval of the Duma and is first-in-line to the presidency in the case of the President's death or resignation.

Historically the role of Prime Minister has been very much subservient to that of the President. However, this situation changed in March 2008 when Vladimir Putin stepped down as President - as he was constitutionally required to do - and became Prime Minister.

In May 2012, Putin will return to the Presidency and former President Dmitry Medvedev is likely to become Prime Minister in an exchange of roles.

THE STATE DUMA

The lower house in the Russian Federal Assembly is the State Duma. It is the more powerful house, so all bills, even those proposed by the Federation Council, must first be considered by the Duma. However, the Duma's power to force the resignation of the Government is severely limited. It may express a vote of no confidence in the Government by a majority vote of all members of the Duma, but the President is allowed to disregard this vote.

The Duma has 450 members who are known as deputies. Formerly seats in the Duma were elected half by proportional representation (with at least 5% of the vote to qualify for seats) and half by single member districts. However, President Putin passed a decree that from the November 2007 election all seats are to be elected by proportional representation with at least 7% of the vote to qualify for seats. This 7% threshold is one of the highest in Europe and, by introducing this, Putin eliminated independents and made it effectively impossible for small parties to be elected to the Duma. Also the registration process for candidates in elections is complicated, so that only very few of the parties that want to field candidates are allowed to do so. All these points have been highlighted by critics of the Russian system of politics.

Under the original 1993 constitution, elections were held every four years but, in November 2008, the constitution was amended to make the Duma's term five years. The last Duma election was held in December 2011, so the next one is to be held in December 2016 (Turnout in that election was only 60%).

THE FEDERATION COUNCIL

The upper house in the Russian Federal Assembly is the Federation Council. The Council has 168 members who are known as senators. Each of the 84 federal subjects of Russia sends two members to the Council.

The federal subjects are the 21 republics, the 47 oblasts, the eight krais, the two federal cities, the five autonomous okrugs and one autonomous oblast (each category of which has different powers). One senator is elected by the provincial legislature and the other is nominated by the provincial governor and confirmed by the legislature.

As a result of the territorial nature of the upper house, terms to the Council are not nationally fixed, but instead are determined according to the regional bodies the senators represent.

The Council holds its sessions within the Main Building on Bolshaya Dmitrovka Street in Moscow, the former home of the Soviet State Building Agency (Gosstroi).

POLITICAL PARTIES

The main political party is called United Russia. It was founded in April 2001 as a result of a merger between several political parties. It describes itself as centrist, but it is essentially a creation of Vladimir Putin and supports him in the Duma and the Federation Council. In the last Duma elections of December 2011, even with the alleged voting iregularities, United Russia's share of the vote fell by 15% to just over 49% and the number of its deputies fell by 77 to 238.

The main opposition party is the Communist Party of the Russian Federation led by Gennady Zyuganov. In the last election, it won 19% of the vote and took 92 seats.

The only other parties retaining seats in the Duma are the fake opposition party A Just Russia with 64 seats and the ultra-nationalist Liberal Democratic Party of Russia with 56 seats.

Administrative division

Russia is a federation which since March 1, 2008 consists of 83 federal subjects (members of the Federation). These federal subjects are of equal federal rights in the sense that they have equal representation—two delegates each—in the Federation Council (upper house of the Federal Assembly). They do, however, differ in the degree of autonomy they enjoy.

Six types of federal subjects are distinguished—21 republics, 9 krais, 46 oblasts, 2 federal cities, 1 autonomous oblast, and 4 autonomous okrugs.

Autonomous okrugs are the only ones that have a peculiar status of being federal subjects in their own right, yet at the same time they are considered to be administrative divisions of other federal subjects (with Chukotka Autonomous Okrug being the only exception).

All of the federal subjects are grouped into eight federal districts, each administered by an envoy appointed by the President of Russia. Federal districts' envoys serve as liaisons

between the federal subjects and the federal government and are primarily responsible for overseeing the compliance of the federal subjects with the federal laws.

Foreign relations of the country (data concerning relations with neighbouring countries; membership in international political and economic organisations; the economic relation with foreign countries, especially the EU and its members, the structure of trade – export/import etc. –with foreign countries, and the similar),

Russian membership in International Organizations:

Russia holds a permanent seat, which grants it veto power, on the Security Council of the United Nations (UN). Prior to 1991, the Soviet Union held Russia's UN seat, but, after the breakup of the Soviet Union the Russian government informed the United Nations that Russia will continue the Soviet Union's membership at the United Nations and all other UN organs.

Russia is an active member of numerous UN system organizations, including the UN General Assembly and Security Council; Food and Agriculture Organization; United Nations Conference on Trade and Development; UN Educational, Scientific and Cultural Organization; UN Office of the High Commissioner for Refugees; United Nations Industrial Development Organization; United Nations Economic Commission for Europe

Russia also participates in some of the most important UN peacekeeping missions including the United Nations Mission in Sierra Leone; United Nations Iraq–Kuwait Observation Mission; United Nations Institute for Training and Research; United Nations Mission in Bosnia and Herzegovina; United Nations Operation in Côte d'Ivoire; United Nations Mission in Ethiopia and Eritrea; United Nations Mission of Observers in Prevlaka; United Nations Observer Mission in Georgia; United Nations Transitional Administration in East Timor; United Nations Truce Supervision Organization; United Nations Mission for the Referendum in Western Sahara; United Nations Organization Mission in the Democratic Republic of the Congo

Russia also holds memberships in the Asia-Pacific Economic Cooperation, Bank for International Settlements, Black Sea Economic Cooperation, Council of the Baltic Sea States, Council of Europe, European Organization for Nuclear Research (observer), Commonwealth of Independent States, Collective Security Treaty Organisation, Euro-Atlantic Partnership Council, European Bank for Reconstruction and Development, Economic and Social

Commission for Asia and the Pacific, Group of 8, Group of 20, International Atomic Energy Agency, International Bank for Reconstruction and Development, International Civil Aviation Organization, International Red Cross and Red Crescent Movement, International Development Association, International Finance Corporation, International Red Cross and Red Crescent Movement, International Hydrographic Organization, International Labour Organization, International Monetary Fund, International Maritime Organization, International Mobile Satellite Organization, International Criminal Police Organization, International Olympic Committee, International Organization for Migration (observer), International Organization for Standardization, International Telecommunication Union, Latin American Integration Association (observer), Non-Aligned Movement (observer), Nuclear Suppliers Group, Organization of American States (observer), Organisation of Islamic Cooperation (observer), Organisation for the Prohibition of Chemical Weapons, Organization of Petroleum Exporting Countries, Organization for Security and Co-operation in Europe, Permanent Court of Arbitration, Partnership for Peace, Shanghai Cooperation Organization, World Tourism Organization, Universal Postal Union, World Customs Organization, World Federation of Trade Unions, World Health Organization, World Intellectual Property Organization, World Meteorological Organization, World Trade Organization (applicant), Zangger Committee

Import – export

Economy

Natural resources: Petroleum, natural gas, timber, furs, precious and nonferrous metals. Agriculture: *Products*--Grain, sugar beets, sunflower seeds, meat, dairy products. Industry: *Types*--Complete range of manufactures: automobiles, trucks, trains, agricultural equipment, advanced aircraft, aerospace, machine and equipment products; mining and extractive industry; medical and scientific instruments; construction equipment. Trade (2010): *Exports*--$376.7 billion: petroleum and petroleum products, natural gas, woods and wood products, metals, chemicals. *Major markets*--EU, CIS, China, Japan. *Imports*--$191.8 billion: machinery and equipment, chemicals, consumer goods, medicines, meat, sugar, semi-finished metal products. *Major partners*--EU, CIS, Japan, China, U.S.

Russia – EU: trade relations

The EU's "strategic partnership" with Russia is exceptional because of the scale of mutual economic interdependence, the intensity of political competition in the neighbourhood and the

internal divisions it has caused in the past. Russia sees the EU as its most important consumer of energy exports and as a trade partner that can help it modernise its economy. The EU, on the other hand, wants to trade with Russia but also to co-operate with it on security issues in the Wider Europe and beyond. In 2011, the EU achieved an impressive degree of unity based on an overriding interest in developing its co-operation with Russia. This unity was symbolised by increasing co-ordination between Germany and Poland, and in particular between foreign ministers Guido Westerwelle and Radoslaw Sikorski, leading some to speak of a "Polish-German tandem" on Russia policy.

However, just as the EU moved to further engage with Russia, in particular on the modernisation drive promoted by President Dmitry Medvedev, both he and the vision he was believed to represent were sidelined. In September, Russian Prime Minister Vladimir Putin's announcement that he was returning to the presidency ended a period of wishful thinking that had underwritten much of the EU's engagement with Russia. The large-scale voter fraud to support Putin's United Russia party during parliamentary elections in December made it clear that, even if the government wants to modernise its economy, it is not prepared to cede control of institutions.

On the occasion of the 28th European Union - Russia summit, which took place on 15 December 2011 in Brussels, Eurostat, the statistical office of the European Union, issues the latest data1 on trade between Russia and the EU.

EU-27 trade in goods with Russia increased up by 27% in the first nine months of 2011. EU-27 trade in goods with Russia partly recovered in 2010, after the sharp drop recorded in 2009 which interrupted a long period of growth. EU-27 exports to Russia fell from 105 billion euro in 2008 to 66 bn in 2009, then rose to 86 bn in 2010. Imports decreased from 178 bn in 2008 to 118 bn in 2009, then increased to 160 bn in 2010. As a result, the EU-27 trade deficit with Russia increased from 52 bn euro in 2009 to 74 bn in 2010.

The first nine months of 2011 showed continued growth in EU-27 trade with Russia. Exports rose from 61 bn in the first nine months of 2010 to 79 bn in the same period of 2011, and imports from 117 bn to 146 bn. As a result, the EU27 trade deficit with Russia increased from 56 bn in the first nine months of 2010 to 67 bn in the same period of 2011. In the first nine months of 2011, Russia was the EU27's third most important trading partner after the USA and China, accounting for 7% of EU27 exports and 12% of EU27 imports.

Among the EU27 Member States, Germany (25.2 bn euro or 32% of EU exports) was by far the largest exporter to Russia in the first nine months of 2011, followed by Italy (6.9 bn or 9%), France (5.4 bn or 7%) and the Netherlands (5.1 bn or 6%). Germany (26.9 bn or 18% of EU imports) was also the largest importer, followed by the Netherlands2 (19.7 bn or 13%), Poland (13.1 bn or 9%), Italy (12.8 bn or 9%) and France (10.1 bn or 7%).

Most Member States recorded deficits in trade with Russia in the first nine months of 2011, the largest being observed in the Netherlands (-14.6 bn euro), Poland (-8.6 bn), Italy (-5.9 bn), France (-4.7bn) and Finland (-4.5 bn). Surpluses were modest and all below 0.5 bn.

Just over 85% of EU27 exports to Russia in the first nine months of 2011 were manufactured goods, while energy accounted for more than three quarters of imports.

CHAPTER 2

EU-RUSSIA RELATIONS IN THE CONTEXT OF THE ENP POLICY

The EU's objective towards Russia is to create a common economic space based on a free-trade area with Russia. For years, EU–Russia trade liberalisation has been held back because Russia is not a member of the WTO. For example, without WTO membership, Russia could not sign a free-trade agreement with the EU, which has been on offer for several years. Russia's WTO accession was complicated by Russia's protectionist lobbies and Russian-Georgian disagreements on how to ensure proper border controls around the conflict zones of Abkhazia and South Ossetia. Russia's creation of a customs union of Kazakhstan and Belarus has also complicated Russia's WTO accession and EU–Russia trade liberalisation.

In 2011, after 18 years of negotiations, Russia finalised accession talks with the WTO member states – a major success for the EU. Russia finally joined the WTO in December. This will also open the way for further trade liberalisation between Russia and the EU, which could be enshrined in the New Enhanced Agreement (NEA) currently being negotiated. Throughout the year, the EU was quite united in supporting Russia's WTO accession and holding the perspective of a free-trade regime open to Russia. In the spring, the EU and Russia finally settled most of their differences on Russia's WTO accession. The EU also played a strong diplomatic role in persuading both Russia and Georgia to agree on a compromise that opened the way for Russian accession to the WTO. But although the EU has achieved its long-term objective of seeing Russia enter the WTO, the success of further EU–Russia trade liberalisation will depend on how fast the EU and Russia can agree to liberalise their own bilateral trade.

The EU made Russia agree to a list of conditions to be fulfilled in order to benefit from a visa-free regime. The challenge will be to see Russia implement the agreed measures.

A visa-free regime is perhaps Russia's single most important demand from the EU. In principle, the EU is prepared to accede to this demand, but there are differences among member states on how actively the EU should use the offer of a visa-free regime to extract political concessions from Russia and the time horizons for the abolition of visas. Several important developments took place in 2011. The existing EU–Russia visa-facilitation regime was renegotiated and the EU and Russia agreed to make greater use of long-term multi-entry visas for up to five years. The EU also agreed to extend the right for visa-free local border

traffic to all the residents of the Russian enclave of Kaliningrad. Most important, however, was the agreement in mid-December of a set of "common steps" towards a visa-free regime between the EU and Russia: instead of just presenting Russia with a set of conditions that need to be fulfilled in order to qualify for a visa-free regime (as the EU did in the Western Balkans, Moldova and Ukraine), the EU agreed to design a set of steps for both sides to take, which underscored the equality between the EU and Russia.

EU member states have been united in their approach to visa liberalisation with Russia. However, the same cannot be said for the implementation of the existing visa policy on the ground. Some member states such as Finland, Spain, France, Italy and Greece have been asking Russian citizens for fewer supporting documents for visa applications and have granted a higher share of long-term multi-entry visas. But other states such as Germany, Denmark and the Czech Republic have been significantly more restrictive in their visa policies. These differences on the ground allowed Russian citizens to engage in "visa shopping" and undermined the potential for the EU to use the prospect of visa liberalisation to promote reforms in Russia or win concessions on political issues such as conflict resolution in Transnistria.

Elections in Russia and the EU reactions

EU leaders are usually very careful not to criticise the internal affairs of major third countries. It was thus surprising that Catherine Ashton, the EU's foreign policy chief, took the opportunity in a speech to the European Parliament on 1 February 2012 to reprimand Russian leaders both for internal and external policy failures. Ashton began by indicating that President Medvedev had seemed to grasp the importance of political change when the much criticized Duma elections were discussed at the December 15 (2012) EU-Russia summit. Some limited changes had been announced, but too little and too late. Most Russians were dismayed at the presidential succession being decided by just two men, Putin and Medvedev over the heads of voters.

Ashton stated that there was a rising group of people calling for 'real participation, for more decisive measures to rein in corruption and impunity, and to give more breathing space to democratic processes'. These people were ready to express their opinion – peacefully. The best way forward, was to engage in dialogue with the protesters and the opposition, and together define an agenda of change. Ashton noted the criticism from OSCE observers about

registration of political parties and access to the media. With regard to the presidential elections on 4 March she called on the Russian authorities 'to review as a matter of urgency the decision not to register Grigory Yavlinsky.'

Ashton's comments on the domestic situation in Russia prompted a shark rebuke from Alexander Lukashevich, a spokesman for the Russian foreign ministry. He said that Catherine Ashton's comments were 'bewildering' and that her call for a review of the election commission's refusal to register Yavlinsky 'overstepped the bounds of political correctness as do her attempts to speak on behalf of Russian civil society'.

Ashton also raised foreign policy differences between the EU and Russia. She urged Russia to join the international consensus, and allow the Security Council to act on the basis of the Arab League proposals and the joint draft resolution. The case of Syria was not identical to Libya and 'we cannot let the Syrian people pay the price for past disagreements'. As a Permanent Member of the UN Security Council, Russia needed to take its responsibility for international peace and security seriously. Ashton also highlighted disagreements with Russia on Georgia and Moldova without going in to detail. There was, however, reasonable cooperation on the Middle East and Iran.

Ashton concluded by noting the positive outcome of the December summit *including Russia's WTO accession, agreements on aviation issues, visas, and the Partnership for Modernisation.* She considered that the EU approach of constructive yet critical cooperation with Russia was bearing fruit. The EU would continue its support to modernize both Russia's economic basis and the foundations for a dynamic society oriented towards the future. The EU was well prepared to support and encourage a domestic political process in Russia that aimed at the development of its democratic institutions and the rule of law, a modern economy and a vibrant civil society whose human rights are respected and whose aspirations for a more open and dynamic society were matched by the reforms undertaken by its government.

The EU Policy Toward Russia: General Context

Steven Everts writes that "the Union needs to break with the habit of producing endless shopping lists of priorities. The list of priorities should cover three or four issues at most" (Everts, 2002: 65). However, long list or short, Russia would necessarily be in (however, there exists a different opinion: for example, Hazel Smith does not consider Russia proper to be the EU geographic priority (see: Smith, 2002).

Describing EU-Russia relations the analysts stress that the relations "have undergone substantial change since the initial period the collapse of the Soviet Union and the years of the Yeltsin Presidency"(Flenley, 2005: 1). In my opinion we should say that now these are relations between two principally new and constantly changing political actors. The EU is not what it was at the beginning of 90s. Russia is not what Soviet Union was. Moreover, Russia in 2007 is not what it was in the middle of 90s when it joined the Council of Europe. Then it was weak western-oriented (at least rhetorically) country that tried to develop its relations with Western Europe on the basis of sharing common values. For Europe, Russian President Yeltsin was the only guarantor for non-restoration of the communist rule, democratization and market reforms in the country. It explains western commitment to support Yeltsin. Now Russia does not position itself as western-oriented any more, the President Putin builds the country's relations with the EU on the basis of economic interests (in Russia's "Concept of Foreign Policy" that just appeared, the term "values" are mentioned 4 times, while "interests" – 90 times). Unlike other countries on the EU borders, that are queuing to get closer to the Union, Russia does not sign up to the "European model".

Soviet Union and afterwards Russia were always perceived as **common challenge** for the EEC and later the EU. In 1970, when the six foreign ministers of the European Community met for the first time in the framework of the EPC, there were two important issues on the agenda: the situation at the Middle East and the question of how to respond to Soviet proposal for European Security Conference. So, the EEC foreign ministers began their negotiations with USSR with European security pact (Wallace, 2003: 44). Later, after collapse of the Soviet Union, managing relations with Russia remained very substantial to EU member states due to their dependence upon natural gas and oil supplies from Russia. Besides that, Russia was a necessary player in western efforts of keeping stability at the continent. Economically weak, turbulent and corrupted Russia could threaten security in Europe. During 90-ties national executives and EU commissioners have traveled to Moscow more frequently than to any other capital outside the EU; relations with Russia developed into the most active EU external dimension. Everts and Keohane point out that in the future the EU main geographic focus is likely to be on the so-called "near abroad": the former Soviet Union, the Balkans, the greater Middle East and Northern Africa (Everts and Keohane, 2003: 183).

Russia is a common challenge for the EU now, however the degree to which EU member states were conscious about what was going on in Russia was very different. It was not so noticeable in 70-80-ties when western European relations with the Soviet Union were conducted primarily through bilateral channels, but this difference in attitudes became clear in 90-ties and grew much stronger with 2004 enlargement. German government was conscious the most acutely, it put forward the strongest initiatives for conducting close relations with the Soviet leadership after the period of Cold war confrontation. Now the bilateral German-Russian relations are probably the most important element of west-east relations within Europe, Germany has the most active national engagement with Russia. United Kingdom and France see active diplomacy towards Russia as a symbol for their status of serious European power, they both have significant cadre of experts on Russia (Wallace, 2003: 55). With 1995 enlargement the EU got a group of states for which common policy towards Russia was one of the highest priorities for their foreign policies: Finland and Sweden have joined the EU and elaborated the concept of "Northern Dimension" (1997) that developed into important pattern of relations not only with Moscow, but also with regional authorities at the North-West of Russia. Sweden, Finland and Denmark were passionate supporters of the EU membership for Baltic States. However, beyond these states, the other EU members show much less interest in relations with Russia.

With 2004 enlargement the EU has got east-central European countries, the former countries of so called "peoples democracy". All of them distrust Russia; some hate Russia, some fear that they have too much similarity with it. And all of them fear Russia – for its huge geography, military strength, imperialist ambitions and potential instability (Motyl, 2003: 24-25). Thus, the differences in attitudes increased drastically.

Partnership and Cooperation Agreement (PCA) signed (as well as with all other post-Soviet countries, except Tajikistan) constituted the contractual framework of the Union's relations with Russia before the Amsterdam Treaty. The EC Treaty did not provide a specific legal basis for agreement such as the PCA. Partnership agreement is a mixed agreement that involves both EC exclusive competence (Common Commercial Policy) and shared competence between the Community and the member states (economic cooperation). PCA presupposes the member states decisive role not only in elaborating and concluding the PCA, but also in further development the partnership. In particular, member states are involved in

establishing the Community positions that are to be defended within the Cooperation Council and the Cooperation Committee of the PCA (Hillion, 2000: 1218-1219).

Based on the EC Treaty, the PCA was also influenced by CFSP principles; it constitutes what can be described as *mixed external action of the EU with a cross-pillar dimension* (Hillion, 2000: 1219). This "cross-pillarization" of the PCA has contributed in particular in solving the problem of policy coordination across the EU pillars (see: Blair, 2003; Stetter, 2004). The Agreement was not only aimed at promoting economic cooperation between the EU and Russia but also at developing of political dialogue within multilevel institutional framework.

However, the growing concerns over political and economic development of Russia during 90s showed the EU member states that the PCA alone was not sufficient to deal with Russia in crises situations. The European Council came forward with the idea of elaboration Common Strategy on Russia (CSR) – a new CFSP instrument that appeared in Amsterdam Treaty, which was based on the European Commission's communication presented at the meeting of the EU foreign ministers in Carcassonne in March 1995 ((Haukkala, 2000: 8). In fact, it was the very first Common Strategy the EU adopted – emphasizing the importance of the EU-Russia relations.

Common Strategy on Russia elaboration started with the "strategy paper" on EU-Russia relations which was prepared by GAC in November 1995. The next step was the adoption of an action plan in May 1996; its main aim was declared as "continued support of the further development of democracy, the rule of law and pluralism in Russia" (European Union's Strategy, Annex 8, 3-4). The plan was ambitious but lacked concrete proposals and measures; it failed to contribute into the EU-Russia relations: the only major novelty was an increased emphasis on the importance of nuclear safety in Russia (European Union Action Plan, 2.3.1).

From the beginning of the German Presidency it began to work at the initial draft of the strategy with an informal group of the most interested member states – "small core" - the United Kingdom, France and Finland. "The most interested" have rather quickly put forward the main priorities for CSR: democracy, European stability, rule of law, investment climate, nuclear safety and organized crime. There were two lines of tensions between the member states during the process of CSR elaboration: France demanded that the member states should first debate the question of what common strategy really is (here German Presidency could

make France to change its mind with the reason that such a debate would only slow down the process); and Spain and the other Southern countries feared that the QMV procedure could be extended to areas where it does not belong, in particular to granting EIB loans (in this case the problem was solved by making a special declaration at the end of the strategy that stated that QMV will be used only for those common positions and joint actions which fall into Title V of TEU (that is CFSP). That means that Russia could get EIB loans only by unanimity voting.

The result of the COREPER and Political Committee was presented to the GAC in May 1999, which decided that the document should be presented at the Cologne European Council. Then the heads of the governments adopted CSR almost without discussion. The document set out four main objectives concerning Russia: consolidation of democracy, the rule of law and public institutions; integration of Russia into common European economic and social space; cooperation tp strengthen stability and security in Europe and beyond; common challenges on the European continent (Common Strategy of the European Union…).

Already in December 1999 the Council adopted the first Joint Action under the CSR, "The Joint Action establishing a European Union Cooperation Program for Non-Proliferation and Disarmament in the Russian Federation". The program contained positions that Austria and Sweden found unacceptable. However, the possibility of adopting decisions by QMV forced these two member states into concessions and the decision was finally reached without voting (Haukkala, 2000: 36).

The second Chechen war made clear an interesting difference between the EU as a whole and member states. The Union tried (although unsuccessfully) to influence Moscow with harsh rhetoric and some (symbolic) sanctions, while the member states (especially the larger ones) chose more practical approach, they were reluctant to apply sanctions against Russia. Tony Blair and then Gerhard Schroeder visited Moscow to meet yet to be elected Vladimir Putin in order to establish good relations with the future Russian president. As Haukkala argues, the member states used the Union's CFSP and the CSR as the channels through which they collectively disapproved Russian actions while simultaneously they used them as sort of shields under which they carried on their bilateral ties with Moscow (Haukkala, 2000: 38).

The CSR lacked certain basic characteristics that should be present to call it "strategy". Strategy is a "*value-based*" doctrine of those measures and resources, which are to be applied

when an actor is consciously striving for a certain preferred end-state" (Haukkala, 2000: 11). A strategy should provide an actor with a certain measure of consistency and flexibility in realizing the objectives (Pearson, 1990: 24-25). European integration as a European project can be described as strategy (value-based doctrine), but for the EU-Russia relations this is obviously not correct.

The basic consensus between the member states was only around the thesis of overall importance of Russia to the European Union, but not about what the real EU priorities on Russia should be. Thus, only very loose consensus was possible among executives of the member states, and even this loose consensus was hampered by competing national interests and by the fact that highest national executives (British prime minister, German chancellor first of all) still maintained their autonomy in pursuing their relations with Russia, negotiating their separate foreign policy interests.

Unprecedented enlargement on 10 countries of Central and Eastern Europe was the reason why in March 2003 the Commission presented to GAC and the EP the report under the title "Wider Europe – Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors". This communication turned into the EU official policy (European Neighborhood Policy – ENP) after it was adopted by the European Council in June 2003. This initiative has been most passionately lobbied by Swedish, Danish and Polish governments. However, Russia has declined its participation in the ENP preferring to develop cooperation with the EU on a more "equal" basis, through four "common spaces" (see: Smith, 2005).

Sooner or later, the new agreement will be reached, but most probably the document will be possible to negotiate will lack clear goals, instruments and mechanisms – the same shortcomings from which both the previous PCA and Common EU Strategy on Russia suffered. Instead of membership perspective, the Union proposes Russia "strategic partnership" (how Chris Patten expressed this, "share all but institutions"). With accordance to the abovementioned notion of what "strategic" is, the partnership to be strategic has to be based on common values. However, every year EU and Russia building their relations are moving in the opposite direction; common value concept is considered as not working both in Russia and in Brussels. The EU Country Strategy Paper on Russian Federation determines as the main interests of the Union in Russia "the fostering the political and economic *stability* of the Federation and maintaining a *stable supply of energy*..." (Common Strategy Paper, 3).

The ENP

Since its inception in 2004, the ENP has promoted a variety of important initiatives, particularly on the trade and economic front, which have allowed the EU and its neighbours to develop stronger relationships in virtually all policy fields, from energy to education, from transport to research. These are now the subject of exchanges and co-operation between the EU and its neighbours. EU assistance has increased and is better targeted. But there is room for improvement on all sides of the relationship. Recent events and the results of the review have shown that EU support to political reforms in neighbouring countries has met with limited results.

The ENP is a broad political strategy which has as the ambitious objective of strengthening the prosperity, stability and security of Europe's neighbourhood in order to avoid any dividing lines between the enlarged EU and its direct neighbours. The ENPI is the financial instrument which supports the ENP through concrete assistance actions.

A specific framework of cooperation with Russia

Relations with Russia are not developed through the ENP. Instead, a strategic partnership has been created, covering four so-called "common spaces". However, Russia receives funding from the ENPI – hence the term "partnership" in ENPI.

The EU has in place a programme of financial cooperation that has evolved over time to support the achievement of common objectives.

The EU and Russia co-operate on dealing with a number of challenges, both at international level, as well as in our common neighbourhood. These include climate change, drug and human trafficking, organised crime, counter-terrorism, non-proliferation, the Middle East Peace Process, and Iran.

At the St. Petersburg Summit in May 2003, the EU and Russia agreed to reinforce their cooperation by creating in the long term four 'common spaces' in the framework of the Partnership and Cooperation Agreement and on the basis of common values and shared interests. These cover the following issues:

1. The Common Economic Space, covering economic issues and the environment
2. The Common Space of Freedom, Security and Justice;

3. The Common Space of External Security, including crisis management and non-proliferation;
4. The Common Space of Research and Education, Including cultural aspects.
5. Funding is sourced in the main from the European Neighbourhood and Partnership Instrument (ENPI). Priorities for cooperation, as described above, are set out in the national, interregional and cross-border indicative programs for 2007-2010, approved by EU Member States and agreed with the Russian Government. They set out respectively allocations for cooperation with the Russian federal authorities, and for cooperation between local authorities on either side of the Russia-EU border. A priority for cooperation is the higher education sector, where the EU has supported student and university exchanges through the Tempus and Erasmus Mundus programmes. In 2010 alone, more than 23 million Euros are available.
6. Russian republics and oblasts participate in a number of the cross-border programs set up by the European Commission (Kolarctic, Karelia, South-East Finland/Russia, Estonia/Latvia/Russia and Lithuania/Poland/Russia). The idea is to promote economic and social development in border areas; to tackle common environmental, health and security problems; and to encourage cross-border exchange and contacts. Funding is also made available for the Northern Dimension.
7. Funding for financial cooperation with Russia is also sourced from the Nuclear Safety Instrument, the Democracy and Human Rights Instrument and a number of other thematic programmes, and – if a crisis were to occur – from several instruments designed to respond to humanitarian or other crises.

The ***Northern Dimension*** provides a framework for cooperation between the European Union, Russia, Norway and Iceland and it is important that Community assistance be also used to support activities contributing to the implementation of such a framework. The new objectives of this policy were set out in a political declaration and a policy framework document to be prepared on the basis of the guidelines approved by the Northern Dimension ministerial meeting of 21 November 2005 (Regulation… 2006).

A Combination Between the ENP and the EU/Russia Strategic Partnership

The main problem is to find out the proper combination between the four spaces and ENP, which can be seen as a soft policy tool. One of the main difficulties encountered by the EU lies in the relationship between its policies toward Russia and those toward the East European

states (Belarus, Ukraine, and Moldova). Essentially, the EU has not managed to clearly define Russia's position in its Eastern policy and is still hesitating between a specific strategy, as demanded by Moscow, and a global strategy, advocated in particular by the new members, in order to limit Moscow's influence on the EU and the CIS countries (Gomart 2009). Officially, according to their respective constitutions, Belarus, Ukraine and Moldova are all neutral countries. In fact, Ukraine and Moldova have both declared their political objective to join the EU, whereas Belarus is continuing its process of isolation from Western institutions. Moscow regards the western CIS countries crucial for economic reasons as well as for security reasons. In the security field, the three countries could, after NATO/EU's enlargements, be seen as a "gap" of more than 60 million people between the spheres of Russia in the east and an expanding NATO and EU in the West. Concerning Belarus, Ukraine and Moldova, the inconsistencies and limitations of the EU's strategic engagement over the last decade should be underlined. The three countries have never been considered top priorities due to their specific relations with Moscow. Indeed, in the early 1990s the underlying assumption of the EU policy towards the three countries was based on the expectation that they would group around Russia within the CIS. With this assumption in mind, the EU urged that close economic links between Russia and these countries be maintained.

This approach has remained the basis of EU policy towards these countries. Undoubtedly, the accession of new members such as Poland or the Baltic states followed by the events in Ukraine, have definitely shook the basis for this assumption. At the same time, despite regular summits and positive public statements, relations between the EU and Russia have not been improved. The disparity between their mechanisms and substance has certainly increased: the permanent dialogue does not necessarily reveal a joint project. It seems rather that the friction between interests and values has been revived by new spatial proximity, inequalities of development, and conceptual differences.

It is one thing to say that the EU and Russia are developing a "strategic partnership" separated from the ENP. It is another to mobilize specific financial resources to feed the EU/Russia relationship. In fact, financial support for ENP partner countries will be provided through a single instrument, the ENPI. From 2007, it will replace existing geographical and thematic programs covering the countries concerned (Proposals… 2004). Further period (2004-2006) was covered by some specific arrangements, the so-called "Neighborhood Programs" aimed at addressing the opportunities and challenges arising from enlargement through strengthened cooperation at the cross-border and regional level. They are also aimed at facilitating the legal

flow of people, goods and services across the Union's external borders (Tacis… 2003). From 2007 to 2013, the ENPI is expected to allocate 14.929 million Euros. The ENPI would represent just over 15 per cent of spending on external action (a proposed figure of 95.590 million Euros)[12]. In 2004, the budget for Mediterranean and East European countries accounted for 1.420 million Euros with 467 million Euros for Eastern Europe, Caucasus and Central Asia, and 953 million Euros for the Middle East and the South Mediterranean. According to the EU Commission, the strategic partnership with Russia will be developed through the four common spaces "consistent with the ENP", which will also lead to increase cross-border and regional cooperation.

The cooperation with Russia will be supported financially through the ENPI. More precisely, the Commission recommends that Russia be offered support for implementing relevant parts of the strategic partnership from the proposed ENPI. Many conclusions should be drawn from the Commission's orientations, both in political and practical terms. First, the special political status always required by Moscow will be more and more rhetorical if, in practice, the strategic partnership is supported by the ENPI. Second, Russia will implicitly be included in a sort of fund competition. Though it intends to be funded by the EU, Russia has to compete with the ENP partners. Third, the emerging overlap between ENP and the strategic partnership can be understood as an attempt of financial rationalization. Fourth, concerning the EU attitude toward its main neighbors, it will be highly significant to note the meaning of "strategic partner" in accordance with future financial arrangements. In other words, should the EU translate "strategic" into financial assistance and if so, how? Fifth, both Russia and ENP partners are supposed to increase cross-border and regional cooperation with the EU (Gomart 2009).

ENP is in fact based on a combination of regional and bilateral approaches. Operating through the existing contractual relations, it is supposed to bring added value both to partner countries and to the EU by enhancing partnership and bringing it closer to EU values. Indeed, ENP is primarily an attempt to create good neighbors conforming to EU standards and laws. It is also an attempt to prevent the emergence of new dividing lines. The regional dimension is expressed in the perspective of moving towards a significant degree of integration, which

[12] The external action budget accounts for less than 10 percent of the EU's overall budget.

includes, for partner countries, a stake in the EU's Internal Market. The bilateral dimension is based on the differentiation between partners so as to enhance cooperation in accordance with the respective needs and abilities of the individual partner countries. Action Plans are the main operational tools used to set up a bilateral relation between the EU and the concerned country. An Action Plan lists targets in various fields (political, security, economic, commercial, environmental, scientific, and cultural). Its implementation is supported with financial and technical EU assistance. ENP is clearly lacking geopolitical concerns. By avoiding any kind of territorial limitations, ENP is not a policy dedicated to defining and supporting the EU neighborhood, but an instrument increasingly used for international cooperation. Nevertheless, their political orientation is clearly prominent. Action Plans list a set of political objectives related to the promotion of democracy. Added to this, it seems that the Actions Plans "reflect a rather ample dose of EU self-interest" (Smith, 765).

In a sense, Action Plans can be seen as a creeping geopolitical approach. By favoring bilateralism, the EU is always in a force position to promote its interests. By requiring readmission agreements as one of the main conditions for developing the partnership, the EU is indirectly delimiting the frontiers of its neighborhood. According to Karen Smith, 'bilateralism is clearly predominant over regionalism'21 within ENP. Consequently, there is a real absence of interregionalism in Europe. Paradoxically, EU enlargement has possibly increased this tendency. The EU's East European policy differentiates much more between individual countries than it has in the last decade (Zagorski, 93). At the same time, ENP officially intends to reinforce existing forms of regional and sub-regional cooperation, and provide a framework for their further development. The EU is not seeking to set up new bodies or organizations but rather to support existing entities. Concerning Eastern Europe, it intends to involve Russia as a partner in regional cooperation. The Council of Europe, the Baltic Sea Council, the Central European Initiative, and the Black Sea Economic Cooperation are recognized as having an important part to play to this end. There is a huge political contradiction in the EU's attitude towards its Eastern neighborhood. On the one hand, the EU encourages regional cooperation all over the world and promotes itself as a successful example of this. On the other hand, the EU has never lent support to regional cooperation among the former Soviet republics, in particular within the context of the CIS. This position can be explained mainly by geopolitical concerns. Indeed, signing an agreement with the CIS or a sub-group within it would legitimize and strengthen Russian control on its near abroad. That is why the Commission noted clearly that the former Soviet republics "cannot be treated

as a monolithic bloc" even if they are facing common challenges. From a Georgian, Moldavian, or Ukrainian point of view, this position is perfectly understandable–it is even desirable. However, the real problem is engaging Russia into sub-regional cooperation, to avoid its isolation and/or power to disturb. Undoubtedly, the "strategic partnership" between the EU and Russia, often perceived as working over the heads of concerned countries such as Belarus, Ukraine, Moldova is not appropriate for addressing regional issues (Gomart 2009).

Cross Border Cooperation Programmes 2007-2013

1. Kolarctic / Russia

Budget: € 28,241 million from EC

Eligible regions: Lappi (FI), Norrboten (SE), Finnmark, Troms, Nordland (NO), Murmansk, Archangelsk, Nenets (RU).

Adjacent areas are Northern Ostrobothnia in Finland, Västerbotten in Sweden and Republic of Karelia, Leningrad Oblast and St Petersburg in Russia.

Managing Authority: Regional Council of Lapland, Finland

The strategic objective of the Programme is to reduce the periphery of the countries' border regions and its related problems as well as to promote multilateral cross-border co-operation. The Programme aims to help the regions in the Programme area to develop their cross-border economic, social and environmental potential, which shall be achieved by supporting innovative cross-border activities, accessibility and the sustainable development of natural resources, communities and cultural heritage.

Priorities:

Economic and social development: to develop SME and business co-operation; to promote trade; to develop sustainable transport, logistics and communication systems; to implement educational and research activities; to ensure the quality of public and private services; to use innovations and new technology; to enhance the use of renewable sources of energy and active energy saving; to develop energy co-operation; to support the development of traditional ways of living; to develop labour markets and to support entrepreneurship; to exchange best practices in rural development, municipal services and special planning.

Common challenges: border-crossing and the environment: to support health and social welfare; to improve security; to prevent accidents and environmental risks (incl. emergency preparedness, radiation safety, marine pollution risks); to improve border crossing efficiency (incl. small scale infrastructure, harmonisation of border crossing procedures and increase of transparency); education and research.

People-to-people co-operation and identity building: to organize common cultural and sports events and bring together people from the programme area; to publish information of common interest in the media; to increase cooperationand communication; to promote cultural diversity and increase the co-operation between cultural institutions.

Karelia/Russia

Budget: € 23,203 million from EC

Eligible regions: Kainuu, Northern Ostrobothnia, North Karelia (FI), Republic of Karelia (RU).

The adjacent regions include the regions of Lapland and Northern Savo on the Finnish side and the City of St. Petersburg and the regions of Leningrad, Murmansk and Archangelsk on the Russian side.

Managing Authority: Council of Oulu Region, Finland

The strategic objective of the Programme is to increase well-being in the programme area through crossborder cooperation. To achieve this goal, the objective is to strengthen strategic guidance for programme implementation and to pursue concrete cross-border results and visible impacts on strategically important fields of activity.

Priorities:

Economic development: to strengthen cross-border economic co-operation and increase cross-border business; to improve conditions for cross-border economic co-operation. The important cornerstones of economic cooperation in the programme area are: forestry, wood sector and tourism.

Quality of life: clean and pleasant environment; planning systems and service structures supporting cross border cooperation; culture, education and youth – building material for future cooperation; common challenges in health and well-being; civic organisations' co-operation.

3. South East Finland/Russia

Budget: € 36,185 million from EC

Eligible regions: South Karelia, Kymenlaakso, South Savo (FI), Leningrad Oblast with St Petersburg (RU).

The adjacent regions include East Uusimaa (Itä-Uusimaa), Päijät-Häme, and North Savo (Pohjois-Savo), and the Republic of Karelia.

Managing Authority: Regional Council of South Karelia, Finland

The strategic objective of the programme is to promote the position of the programme area as an integrated economic zone and a centre for transportation and logistics in order to strengthen its competitiveness and attractiveness to investors, and to improve the state of the environment and the standard of living and welfare of its citizens. The programme will contribute to the transfer of competence and the flow of goods, passengers and information, as well as the diffusion of innovation over the border, and provide ground for common actions to improve the environment.

Priorities:

Economic development - to strengthen local and regional sustainable economic development in the programme area: SME and business development, incl. labour market development; trade and investment promotion; transport and logistics; research and education; innovations and technology; energy cooperation; tourism industry; rural development.

Common challenges: border-crossing and the environment:

Efficient and secure borders – to develop transport links and improve the operations of the border crossing points; effective (facilitating bona fide cross-border traffic of persons and legitimate trade and transit) and secure border management (preventing illegal border-crossing and illegitimate trade and transit, and combating organised crime, trafficking, and contraband); strengthening of maritime search and rescue services; supporting activities that promote emergency preparedness and cooperation between local and regional authorities and organisations in order to minimize risks.

Environment and nature protection – sustainable waste management; improving the infrastructure for waste management and waste water treatment; protection of natural heritage

Social development and civic society – to strengthen the people-to-people and civic society contacts at regional and local levels in the educational, cultural and other similar fields, as well as to enhance cross-border contacts between civic society groups and NGOs in view of promoting local governance and mutual understanding/

4. Estonia – Latvia - Russia

Budget: 47,775 M € from EC

Eligible regions: Latgale, Vidzeme; adjoining areas: Riga City and Pieriga (LV), Kirde-Eesti, Lõuna-Eesti, Kesk-Eesti;

Adjoining area: Põhja-Eesti (EE); Leningrad oblast, Pskov oblast, St.-Petersburg City (RU). The adjoining areas are Riga City and Pieriga (LV) and Põhja-Eesti (EE).

Managing Authority: Ministry of Regional Development and Local Governments, Latvia

The overarching strategic objective of the Programme is to promote joint development activities for the improvement of the region's competitiveness by utilising its potential and beneficial location on the crossroad between the EU and the Russian Federation. The specific objective is to make the wider border area an attractive place for all its inhabitants and businesses through activities aimed at improving the living standards and investment climate.

Priorities:

Socio-economic Development - strategic development of border region's competitiveness through support to business and labour market development, improvements in communication networks and exploring region's potential for tourism as well as maintaining efficient and safe borders.

Common Challenges - addressing common problems and initiating and continuing joint actions in the areas of common interest on both sides of the border.

Promotion of People-to-People Cooperation - small scale activities for improved cohesion of the border region supporting wide range of activities to be performed by regional and local municipalities and various actors of the society, which have been identified as being of crucial importance to a more integrated region.

5. Lithuania-Poland-Russia (Kaliningrad Programme)

Budget: 132.130 M € from EC

Eligible regions: Lithuania: Marjampolis, Taurages and Klaipedos Apskritis; Poland: Gdansk-Gdynia-Sopot, Gdanski, Elblaski, Olsztynski, Elcki, Bialostocko-Suwalski;

Russia: Kaliningrad Oblast Adjoining regions: Lithuania: Altyaus, Kauno, Telsiu, Siauliu Apskritis; Poland: Slupski, Bydgoski, Torunsko- Wloclawski, Lomzanski, Ciechanowksi-plocki, Ostrolecko-siedlecki Managing Authority: Ministry of Regional Development, Poland

Priorities: The Programme intends to develop a zone of shared stability, security and prosperity, involving a significant degree of economic social and political co-operation. The focus will be on joint projects/efforts involving local and regional authorities, SMEs associations, NGOs and the general public. The programme will contribute to building mutual trust and progressive regional economic integration in line with principles of subsidiary and sustainability.

Further, it should evolve into a cross-border region of mutual understanding between the neighbours working together to develop and maintain the most important developmental assets of the area, such as natural and cultural heritage and human capital (in particular entrepreneurship). In line with the analysis of the present situation the assistance shall remove

obstacles to effective cross-border co-operation and provide favourable conditions for linking potentials over the national borders and to safeguard good social, cultural and natural environment for the residents, tourists and investors in the Programme area.

1. Contributing to solving common problems and challenges

Measure 1.1. ***Sustainable use of environment***

Indicative actions: Sustainable cross-border waste water and waste management solutions, air and water monitoring, establishment of cross-border systems for exchange of environmental data

Measure 1. 2. ***Accessibility improvement***

Indicative actions: Investments in border crossing points serving tourists and local population and improvement of existing border crossing points; Improvements of the local transport infrastructure in the border area and improving the external and internal accessibility of the Programme area.

2. Pursuing social, economic and spatial development

Measure 2.1. ***Tourism development***

Indicative actions: Joint creation, preparation and implementation of feasibility studies on cross-border tourist products; Preparation and implementation of small-scale investments enhancing tourism infrastructure in the Programme area

Measure 2.2 ***Development of human potential by improvement of social conditions, governance and educational opportunities***

Indicative actions: Development of practical solutions to improve the accessibility of educational centres and the availability of new forms of education covering problems of joint importance for the Programme area; Strengthening social and cultural integration of border territories,

Measure 2.3. ***Increasing competitiveness of SMEs and development of the labour market***

Indicative actions: Strengthening of intermediary support structures for SMEs and networks for better liaising between small and medium sized enterprises in the Programme area,

Measure 2.4 ***Joint spatial and socio-economic planning***

Indicative actions: Practical actions in support to joint planning and regional development.

6. Baltic Sea Region (BSR)

Budget: ENPI component 22,608 M€ for Russia and Belarus in addition to more than 200 M€ from ERDF for the MS

Eligible regions:

Member States: *Denmark:* the whole country; *Estonia:* the whole country; *Finland:* the whole country; *Germany:* the States (Länder) of Berlin, Brandenburg, Bremen, Hamburg, Mecklenburg-Vorpommern, Schleswig-Holstein and Niedersachsen (only NUTS II area Regierungsbezirk Lüneburg); *Latvia:* the whole country; *Lithuania:* the whole country; *Poland:* the whole country; *Sweden:* the whole country.

In the Partner Countries, the eligible area includes: *Belarus:* the whole country; *Norway:* the whole country;

Russia: St Petersburg and the surrounding Leningrad Oblast, Republic of Karelia, the Oblasts of Kaliningrad, Murmansk, Novgorod and Pskov; for projects addressing the Barents Region, also co-operation with Archangelsk Oblast, Komi Republic and Nenetsky Autonomous Okrug is envisaged.

Managing Authority: Investitionsbank Schleswig-Holstein, Germany

Priorities of the programme:

- ***Fostering of innovations across the BSR***: To advance innovation-based regional development of the BSR through the support of the innovation sources and their links to SMEs, facilitation of transnational transfer of technology and knowledge and strengthening the societal foundations for absorption of new knowledge.

Areas of support: Providing support for innovation sources; Facilitating the technology transfer and diffusion of knowledge across the BSR; Strengthening the social capacity in generation and absorption of new knowledge.

- **External and internal accessibility of the BSR***:* To increase the area's external and internal accessibility through development of transnational solutions diminishing the functional barriers to diffusion of innovation and to traffic flows *Areas of support:* Promotion of transport and ICT measures enhancing accessibility and sustainable socio-economic growth; Actions stimulating further integration within existing transnational development zones and creation of new ones (aimed to better exploit socio-economic potential of the adjacent territories).

- ***Management of the Baltic Sea as a common resource:*** To improve the management of the Baltic Sea resources in order to achieve its better environmental state.

Areas of support: Water management with special attention to challenges caused by increasing economic activities and climate changes; Economic management of open sea areas and sustainable use of marine resources; Enhanced maritime safety; Integrated development of off-shore and coastal areas.

- ***Promoting attractive and competitive cities and regions:*** To ensure co-operation of metropolitan regions, cities and rural areas to share and make use of common potentials that will enhance the BSR identity and attractiveness for citizens and investors

Areas of support: Strengthening metropolitan regions, cities and urban areas as engines of economic development;

Strategic support for integrated BSR development and socio-economic and territorial cohesion; Strengthening social conditions and impacts of regional and city development.

7. Black Sea Programme

Budget**:** 17,306 M €

Eligible regions:

Romania: Sud-Est; Bulgaria: Severoiztochen, Yugoiztochen; Greece: Kentriki Makedonia, Anatoliki Makedonia Thraki; Turkey: Istanbul, Tekirdağ, Kocaeli, Zonguldak, Kastamonu, Samsun, Trabzon; Russia: Rostov Oblast, Krasnodar Krai, Adygea Republic; Ukraine: Odessa, Mykolaiv, Kherson, Sevastopol, Zaporosh'ye and Donetsk Oblasts, Crimea Republic, Sevastopol; the whole countries: Moldova, Georgia, Armenia, Azerbaijan.

Managing Authority: Ministry of Development, Public Works and Housing of Romania

The strategy of the ENPI-CBC Black Sea Basin programme is coherent with the EU **Black Sea Synergy regional initiative**. It will contribute to the Black Sea Synergy cooperation sectors with a clear focus on civil society and local level cross-border cooperation, aiming additionally to foster coherence with other national and trans-national programmes and strategies.

Priorities of the programme:

1. **Cross border support to partnership for economic development based on combined resources**

Measure 1.1: Strengthening accessibility and connectivity for new intra-regional information, communication, transport and trade links

Measure 1.2: Creation of tourism networks in order to promote joint tourism development initiatives and traditional products

Measure 1.3: Creation of administrative capacity for the design and implementation of local development policies

2. Networking resources and competencies for environmental protection and conservation

Measure 2.1: Strengthening the joint knowledge and information base needed to address common challenges in the environmental protection of river and maritime systems.

Measure 2.2 Promoting research, innovation and awareness in the field of conservation and environmental protection for protected natural areas.

Measure 2.3: Promotion of cooperation initiatives aimed at innovation in technologies and management of solid waste and wastewater management systems.

3. Cultural and educational initiatives for the establishment of a common cultural environment in the basin.

Measure 3.1: Promoting cultural networking and educational exchange in the Black Sea Basin communities.

Conclusion

What is the proper standard for measuring the impact of the EU on economic and democratic development in Russia? The answer to that question depends on two important methodological issues. The first concerns setting an appropriate benchmark, or expectation, for the effectiveness of the EU-Russia interactions. One should recognize that *the role and responsibility of the EU institutions is limited to its sphere of influence and activities in Russia* – and one should try to specify where those boundaries lie.

The EU institutions may successfully carry out its particular role and functions, but the *ultimate impact on the development in Russia (e.g. on human rights) depends on the behavior of domestic actors and institutions in their own areas of influence and responsibility.* The EU might, for example, perform well in advocating human rights and monitoring abuses, but the Russian domestic institutions – the media and human rights advocacy organizations – may fail to build on that work. How far should the EU be expected to be engaged in democracy promotion and how much of that responsibility should be assigned to these domestic Russian institutions and actors?

Framed in this manner, a lack of compliance with the recommendations promoted by the EU institutions may reflect the failure of the Russian actors to fulfill their democratic or accountability function rather than the failure of the EU. A conscious regard for such considerations should inform academic researchers' and practitioners' assessment of the potential effectiveness of the EU-Russia interactions. Accordingly, one of the important issues is defining *the proper scope and expectation* for the effectiveness of the EU-Russia interactions. Delving into these sorts of methodological points also opens up other considerations of benchmarks that deserve mention. First, descriptive and empirical analyses of benchmarks might generate insights for institutional design. For example, the mutual interaction architects could try to assess whether the EU institutions will have a larger overall impact if confined to a modest set of tasks or handed a more ambitious agenda. Should the EU, for instance, be expected to undertake additional functions when the Russian domestic actors fail in their respective responsibilities?

Second, a focus on benchmarks should draw attention to whether some issues should receive greater weight when the effectiveness of the EU-Russia interactions is measured. Most clearly, the benchmark for effective performance should not be restricted only to the subjects and cases in which the EU actively involves (e.g., measuring compliance with the EU recommendations). For example, one could argue that the appropriate benchmark should be set by reference to the most urgent and important human rights concerns in modern Russia or the issue of corruption. An independent methodological point concerns baselines for gauging the impact – intended and unintended – of the EU on political and social conditions within Russia. A key question is what the democratic conditions would have been within Russia without the operation of the EU institutions.

As Russia continues to demonstrate deteriorating democratic standards, observers may conclude that the EU-Russia interactions have proven ineffective. The appropriate question, however, is whether conditions would have been worse (and they can almost always have been worse) without the EU. Admittedly, such assessments often involve counterfactual analyses and difficult evaluations of opportunity costs. An awareness of the possible baseline should nevertheless temper excessively pessimistic accounts of the EU-Russia interactions.

CHAPTER 3

CRITICAL ASSESMENT, ACHIEVEMENTS AND SHORTCOMINGS, CONCERNING THE REALISATION OF GOALS IN THE 1ST STRATEGIC GOAL (ECONOMY)

Besides improved communication and better understanding of the regulatory environments between the EU and Russia, concrete outcomes are not very impressive, though in some cases they are expected in the medium or long term. At this point, the EU and Russia seem to be quite far away from the key policy goal – the creation of an open and integrated market between them.

Much of the success of the efforts towards a CES between the EU and Russia is strongly dependent on "high politics" that will determine Russia's willingness to reform its institutional and regulatory setups, on those aspects that prohibit integration and will influence developments in significant policy areas such as energy policy, financial cooperation and trade and economic relations.

However, in many cases, political, economic and market conditions arising from the increasing interrelations and interdependencies urge policy reaction and decisions.

The key strengths of the Russian economy are its large market size and improving macroeconomic stability. However, it still exhibits significant structural weaknesses - in both public institutions – the perceived lack of government efficiency, the lack of independence of the judiciary in administering justice, and more general concerns about government favoritism in its dealings with the private sector – and private institutions, such as corporate ethics, goods and financial markets.

What are the concrete results?

a. Industry Related Dialogues

i. Regulatory Dialogue on Industrial Products

This dialogue has now been in place for five years. As far as exchange of information is concerned, good progress has been made. The two sides have learned more about each others' positions. This has allowed the EU side to comment on draft Russian legislation on industrial goods, and to explain the EU's industrial and enterprise policies. There is a high level of interest and commitment to the dialogues on the Russian side. Both EU and Russian industry

have also been very supportive and have participated in most of these subgroup meetings held.

A € 2.5 million TACIS project "Approximation of EU and Russian Federation technical regulation, standardization and certification systems" aiming at approximating with EU rules and enhancing effectiveness of the Russian technical regulation, standardization and certification systems started in August 2009. The project will run until December 2011. The Project Partner is the Ministry of Industry and Trade of the Russian Federation.

A TACIS project on support to E-Government with the Ministry of Economic Development and the Ministry of Communication is ongoing. The overall objective of this € 2 million EU-funded project is to contribute to the efforts of the Russian government to improve transparency, administrative efficiency, and accountability of the Russian public administration due to (a) improved inter- and intra-agency cooperation, and (b) improved state-citizen relations. Overall, the theme of the project is most relevant to current policy priorities in the Russian Federation. There is considerable pressure on the government to increase the roll-out of e-services at federal, regional and municipal level and the project is in a good position to help them.

The detailed progress in each of the working groups is described below.

Automotive industry:

This subgroup is successful due to the active interest on both sides. There is open and constructive cooperation and issues of practical nature in relation to both sectoral policy orientations and specific technical regulation subjects are discussed. Both sides are pleased with the level of information exchange and the cooperation between the EU and Russia in UNECE activities in Geneva.

Two current key issues are:

1. Lack of automatic recognition of EC vehicle certification results.
2. Cooperation on international rules and standards as regards international whole vehicle type approval (IWVTA).

Textile Industry:

The regulatory and industrial dialogue in the textile, clothing and footwear sectors has started in 2006. The aim of the dialogue is a) to achieve more compatibility between legislations from both sides, in order to build an open and integrated market in the longer run between the

two economic areas, b) to put in place conditions to increase opportunities for businesses on both sides, c) to promote trade and investments and, d) to strengthen economic cooperation. The dialogue focused on conformity assessment of technical regulations and standards as well as on the launching of common projects between EU and Russian industrial associations.

Main progress achieved by this group:

- Improvement in the cooperation between EU and Russian administration in the area of the legislation. In particular, the Russian side has taken into consideration EU comments on some technical regulations related to children goods (clothing, footwear, toys) in the direction of EU related legislation. The Russian side announced a relaxation of conformity procedures for an important part of the textile, clothing, footwear and leather products.
- Regular exchange of information on the process of internationalization of GOST standards in the light also of the Customs Union created between Russia, Kazakhstan and Belarus. The Russian side is cooperative and the exchange of information is fluent.
- Introduction of the furs sector within the scope of the group.
- Positive evolution on the development of other cooperative projects to be initiated by the leather and textile associations.

Electrical equipment and machinery:

It was agreed in October 2007 to create this subgroup. However, a first meeting was postponed because the Russian side has not appointed a co-chair. At the moment it is not necessary to activate the working group, as some of the potentially relevant issues are already discussed in the working group on conformity assessment and accreditation (low voltage, electromagnetic compatibility).

Pharmaceuticals:

This subgroup has very limited progress to report and EU and Russian policy positions and regulatory practices are still quite different. In the meeting of June 2009 it had been agreed to foster cooperation on clinical trials and general regulatory issues at expert level. The EU side has identified three key areas where long-term progress should be achieved:

1. Approximation of Russian and EU pharmaceutical legislation
2. TRIPs compatible IPRs
3. ICH compatible pharmaceutical legislation, implementation, and application by Russia

Forest-based industries:

This Subgroup has now firmly re-established itself, both in terms of the periodicity of its meetings (twice in each of 2009 and 2010) and working relations. Recent meetings have seen the participation of representatives of sectoral industry federations from both the EU and Russia. This has already enriched discussions. There is thus now a good platform for exchanges of information, mostly on the respective economic situations and policy and legislative developments affecting the sector. These should be continued and deepened through concrete cooperation.

Construction Products:

It was agreed to establish this subgroup in October 2007, following the request of the EU-Russia Industrialists' Round Table. There has been a long delay in starting the work of the group since ***the Russian side was not able to appoint a co-chair for a long time.*** In order to break the deadlock, the EU side organized a TAIEX seminar on Eurocodes, which was well attended by technical experts on both sides, including representatives of the Federal Agency on Technical Regulations and various technical institutes. It was agreed during the event to work on Eurocodes at a number of different levels: between the Joint Research Centre and certain Russian technical institutes, between CEN and the Federal Agency, and between the Commission and the Russian government. It also called for the work of the subgroup to begin, and as a result the Ministry of Industry, Science and Technology (MIT) appointed a co-chair.

The first meeting took place in March 2010. This meeting was attended by policy makers and standards organizations, and discussions were driven forward by a clear commitment (and perceived urgency) from the Russian side, in particular in view of the infrastructure works required for the Sochi 2014 Sochi Olympic Winter Games and renewed discussions in Russia on energy efficiency requirements for buildings.

Conformity Assessment and Standardization:

This horizontal subgroup is the main forum for discussion of horizontal issues in the field of technical regulations, conformity assessment and standards. It is thecore of the regulatory dialogue and the means by which technical barriers to trade (TBT) disciplines and, more specifically, the EU New Approach can be discussed.

In line with the aspirations of the Partnership for Modernization in the field of alignment of technical regulations and standards, this group has been given a lot of attention in 2010 by both the Commission and the Russian side.

On practical issues, the main difficulty is the slow exchange of information and communication from the Russian authorities.

Aerospace:

Most of the cooperation between the EU and Russia on aerospace and aviation issues has taken place outside the subgroup, which has only met once, in December 2006 in Brussels. Two other working groups exist, one for air transport and another one for aeronautics research cooperation. The Ministry of Industry, Science and Technology (MIT) is mainly interested in concrete cooperation projects which would help boost the competitiveness of the Russian aerospace industry, research and safety standards. ***This subgroup has failed to lead to any fruitful cooperation and the reasons are fairly diverse: predominance of international standards as opposed to European ones, overlaps with the work of other policy sectors (research, transport) and a marked lack of interest of industry in this group.***

The European Commission has proposed to the Russian side that the work of the group should cease.

SMEs and enterprise policy:

The exchange of information between the EU and Russia in this subgroup has been constructive and useful. ***A complication on the Russian side is that responsibility for SME issues is split between the MIT and the Ministry of Economic Development (MED).***

The latest meeting of the group took had the objective to exchange information on recent SME policy developments in the EU and in the Russian Federation, focusing on two main topics: innovation policy and stakeholder consultation/SME Test. The Russian side recognized the key role of SMEs in achieving sustained and more equitable growth as well as their role in the modernization of the economy, a key item of the EU-Russia Partnership for Modernization. Russia is taking an increasing number of initiatives to improve the framework conditions for businesses, including tackling a complex, nontransparent and often unpredictable administrative and regulatory environment, which creates a disproportionate burden for SMEs. The Russian side showed a genuine interest in EU policies, programs and good practice presented in the meeting.

A number of highlights of mutually beneficial EU-Russia space cooperation include:

• Satellite navigation - it is expected that before the end of 2011, the EU and Russia will sign a cooperation agreement on Global Navigation Satellite Systems.

• Launch systems - The launch infrastructure at the European space port in French Guyana is now close to completion with the first launch of Russian Soyuz rockets anticipated for the second quarter of 2011.

• Earth observation - cooperation is underway addressing global issues such as the more effective monitoring of greenhouse gas.

• Two specific research topics with Russia were included in the 2010 space work programme under FP7. The participation from Russia exceeded all expectations: six projects were selected for funding in GMES areas like: arctic land and sea, monitoring forest resources, earth quake precursors, data processing. Another 6 projects will be funded in Space Technologies. There were 71 Russian partners in evaluated proposals, 36 of them are in the successful projects. These are supposed to receive € 2.8 million funding from the Commission.

The sector contributes an important range of activities to the work plan for the EU-Russia Partnership for Modernization.

b. Trade Related Dialogues

i. Intellectual Property Rights (IPR) Dialogue

The IPR regulatory dialogue focuses on horizontal issues (institutional issues, legislation, enforcement, and public awareness), sectoral discussions (i.e. copyright, patents etc.) and specific cases. The terms of reference for this dialogue were agreed and signed in March 2006. Participation of competent Russian enforcement authorities is essential and several agencies are involved (Police, General prosecutors office, Patent office, Customs). There is also a broad participation of right holders to discuss specific concerns in their particular sector. Joint conclusions are normally agreed in order to allow progress assessment.

There have been nine meetings of this dialogue. The following topics were discussed: latest legislative developments concerning IPR in Russia, functioning of the customs union, parallel imports. The Commission also received an update on the enforcement activities undertaken by the Russian authorities. During the meeting both sides recognized that while the enforcement of IPR legislation has improved in the past years, it requires a continuous effort.

Since the second half of 2008 there have been trainings organized on copyright and related rights infringements for judges and enforcement agencies in different regions of Russia. Since the launch of these trainings approximately 850 Russian officials (judges, prosecutors and other enforcement officials) participated. From the reviews received from the participants and

the Russian co-organizers this program has largely contributed to deepen the knowledge of the importance on the protection and enforcement of IPR.

ii. Investment Dialogue

The first meeting in the context of this dialogue took place in October 2007, where the memorandum establishing the dialogue was formally signed. This was followed by another dialogue in April 2008 and in April 2009. The Dialogue did not meet in 2010.

iii. Public Procurement Dialogue

The dialogue on public procurement issues aims at promoting a gradual convergence of Russia's public procurement regime with EU directives, increasing transparency and due process and to discuss the regulatory principles of procurement procedures (including the use of e-procurement). The dialogue was launched in 2006 in Moscow and seven meetings have been organized since then.

iv. Trade Facilitation and Early Warning Mechanism

The terms of reference for an informal trade early warning and consultation mechanism were agreed in 2006. The main objectives are to exchange information and discuss measures having a significant impact on EU-Russia trade; to discuss and agree on possible measures aiming at improving the consultation of the business community; and to discuss and agree possible measures aiming at simplifying the trade related administrative and regulatory environment. This informal dialogue was reactivated in early 2009. Since then three meetings have taken place at senior official level in the first half of 2009 exchanging information on a number of trade irritants. Informal meetings at senior official level have also taken place several times during 2010 in order to clarify with the Russian side the implications of the new trade regime which was put in place from 1 January 2010 under the Customs Union with Belarus and Kazakhstan.

c. Customs and Cross-border cooperation

In 2010, the Commission and the Russian Federal Customs Service (FCS) agreed to recast EU-Russia customs cooperation. In view of the mutual interest of the EU and Russia in economic integration, customs modernization and convergence in line with international standards, a broader "Strategic Framework for Customs Cooperation" was proposed by the Commission in order to step up EU-Russia customs cooperation. The current customs

cooperation strategy launched in 2007 has achieved some results and played a useful role in developing EU-Russia customs cooperation, but there is the potential to do more. The new Framework will be built on the basis of three broad priorities: fluid and safe trade lanes; risk management and the fight against fraud; and investment in customs modernization. The discussions in Moscow confirmed the commitment of the parties to deploy all necessary efforts to implement the Framework and to deliver results. Both sides agreed on a number of activities under the Partnership for Modernization, in line with the customs cooperation strategy of 2007. The EU-Russia Sub-Committee on Customs and Cross-Border Co-operation and the EU-Russia Working Group on Customs Border Issues continued to monitor the progress achieved in the implementation of the three priorities defined in the EU-Russia customs cooperation strategy in 2007: customs and border reforms by Russia, exchanges of information, and development of infrastructure. Progress achieved so far:

(i) **Monitoring and evaluation of the EU-Russia cooperation strategy**: The EU and Russia have agreed to evaluate jointly progress in the implementation of the customs cooperation strategy. However, the reluctance of the FCS to include the Narva-Ivangorod border-crossing point in the evaluation despite earlier commitments was a reason for delays. A relaunch of the "Laufzettel" project on measurement of border-crossing time has been postponed for a number of times. A more complete evaluation project to monitor the practical effects of the strategy under the Common Space Facility has been endorsed by Russian Customs, but a practical follow-up has yet to be ensured by the Russian side.

(ii) **Customs reforms**: The overall implementation process remained slow despite some positive developments at the end of the year. The Commission followed closely the implementation process of Federal Law no. 266 of 30 December 2006, which is aimed, inter alia, at the reduction of the number of agencies conducting controls at Russia's borders. The draft law authorising Customs to carry out transport controls and documentary controls in the sanitary, phytosanitary and veterinary area passed the first reading in the State Duma on 1 November 2010. Consequently, the two-agency concept could not become fully applicable on 1 January 2011 as it had been expected.

(iii) **Pilot project on exchanges of pre-arrival customs information**: The pilot project has been successfully implemented as of 1 January 2009. Information is sent on a daily basis by the 13 participating Member States, with an average number of 3000 messages per working day. Although its IT implementation has been a success, the project's full potential in terms of

trade facilitation has not been realized. The exchanges of information have not yet resulted in shorter clearance times for consignments of goods for which the data was sent in advance. Russia has questioned the quality of data and the scope of the information provided, but has not so far substantiated these complaints by concrete examples.

(iv) **Early Warning Mechanism**: the Commission launched the idea to establish an EU-Russia Early Warning Mechanism, which will allow for advance notification of cases, which could lead to significant disruption of trade flows at the EU-Russia border. Initial discussion with the FCS took place in March 2010 and the draft document was submitted to the Russian side in July 2010. Inter-agency consultations on the document are currently taking place in Russia.

(v) **Infrastructure**: Implementing and developing border-crossing and customs infrastructure remained an important focus of EU-Russia customs cooperation.
With regard to EU funding and support to border-crossing infrastructures it is important to highlight that:
*The **Mamonovo II** border crossing point (€ 13.3 million investment), on the Polish border, was officially opened in December 2010. However, the Russian authorities failed to implement the exemption of taxes and other duties to the contractor, who is now considering to bring an action against the FCS to international arbitration.*
*The implementation of the project on **Enhancement of Management of the Russian Border Checkpoints** financed under the Common Space Facility with a budget of € 600 000 for 2010. The project is implemented by the International Organization for Migration. The Project Partner is the Federal Agency for Border Management of the Russian Federation (Rosgranitsa).*

In March 2012 two grant contracts have been signed for new cross-border projects funded by the European Union under the Estonia-Latvia-Russia CBC Program, dealing respectively with sports as a means of tackling social exclusion, and cooperation in theatre and music.
The first Project - Promotion of Healthy Life-Style Organizing Sport Events in Latgale and Pskov Regions - has a duration of 18 months and will be implemented by the Latgale Region Development Agency (Latvia) in partnership with the Children and Youth Centre from Russia.

It aims to promote participation in sports events in order to make the cross-border region more active, socially integrated and mobile, to encourage sports and improve the health of residents. The project will help to tackle problems of social exclusion, social immobility, lack of integration, and lack of cross-border cooperation. Amongst other activities, 17 sport tournaments in Latvia and Russia will be organized. More than 2,000 people, including 100 persons with special needs, are expected to participate in healthy lifestyle events. The total budget of the project is **€315,672.**

The second Project - Cooperation in the Theater and the Music Arts Development- aims to promote the attractiveness of Latvia and Russia for inhabitants and businesses. It envisages cooperation in the spheres of culture, sport, and education, social and health care. During the two years of the project, there will be cross-border cooperation between 12 culture collectives from countries, different style theatre performances, workshops, concerts and music master-classes. At least 125 people are expected to be involved in the project activities. Total budget of the project: **€301,267.**

The objective of the **Estonia-Latvia-Russia CBC Programme** is to promote joint development activities for the improvement of the region's competitiveness by using its potential at the crossroads between the EU and Russia. Specifically, it aims to make the wider border area an attractive place for both its inhabitants and businesses through activities aimed at improving living standards and investment climate. (ENPI Info Centre)

d. Competition

Russia's competition law dates back to 2006. The Commission had provided significant input, approximating Russian legislation to aspects of the acquis on competition (including for example a chapter on State Aid). The law was amended in 2009 expanding its applicability to transactions or agreements outside the Russian Federation whilst increasing the thresholds at which prior clearance of or subsequent notification to the Federal Antimonopoly Service (FAS) is required. The FAS has now also received the powers to carry out surprise inspections or dawn raids in cartel and antitrust investigations. The list of vertical agreements which are prohibited per se has been shortened. Finally, the conditions and procedure to grant state aid has been modified whilst the concept of state aid itself has been replaced by "state preferences". In 2010, regular contacts between the Commission and the FAS took place on

technical questions. Although no official meeting took place, the Commission attended in June a conference organized by the Russian Federal Anti-Monopoly Service (FAS) in Suzdal (Russia) celebrating the 20th Anniversary of FAS.

e. Financial Services and Macro-Economic Policy Dialogue, Statistics

i. Financial Services and Macro-Economic Policy Dialogue

In their bilateral meeting, Russia's Economy Minister Nabiullina and Commissioner Rehn agreed to have a substantial dialogue on structural reforms, which could take place at services level during the first half of 2011. The dialogue took place prior to the G20 summit in Seoul. The Russian side underlined that it plans to implement all G20, FSB and Basel recommendations.

The macroeconomic prospects for the EU and Russia were discussed in great detail. The planned IMF reform was also addressed. On the regulatory front, discussions on the future implementation of Basel III took centre stage. The Russian side gave an update on the country's most recent initiatives in the securities area, including the anti-market abuse and anti-insider law. Corporate governance for financial institutions was also addressed. Several working groups were organized at technical level in Moscow in the months prior to the dialogue. The working group on "Exit Strategies and Sustainable Growth" held its first meeting in May. The banking and securities group also met for the first time in May. The insurance working group met in parallel. The accounting and auditing working group took place in June. In the margin of the latter, the Commission also participated in a roundtable discussion for Russia's auditing community.

Projects in this area:

Implementation of the best world practice in accounting and preparation of financial reporting for derivatives and hedging transactions (amount: € 200.000) The project started in October 2009 and finished in June 2010. It included a Report on Derivatives accounting and a Report on hedging transactions accounting. These materials were used in preparation of the new normative act – "The accounting of derivatives" by the Bank of Russia.

Development of Insurance Sector (amount € 3.000.000**)** Project **finished in March 2010.** Partners are the Ministry of Finance, Department for Insurance supervision, the All Russia Insurance Association, and the Federal Service for Insurance Supervision. The project is well

appreciated by all stakeholders; the guild *of actuaries and the auto insurance association are* actively participating. Workshops are well attended. The project supports participation in major international conferences on insurance and several study tours to EU Regulators. The Russian Project partners have expressed interest in future cooperation. Eurosystem Cooperation Program on Banking Supervision and Internal Audit (amount € 3.000.000) The project is implemented by ECB and it is ongoing for almost three years. Regional seminars, workshops, training events are very well attended. A Compendium on Internal Audit is being prepared. Consultation visits to EU national banks are relevant. Important work is done through working groups on the 3 pillars of Basle II (Banking Supervision). IRB consultative document is published. Closing event is taking place on 30 March 2011. The Project partner - the Bank of Russia (BoR) attaches great importance to the project and perceives it as a good tool for improving knowledge and professional capacity of its staff. Federal authorities (National Banking Council) and BoR top management are regularly informed about the project's progress thus, enhancing the political support and application of the project proposals. There is expression of interest from the ECB and the BoR for future cooperation in various fields including supervision. A Comparative Study of Causes and Effects of Financial Stability in EU & Russia (amount: € 200.000) Project started in October 2009 and finished in August 2010. The main aim of this study was to perform a comparative review of the impact that the global economic crisis had on the economies of Russia, Ukraine and Belarus, and of crisis response and postcrisis recovery measures implemented by the governments of those three countries. To that end, following tasks were completed: Review of crisis dynamics in the countries under analysis, including channels of transmission of the global economic crisis to national economies; Analysis of state crisis response policies, comparison of such policies in the countries under analysis; Development of recommendations regarding post-crisis state economic policies subject to the aftermath of the crisis and specific problems faced by the economic system of the countries under analysis; Review of longterm public economic policy challenges faced by the countries under analysis, development of recommendations regarding improvement of sustainability and dynamism of economic development.

Job Creation and Income Generation in the North Caucasus, North Caucasus Micro, Small and Medium Enterprise Development Initiative (AMOUNT: € 5m under TACIS Russia Action Programme 2005 (Part II): Special Programme for the Northern Caucasus) This project implemented by EBRD comprises: 1) the expansion to Republic of North Ossetia Alanya (RNOA) of EBRD's successful technical assistance to Partner Banks with respect to

Micro, Small and Medium Enterprises/Businesses (MSME) financing activities; and 2) assistance to economic and social reform through the development of a thriving SME sector, using a TurnAround Management (TAM) approach which transfers management and technical know-how from senior managers from economically developed countries.

Micro, Small and Medium Enterprises **component:**

EBRD initially approved the participation of two state banks operating in RNOA: Sberbank and VTB 24. EBRD discussed the proposed assignment with the management of both banks and received a confirmed statement of interest in the programme in 2009. A consultant has started work with each of these two institutions on behalf of the EBRD, including on cooperation agreements and work plans. In addition, EBRD has been negotiating with Rosselkhozbank (Russian Agriculture Bank or RAB), a state bank with considerable presence in the Northern Caucasus. Technical support to RAB and dedicated funding by EBRD has been welcomed by the Bank. The inclusion of RAB in the programme should give a new impetus to the project, considerably expanding its outreach.

The Delegation has been encouraging the expansion of the EBRD Project from RNOA to include other regions of the North Caucasus. The Bank is expanding the MSME component into three additional regions: Kabardino Balkaria, Karachai-Cherkassia and Stavropol through 3 additional commercial banks. The project office would move from Vladikavkaz to Pyatigorsk.

TurnAround Management component**:** Under the TAM Component, at least four mainly medium-sized enterprises in RNOA are to be restructured and reformed in line with standard TAM procedures. Expected results include: improvements in productivity, turnover, market share, exports (where relevant), product quality and employment opportunities; enhanced management skills and practices relevant to market economies; increased attention to improvements for health and safety of employees and reduction in environmental pollution. TAM projects have commenced successfully. The Minister of Economy of the Republic of North Ossetia has been contacted and offered introductions to new enterprises for screening. In addition, EBRD is examining the possibility to extend the TAM activities to the three additional regions mentioned here above.

ii. Statistics

Eurostat-Goskomstat statistical cooperation was agreed in 2002. Since then, the exchange on benchmarking indicators has been refined and cooperation in international fora in the field of statistics has been enforced. A Joint Eurostat-Rosstat publication on statistical comparisons was presented in 2007, the translation into Russian followed in early 2008. A specific publication in the fields of energy and/or environment is foreseen for 2011. Cooperation in the field of harmonisation of statistics will continue. A new Eurostat- Rosstat MoU with a revised list of benchmarking indicators on societal and economic cooperation is under preparation. Seminars on key statistical domains are foreseen in the future aiming at further harmonisation of statistics. Rosstat has been encouraged to apply for TAIEX and the Common Spaces facility.

f. Energy

The EU-Russia Energy Dialogue marked its 10th anniversary with a high-level conference in November in Brussels. On the same date, the EU-Russia Permanent Partnership Council on Energy took place. Both sides agreed to enhance and widen the scope of the Dialogue and adopted a Joint Report "EU-Russia Energy Dialogue 2000-2010: Opportunities for our future Energy Partnership". Inter alia, both sides agreed to start work on a long-term roadmap with the aim to discuss the role of Russian energy resources for the EU energy mix until 2050, to improve the functioning of the Early Warning Mechanism, to cooperate on electricity issues and to work towards the reduction of investment barriers.

In the framework of the Partnership for Modernisation, both sides agreed on a detailed energy part for the work plan notably in the field of energy efficiency, but also on regulatory issues. The Early Warning Mechanism was formally triggered by the Russian side during the June gas transit crisis with Belarus. The transit cuts had a limited impact on EU Member States. Moreover, the Mechanism was used in early 2010 during an oil dispute between the Russian side and Belarus. The Russian side also issued an early warning in the context of the negotiations on the Intergovernmental Agreement between Poland and the Russian Federation on the Yamal pipeline. The latter two cases could be solved without any impact on supplies to EU Member States.

The work of the Energy Dialogue is carried out in three Thematic Groups: 1. Energy Strategies, Forecasts and Scenarios, 2. Market Developments, and 3. Energy Efficiency cooperation, particularly:

(1) setting up and improvement of an energy management and energy efficiency monitoring system in Russia, (2) development of financial and non-financial support tools for promotion of energy efficiency and renewable energy in Russia, both at federal level and the level of regions, (3) energy efficiency standardisation and certification, in cooperation with the EU-Russia Regulatory Dialogue.

The Work Programme of the Thematic Group for 2011 was developed based on the results of previous work as well as on the suggestions and information received from the EU Member States and IFIs in the course of preparation of a joint EU-Russia workshop on EU Member States' bilateral cooperation on energy efficiency and renewable energy with Russia, which took place in October.

g. Environment

The Environmental Dialogue was launched at the Environment PPC in 2006. The second Environment PPC was held on 10 November 2009. It is expected that the next PPC will be held in 2012.

The EU and Russian Directors overseeing the dialogue met in June together with the Executive Director of the European Environment Agency in order to discuss priorities for cooperation in the light of the EU-Russia Partnership for Modernisation. It was agreed to refocus activity particularly on modernisation and environmental monitoring issues. The Subgroup on **Biodiversity and Nature Protection** had a very constructive meeting in Moscow in July. Preparations for the Nagoya Biodiversity Summit and the development of the post-2010 biodiversity strategy were discussed. A workshop on the protection of wildlife habitats and their species was held back-to-back with the meeting. The **Water and Marine Issues** expert subgroup did not meet in 2010 pending progress in separate discussions on the issue of EU accession to the Black Sea Convention and on the establishment with EU participation of river basin management for the Nemunas and Daugava rivers. A meeting is proposed for the first half of 2011. The Subgroup on **Forest Law Enforcement, Governance and Conservation** (FLEGC) continued intensive collaboration with the Federal Forest Agency (FFA). A meeting of the Subgroup planned for September was postponed until February 2011 as a result of the reorganization of the FFA and the transfer of its supervision from the Ministry of Agriculture to the Prime Minister following the summer forest fires. A joint workshop on how to improve forest legislation in the light of EU initiatives to combat

trade in illegally harvested timber and its processing products was held in Moscow in March. Russian experts made a study tour to the Joint Research Centre (JRC) in Ispra in March and JRC experts held a joint seminar in Moscow in September on remote sensing and forests. The EU gave presentations at Duma hearings in May on certification of timber and in September on forest fire protection. Russia has proposed to the EU the negotiation of a Voluntary Agreement on Timber Certification.

Linked activities are taking place under the ENPI Eastern Regional project on Improving Forest Law Enforcement and Governance. The overall objective of the European Commission funded (€ 6 million) project on Forest Law Enforcement and Governance (FLEG) in the Eastern ENPI region and Russia is to contribute to legal and sustainable forest management and utilization practices and improved local livelihoods focusing on exchange of experience on approaches to regulating illegal logging, and improving compatibility of monitoring and indicators. The project, started in 2008, is managed by the World Bank and is due to run till 2011.

It was agreed in June that in the future the **Convergence of Environmental Policies** subgroup would focus on monitoring, reporting and the effectiveness of environmental policies. The Executive Director of the European Environment Agency will lead this work for the EU, together with the Russian Ministries of Economic Development and Natural Resources & Environment. The EEA hosted a high-level seminar to develop joint activities to support the Environmental Dialogue and Partnership for Modernisation in these areas. The meeting identified six areas of cooperation in 2011-12:

- Forest and land cover monitoring
- Shared environmental information systems
- Long-range transport of pollutants
- Improved waste and hazardous chemicals management
- Mobile environmental monitoring and control instrumentation
- Space technologies and training for sustainable development

The **Clean Production and Pollution Prevention** sub-group was established in 2007, but owing to changes in responsibilities in the Russian administration this sub-group has not met regularly. It was agreed in June 2010 that this subgroup will be reactivated and focused on modernisation and green economy issues. The EU participated in a Duma hearing held in June

on revision of Russian environmental legislation, in particular for the introduction of a BAT based permitting system for industrial installations. *Linked activities are taking place under the ENPI Eastern Regional projects on Waste Governance and Air Quality Governance.*

Progress was made on the construction of a waste water treatment plant in Gusev (Kaliningrad region), jointly funded by the Commission (€ 3 million) and regional authorities in Kaliningrad with an expected total cost of some € 6.5 million. The provisional acceptance certificate was granted in December 2009. There are delays in the completion of the project due to the lack of funds on the Russian side. To ensure the overall quality of the works the Commission had agreed in December 2008 to prolong the contract with the international supervisor until the end of the maintenance period in 2010 and increase funding for this purpose by some € 260 000 to around € 1 million. In 2010, the Commission made a further contribution of € 14 million to the Support Fund of the Northern Dimension Environmental Partnership (NDEP), of which a minimum of € 12 million will be spent on concrete projects related to environment protection in North West Russia. This increases the overall contribution by the European Union to € 84 million, making it the largest contributor. A project "Towards Enhanced Protection of the Baltic Sea from Main Land-based Threats: Reducing Agricultural Nutrient Loading and the Risk of Hazardous Wastes" started in February 2009. The overall objective of this project is to promote Baltic Sea protection from hazardous waste as well as from agricultural nutrient loading. The project aims at reaching this goal by improvement of management of hazardous and agricultural wastes in St. Petersburg, Leningrad and Kaliningrad Oblasts of the Russian Federation. The project's first phase is due to finish in March 2011. The second phase has started in April 2011 (duration 12 months).

It has been agreed to co-finance a € 40 million programme which will upgrade waste water plant facilities in Kaliningrad Oblast. The EC will contribute € 9.5 million to the programme. The Kaliningrad Government will contribute € 20 million and the balance will be financed under a loan organized through NEFCO (Nordic Environmental Finance Corporation).

h. Climate action

During 2010 the EU endeavoured to strengthen cooperation with Russia in addressing the challenge of climate change and to secure Russia as a constructive partner for preparing and concluding a global and comprehensive post-2012 agreement. In June 2010 at a round table

organised in the State Duma by the Duma Environment Committee, the European Environment Agency and the Directorate General for Environment of the European Commission made presentations on potential areas of further EU-Russia cooperation mentioning the green economy, environmental monitoring and best available techniques as well as touching upon significant environmental and health benefits from emission reductions. The 6th meeting of the Climate Change sub-group was held in November in Brussels focusing on the latest developments in the EU and Russian climate policy and discussing a more ambitious greenhouse gas emission reduction target than the current commitment of 15-25% reduction by 2020, which in practice would enable Russia to increase its greenhouse gas emissions substantially or create new emission allowance surpluses. *A TACIS regional project (2008-11) is ongoing to provide advice and assistance in setting up Kyoto implementation mechanisms.*

A seminar on Climate Change was held under the Eastern Partnership (EaP) Platform 2, Panel on Environment and Climate Change, in November in Brussels.

A Common Space Facility project "Support to the development of new generation models to estimate and forecast GHG emissions and efficiency of Russian climate change mitigation measures and policy" started in August aimed at the development of comprehensive projections of GHG emissions by sources and their sequestration by sinks for the period up to 2050 with and without climate policies to assist the Russian authorities with negotiating new climate change international agreements and taking steps towards low carbon society in Russia (project duration – 17months, budget – € 1 million).

In February 2012 the European Commission has published a service procurement notice for a €7 million contract for the first component of the **Clima East Programme: support to climate change mitigation and adaptation in Russia and Eastern Neighbourhood countries**. The publication reference of the forecast is EuropeAid/132127/C/SER/Multi. According to the contract description, Clima East is a project package consisting of a maximum of €11 million for pilot projects on ecosystems approaches to climate change (separate contract) and a maximum of €7 million for this particular service contract.

The **overall objective** of Clima East is to support partner countries so that they are better equipped for greenhouse gas emission reductions and better prepared to deal with climate change impacts. The **specific objective** is to foster improved climate change policies,

strategies and market mechanisms in the partner countries that are well informed about the EU 'acquis', by supporting regional cooperation and improving information access to EU climate change policies, laws and expertise.

The following main project elements are planned under this service contract: technical cooperation, capacity building, regional seminars, expert facility, information work on the EU climate 'acquis'. Technical cooperation is planned to support the build-up of national or regional emission trading systems in Ukraine, Belarus and in other interested countries. Study visits to Brussels and EU Member States will be organized and a significant flexible and demand-driven climate change expert facility will have to be managed. The website of the predecessor SKPI project will be developed into a high-class Russian and English language Internet site.

The work will be organized according to 2 components, one for Russia, Ukraine and Belarus (Annex 1 countries under the Kyoto Protocol) and one for Azerbaijan, Armenia, Georgia and Moldova (non-Annex 1 countries under the Kyoto Protocol). Besides regional activities, national work programmes will respond to national needs.

The duration of the project is 48 months, with a provisional start date of August 2012.

i. Transport

The EU-Russia Transport Dialogue opened in 2005 and has been articulated around five permanent working groups focusing on the priority issues of EU-Russia transport relations. In addition, an ad-hoc sub-group on Transport Logistics Issues was formed at the Transport Permanent Partnership Council in Finland in September 2006 in view of the increasing congestion at EU borders in the direction of Russia.

Regarding the specific dialogues, the following points were raised:

1. Working Group on Infrastructure and Logistics: The objective of this Working Group is to promote cooperation on transport strategies with a particular emphasis on the integration of the EU and Russian transport networks. The Group met for the third time in Brussels in October and the discussion focused on TEN-T revision, financing infrastructure projects and possible development of the Motorway of the Seas (MoS) concept in the Baltic Sea area.

Following the signature of the Memorandum of Understanding on the Northern Dimension Partnership on Transport and Logistics (NDPTL) that took place in October 2009, positive

developments regarding this partnership - in which Russia is a key partner - took place in 2010. In particular an agreement on the secretariat (including budget) was reached in 2010 and the appointment of the dedicated staff that will work in the secretariat started in December 2010. In 2011, Russia will succeed the Commission as chair of the High Level Meeting (HLM). In this context, the interest shown by Russia to develop infrastructure projects in the framework of the Partnership for Modernisation should be noted. A list of priorities in this area has been set before the EU-Russia Summit of December.

2. Working Group on Transport Security: The objective of this Working Group, established in 2005, is to promote and enhance cooperation to prevent acts of terrorism against transport and infrastructure. All modes of transport were covered, with a particular emphasis on general and land transport issues. There was an open discussion on all issues.
Fighting terrorism was identified as a main goal of both sides. Russia explained the legislative framework covering this issue and described how the Ministry of Transport cooperates with other institutions in the occurrence. The main body involved in that case is the Ministry of Emergency Situations (EMERCOM) having direct contact with Special Forces (intelligence) and the police. Russia is in the process of adopting an integrated security program which should be provided to the Commission for information. Russia is interested in establishing close cooperation with EU experts.

3. Working Group on Air Transport:

The EU-Russia Aviation Working Group met in Brussels in May and in Moscow in December. More political discussions on aviation issues took place during the visit of Vice-Presiden Kallas in Moscow in November. The following issues were discussed:

3.1 - Safety/SAFA

Discussions continued which resulted from ramp inspections revealing problems with Russian aircraft flying into the EU that did not have the obligatory ICAO equipment. It was concluded that this showed the need to significantly improve the overall cooperation to provide for reliable information on surveillance activities and enforcement actions. The EU proposed to prepare a Memorandum of Cooperation that could eventually be signed at an aviation summit in 2011, covering mutual access to safety information, including possible access to the SAFA Program and any Russian inspection programs, joint inspections and technical assistance.

3.2. Aviation Summit

It was agreed to aim at organizing an aviation summit in October 2011. Both sides agreed on the importance of making it a high level event with strong political participation on either side, including also the aircraft manufacturing industry, airlines and airports. The Commission insisted that such a summit only made sense if important agreements could be signed. Various subjects for such agreements were discussed (safety, horizontal agreement, ATM). It was also made clear that without progress on key outstanding issues, including EU designation and Siberian overflight charges, the summit could not take place. Both sides will meet early in 2011 to further discuss prospects for organizing the summit.

3.3. EU Designation

The Commission insisted on the need to introduce the European carrier clause in order to re-establish legal certainty given the fact that more than 100 countries and more than 900 bilateral agreements have been modified, and that Russia is virtually the only remaining country that refuses EU designation. Russia proposed the following approach to solve this problem: they would negotiate with Finland a draft clause which would thereafter be submitted to the Commission for approval. After the Commission's agreement, Russia would include this clause in all bilateral agreements with EU Member States. The Commission informed the Russian Federation that it was urgent and imperative to comply with EU law. This was not negotiable. The European Commission insisted that this had to be solved at the latest by the envisaged aviation summit.

4. Working Group on Road and Rail Transport: The objective of this Working Group is to demonstrate that the enhancement of the efficiency of road and rail transport between the EU and Russia benefits both parties and may be achieved by further harmonization of the legal, technical, regulatory and safety requirements and practices concerning the two transport systems. The Group has held six meetings, including two in 2009, and met again in October in Moscow. Despite good intention, little progress was made on the most critical issues, such as the need to abolish the discriminatory road charges introduced by Russia in early 2009. During the subsequent meeting that took place in November at high level, Russia stated that road charges will apply to all trucks (irrespective of their nationality) as from 1 January 2012.

5. Working Group on Maritime and Inland Waterway Transport:

The objective of this working group is to promote and enhance mutual understanding of current and future legislations and policies in the field of maritime, sea-river and inland waterway transport. In October, a constructive meeting of this Working Group took place in St. Petersburg in which the following subjects (among others) were tackled:

5.1. Maritime transport policy and legislative developments in the EU and Russia

5.2. Cooperation in the framework of Port State Control

5.3. Cooperation in the exchange of maritime data: update of the pilot project on maritime data exchange

5.4. IMO related issues, in particular greenhouse gas (GHG) emissions from ships

5.5 ILO related issues, in particular ratification of ILO 185 Convention

5.6. Inland waterways

j. Agriculture, Forestry, Timber, Fisheries, Sanitary and Phyto-Sanitary Measures

i) Agriculture

The EU-Russia Agricultural Dialogue meeting took place in Saransk in July. Russia expressed an interest to attract investments and new technologies and to better intervene in the market to reduce imbalances and improve profitability for producers. The discussion focused on exchange of policy views and best practices in the area of rural development, market policies and research as well as on the implementation by Russia of the new Doctrine on Food Security, which will guide their agricultural policy in the next years. Such discussions should contribute to improve the coherence and the transparency of the implementation of the Russian Food Security doctrine and, thus, mitigate the negative effects over bilateral trade relations in agriculture products.

ii) Forestry and Timber

There is an EU-Russia dialogue on forestry and timber issues under the Regulatory Dialogue on industrial products – sub-group on forest-based industries. A subgroup on Forestry has also been established under the Environmental Dialogue. ***The most severe problem that the EU is currently facing in its relations with Russia on forestry issues is the export duties on wood and timber.***

iii) Sanitary and Phytosanitary issues

The Dialogue on Sanitary and Phytosanitary issues (SPS) remains intensive.

Five inspection missions of the Food and Veterinary Office took place in the Russian Federation (on dairy products in June, on game meat in December, and on poultry, pigs, cattle and their products in Kaliningrad in October). Cooperation on SPS border control started with a visit of Russian experts in Frankfurt and Paris international airports in May. Three meetings on SPS issues took place in the framework of negotiations on Russia's accession to the WTO and two meetings in the framework of negotiations on a New Agreement between the EU and Russia.

Tthe development of the ***Customs Union*** between Russia, Belarus and Kazakhstan and the rapid harmonization of their SPS standards within the Customs Union was a major development for EU-Russia SPS relations, which brought a lot of uncertainty as regards the currently existing agreements. On ***veterinary issues***, the Commission and the Russian authorities have agreed on 12 new or revised EU-Russian certificates for export of animals and animal products from the EU to the Russian Federation.

However, since April 2010, no new meetings could be organised to discuss outstanding draft certificates, due to the development of new veterinary norms at the level of the Customs Union. Thanks to a transitional period which maintains the validity of existing bilateral certificates until 1 January 2012, the trade disruptions caused by this development could be overall limited. Nevertheless the Customs Union partners announced their intention to develop before 2012 multilateral certificates for import into the Customs Union, which would invalidate existing certificates. The Commission and Member States are therefore currently studying the Customs Union veterinary norms in order to assess feasibility of this exercise and to make progress on remaining certificates. Still in the veterinary sector, Rosselkhoznadzor has taken the initiative to trigger cooperation between EU exporters and Russian importers of meat, focusing on the respect of Russian requirements. A first seminar was organized by the industry in July to launch this cooperation. The Commission still has questions on this arrangement due to the involvement of the Russian competent authority and the privileged status granted to participants. It would favor a purely business-to-business approach.

The Commission discussed with Rospotrebnadzor, the agency of the Ministry of Health, the scientific basis for the ban on frozen poultry meat for further processing, which was foreseen to enter into force on 1/1/2011 and would have had a negative impact on trade. The measure

was subsequently revised and restrictions on the use of frozen poultry meat should be limited to specific categories of products. In the dairy sector, the discussions on the equivalence of EU norms with the Russian Federal Law No. 88 on milk and milk products were used by the competent Russian service to amend this Federal Law in June, which partly removes certain EU concerns. However, discussions on equivalence could not be pursued and disproportionate bans were still experienced daily in the meat and dairy sectors at establishment level. In the fish sector, after signature of a bilateral model Memorandum in December 2008, used by a majority of Member States, no specific problems have been experienced in 2010.

On ***phytosanitary issues***, an important achievement in 2010 was the harmonisation of Russian norms with international and EU standards in the field of pesticides residues for 20 combinations of substances and commodities, based on EU requests. The entry into force of the harmonized maximum residue limits (MRLs) was delayed by the adoption of Customs Union norms, but finally came into effect in November 2010. However, Rosselkhoznadzor has continued taking disproportionate measures, which burden exports of fruits and vegetables to Russia and the implementation of the Memorandum of 2008 on residues of pesticides, nitrates and nitrites continued to be a source of disagreement with Rosselkhoznadzor. Progress on harmonization of norms with Rospotrebnadzor was also made as regards cadmium levels, and technical cooperation on maximum levels for nitrates was initiated. On nursery products, the proposal for a Memorandum of Understanding submitted by Rosselkhoznadzor in January was discussed with Member States and finally rejected, reference being made to international norms. However, a meeting of phytosanitary experts made it clear that the Russian proposal aimed at opening trade opportunities for plants with soil attached, and discussions on this issue will continue in 2011. Russia is also kept updated on the animal disease situation in the EU by means of regular notifications, as well as through Rapid alert system notifications. The cooperation programme on large scale vaccination of wild animals against rabies in the region of Kaliningrad has continued. In the framework of the Better Training for Safer Food initiative driven by the EU, 45 Russian experts benefited from a 2 weeks training course in Moscow on control of Highly Pathogenic Avian Influenza and 2 Russian experts participated in a workshop on "Epidemiological Situation and Control Strategy of Rabies" that took place in Kiev.

The objectives for 2011 were to obtain the adaptation of the Customs Union veterinary norms, to continue technical discussions with Rospotrebnadzor, to progress in the harmonization of

Russian norms with international standards, in particular in the field of antibiotics residues and nitrates maximum limits, to maintain trade flows in agricultural products, and to extend the rabies eradication programme to other bordering regions of the Russian Federation through the creation of vaccination belts.

About 60 Russian experts have benefited from training projects in different Member States, in particular focusing on laboratory methods for animal diseases, phytosanitary controls, and analysis of chemical substances. The Russian control service carried out about 10 inspections in Member States to check exports of animal products to Russia.

iv) Fisheries

Both the EU and the Russian Federation are members of a number of Regional Fisheries Management Organizations, including NEAFC (North-East Atlantic Fisheries Commission), NAFO (Northwest Atlantic Fisheries Commission), NASCO (North Atlantic Salmon Conservation Organization), CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources) and ICCAT (International Commission for the Conservation of the Atlantic Tunas). In November 2009, following almost 4 years of negotiations, the EU, Russia and other Participants to the international consultations on the establishment of South Pacific Regional Fisheries Management Organization (SPRFMO) responsible for non-tuna species in the South Pacific agreed on the text of the SPRFMO Convention. The EU signed the Convention in July 2010 and the procedures for its ratification are ongoing. Russia has yet to sign and ratify the Convention.

k. Interregional and Cross-Border Co-operation **Regional Policy Dialogue**:

The Dialogue was established in early 2007. Four seminars and high level meetings have taken place, in October 2007, October 2008 and October 2010 in Brussels and in June 2008 and May 2009 in Moscow, as well as a study visit of Russian representatives to Trieste in 2008 and a study visit of a Russian Delegation to Northern Ireland on the topic of cross-border cooperation and PEACE program in May 2010. These events have brought benefits to both parties, leading to increased mutual understanding and to the consideration of new ways in which their respective policies for regional development might evolve. The topic of "mono-sector cities" or company-towns (cities depending almost exclusively on a sector or single large employer) which have gone through or are facing restructuring and diversification has been identified as of particular interest for both sides (in particular, in the framework of the

Partnership for Modernization). Accordingly, a Seminar "Challenges facing mono-sector cities" took place in Brussels in October.

Cross Border Cooperation programs (under the ENPI legal basis):

The introduction of the European Neighborhood and Partnership Instrument (ENPI) provided for a continuation of the CBC neighborhood programs under the ENPI Cross-Border Cooperation (CBC) program. According to the ENPI Cross-border Cooperation Strategy Paper 2007-2013, the CBC programs will concentrate on the implementation of actions under 4 objectives: (i) economic and social development of the bordering regions, (ii) dealing with the common challenges vital for both sides of the border (environment, health, energy, etc.), (iii) assuring the efficiency and security of the borders, and (iv) allowing and developing "people to people" contacts.

The CBC Strategy Paper for 2007-2013, adopted in March 2007, identified the areas eligible for 15 geographical programs along the EU external border and provided them with indicative financial allocations of approximately € 1.1 billion in total. Russia can participate in 7 of these, corresponding to an EU contribution of € 307.488 million over the seven year period. At the Mafra Summit (November 2007) Russia announced a contribution of € 122 million for these Cross Border Cooperation projects bringing the overall amount to € 429.488 million (in addition to some additional pledges made by Member States).

The programming documents for the seven programs were drafted in 2007 and early 2008 by representatives of the participating countries and regions. They were endorsed and submitted to the Commission before the June 2008 deadline. The European Commission and Russia (Ministry of Regional Development) negotiated the text of the Financing Agreements throughout 2008 and 2009. The Russian Government confirmed the co-funding of CBC programs in the amount of € 103.722 million in October 2009. The remaining technical obstacles were overcome and the Financing Agreements for five programs with Russian participation (Kolarctic, Karelia, South-East Finland – Russia, Estonia-Latvia-Russia and Lithuania-Poland- Russia) were signed at the EU-Russia summit in Stockholm (18 November 2009). Russia ratified the Financing Agreements for those 5 CBC Programs in July 2010. The European Commission and Russia exchanged letters in September 2010, thus, allowing the CBC programs to become fully operational (i.e. start funding actions).

l. Public Health

The terms of reference of the Dialogue on Public Health were signed by Commissioner Vassiliou and Health Minister Golikova in Moscow in May 2009. The first meeting of the Working Group of this Dialogue was planned in 2009 and 2010, but was cancelled twice by the Russian side. During the Regional Committee of WHO-EURO, held in Moscow in September 2010, Commissioner Dalli and Minister Golikova met, setting the agenda for next steps in cooperation. Several meetings were held at technical level. The Russian Ministry of Health and Social Development showed an interest in collaborating on communicable diseases (inter alia pandemic influenza, HIV/ AIDS), Health Determinants (alcohol, nutrition, and tobacco), rare diseases and pharmaceuticals. The objectives for 2011 are to enhance the Dialogue on Public Health. The Regulatory Dialogue on Pharmaceuticals will be attached to the Dialogue on Public Health and could be the priority area for cooperation for 2011, also under the Partnership for Modernization.

Next Steps:

- EU-Russia early warning mechanism should meet and agree on working methods to address efficiently (identify, monitor, facilitate the elimination) trade barriers at the earliest possibility.
- Under the authority of the Sub-Committee, the EU-Russia Working Group on Customs Border Issues will see to the implementation of the specific objectives and activities under the "Strategic Framework for Customs Cooperation". Additional expert groups may be established by the Working Group depending on needs and available resources.
- The implementation of the Framework will require a number of concrete steps to be taken in the near future. Action plans for all priority areas will need to be discussed and elaborated with the Russian side.
- The Commission will work to reach an agreement with Russian Customs on the Early Warning Mechanism as quickly as possible.
- The Commission will urge Russian Customs to proceed as soon as possible with the monitoring ("Laufzettel") and evaluation projects that were jointly agreed in 2008 in the context of the customs cooperation strategy. The agreed evaluation will contribute to the full use of the ongoing pilot project on exchanges of advance customs information.
- The Commission will continue to monitor the development of the Customs Union between Russia, Belarus and Kazakhstan and its implications for the EU-Russia customs cooperation.

- DG Competition and the Federal Antimonopoly Service (FAS) are considering signing a Memorandum of Understanding to promote development and strengthen cooperation between them in the area of competition policy and enforcement.
- Implementation of Russian components of the ENPI Eastern Regional projects on Forest Law Enforcement and Governance, Waste Governance, Air Quality and a Shared Environmental Management System.
- Follow-up actions to implement the work program on environmental monitoring agreed between the European Environment Agency and the Russian authorities.
- The National Plan for the Observation of Climate of the Russian Federation foresees setting up a single Russia's Climate Observation Centre in 2011.
- Following Vice President Kallas' and Minister Levitin's joint statement of November it has been decided to strengthen the sectoral transport dialogues with the aim to reach, as from 2011, tangible results in terms of improvement of the cooperation in the field of transport between the EU and Russia.
- Russia to implement the "Agreed Principles" to launch the aviation cooperation agenda agreed in Helsinki 2006;
- The dialogue with the Russian sanitary and phytosanitary authorities will continue, notably with meetings with Rosselkhoznadzor. a visit of EU experts to Russian border inspection posts of the Moscow and Saint Petersburg international airports, a meeting of the food safety subgroup in the framework of the EU-RF Public Health Dialogue, meetings planned in the framework of Russia's accession to the WTO, and possible meetings between Commissioner Dalli and the Russian Ministers of Health and Agriculture; the dialogue will also focus on cooperation with Russia to tackle the African swine fever outbreak;
- Following the agreement made in 2010, bilateral working groups will be established under the MoU for fisheries to discuss outstanding EU – Russian fisheries related questions that are not presently covered by existing agreements. Issues will include cooperation in fisheries management and related scientific research in the Black Sea.

k. Interregional and Cross-border Co-operation

• All five CBC programs with Russia have launched their first calls for proposals.

• In the framework of the Partnership for Modernization, DG REGIO made a proposal to carry out a study on the topic of mono-sector cities (cities depending almost exclusively on a sector or single large employer, which have gone through or are facing restructuring and diversification) as well as a study visit on the same topic.

l. Public Health

• Follow up of the results of the first meeting of the Dialogue on public health. Working groups will be established in the areas of communicable diseases and lifestyles (mainly tobacco and alcohol);

• Focus on work on pharmaceuticals, mainly in Good Manufacturing Practices and Clinical Trials.

CHAPTER 4

ACHIEVEMENTS AND SHORTCOMINGS OF COOPERATION BETWEEN THE EU AND RUSSIA REGARDING THE 2nd STRATEGIC SPACE AND RELATED ISSUES

At the St. Petersburg Summit of May 2003, the EU and Russia agreed to establish a Common Space of Freedom, Security and Justice. A road map agreed in 2005 sets out the objectives for cooperation in this area for the short and medium term. Ministers monitor the overall implementation of this Common Space at the biannual meetings of the EU/Russia Permanent Partnership Council (PPC) on Justice and Home Affairs. The regularity of these meetings ensures constant monitoring of progress and allows focused debate on topical issues on our common agenda. Two PPC meetings were convened during the course of 2010. On 25-26 May in Kazan and on 18-19 November in Brussels, the Russian side was represented by Mr Alexander Konovalov, Minister of Justice and Presidential Special Envoy for EU-Russia JLS cooperation, and Minister of the Interior Nurgaliev. The EU side was represented by the responsible member of the European Commission as well as Ministers of the Interior and Justice of the incumbent Presidency and representatives of the forthcoming Presidencies.

EU Policy Aims

Cooperation in this area has become a key component in the EU's efforts of developing a strategic partnership with Russia. Many of the issues are of direct concern to citizens on both sides of the external border. While in some areas results of cooperation have been positive, the aim must be to ensure a balanced implementation of the Road Map as a whole.

EU/Russia cooperation contributes to the objective of "building a new Europe without dividing lines and facilitating travel between all Europeans while creating conditions for effectively fighting illegal migration" as agreed in the 2005 Road Map. Moreover, the EU has a considerable interest in strengthening cooperation with Russia by jointly addressing common challenges such as organized crime, terrorism and other illegal activities of cross-border nature. It is important for the EU also to develop cooperation with Russia on justice related matters.

Cooperation shall be carried out on the basis of common commitments to democracy, respect for human rights and fundamental freedoms. As a consequence, the EU aims to ensure that the discussion on these issues is not confined only to the bi-annual Human Rights Consultations but is addressed to the extent possible also in the PPC meetings and other meetings taking place within the Space on Freedom, Security and Justice.

Institutional framework and monitoring mechanism

Monitoring of the process of implementation of the Common Space on Freedom, Security and Justice takes place particularly at the PPC. It is complemented by informal dialogue and expert meetings. In addition, the Joint Monitoring Committees established by the EC-Russia Visa Facilitation and Readmission Agreements meet at regular intervals to discuss implementation and interpretation of the Agreements.

Permanent Partnership declarations

The PPC declarations of May and November 2010 noted the importance of effectively implementing the visa facilitation and readmission agreements as well as agreed on the methodology of common steps to be followed during the next phase of the visa dialogue. The importance of cooperation on border issues and further operational cooperation between FRONTEX and the Russian Border Guard Service was underlined. The need of progress in the negotiations on the local border traffic agreements between interested neighbouring EU Member States and the Russian Federation, in line with the relevant legislation of both Parties was noted. The joint commitment to establish an enhanced dialogue on migration related matters was underlined. The need for further cooperation with EUROPOL and EUROJUST and swift conclusion of the relevant negotiations on the operational agreements was highlighted. Cooperation against illicit drugs and cybercrime was also emphasised. Parties looked forward to judicial cooperation in civil and commercial matters and strengthening judicial cooperation in criminal matters.

Progress

a. Freedom

The RF has expressed a strong interest in facilitating the movement of people, aiming for the abolition of the visa regime in the long run. The EU, in turn, has insisted on the demarcation of all sections of the shared border, strengthening of Russia's border management, and the conclusion of a readmission agreement. As a result, negotiations in this area have been

characterized by intense bargaining. While the EU has insisted on a package deal linking visa facilitation with readmission, Russia initially wanted to de-couple the two legal instruments.

The implementation of the agreements on Readmission and Visa Facilitation has been closely monitored by the relevant Joint Committees where the EU is represented by the Commission assisted by the Member States. The Joint Committee on Visa Facilitation met in May, while the Joint Readmission Committee met in June and December. There have been discussions with the Russian side on possible modifications and additions to the Visa Facilitation Agreement which stem from the Commission's evaluation of the implementation of the Agreement in 2009 and the need to bring the Agreement in line with the changes in the internal EU acquis (Visa Code which became applicable on 5 April 2010). The last meeting of the Joint Visa Facilitation Committee agreed on suggestions for issues to be addressed in the renegotiation. The Commission adopted on 29 October 2010 a recommendation to the Council for authorising the opening of such negotiation.

Senior officials overseeing the visa dialogue, which examines the conditions for visa-free travel as a long-term perspective, convened in September and November. They recommended to the PPC to launch the work to elaborate jointly an exhaustive list of common steps the implementation of which will open possibility for engaging in negotiations on an EU-Russia visa waiver agreement. The recommendation was endorsed by the November PPC.

The EU and Russia have been further exploring the possibilities to launch a dialogue on migration related issues.Negotiations on bilateral local border traffic agreements between Russia, on the one hand, and respectively Latvia, Lithuania, Poland and Norway[2], on the other hand, were carried out in 2010. Latvia and Russia made steps towards demarcation of their common border. Lithuania and Russia made significant progress towards demarcation of their common border - in the first half of 2010 the main instructions on demarcation were signed and the schedule for physical demarcation on the ground was adopted.

Dialogue on border management and cross border cooperation issues has continued intensively. (See also section on Common Economic Space for cooperation on border infrastructure.) On the basis of their working arrangement on operational cooperation, Frontex and the Russian Border Guard Service have been implementing their cooperation plan

through mutual visits and participation in trainings and operational activities involving also competent authorities of several Member States.

Fight against trafficking in human beings

Russia is both a source and a transit country for trafficking in human beings. Measures focusing on improved border management and control alone are not sufficient to address the problem. The export of women for prostitution from Russia and neighbouring countries is often conducted legally (with valid visas and passports). A comprehensive approach is needed to stop trafficking of human beings, addressing the supply in Russia's southern neighbouring countries, transit through Russia and demand in Russia and EU countries. In this context, the Commission's emphasis on a regional approach to the problem is appropriate.

b. Security

Counter-terrorism has been pursued by exchanging information and promoting the implementation of international norms through targeted dialogue. An expert level meeting took place on 18 March 2010. A meeting between EU Member State Liaison Officers and representatives of Russian law enforcement agencies took place in Moscow on 14 September 2010. Cooperation between Europol and Russian law enforcement authorities has been further routlined on the basis of the existing strategic agreement, including on illegal immigration and trafficking in human beings, money laundering, counterfeiting currencies and documents as well as drugs. Regarding the operational agreement between Russia and Europol, the Europol management Board authorised the Director of Europol to start negotiations with Russia on 19-20 May under the strict conditions expressed by Joint Supervisory Body and Member States. A conference on data protection aiming at clarifications on several points important for the Joint Supervisory Body took place on 19-20 October. It provided very important clarifications on the respective systems of data protection of both Russia and the EU. The launch of the negotiations on the operational agreement took place immediately after the conference. The standards of the Council of Europe's 1981 Convention for the Protection of Individual with regard to Automatic

Processing of Personal Data and of the 2001 Additional Protocol thereto remains important factors for the conclusion of those negotiations. In 2010, good progress was achieved in the negotiations on an EU-Russia agreement onthe control of drugs precursors. In general, the EU-Russia Troika on Drugs in Brussels on 15 September 2010 discussed the state of cooperation against illicit drugs.

Tacis projects have continued to support the development of Russian legislation on migration and asylum, anti-money laundering and the fight against financing of terrorism as well as fighting trafficking in human beings. Training events are carried out to raise awareness and skills in the area. Regarding the fight against money laundering and terrorist financing co-operation with Russia also takes place in international bodies, in particular in the Financial Action Task Force to which the European Commission and Russia are both members.

A project has been implemented with the Ministry of Justice (Penitentiary) related to the development of alternative sanctions. This project was complimented by a supply contract that procured electronic monitoring and tracking equipment. A small project (€ 150,000) financed by TACIS and implemented by the United Nations Office on Drugs and Crime (UNODC) conducted a Russia-wide survey that feeds into the annual comparative study of substance abuse among school youth within the framework of the European School Project on Alcohol and other Drugs (ESPAD). It also analysed the impact of drug trafficking in Russia and its implications for the EU.

c. Justice

Since the early 1990s, the EU has regarded reform of the judicial system as a key to strengthening the rule of law in Russia. However, serious deficiencies continue to exist in the Russian judicial system. Political interference and corruption lead to the manipulation of how laws are applied.

Eurojust and the Russian Prosecutor's Office have been engaged in talks on a cooperation agreement, and these negotiations continued in 2010. Difficulties in the further advancement of the Eurojust-Russia agreement are related to the implementation by Russia of a national data protection legislation fully incorporating the standards of the Council of Europe's 1981 Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data and of the 2001 Additional Protocol thereto. Experts from Eurojust participated also in the abovementioned data protection conference in October.

As regards judicial cooperation in civil and commercial matters, the EU continued highlighting the benefits for Russia's accession to the multilateral conventions on the protection of children (concluded in the Hague Conference's framework).

Two large scale TACIS projects are supporting the reform of the judiciary system in Russia. The first project focusing on access to justice was launched at the end of 2008. In parallel, a second project on execution and efficiency of justice started in September 2009.

d. Human Rights

Twelve rounds of the EU-Russia human rights consultations have taken place. Two of them in 2010: in April and in November, both in Brussels. They provided for a substantial dialogue on a range of human rights issues in Russia, in the European Union, and in international fora. Particular themes highlighted were: freedom of expression, freedom of assembly and association, the situation of human rights defenders, protection of human rights while countering terrorism and extremism, rule of law, functioning of the judiciary, racism, xenophobia and fight against discrimination (including based on sexual orientation), women's rights, co-operation on human rights in international fora (UN, Council of Europe, OSCE), and the Northern Caucasus. The EU and Russia also had an opportunity to submit enquiries with respect to specific individual cases. In keeping with the EU's practice of incorporating the voice of civil society into its meetings on human rights with third countries, the EU met representatives of Russian and international NGOs prior to each round of consultations.

Russia continued to oppose the involvement of ministries and agencies other than the Ministry of Foreign Affairs, the holding of the consultations alternately in Russia and the EU, and meeting with Russian and international NGOs. At the 11th round of human rights consultations in April, it was agreed for the first time to hold an expert seminar on "responsible parenthood" (domestic violence and/or adoption of children) as a follow-up to the consultations.

The EU continues to highlight its concerns with regard to Russia's respect for the commitments it has entered into in the UN, the OSCE, and the Council of Europe. Of particular concern has been a very difficult situation for human rights defenders and a number of violent attacks against journalists and prominent activists as well as limitations on the respect for freedom of expression, freedom of association, and freedom of assembly. There have been no results of investigations into the murders of human rights defenders such as Politkovskaya and Estemirova, nor the deaths in pre-trial detention of Magnitsky and Trifonova. The human rights situation in the Northern Caucasus has not improved, and there continued to be numerous reports of torture, abductions, arbitrary detentions, and violations of

women's rights, including "honour killings" and domestic violence. The impunity for these crimes remained pervasive. In neighbouring republics, in Ingushetia and Dagestan in particular, the situation further deteriorated and new potential hotspots have emerged in Karachaevo-Cherkessia and Kabardino-Balkaria. The number of attacks linked to racism and ethnic hatred are still a matter of concern. The verdict in the second trial of Khodorkovsky and Lebedev raised numerous concerns about the irregularities of a fair trial. HR/VP Ashton issued a statement in this regard.

The important positive developments included the extension of the moratorium on the death penalty and ratification of Protocol 14 of the European Convention on Human Rights, and some modernisation efforts, in particular those related to the rule of law (launching of a number of reforms in the area of judiciary, penitentiary and law enforcement). The Action Plan under the aegis of the Partnership for Modernisation includes EU support to the reform of the appeals' court system in Russia.

Barring opposition candidates from standing in Russia's 4 March presidential elections once again undermines political competition and pluralism, says the European Parliament in a resolution passed on February 2012. It calls for urgent reforms to Russia's electoral law.

Parliament urges the Russian authorities to reform the electoral laws, in line with Council of Europe and Organization for Security and Co-operation in Europe (OSCE) standards, to ensure that the March presidential elections are free and offer equal opportunities to all candidates. It also regrets the decision to deny liberal candidate Grigory Yavlisnski the right to stand in them.

Parliament calls on the Russian authorities to prevent the kind of interference with and hindrance of international election observers that was reported in the December 2011 Duma elections and notes a lack of transparency and effectiveness in handling complaints. It notes that almost 3,000 challenges alleging electoral malpractice in those elections have been rejected by the relevant courts.

Visa Issues

Russia and the European Union have agreed during the last Summit (15 December 2012) on moves towards visa-free travel. However, advances towards visa-free travel depend on the implementation of a number of "common steps" such as introducing biometric passports and preventing illegal migration."This decision has clear potential benefits to our citizens and for

people-to-people contacts," said European Commission President Jose Manuel Barroso, who participated in EU-Russia summit. "But this will probably not happen next year." In his turn, Russia's EU ambassador, Vladimir Chizhov, has told Interfax his country might "as a good-will gesture" unilaterally drop visa requirements for EU citizens to help them travel to the winter Olympics in Sochi if it did not get a two-way visa-free deal by 2014.

Visa-free regime with the EU is definitively the one thing that most Russians want most from the EU and is a key priority for Russia's EU policy. The EU and Russia have agreed on a set of 'joint steps' towards a visa-free regime. The issue of visa is hugely important for the EU as well. It resonates with domestic debates on immigration. It also poses huge logistical challenges for EU member states. The highest number of EU visas in the world is issued in Russia and in the top ten EU consulates worldwide judged by the number of visas issued, nine are in Russia.

Russia and the EU: divergent visa practices

The EU member states approaches to visa policies on Russia vary hugely. Some EU member states like Belgium, Germany or the Netherlands, and almost all the ministries of interior across the EU are in favor of a more restrictive approach to visas. Such policies are driven by several concerns.

First – are the risks of excessive immigration. Many experts argue that the existing visa regime limits the flow of potential asylum seekers or criminals from Russia. In fact, Russia is the second most important source of asylum seekers in the EU after Afghanistan, and ahead of Iraq and Somalia. Furthermore, Europol's annual Organized Crime Threat Assessment OCTA 2011 warned that visa liberalization with Russia "may lead to widespread abuse" and this would "undoubtedly present new opportunities for organized crime groups involved in illegal immigration".

In the view of others, a potentially useful side effect of the visa-regime is that EU or its member states can impose travel-restrictions. For example, Estonia blacklisted some activist of a thuggish pro-Kremlin youth group called Nashi believed to be behind the assault on the Estonian embassy in Moscow in 2008 (the former leader of Nashi is now an official; and still on the visa ban). With the US introducing visa bans against roughly 60 Russian officials involved in the death of lawyer Magnitsky and the European Parliament calling for a similar ban, a Russian expert argued that such "visa bans have the potential to moderate potential

human rights abuses by various officials. They won't stop stealing, but would think twice before doing really nasty abuses."

Leading exporters of Asylums Seekers(2010)	Number of Citizens reaching EU
Afghanistan	20,580
Russia	18,500
Serbia(excluding Kosovo)	17,715
Iraq	15,800
Somalia	14,350

Source: European Commission

On the other end of attitudes are a group of EU member states that are much more liberal. States like Spain, Italy, or Greece are keen to encourage tourists and are very liberal in the issuance of visa. They often ask for fewer supporting documents, have lower refusal rates and offer more long-term multi-entry visas. The most liberal of all is Finland. It issues almost as many visas in Russia as Germany, France and Italy put together.

The 'liberals' also argue that, under the current system most of those who potentially threaten EU security have the means to get the visas. Criminals or corrupt officials have the money to make reservations in the hotels or buy property in the EU which are strong reasons to be granted a visa. However, the current visa policies close the door for ordinary Russian citizens, while hardly restricting the movements of the rich and often corrupt elite. As an important side-effect, EU visa policies also undermine EU soft power, while hardly being an obstacle for sophisticated Russian organized crime networks.

It is also worth noting that the state of political relations with Russia is not a good indicator for approaches to visa-policy. Most of the Central European EU member states are rather liberal in their approaches even if many of them have difficult political relations with Russia; whereas some of Russia's closest partners in the EU, like Germany, can be quite difficult on visas.

Russia's approach to visas

Russia's approach to the issue of visas is a mixture of criticizing the EU for a discriminatory policy, lobbying EU member states for a visa-free regime, and retaliating against specific EU member states with tougher visa requirements. One such instance came in autumn 2010 when Russia introduced tougher conditions for German citizens such as requesting proofs that they will return to Germany, bank statements, property deeds, or company registration certificates, mirroring German requests from Russian citizens.

Overall, Russia tries to apply the principle of reciprocity in its visa policies with the EU. Yet, looking into the details of it this is not always true. For sure the EU visa regime is highly restrictive, but Russia's visa regime is equally cumbersome and on the margins can be even tougher. To begin with, Russia does not have the same wide-spread policy of granting long-term multi-entry visas like Austria, Finland or the UK (most UK visas are for 6 months and multi-entry) even for the citizens of these three countries. So Russia is happy to reproduce the worst EU visa practices, but prefers not to reciprocate on the better aspects of EU visa policies.

In addition, Russia has other requirements which complicate the travelling of EU citizens to Russia– a foreigner visiting any place in Russia for longer than three days needs to register with the authorities. So the paradox is that a Russian citizen who obtained a Schengen visa can visit 25 countries from Estonia to Portugal and Iceland to Greece without any restrictions, yet an EU citizen visiting Russia has to register with the federal migration service every time for stays longer than 3 days or when visiting other towns for longer than 3 days. Hotels do such registrations automatically, but visiting friends or relatives in Russia is more difficult, since they have to go through these bureaucratic procedures themselves. Though, the current system is something of an improvement. Just a few years ago foreigners had to go to the police to register which was time consuming and was best solved with a bribe.

EU member states differ widely not just in the application of visa procedures, but also on how fast the EU should move towards a visa-free regime with Russia. Russia and the EU apparently agreed on a set of common steps to undertake towards the visa free regime and should make the agreement public at their next summit in December. The 'common steps' are presumably supposed to be quite similar to the EU action plans on visa free travel offered to Moldova and Ukraine.

The EU alternatives

From an EU perspective there are two possible approaches to the issue of liberalizing visas for Russia. One approach is to set the bar high (as the EU did in the Western Balkans), and demand not just improvement of border-management and security of documents, including biometric passports, but also wider and deeper reforms of the law-enforcement agencies, fight against corruption and improvements in the human rights record. Some officials in several EU member states, including Germany, suggest that the EU should link the EU offer of a visa-free regime to Russia to some political or security issues where the EU wants to see some progress. In such a case the EU would treat the offer of a visa-free regime to Russia as the highest possible prize for which Russia should sweat a lot. Under such an approach fighting corruption would minimize the dangers that the Russian passports might be acquired/bought by potential third country illegal migrants as a one-way ticket to the EU; and improving the human rights record and fighting torture would dry up the legitimate reasons for Russian to claim asylum status in the EU. Finally, the EU then has to inspect and monitor Russian compliance with EU demands.

The problem is that such a strongly conditional approach has worked on Serbia, might work on Moldova, but is unlikely to work on Russia. The Russian elites have few problems in getting EU visas, and holders of diplomatic passports travel visa-free already (to Schengen, but not to the UK). They will not change the way Russia is governed and their positions in power for the sake of the average Russian's possibility to travel visa-free to the EU. The EU is also unlikely to descend with fact-finding missions to see how the border is controlled between Russia and Kazakhstan or Mongolia, the way they checked Serbian-Bosnian border, or would check the Moldovan-Ukrainian borders. The EU member states are also not united enough in their application of visa policies to be able to leverage their joint influence over Russia. This offers ordinary the Russian state and ordinary Russians simply engage in 'visa shopping' rather than comply with EU conditions. The divergent visa policies of EU states described in Part 1 are proof of that.

An alternative approach is to liberalize the visa system as soon as possible in the hope that this will have a gradual transformational effect on Russian society. Proponents of such an approach argue that the visa-free regime with Russia should be treated as a tool of helping Russia to modernize. By opening borders, the argument says, the EU will contribute to the modernization of Russian society through greater and easier business, educational and cultural

contacts with the EU for the Russian middle class. But of course there is little enthusiasm in the EU in being seen as offering such a present to Putin's third presidency.

It is not that different member states adopt one of the two approaches (though they often lean towards one of them), but also different players within the same member state are quite divided: diplomats and the business community tend to favor a more liberal approach, whereas law-enforcement agencies in the same states prefer a tougher approach.

Ultimately, the question is not whether to move towards a visa-free regime with Russia, but *how quickly and under what conditions*. Those who fear a relatively quick liberalization of the visa regime have a point. An EU diplomat told me once that 'Russia is so big – you can take a chance with visa free for Macedonia, but not with Russia'. An Estonian diplomat argued that 'it is easy for Spaniards to push for visa free with Russia. They will get the rich oligarchs on the Spanish coast, and we will get the petty criminals from Pskov region'. With the current debate on immigration – most EU politicians have little to gain from a visa-free regime with Russia and a lot to loose in terms of public support in many EU countries.

Yet the current system does not work either. It penalizes ordinary citizens, and its application is not uniform enough to give EU member states joint leverage over Russia. The conclusions is that in the short term what the EU needs is a middle way that reconciles the need to open up EU borders for legitimate travellers from Russia, while keeping a strong enough monitoring mechanism that would assuage reluctant EU member states. A European version of the Mexican system of 'electronic visas' for Russians (and Ukrainians) could be such a solution that fits into the 'smart borders' approach and could be applied to those who already had Schengen visas once. And in the mid-term, once the conditions of the 'common steps' are fulfilled, a fully fledged visa-free regime would follow.

CHAPTER 5

CRITICAL ANALYSIS OF THE EU-RUSSIA COOPERATION IN THE FIELDS OF EDUCATION, SCIENCE AND CULTURE (4th strategic space),

Most observers consider that the EU-Russia cooperation in the fields of education, science and culture (4th strategic space) may be the first space to come 'alive.' Both the EU and Russia have an interest in developing closer cooperation in this area, as there are clear mutual advantages.

Objective

The EU and Russia agreed at the St. Petersburg Summit of May 2003 to establish a 'Common Space on Research and Education, including cultural aspects'. A road map agreed in 2005 sets out objectives and areas for cooperation for the short and medium-term. The implementation is ensured, most notably, through joint working groups and Permanent Partnership Councils. The overall objective of the Common Space for Research and Education is to deepen science and technology cooperation and to enhance education cooperation in line with the Bologna process.

EU policy aims

in Research:

• structuring a knowledge-based society in the EU and Russia;

• promoting a high rate of competitiveness and sustainable economic growth by modernization of the national economies and implementation of advanced scientific achievements for the benefit and well being of citizens;

• strengthening and optimizing the links between research and innovation and maintaining small and medium size entrepreneurship in the field of research and innovation;

• addressing global challenges and reinforcing people-to-people contacts.

in Education:

• adopting comparable higher education degrees;

• introducing a credit system in line with the European Credit Transfer System (ECTS);

• promoting academic mobility;

• cooperating in the area of quality assurance;

• updating and modernising curricula at higher education institutions, notably with a view to increasing their relevance to labour market needs;

• promoting lifelong learning;

• reforming university governance;

• increasing the attractiveness of the higher education systems in Russia and in the EU;

• helping young people acquire knowledge, skills and competencies and recognising the value of such experiences;

• promoting intercultural dialogue and enhancing cooperation with partner neighbouring countries.

in Culture:

• to promote a structured approach to cultural cooperation between the EU and Russia, to foster the creativity and mobility of artists, public access to culture, the dissemination of art and culture, inter-cultural dialogue and knowledge of the history and cultural heritage of the peoples of Europe

• to strengthen and enhance the European identity on the basis of common values, including freedom of expression, democratic functioning of the media, respect of human rights including the rights of persons belonging to minorities and promotion of cultural and linguistic diversity as a basis of vitality of civil society in Europe without dividing lines

• to develop cooperation between the cultural industries of the EU and Russia in order to increase both their cultural and economic impact

Institutional framework

in Research:

• Agreement on Cooperation and Science between the European Community and the Government of the Russian Federation (Joint EC-Russia Steering Committee and Permanent Joint EC-Russia Working Groups on a number of themes of joint scientific interest)

• Agreement for cooperation between the European Atomic Energy Community and the Government of the Russian Federation in the field of nuclear safety (Joint Euratom-Russia Working Group on nuclear fission energy research)

• Agreement for cooperation between the European Atomic Energy Community and the Government of the Russian Federation in the field of controlled nuclear fusion (EU-Russia Coordinating Committee of the Fusion Agreement)

in Education:

• Meetings on educational reform in the framework of Bologna process

• Governing Board meetings of the European Studies Institute

in Culture:

• Permanent Partnership Council on Culture

• Joint Working Group

Achievements of the EU-Russia cooperation

Main achievements:

- Renewal of the Science and Technology Cooperation Agreement;
- Agreement at the Research Permanent Partnership Council that Russia's request for association to the EC and Euratom Framework Programme will be examined; this issue will be addressed in the context of the New EU-Russia Agreement
- An international seminar on "Russia-EU: signs on the road map of cultural cooperation", co-organised by the European Commission (DG EAC) and the Russian Ministry of Culture took place on the 8th of December 2009 in Moscow;
- The EC-Russia Science and Technology Agreement was renewed for a further five years;
- A roadmap setting out an overview of ongoing and future EU-Russia research actions for the 2009-2011 period was agreed. An compendium setting out information on all the bilateral research programmes between Russia and the EU and the 27 Member States was published in both English and Russian;
- The discussions on Russia's potential association to the 7th EC Framework Programme for Research and Technological Development started in 2009. In line with the negotiating principles adopted by the General Affairs and External Relations Council, this is to be addressed in the context of the New EU-Russia Agreement
- Set-up of 2 new joint working groups by the EU-Russia S&T Cooperation Steering Committee in the areas of Research Infrastructures and Researcher Mobility;
- Enhancement of the S&T policy dialogue and stimulation of S&T cooperation between research organisations and researchers from both the EU and the Russian scientific communities through four projects within the FP 7 Capacities programme;

- Establishment of the Northern Dimension Partnership on Culture. A Memorandum of Understanding was concluded between the participating countries and institutions in May formally setting the objectives for this partnership
- Great achievements in the EU-Russia space dialogue

Main problems:

- No progress towards Russia's ratification of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the Council of Europe Convention on Transfrontier Television.
- As far as the Culture Action Plan is concerned, progress had been slow due to Russia's resistance to include policy and regulatory aspects in the Culture Action Plan, envisaged in the roadmap.
- The Bologna Process - obstacles to the development of more ambitious academic relations between Russian and EU universities: difficulties in recognising periods of study abroad, cumbersome administrative and accreditation procedures, which make it almost impossible to develop joint (and even double) degrees with Russian universities, widespread corruption and language barrier. Russia is facing a number of challenges in the concrete implementation of the Bologna principles. On an institutional level, measures should be taken to increase the level of involvement of students and awareness-raising among employers: efforts should also be made to create degree programmes and courses with a learning outcome approach, and along the two–tier cycle. Besides, the PhD level is not yet concerned by the implementation of the Bologna process in Russia.

Education

2007

In line with the Bologna process, **amendments to the current Russian law on higher and postgraduate education** introducing the two cycle system - bachelor (4 years) and master (2 years) entered into force in October 2007. Under the new law, universities have a two year transition period up to 1 September 2009 to introduce the two cycle system. The third level (i.e. PhD level) is not yet concerned by the law. This is an important step towards the common space on education and training as it will further facilitate university cooperation within the European Higher Education Area. **Education cooperation is centred on three broad strategic objectives: university cooperation, academic mobility and the promotion of multidisciplinary EU studies. The EC-funded Tempus, Erasmus Mundus**

programmes and the EU-Russia co-funded initiative European Studies Institute play a key role to achieve these objectives embedded in the roadmap.

Russia has been participating in the Tempus programme since 1994 with a budget of approximately € 10 million per year. Tempus projects have improved cooperation between universities and ministries, and have mobilised universities, public institutions, NGOs and businesses to analyse the Russian higher education system and universities. A total of 300 cooperation and reform projects have been implemented. These pertain to the development of new curricula, the introduction of credit systems, and the improvement of the quality of education in line with the Bologna process.
Moreover, on average more than 1300 academics and students benefited every year from short term mobility opportunities.

An evaluation launched by the EC in cooperation with the Ministry of Education and Science to assess the impact of Tempus on the implementation of the Bologna process indicates most progress was made in adopting comparable higher education degrees; introducing a credit system, cooperating in the provisions of learning quality.

The new priorities for the Tempus IV program, comprise the modernization of curricula, the European Credit Transfer System (ECTS) and recognition of degrees and the development of lifelong learning in society at large and qualification frameworks.

Russia participates actively in the Erasmus Mundus (EM) program, which enhances the quality, visibility and attractiveness of European higher education in third countries. Under this programme, students and scholars from Russia receive scholarships to participate in Erasmus Mundus master courses inside the EU. In Erasmus Mundus Russia typically places among the top countries as regards awards of EM scholarships.

In the academic year 2007-8, Russia ranks 4th (after India, China and Brazil) with 50 participating students and 6th with 16 academic staff. There is a positive trend of growing Russian participation.

Erasmus Mundus may also support partnerships between the master courses and Russian institutions. About 15 Russian education institutions have been involved so far.

Russian universities showed high interest in the Erasmus Mundus External Cooperation Window programme focussing on academic and student mobility at undergraduate, postgraduate, PhD and post-PhD level. In June 2007, a partnership of 20 universities (8 EU and 12 Russian) led by the University of Hohenheim in Germany was awarded a project worth € 5 million (ENPI 2007) upporting the mobility of 262 Russian students to the EU and 48 students and teachers to Russia.

In 2007, one new project was selected under the Jean Monnet Programme. This brings the total number of Jean Monnet projects in Russia to 9. Furthermore, in 2007, 6 scholarships were ranted to Russian students to study at the College of Europe both in Bruges, Belgium and in Natolin, Poland.

A particularly important project is the European Studies Institute (ESI) in Moscow. The project is co-financed by Russia and the EC, which is supporting it through a € 3 million grant. As the only institution with the competence and capacity to provide a one-year postgraduate Master's programme in EU studies, the Institute aims mainly at developing a cadre of officials conversant in EU integration issues. As regards non-formal education for young people, Russian youth NGOs and young people participated actively in the EC-funded Youth in Action Programme launched in 2007. **More than 130 projects involving Russian partners were granted involving over 400 young people and some 130 youth organisations from Russia**. In the course of 2007, there have been also some discussions concerning a possible EU-Russia agreement on youth.

In addition, in the area of life skills education programmes for youth (smoking, physical exercise, drugs, alcohol, HIV/AIDS, etc) a final conference on the project on HIV/AIDS phase II (focusing mainly on the treatment of HIV positive patients but also on awareness raising), took place in December 2007.

2008

In 2008, the Tempus program continued to promote the reform of higher education through university cooperation. In 2008, **a total of 20 projects with participation of Russian universities worth € 12.5 million have started.** These include 12 multi-country projects. University cooperation is supported by the Erasmus Mundus External Cooperation Window.

In 2008, three consortia were awarded grant contracts for a total EC funding of € 12 million. As a result, 25 European and 34 Russian universities participate in this

programme with the aim to implement 730 individual mobility flows of students (BA, MA, PhD, Post-PhD) and academic staff.

In addition as concerns academic mobility, under the Erasmus Mundus programme students and academics from Russia benefit from scholarships to participate in Erasmus Mundus master courses in the EU. Russia is typically among the top countries in terms of the number of awarded Erasmus Mundus scholarships. Since 2004, 207 Russian students and 60 academics have benefited from such scholarships. **In 2008, 81 students and 19 academics were awarded Erasmus Mundus scholarships.**

In 2008, two new projects were selected under the Jean Monnet Programme. This brings the total number of Jean Monnet projects in Russia to 11. Furthermore, in 2008 **6 scholarships were granted to Russian students to study at the College of Europe both in Bruges, Belgium and in Natolin, Poland.** A particularly important project is the European Studies Institute (ESI) in Moscow.

As regards non-formal education for young people, Russian youth and organisations can benefit from some of the opportunities offered by the EU Youth in Action Programme (2007-2013) by establishing partnerships with fellow organisations based in the EU. In the first two years of implementation of the Programme, over 1000 young people and youth workers from Russia have benefited from such opportunities through participation in more than 220 projects.

2009

Russia has made significant progress in aligning its higher education system with the requirements of the Bologna Process. However there are still obstacles to the development of more ambitious academic relations between Russian and EU universities: difficulties in recognising periods of study abroad, cumbersome administrative and accreditation procedures, which make it almost impossible to develop joint (and even double) degrees with Russian universities, widespread corruption and language barrier. The EC Delegation in Moscow has recently commissioned a study to analyse the benefits deriving from the development of double degrees and the problems faced by universities when working on double degrees programmes, and recommend how to overcome these problems.

A mid-term evaluation of the contribution of Tempus to the Bologna process in Russia was carried out in 2008 and many examples of good practice were found. However, negative trends seem to persist in some areas, and Russia is facing a number of challenges in the concrete implementation of the Bologna principles. On an institutional level, measures should be taken to increase the level of involvement of students and awareness-raising among employers: efforts should also be made to create degree programmes and courses with a learning outcome approach, and along the two–tier cycle.

In line with the Bologna process, a new law introducing a two cycle system bachelor (4 years) and master (2 years) entered into force in September 2009. The new law foresaw a transition period up to 2011. In addition, the Ministry of Education and Science has focused on the preparation of "new educational standards", which are to entrust higher education institutions with more autonomy and responsibility in terms of curricula development, reducing the "federal component" (i.e. the portion of the curriculum regulated at the federal level).

The Tempus programme continues to promote the reform of higher education through university cooperation. In 2009, a total of 14 projects involving Russian universities were selected. This represents a value of € 10.2 million and includes 5 multi-country projects.

University cooperation is supported by the Erasmus Mundus External Cooperation Window. In 2009, two consortia were awarded grant contracts for a total EC funding of € 7.93 million. As a result, 17 European and 22 Russian universities participate in this programme with the aim to implement 486 individual mobility flows of students (BA, MA, PhD, Post-PhD) and academic staff. It is expected that such university cooperation will contribute to reach objectives beyond the mobility flows.

In addition, as concerns academic mobility, Russia is still among the top countries in terms of the number of awarded Erasmus Mundus scholarships. In 2009, 64 students and 21 academics were awarded Erasmus Mundus scholarships. Under Action 1, in addition to students and academics also Russian universities can participate by becoming members of existing consortia of EU universities: so far 3 Russian universities have seized this opportunity by joining 2 EMMCs (Erasmus Mundus Masters Courses) and 1EMJD (Erasmus Mundus Joint Doctorate). In addition, nine Russian higher educational institutions participate in Erasmus Mundus projects.

In 2009, the Jean Monnet call for proposals resulted in the establishment of a Jean Monnet Centre of Excellence in European integration studies at the Moscow State Institute of International Relations (MGIMO). This brings the total number of Jean Monnet projects in Russia to 12.

A study of the centres, departments, chairs of European studies set up within universities through the Tempus programme started in January 2009. The study will serve as a basis to launch a call for applications to identify three universities or three consortia of universities wishing to establish a network of three EU centres on the basis of existing centres, departments, chairs in European studies.

As regards non-formal education for young people, Russian youth and organisations can benefit from some of the opportunities offered by the EU Youth in Action Programme (2007-2013) by establishing partnerships with fellow organisations based in the EU. In the first three years of implementation of the Programme, over 1600 young people and youth workers from Russia have benefited from such opportunities through participation in more than 320 projects.

2010

The Bologna Process: there are still the same obstacles as in 2009.

There remain unresolved issues related to the differences in quality assurance systems, recognition of periods of study abroad, administrative and accreditation procedures that hamper progress in this area together with the fact that the PhD level is not yet concerned by the implementation of the Bologna process in Russia. To enhance the European Area of Higher Education, universities have taken themselves a number of initiatives that reflect their growing awareness of the new role they want to play in the emerging knowledge-based economy. For example a "Bologna Club" was established at the Technical University in Rostov-Don and the "Tuning Association" was initiated by the academic community through the establishment of "Tuning Centres" in Russia to ensure compatibility and comparability of degrees and diplomas in a number of areas of study. Both initiatives are a testimony of the enhanced role that universities want to play in higher education reforms, as active civil society actors.

Orientation towards European integration is at the centre of the strategies of the most important universities, including the new ones that have recently emerged from the higher education modernisation process, namely, the network of National Research universities and the Federal Universities. The latter group promotes both fundamental and applied research, while the former aims at enhancing the relevance of universities for the implementation of regional socio-economic policies.

Tempus and Erasmus Mundus have continued to play a central role in the internationalisation processes. Erasmus Mundus has been instrumental in enhancing the academic mobility and mutual learning amongst academic staff and students. Tempus continues to effectively contribute to the implementation of the Bologna process in Russia. However, the reduced funding and number of projects involving Russian universities in Tempus in the past two years has limited the scope of its impact, while at the same time bringing to the fore the need to enhance dissemination, networking and communication within the higher education community, to maximise the impact of individual Tempus projects.

There is growing interest both at federal policy level and university level for double degrees and joint programmes. The EU Delegation in Moscow has completed a study analysing the benefits deriving from the development of double degrees and the problems faced by universities when working on double degrees programmes. The report suggests that currently there are 239 double degree programmes between EU and Russia universities. 65% are double degree programmes at Masters' level; 20% are at Bachelors' and 9% at Specialists (five year programmes) level. Only 6% are related to PhD degree. Clearly the work seems to be quite advanced at Masters' degree while there is a need to put more efforts at Bachelors and PhD levels.

What should also be done in Russia:

- to introduce clear definitions of double and joint degrees programmes into the bill of law on education
- to make available funds for students' mobility to study to EU countries and for EU students to come to Russia through a programme of organised mobility similar to Erasmus Mundus (Action 2).

With regard to the Common Space on Research and Education, including Cultural Aspects, the development of double degree programmes allows measuring the progress made year by

year. It tells us to what extend university programmes are compatible and the corresponding degrees are comparable. Only in 2009-2010, more than 7,300 students have been studying in double degree programmes: more than 6,800 went from Russia to the EU and more than 500 to Russia from EU countries. More than 1,000 academic staff members have been involved in teaching in such programmes, moving from Russia to the EU and vice-versa. These figures are clear evidence that the construction of a common space in higher education is already underway. 2010 has also been characterised by a growing cooperation between universities and enterprises that is accompanied by a system of independent assessment of curricula by employers.

In 2010, a total of 8 Tempus projects involving Russian universities were selected. This represents a value of € 5.8 million and includes 4 multi-country projects. In March 2010, the first of four Tempus regional seminars on university governance was held in Kiev with the aim of presenting the results of the Tempus study entitled: 'changing rules: A Review of Tempus support to University Governance'. This seminar gathered around 80 participants from the 7 Eastern European Tempus Partner Countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, the Russian Federation and Ukraine). Russian Higher Education Reform Experts (HEREs) attended international seminars on recognition (Tallinn, June 2010) and the social dimension of education (Nicosia, November 2010), organised to the attention of Tempus HEREs and Bologna experts.

University cooperation - with a focus on mobility - is supported by the Erasmus Mundus programme. Under Action 2 of the programme, Erasmus Mundus Partnerships bring together universities from the European Union on the one hand and from a particular region in the world on the other. Together the partnerships manage mobility flows for a range of academic levels - undergraduate, masters, and doctorate, post-doctorate - and for academic staff.

In 2010, three partnerships were awarded grant contracts for a total EC funding of € 11.99 million. As a result, 25 European and 34 Russian universities participate in this programme with the aim to implement 581 individual mobility flows of Russian students (BA, MA, PhD, Post-PhD) and academic staff.

In addition, as concerns academic mobility, under Action 1 of Erasmus Mundus, students and academics from Russia benefit from scholarships to participate in Erasmus Mundus master

courses and joint doctorates in the EU. Russia is typically among the top countries in terms of the number of awarded Erasmus Mundus scholarships. In 2010, 75 students were awarded Erasmus Mundus scholarships. This year also the first selection of doctoral candidates took place. Under Action 1, in addition to students and academics, Russian universities can also participate by becoming members of existing consortia of EU universities: so far 3 Russian universities have seized this opportunity by joining 2 Erasmus Mundus Master's Courses and 1 Erasmus Mundus Joint Doctorate. In addition, nine Russian higher education institutions participate in Erasmus Mundus projects.

In 2010, the Jean Monnet call for proposals resulted in the selection of a Jean Monnet Chair on "Theory and Practice of EU Law" at the State Educational Establishment of Higher Professional Education – Moscow State Academy of Law. This brings the total number of Jean Monnet projects in Russia to 13.

A study of the centres, departments, and chairs of European studies set up within universities through Tempus and Jean Monnet programmes started in January 2009. Overall, between 1994 and 2006, about 20 Russian Universities received EU funding to implement Tempus and Jean Monnet projects in fields related to European Studies and/or to establish European Documentation Centres, now called EU-Information Centres.
The study served as a basis to launch a Call for Proposals in 2010 which helped identify three universities wishing to establish EU Centres on the basis of existing centres, departments, and chairs. As a result the following universities were selected: Immanuel Kant University of Russia (IKSUR) in Kaliningrad, the European University at St. Petersburg (EUSP) and Tomsk State University (TSU).

A new call will be launched in 2011 to identify three more universities. Applicants must have proven experience in teaching, research and outreach activities related to the EU. For reasons of sustainability European Integration Studies should be a relevant area of interest at the applicant university and adequate funds should be allocated by the universities to finance the EU Centres beyond the project life time.

As regards non-formal education for young people, Russian youth and organisations can benefit from some of the opportunities offered by the EU Youth in Action Programme (2007-2013) by establishing partnerships with fellow organisations based in the EU.

During the period 2007-2010, over 2300 young people and youth workers from Russia have benefited from such opportunities through participation in more than 700 projects.

2011

Jean Monnet funding, Call for Proposals 2011: Saint-Petersburg State University, Novosibirsk State Technical University, Mordovia State University, Perm State University, University of Nijni Novgorod, Petrozavodsk State University.

- Increased participation in the Erasmus Mundus, Tempus, Jean Monnet and Marie Curie programmes;
- Convergence towards the European Higher Education Area and continued implementation of the Bologna process and the EU higher education modernisation agenda (in particular through Tempus);
- Further promotion of EU multidisciplinary studies for instance through the set up of a network of EU centres, which are funded by the EU;
- Launching of a policy dialogue on higher education with the Ministry of Education and Research.

Science

2007

Russia was the most successful non-associated country to the 6th Framework Programme for Research and Technological Development (FP) participating in some 280 projects worth almost € 2.8 billion. The prospects for Russia's participation to the 7th FP, which started in 2007, were most promising. In fact Russia has expressed an interest to become an associated country to the FP.

The scope of EU-Russia research cooperation is broad. It ranges from space, aeronautics and energy, including renewables and nuclear fusion, to food quality and safety and climate change.

In concrete terms, the EC and Russia have started synchronizing their research programmes and activities with a view to defining a more common and ambitious research agenda.

These co-funded activities are in line with the overall trend and the changing attitude towards international cooperation, which is one of moving towards a partnership between equals based on sharing funds and responsibilities.

The Steering Committee of the Science and Technology Agreement, which expired in February 2009, took place on 28 June 2007. In addition to this high level dialogue, joint permanent working groups on key thematic priorities such as health, food agriculture & biotechnology, nanotechnologies, energy, aeronautics, mobility, space research and nuclear fission energy research have been meeting on a regular basis. Efforts are also being made to launch a working group on environment. These working groups ensure Russian participation in the consultative process surrounding the preparation of the FP activities. A separate Euratom-Russia coordinating Committee has been meeting regularly under the Euratom-Russia Agreement in the field of controlled nuclear fusion.

A major element in the full realisation of the Common Space on Research is the numerous bilateral cooperation programmes and activities of the EU Member States with Russia

2008

Meetings of the Joint EC-Russia S&T Cooperation Steering

Russia enjoys the status of an ICPC (i.e. International Cooperation Partner Country) in the EC and Euratom Framework Programme (FP). Meetings of FP7 National Contact Points and of Russian Federation entities in FP7 took place regularly in the course of the year. Entities from the Russian Federation participate in all thematic areas and sub-programmes of the FP7. Until now, 218 Russian Federation participants have been selected in FP7 projects, with a requested Community contribution of some € 29 million. Russia's keen interest is reflected in the level of Russian cofinancing, which has amounted so far to € 20 million for the FP7.

The Russian Federal Targeted S&T Programme for 2007-2012 supports the cooperation and is open to the participation of EU research entities. With these coordinated initiatives, the EU and

Russia has synchronized parts of their research programmes with a view to defining a more ambitious common research agenda.

In addition, the joint permanent working groups on key thematic priorities such as health, food agriculture & biotechnology, nanotechnologies, energy, aeronautics, mobility, space research and nuclear fission energy research met on a regular basis. A working group on environment has been launched on 16 February 2009.

In 2008, three new FP7-funded projects were started:

- "BILAT-RUS" focuses on enhancing the bilateral S&T Partnership between the Russian Federation and the EU Member States, Candidate Countries and other Associated Countries;
- "ERA-NET.RUS" aims to develop the coordination of joint S&T programmes of funding institutions in EU-Member States (MS) & Associated Countries (AC) with Russian programme owners and subsequently to implement a pilot joint call for research projects of interested programme owners including Russia;
- and "IncoNet-EECA" aims to support a sustainable, knowledge-based, bi-regional S&T dialogue between stakeholders from the EU Member States & Associated Countries, and the EECA countries, including Russia.

The Russian Government supported ten major FP7 related events (including meetings of joint ECRussia WGs, information days on EC-Russia coordinated calls, RU FP7 initiatives in ICT, SSH, Research Infrastructures, and NCPs networking & capacity building events) and reinforced its organisational and financial commitments towards ITER and FAIR projects. It also implemented a few joint research & innovation activities with some of the EU Members States.

In 2008, the Russian Government has been particularly active in space making more funding available for space programmes (such as the Global Navigation Satellite System - Glonass) and enhancing the institutional & legal framework (in order to regulate Glonass) as well as its commitments within European-Russian space cooperation initiatives.

2009

The EC-Russia Science and Technology Cooperation Agreement were renewed for a further five-year period during 2009. The Joint EC-Russia S&T Cooperation Steering Committee met in Brussels on 30 June 2009 to discuss and approve a series of new cooperative actions.

The Joint Committee also approved the establishment of a new joint working group in the area of

Information and Communication Technologies: These working groups met 11 times in 2009, to discuss research challenges of common interest, funding and developing new and

innovative ways of implementing common research agenda and activities, such as the coordination of research calls and the twinning of research projects, as well as monitoring and analysing ongoing actions.

The 7th EC Framework Programme (FP):

Entities from the Russian Federation have participated in all of the FP7 Specific Programmes, including all of the themes of the Cooperation Programme. By the end of 2009, over 320 Russian Federation participants were selected in FP7 projects.

The 2010 FP7 work programmes, which were adopted by the Commission in July 2009, continue the positive experience of launching co-financed research activities with the Russian Federation through coordinated calls, which complement the general openness and bottom-up nature of FP7.

A coordinated call in aerospace research was issued in July 2009, covering five research topics in the areas of greening of air transport, improving cost efficiency and ensuring customer satisfaction and safety.

The two coordinated calls included in the 2009 work programmes – in nanotechnology and in nuclear fission – were implemented successfully. Discussions are underway for a similar coordinated call in the area of ICT research for the 2011 work programme.

In addition to the above, there are four projects within the FP7 Capacities, 'Activities of International Cooperation', programme (three mentioned above - 2008 and the FP& ACCESSRU launched in 2009), which specifically target or involve the Russian Federation with the aim to enhance policy dialogue and to support and stimulate S&T cooperation between research organisations and researchers from both the EU and the Russian scientific communities.

Started in November 2009, the FP7 ACCESSRU project aims at helping EU researcher and research organisations to accede to the scientific and innovation programmes establishedwithin the Russian Federation.

In 2009, the activities of the Russian Gate2RuBIN project consortium were continued and further extended in Russian regions. Gate2RuBIN is a business and innovation network of 27

Russian regional partners operating under the EU Competitiveness and Innovation Programme Enterprise Europe Network. It aims to build partnerships between Russian and European high-tech and research-oriented SMEs, to support the participation of Russian high-tech innovative SMEs in the EU Framework Programmes, and to promote technology- and knowledge-transfer between Europe and Russia.

In the Russian Federation greater policy emphasis has been placed on the improvement of the regulatory and legal framework for the development of science, including incentives for innovative activities and the technological upgrading of the Russian economy.

Federal laws on patent attorneys and on the assignment of rights for integrated technologies were
adopted and a mechanism has been proposed for the creation and operation of science-based small innovative businesses, such as spin-offs from scientific or higher education institutions.

In operational terms, the Russian Government focused on the further integration of research and education. Fourteen universities were endowed with the status of national research universities, and considerable public funding was allocated for their ten-year programmes combining research and education curricula. Another area at the centre of the Government's attention was the support of scientific & pedagogical human resources under the corresponding Federal Targeted Programme launched in 2009. Special focus was made on promoting joint research projects with the Russian scientific 'diaspora' – 100 such projects with overall public funding of RUR 200 million were selected in 2009.

As part of the Government's plan to set up an advanced multidisciplinary centre for bio-, nano-, and ICT emerging technologies, the institutional autonomy and scientific capacities of the Russian Research Centre 'Kurchatov Institute' were further expanded.

In 2009, the country's leadership launched a so-called modernisation initiative bringing research, technological development and innovation to the forefront of the Government's strategic policies. Five R&D areas were identified for priority support through public funds, namely Energy & Energy, Efficiency (including nuclear power), Space, ICT and Health.

2010

The Joint EU-Russia S&T Cooperation Steering Committee met in Moscow in July to discuss and approve a series of new cooperative actions. These were drawn up into a road map, setting out full information on current, planned and potential future bilateral research activities.

The Joint Committee also approved the establishment of two new joint working groups in the areas of Research Infrastructures and Researcher Mobility and noted plans to establish a joint working group in the area of eInfrastructures. Existing working groups met nine times in 2010, to discuss a range of issues relating to research and innovation policy and programmes, including research and innovation policy, research challenges of common interest, funding and developing new and innovative ways of implementing common research agenda and activities, such as the coordination of research calls and the twinning of research projects, as well as monitoring and analysing ongoing actions.

Recommendations for actions from the working groups are submitted for approval in the Joint Committee. In addition, in the context of the EU-Russia space dialogue, seven working groups have been established with Roscosmos: three co-chaired by the European Commission, four co-chaired by the European Space Agency, all of which, to some extent, cover issues relating to space research.

The 7th EU Framework Programme (FP): by the end of 2010, over 450 Russian Federation participants were selected in FP7 projects, receiving an EU contribution of 50.5 million euro.

The 2011 FP7 work programme, which was adopted by the Commission in July 2010, continues the positive experience of launching co-financed research activities with the Russian Federation through coordinated calls, which complement the general openness and bottom-up nature of FP7. Coordinated calls in the area of 'multi-scale modelling as a tool for virtual nanotechnology experimentation' and in high performance computing were issued in July 2009, with EU budgets of € 4.5 and € 4 million respectively, and budgets of € 4.5 million and € 2 million from the Russian side. The coordinated call in aerospace research, included in the 2010 work programme, was implemented successfully. In total, some eight coordinated calls have been launched with Russia to date under FP7, more than for any other third country, with a budgetary contribution of about € 31 million on both sides.

In 2010, four projects within the FP7 Capacities, 'Activities of International Cooperation', programme, which specifically target or involve the Russian Federation, have continued to enhance the S&T policy dialogue and stimulate S&T cooperation between research organisations and researchers from both the EU and the Russian scientific communities. The FP7 BILAT-RUS project has continuously provided assistance and knowledge to the working groups under the S&T Cooperation Agreement as set out above. A key project deliverable is the web portal www.st-gaterus.eu which offers information about the Russian S&T landscape and funding opportunities from the EU and Russia for the implementation of joint scientific activities.

The FP7 ERA.Net RUS project has developed a concept for coordinating the activities of S&T programme owners in the EU and Russia. Based on this, all interested research and innovation funding organisations from the EU MS/AC and Russia met on 25-26 November 2010 in Moscow for discussing the detailed concept of pilot joint calls on collaborative research and innovation, and to plan the implementation of these calls in 2011.

The FP7 ACCESSRU project:

On 15 October 2010 in Moscow, a round table 'Development of mechanisms facilitating access for EU R&D organisations to Russian research and innovation programmes' was held to present and discuss the first findings from the project. Opportunities and practical barriers to EU researchers' participation in Russian domestic R&D programmes were better identified and analysed. The International Cooperation Network - Eastern Europe and Central Asia (FP7 IncoNet EECA project:

On 7-8 April 2010 in Moscow, the Network organised a Policy Stakeholders Conference on Best Practices in Science, Technology and Innovation Policies.

2011

Two calls within the ERA.Net RUS project were launched in February and March 2011:

1. "A Pilot Joint Call in Innovation Projects" with the participating countries being Germany,

Greece, Israel, Russia, Switzerland and Turkey;

2. "A Pilot Joint Call in Collaborative S&T Projects" with the participating countries being Estonia, Finland, France, Germany, Greece, Norway, Poland, Russia, Spain, Switzerland and Turkey.

On 22 June 2011 the treaty on partnership between the Russian Research Center "Kurchatovsky Institute" and the European Synchrotron Radiation Facility (ESRF) was signed at the Ministry of Education and Science of the Russian Federation. The treaty makes a legal basis for participation of the Russian researchers in the ESRF for the period of potential accession of the Russian Federation to this international research organization. In particular, scientists from Russia will be able to apply for the ESPF research projects within the same conditions, which are established for associated members of the organization. The graduates from Russian universities will be able to participate in the ESRF PhD programme under the same conditions, which are designed for graduates of the ESRF member countries. The treaty was signed by director of the Kurchatovsky Institute Mikhail Kovalchuk and the ESRF's chair Franchesko Sette. The Minister of Education and Science of the Russian Federation Andrey Fursenko and honorable delegations of the parties also presented at the meeting.

In 201, 391 Russian research organisations are participating in 264 FP7 Grant Agreements, receiving EUR45.6 million of EU funding.

Culture

2007

Cultural cooperation gained significant impetus in 2007 and culminated in the first ever Permanent Partnership Council (PPC) on culture, which took place in Lisbon on 25 October. While the EC through its Moscow Delegation has been involved in a number of cultural projects and initiatives, not much progress has taken place on the Culture Action Plan envisaged in the roadmap.

At the same time, a number of joint cultural projects and initiatives took place for the first time in 2007. The EC funded Europe-Russia-Europe exhibition ran at the Tretyakov Gallery from May to July (66.000 visitors). The exhibition brought together masterpieces from 46 EU museums and galleries, with the aim to show some of the major developments in Russian and European art and to highlight how different movements have influenced one another over the years. All 27 Member States participated.

Moreover, the EU Film Festival took place in Kaliningrad in October and master classes for young Russian film professionals were organised to build bridges between the two communities. In addition, a special culture call for proposals worth € 2 million was launched

in 2007 along priorities such as the promotion of innovative and cultural projects with a European dimension, mobility of artists and cultural heritage. A guide ("Moving Art") to the export and import of cultural goods between Russia and the EU was published in cooperation with all Member States.

2008

In 2008 there was no progress towards Russia's ratification of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the Council of Europe Convention on Transfrontier Television.

The Joint Working Group on Culture, which had been established in February 2007 with the aim to draw up a Culture Action Plan, met in June 2008 in Moscow. The Group achieved a set of operational conclusions pertaining to the inclusion of policy and regulatory aspects in the Culture
Action Plan and the organisation of a Forum for cultural operators from the EU and Russia in autumn 2009.

Progress had been slow since the last Working Group meeting of September 2007 due to Russia's resistance to include policy and regulatory aspects in the Culture Action Plan, envisaged in the roadmap.

At the same time, a number of cultural projects and initiatives have taken place. In 2008, the EC launched a second call for proposals to support partnerships between cultural operators of Russia and the EU. A total of 9 projects were selected with a budget of € 2 million. An additional 8 projects from the previous 2007 call are on-going.

2009

In 2009 there was no progress towards Russia's ratification of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the Council of Europe Convention on Transfrontier Television. With regard to the UNESCO Convention, a working group had been set up to look into the legislative requirements, but so far there is no decision on the political level. The Governmental re-organisation slowed down the process of ratification of the CoE Convention on Transfrontier Television since the new Ministry of

Telecommunications and Mass Media took over some responsibilities from the Ministry of Culture.

The Joint Working Group on Culture, which had been established in February 2007 with the aim to draw up a Culture Action Plan, last met in June 2008 in Moscow. The Group achieved a set of operational conclusions pertaining to the inclusion of policy and regulatory aspects in the Culture

Action Plan and the organisation of a Forum for cultural operators from the EU and Russia in autumn 2009.

An international seminar on "Russia-EU: signs on the road map of cultural cooperation", coorganised by the European Commission (DG EAC) and the Russian Ministry of Culture took place on the 8th of December 2009 in Moscow. It brought together cultural operators from the EU and Russia with the objective of engaging in an exchange on the priorities and modalities of EU-Russia cooperation, as well as on elements of policy environment which could facilitate cultural cooperation. More than 150 experts from 22 European countries and 20 regions of the Russian Federation have participated to the seminar. The main conclusions of the seminar were linked to the enhancement of EU-Russia cultural cooperation - encompassing all areas of cultural and artistic expressions, engaging cultural stakeholders at all levels, including state and non-state actors, civil society, business and independent actors, fostering the mobility of artists and cultural workers between the EU and Russia, facilitating access to information and networking, etc. The overall objective is to link the outcome of the seminar to the ongoing negotiations on the Culture Action Plan and prepare recommendations from the cultural sector into this process.

With regards to the EU-Russia Action Plan on Culture, the EU proposal was sent to the Russian counterparts on 20 April 2009. The Russian counter-proposal was received on 26 November 2009. It was noted, with satisfaction, that this new counterproposal contains elements in line with the EU proposal. However, some important issues of concern have still to be discussed (policy and regulatory dialogue, UNESCO Convention, etc) and solved in the appropriate way in order to find a balanced common approach.

Concerning the projects and programmes, a third call for proposals was launched in July 2009 by the EC delegation, under the IBPP (Institutional Building Partnership Programme) and its culture window. It focused on the promotion of creativity and innovative artistic projects with

a European Dimension. The total budget is 2 million Euros. The 9 projects selected in 2008 with a budget of € 2 million are still ongoing.

A contemporary dance project consisting of 5 co-productions between Russian and European choreographers and dancers in five regional cities was launched in the winter 2009. The projects is supported by the Russian authorities and implemented with EUNIC (network of EU Member States cultural institutes).

Under the Northern Dimension policy it has been decided to establish a Northern Dimension Partnership on Culture (NDPC). The main objective is to function as a focal point for networks, projects and other cultural activities in the Northern Dimension area with a view to keeping interested actors informed of plans and activities and for avoiding overlap. A memorandum of understanding on the NDPC will be concluded in 2010.

2010

In 2010 there was no progress towards Russia's ratification of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and the Council of Europe Convention on Transfrontier Television._The Joint Working Group on Culture, which had been established in February 2007 with the aim to draw up a Culture Action Plan, last met in June 2008 in Moscow. The next meeting of the Group should take place in 2011.

In 2010 both sides continued negotiations of an ambitious culture cooperation provision to be included in the New Agreement between the EU and Russia. Discussions on the EU-Russia Action Plan on Culture continued in 2010. The EU now awaits the Russian response to its proposal.

In 2010, eight joint EU-Russia projects with a total budget of € 2 million were selected under an open call for proposals in the framework of the EU-funded programme aimed at strengthening the EU-Russia cooperation in the field of culture. These projects cover different areas of culture - visual arts and contemporary music, wooden architecture, documentary cinema, modern culture management, innovative museum practices; and will be implemented in various regions of Russia (Arkhangelsk, Kostroma, Moscow, Nakhodka, Perm, Pskov, Tula, etc.) and the EU. All projects include capacity-building components (master classes, training modules, seminars, art residencies, internships, etc.) and public cultural events

(festivals, exhibitions, co-productions). Most of the projects will start in the beginning of 2011 and have a maximum duration of 18 months. Since 2007, the Delegation of the European Union to Russia has been launching annual thematic calls for proposals specifically focused on culture. The purpose is to support the EU-Russia cultural initiatives implemented through partnerships between nongovernmental organizations, local and regional authorities, artistic universities, museums and other cultural institutions from the EU and Russia. In 2007-2010, 25 joint cultural projects for a total grant amount of 6 million euro were supported involving approximately 100 cultural institutions from Russian and 18 EU member states.

A Northern Dimension Partnership on Culture (NDPC) was established in 2010. A Memorandum of Understanding was concluded between the participating countries and institutions in May formally setting the objectives for this partnership. The running of the Partnership is also guided by an Action Plan, developed by the Steering Committee. The secretariat of the partnership is based at the Nordic Council of Ministers in Copenhagen, which will have a permanent staff member, a senior adviser; heading the secretariat as of April 2011 (the person selected by the Steering Committee is the Russian national Elena Khoroshkina). The European Union actively participates at the work of the Steering Committee of the partnership and has made available funds (€ 300.000 in 2011) for projects to support the work of the partnership.

2011

The ongoing discussions on the Action Plan: In 2011-12 eight joint EU-Russia culture projects covering a wide range of themes have been selected, following an open call for proposals, according to a press release from the EU Delegation in Moscow. A kick-off conference on the new projects, which will be implemented between 2010 and 2012, will be held in Moscow. The event discussion will focus on different aspects of cultural cooperation between Russia and Europe and partnership between cultural organisations from the EU and the Russian Federation.

The new projects cover various aspects of culture – visual arts and contemporary music, wooden architecture, documentary cinema, modern culture management, innovative museum practices – and are planned to be implemented in different regions of Russia, including Arkhangelsk, Kostroma, Moscow, Nakhodka, Perm, Pskov, and Tula. All projects include capacity-building components (master-classes, training modules, seminars, art residencies, internships, etc.) and public cultural events (festivals, exhibitions, co-productions). The total

budget of the projects is €2 million and most of them will start at the beginning of 2011 with a maximum duration of 18 months.

According to the cooperation's press releases, culture was becoming increasingly important in the EU-Russia relationship: the EU and Russia have agreed to promote a structured approach to cultural cooperation between the enlarged EU and Russia, to foster creativity and mobility of artists, public access to culture, the dissemination of art and culture, inter-cultural dialogue and knowledge of the history and cultural heritage of other peoples of Europe.

CHAPTER 6

RUSSIA – EU COOPERATION IN THE FRAME OF THE 3th STRATEGIC SPACE

The EU and Russia have agreed to reinforce their cooperation in the area of external security as they both have a particular responsibility for security and stability on the European continent and beyond. However, much of the decision of both the EU and Russia to institutionalize security cooperation in the PCA is linked to a degree of commonality in the perceptions of security challenges, threats and solutions. At the same time, the two parties have divergent interpretations of the implications of these threats. The EU is concerned with the stabilisation of its adjacent territories and sought to do this by means of a selective and limited process of inclusion. Russia perceived this process as encirclement and reads the situation as a threat. Another example is terrorism. From a European perspective, the phenomenon requires a range of policies often involving external action as in the case of failed states. Russia does not necessarily share this view and is much more inward, "in-country" looking.

EU Policy Aims

There are 5 priority areas for enhancing EU-Russia cooperation:

- Strengthening dialogue and cooperation on the international scene
- The fight against terrorism
- Non-proliferation of weapons of mass destruction and their means of delivery, strengthening export control regimes and disarmament
- Cooperation in crisis management
- Cooperation in the field of civil protection

EU Strategy

The EU and Russia work to strengthen the roles of the United Nations, OSCE and Council of Europe (CoE) in building an international order based on effective multilateralism. An extensive and ever more operational political dialogue characterises EU-Russia relations (see above).

The EU has a strong interest in engaging Russia in strengthening stability on the European continent, notably in regions adjacent to EU and Russian borders – our common neighbourhood. The regional conflicts in Moldova (Transnistria) and the South Caucasus (Abkhazia, South Ossetia and Nagorno-Karabakh) are regularly discussed. The EU also stresses the importance of promoting democracy in Belarus. These discussions simultaneously grant both partners the opportunity to voice a frank exchange of views regarding the situation in the common neighbourhood and a platform to seek common solutions.

The EU and Russia seek to strengthen their cooperation in all relevant international and regional fora in the fight against terrorism, notably by promoting and developing the relevant conventions and instruments in the UN, OSCE and Council of Europe. The EU in particular seeks an early finalisation of the UN Comprehensive Convention against International Terrorism.

In the area of non-proliferation, export controls and disarmament, a major objective of the EU and Russia is to promote the universal adherence to and greater effectiveness of the relevant international instruments. A particular EU concern at present is to seek Russian support for the accession of all EU Member States to the Missile Technology Control Regime (MTCR). Russia is seeking to join the Australia Group (Biological and Chemical Weapons Control).

Protracted conflicts in the South Caucasus are not a priority for the EU. The EU engaged Russia in a dialogue on Transnistria but took no initiative on the conflicts in Georgia or Nagorno-Karabakh.

The EU's goal is to meaningfully engage Russia in mediation and resolution of thethree protracted conflicts that continue to affect four Eastern Partnership countries – Armenia, Azerbaijan, Georgia and Moldova. The efforts on Transnistria begun by Germany in 2010 have brought progress in terms of re-launching the official talks between all involved parties. However, officials in Berlin see progress as insufficient. The EU's offer of setting up a joint EU–Russia Political and Security Committee in exchange for substantial progress on conflict settlement in Transnistria was apparently not attractive enough to entice the Kremlin.

Meanwhile, the EU has achieved virtually no progress in co-operation with Russia on the other two conflicts in the neighbourhood. While Germany has taken the initiative on Transnistria, there was no high-level engagement by the EU or its member states on the

conflicts in either Georgia or Nagorno-Karabakh. While EU member states agree that Russia is both part of the problem and an integral part of the solution of these conflicts, few member states apart from the Czech Republic, Lithuania (which held the OSCE chairmanship) and Poland made the effort to push Russia to follow through on its commitments such as withdrawal to its pre-2008 war positions in the provinces of South Ossetia and Abkhazia. Other states are only sporadically involved: during his visit to Tbilisi in October 2011, French President Nicolas Sarkozy called on Russia to fulfil its part of the ceasefire agreement and "stop the occupation of South Ossetia and Abkhazia", but Moscow made no official response.

The EU's monitoring mission in Georgia, whose mandate lasts until September 2012, is still denied access to both South Ossetia and Abkhazia. In October 2011, the Polish and Swedish foreign ministers suggested in a non-paper that the EU should boost co-operation with its eastern neighbours on security issues, including collaboration on CSDP missions. While it is too early to assess the impact of the initiative, Moscow is unlikely to greet it with enthusiasm.

Due to EU and German engagement, conflict settlement talks restarted. However, Russia and Transnistria continued to successfully resist any meaningful progress towards conflict resolution.

Transnistria is the one post-Soviet conflict where some kind of EU–Russia co-operative arrangement can be achieved. The EU's aim is to support an agreement between the Republic of Moldova and the secessionist region of Transnistria to develop a power-sharing arrangement. In 2010, Angela Merkel took up the Transnistria issue as one of the priorities of EU–Russia security talks. This led to the resumption of formal talks within the 5+2 format between the parties to the conflict, with the assistance of the EU, Russia, Ukraine, the US and the OSCE, after a break of four and a half years. But despite this high-level push to advance conflict resolution, only token results have been achieved.

In 2011, the EU was relatively united on the issue of conflict resolution in Transnistria. It also made Transnistria one of its priorities in the Eastern Neighbourhood. Although European leaders were preoccupied with the euro crisis and had limited time for foreign-policy issues such as this, there was occasional high-level engagement from Berlin and Brussels. The creation of the EEAS has allowed the EU to streamline its diplomacy towards Moldova and on the Transnistrian issue. As a result, the post of the EU Special Representative for Moldova was abolished and his functions have been taken over by the EU delegation in Moldova and a

Brussels-based senior managing director who represents the EU in the 5+2 talks. Towards the end of 2011, the EU engaged in a process of changing its formal status in the 5+2 format from an "observer" towards a fully-fledged mediator. However, such efforts have apparently not yet made Russia any more willing to play a more constructive role in the talks (see component 19).

Conflict management: main dicticntions between Russian and the EU approached

As regards the EU's and Russia's respective roles in conflict management in the post-Soviet space, several distinctions have to be made. Formally, Russia can be understood as an external actor when considering these conflicts. As it will be shown in this paper, Russia has been represented in all international mediating formats, in addition to Russian peacekeeping forces having been sent to three of the four conflicts. Meanwhile, on the ground, Russia has never been an impartial actor, not only in the sense that it has been biased in dealing with the conflicting parties, but also because the conflicts have had strong internal implications for Russia itself (due to its geographic proximity, economic ties, and the presence of Russian citizens in the zones of conflict). In August 2008, Russia openly clashed with Georgia over Abkhazia and South Ossetia. Nevertheless, even while expressing strong critic over Russia's actions, experts have to recognise that in practice, Russia cannot be excluded from international mediating efforts in the post-Soviet region. Thus, with certain limitations, Russia's role can be understood as that of an external actor.

Unlike Russia, the EU has made an effort to be impartial in its approach towards the conflicting parties. Meanwhile, due to its own limitations (e.g. the EU's fear that secessionists may take an example from the Kosovo precedent), the EU has been cautious in establishing a dialogue with the secessionist entities on the ground. This fact considerably limits both the EU's leverage over the breakaway entities, and thus the EU's contribution to conflict management.

The EU and Russia have pursued their own policies towards secessionist conflicts, while neglecting issues on the common agenda.

The EU's involvement in managing regional conflicts in the CIS has been studied mainly by European experts, while Russia's role has received the attention of Russian scholars. Some exceptions are the studies of Uwe Halbach and Nicu Popescu (Halbach 2005, 2008; Popescu 2005, 2006a, 2007, 2009), who have conducted research on both the European and Russian experiences, but without contrasting or comparing them in a single analysis.

Indeed, the contrasting interests of the EU and Russia in the so called *common neighbourhood* has become a common narrative (Popescu/Wilson 2009; Leonard/Popescu 2007; Lynch 2005; S. Stewart 2009; Aghayev 2009; Halbach 2005; Allison et al. 2006; Light 2008). A very prominent analytical framework suggests that there is an obvious values' gap between the EU as a post-modern normative power and traditionalist Russia acting as a realist power with zero-sum thinking (Lynch 2005a: 17; Barbe/Kienzle 2007: 534). This argument is used to explain both Russia's competitive attitude towards the EU (and the absence of such an attitude vice versa) in the shared neighbourhood, as well as Russian attempts to keep this region as its traditional sphere of influence.

Russia's position

Some common features of Russia's stance on all regional conflicts should be described.

Russia has been involved in managing conflicts in Georgia, Moldova, and between Armenia and Azerbaijan since their escalation at the end of the 1980s and in the early 1990s. Russia's policy towards the conflicts can be categorised as follows: (1) deployment of peacekeeping forces to the zones of conflict, and (2) participation in international mediation efforts. In academic studies Russian peacekeeping forces have received more attention than Russia's involvement in political negotiations. Moreover, Russia is consistently criticised for its ineffectiveness and bias in terms of its support for separatists (Popescu 2006a: 2). It is important to remember that the existing formats of negotiations (see below), as well as peacekeeping forces, were set up in the 1990s, and that they were designed to stop violence. However, the peacekeepers were not supposed to find resolutions for the conflicts.

On the one hand, historical, economic, political, and social ties between Russia and the countries of the post-Soviet space made Russian intervention in the conflicts in the 1990s foreseeable. On the other hand, Russia was very weak (economically and geostrategically) at this time and its new post-Soviet diplomacy was in the process of being formed. As such, Russia's participation in conflict settlement had obvious shortcomings, but other international

actors were not ready to become deeply involved in conflict management in the post-Soviet space. However, it is significant that despite the changes in the international environment, situations in the analysed countries, and even in Russia's own domestic and foreign policies, there has been no serious revision of Russia's diplomacy in the region since the 1990s. "Abandoning Yeltsin's 'near abroad' doctrine.

This has not meant that Moscow has abandoned all of its underlying assumptions" (Zagorski 2005: 69). Russia has not been able to elaborate any serious, clear strategy in its relations with the CIS generally, and towards conflict resolution in particular. Rhetorically it has been stated that the CIS should be made the (top) priority of Russian diplomacy (Ministry of Foreign Affairs of the Russian Federation 1995, 2008), but on the ground there has been no evidence of Russia pursuing a well thought-out and consistent policy towards its neighbours (Hrustalev 2007). The Russian approach towards its closest neighbours is often misinterpreted, and the lack of a long-term foreign policy line is not recognized by foreign experts who characterise Russian policy within the territory of the CIS as coercive, assertive and aimed at building up a zone of Russian influence by all political, diplomatic, economic and military means, looking as the commentators do more at rhetoric than actual policy (Emerson 2008: 4; Aghayev 2009: 6-7).

Another common feature of Russia's approach towards the four conflicts relates to the undeniable fact that it has tried to use its presence as political leverage. According to the Russian scholars Dmitri Trenin and Andrey Ryabov, the continued presence (after ending the violence) of Russian peacekeepers in separatist entities has been aimed at putting pressure upon Georgia and Moldova so that they would change their pro-Western policy and begin cooperating more with Russia. However, this policy has served only to further alienate both states, and what had been planned as a short-term tactic has become Russia's strategy in maintaining the status quo (Trenin 2006: 13; Ryabov 2006: 35-36). By employing such methods, Russia has therefore failed to enduce the cooperation of its neighbours. Maintaining the status quo of the conflicts is said to be the most frequent characteristic of Russia's diplomacy in the region (Racz 2010: 3). However, this argument is disputable. As will be shown below, Russia has made attempts, whether constructive or destructive in terms of ensuring the territorial integrity of its neighbours, to change the status quo, especially in the 21st century. Nevertheless, these Russian efforts cannot be defined as steps towards the political resolution of the conflicts. This is particularly evident in Transnistria and South

Ossetia. As Dmitri Trenin points out, although there were real difficulties in bringing the conflicting parties to a compromise, and Russia itself was weak in the 1990s, the crucial factor was the fact that Russia did not invest much in conflict resolution. Indeed, Russia was in principle satisfied with the situation, which allowed it to enjoy the privileges of being the only peacekeeper despite its formal recognition of the territorial integrity of Georgia and Moldova (Trenin 2006: 13).

Finally, Russia has sent peacekeeping forces to three of the four conflicts (the exception is Nagorno-Karabakh). In each case, these troops were deployed under the CIS mandate, without the involvement of the United Nations (UN), and were either composed exclusively of Russian forces (in the case of Abkhazia), or a combination of Russian contingents and forces from the conflicting parties (in the case of Transnistria). Russia has also provided financial, technical and material assistance to the breakaway regions, and many of their citizens have been given Russian passports. Although no Russian President had ever visited the unrecognised entities until 2008, deputies of the Russian Parliament, regional leaders and members of the Presidential administration paid visits to the separatist territories on numerous occasions.

Despite the above mentioned general features, Russia's involvement in conflict management and its policies towards their settlement have varied considerably in each case.

The EU approach

Until 2008 the EU's involvement in the management of regional conflicts beyond its Eastern borders had been characterised as "cautious" (Coppieters 2007: 17), "low profile" (Kienzle 2008: 15) "visibly invisible" (German 2007: 357), and "reluctant" (Popescu 2009: 457). But, if in the 1990s the EU played hardly any role in conflict management in the CIS, this situation gradually changed after 2003. Nicu Popescu provides the best account of why the EU has reinforced its engagement in the South Caucasus, explaining it as a mixture of broader trends in the development of the EU and the region. The EU enlargement of 2004, progress in institutionalising the Common Foreign and Security Policy (CFSP) and the European Security and Defence Policy (ESDP), and by extension, the adoption of the ESS and the European Neighbourhood Policy (ENP), the Rose Revolution in Georgia and the new leadership's ambition to reunify the country, all represent changes that contributed to the EU's increasing role in the region (Popescu 2007: 4-5). In 2002-2003 the EU also joined the process of

conflict resolution in Moldova/Transnistria contributing to discussions on the text of a Constitution for a potential unified state of Moldova.

It is difficult to make a clear distinction between the EU's instruments with regard to conflict management, which are taken by the European Community or under the CFSP/ESDP. As some experts have written "the implementation of conflict prevention activities has so far highlighted a strong complementarity between EU instruments and the CFSP/ESDP. In several cases, the RRM [Rapid Reaction Mechanism] managed by the Commission was used as a first step for feasibility studies or needs assessment assignments before launching a mission under the CFSP/ESDP" (Delcour/Tulmets 2009: 518). As far as the European Commission is concerned, it has issueda number of documents highlighting the danger of the so-called 'frozen conflicts' on the borders of the EU. In particular, the 2001 Communication from the Commission on Conflict Prevention defined "projecting stability" as the EU's long-term conflict prevention policy (European Commission 2001: 6). The Commission has also provided financial assistance for Moldova and for the rehabilitation of the conflict zones in Georgia.

When it comes to the second pillar, for the conflict management in the Eastern neighbourhood, the EU has used a wide range of tools: (1) Statements of the EU High Representative (HR); (2) Common Positions; (3) Conclusions of the Council; (4) Presidency Declarations; (5) the appointment of EU Special Representatives; (6) the launch of ESDP missions (see below). One should also mention the ESS of 2003, emphasising conflicts as the key threats to European security. The document also calls for "a stronger and more active interest in the problems of the Southern Caucasus" (European Council 2003: 8). However, there is a lack of clarity as to how exactly and by what instruments the Union intends to contribute to the resolution of these conflicts. The Strategy simply states that "preventive engagement can avoid more serious problems in the future" (European Council 2003: 11).

The ENP, conceived as a cross-pillar policy, also has provisions concerning regional conflicts. The very idea of the ENP is "to avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union" (European Commission 2003: 4). In a Strategy Paper of May 2004, the Commission specified that the ENP should reinforce the EU's contribution to promoting the settlement of regional conflicts (European Commission 2004b: 6). However, it is interesting to note that the language of the document is again very cautious with regard to instruments of conflict resolution. In

mentioning the possible involvement of partner countries in aspects of CFSP and ESDP, conflict prevention, crisis management and possible participation in EU-led crisis management operations, the document does not specify the regions in which joint action may be possible. One may assume that such involvement does not necessarily cover the territory of neighbouring states, since "the further development of a shared responsibility between the EU and partners for security and stability in the neighbourhood region" is named as "another important priority", without specifying by what means (European Commission 2004b: 13). The ENP envisages the use of instruments such as an Action Plan, worked out for each country. In the respective Action Plans for Georgia, Armenia, Azerbaijan and Moldova, making a contribution to the peaceful solution of conflicts is named as one of the priorities (European Commission 2005, 2006b, 2006c, 2006d). Meanwhile, the documents envisage finding a "peaceful solution to conflicts" only with the central authorities. In practice therefore, the ENP and the respective Action Plans do not seek to involve breakaway entities in cooperative measures.

It should be noted that the ENP is often criticised for achieving little, even in improving trade and economic relations (traditionally the most elaborated and advanced spheres of cooperation between the EU and the countries without prospects of membership). As far as political cooperation is concerned, the ENP is not particularly inspiring (Smith and Webber 2008: 94). Since the ENP was not a specific tool for conflict management *per se*, the outputs with regard to conflict resolution have been very modest. This was recognised by the European Commission at the end of 2006 (European Commission 2006a: 4).

In May 2009, the EU launched the Eastern Partnership (EaP), a continuation of the European Neighbourhood Policy aimed at deepening relations between the EU and its six Eastern neighbouring states. It is too early to assess if this format will be more successful in building arrangements should be enhanced, with particular focus on conflict areas (European Commission 2008a: 11). The Joint Declaration of the Prague Eastern Partnership Summit of May 2009 is very brief on the issue, saying only that conflicts (without any specification) impede cooperation activities and a peaceful settlement needs to be found at the earliest possible date on the basis of the principles and norms of international law (Council of the European Union 2009a: 6). Council Conclusions on the South Caucasus have not made any reference to the issue of conflict resolution either (Council of the European Union 2009b).

In light of recent institutional changes in the EU, brought about by the ratification of the Lisbon Treaty, it remains to be seen what implications this will have for the EU's conflict resolution policy. In an interview to the Azeri news agency in November 2009, Antonio Missiroli claimed that "solving conflicts in neighbouring EU countries is a major issue for the cabinet of the first EU Foreign Minister. However, whether it is a priority for the EU will become clear only in several months" (Trend News 2009). Indeed, the High Representative Catherine Ashton has made a number of statements concerning the unresolved conflicts during her first months in office (see below).

Thus, in the last few years, the EU has claimed the need for conflict resolution in its Eastern neighbourhood on a number of occasions. The question is, how has the EU contributed to conflict management on the ground. As will be shown, the EU has, similar to Russia, demonstrated differing degrees of involvement in the four conflicts.partnerships between the EU and its Eastern neighbours. However, it seems that the EaP scheme is even vaguer with regard to regional conflicts. In its Communication of December 2008, the European Commission stressed that one of the goals of the EaP should be the consolidation of the sovereignty and territorial integrity of partners and that one of the results of the policy should be increased internal stability. Regional conflicts as such and the goal of their resolution have disappeared from the document. The document simply mentions that early-warning

Constraints on EU policies in the Eastern neighbourhood

EU policies towards unresolved conflicts within the territory of the CIS are constrained by two sets of challenges: internal and external.

Internal challenges

Coherence is the most disputed topic in academic analysis of EU foreign policies. Michael Smith distinguishes between horizontal coherence (related to the harmonious application of EU foreign policy mechanisms and goals between different EU institutions) and vertical coherence (referring to the degree to which the policies of member states support common EU positions (Smith 2004: 27). Cross-pillar competition was evident in the launching of the EUBAM, when both the Council and the Commission competed for the institutional ownership of the mission: "Importantly, the institutional haggling over EUBAM illustrates how the realm of civilian crisis management offers political opportunities potentially accessible to both the Council and the Commission with consequent struggles to define given

political situations according to the relative applicability of the tools at the disposal of each actor" (Kurowska/Tallis 2009: 50). The lack of horizontal coherence was revealed, for instance, in the case of disagreements between the member states on the issue of taking over the OSCE Border Monitoring Mission in Georgia, which was terminated by the Russian veto. According to a study conducted by Nicu Popescu, "inside the EU, the Baltic states, supported by the UK, were in favour of a border mission to Georgia, while France – with the support of Belgium, Italy, Spain, and Greece – and partly Germany opposed such a move" (Popescu 2007: 11).

Besides the above-mentioned dichotomies, some experts note that certain EU policies (e.g. ENP and ESDP) have the potential to contradict one another. The launch of a military operation under the ESDP ('interventionist' option) "would mean the failure of the neighbourhood policy, which builds upon the traditional instruments of financial support, free trade and dialogue" (Diedrichs, et al. 2005: 10).

The previously mentioned challenge is not of a merely hypothetical nature. It can be argued that the EU has been torn between relatively rapid progress in the ESDP, which allowed the launching of several missions within a short period of time, and the constraints of using the same instruments in certain regions, including in its Eastern neighbourhood. Another crucial issue is raised by Emma Stewart, who concludes that "[the EU's] conflict prevention is becoming more and more associated with short-term crisis management, at the expense of long-term structural solutions to security problems" (E. Stewart 2008a: 253).

Finally, one of the most provocative questions relates to the overall motivation of the EU's external policy. Is it driven by an altruistic wish to help neighbouring states in adopting democratic values, establishing the rule of law, and enjoying security, peace and stability, or rather by a selfish interest in curbing immigration and trafficking? The EU's self-perception as a normative power does not always correspond to external perceptions. Moreover, some official EU documents give quite material explanations when advocating the need for greater involvement in the discussed region. Thus, for example, the European Commission Communication on the ENP in December 2006 called on the EU to engage more actively in resolving frozen conflicts in the South Caucasus, as these may produce "major spillovers for the EU, such as illegal immigration, unreliable energy supplies, environmental degradation and terrorism" (European Commission 2006a: 2). The lack of clarity over EU intentions and

final goals in the region, as well as in the instruments at its disposal, has been reinforced by some external challenges.

External challenges

The core external challenge must be identified with specific reference to the characteristics of the region under analysis. However, to take into account all the peculiarities of the unresolved conflicts in the post-Soviet space, a separate study would be required (e.g. Bolshakov 2009). For this paper it is important to note that the EU's diplomacy has been met by a lack of trust on the part of local actors. Additionally, if the elites of Abkhazia and South Ossetia have suspected the EU of favouring Georgia (Fischer 2008: 5), Georgia itself has seen the EU as valuing relations with Russia instead of opposing Russia's aggressive policy towards it (Popescu 2007: 11).

Another external challenge for the EU's engagement in conflict management within the territory of the CIS countries deals with the interests and involvement of other actors. Even if the activities of such players as the OSCE and the UN, aimed at supervising the process of international conflict management, have not been challenging for the EU, the same cannot be said of the role played by the US (and, by extent, NATO) and Russia. Again, the role of the US in the region and the issue of NATO's programmes and eventual membership for the countries under analysis deserve a special study. Even before the Caucasus crisis of 2008, some experts warned that "Georgia's integration into NATO – in particular, its prospective membership – is inevitably having a negative impact on conflict transformation and conflict settlement, and the lack of clarity surrounding these issues can only be perceived by the breakaway polities and Russia as being even more threatening" (Coppieters 2007: 14-15). Recent studies reveal that "too little coordination has taken place between the EU and other important external actors, notably the US" (Fischer 2008: 5).

The role of 'the Russian factor' in EU calculations is important for this analysis. It has become notorious to stress that the EU (forced by particular member states) has been hesitant to clash with Russia in its traditional 'zone of influence' (Kienzle 2008: 15; Popescu 2009: 474; Aghayev 2009: 6). Scholars suggest various reasons as to why the EU was not interested in jeopardising its relationship with Moscow: dependence on Russia's energy supplies, the importance of Russian cooperation on the Iran issue and a general need for engaging

constructively with Russia, articulated by such large member states as France, Germany and Italy. Meanwhile, Russia's growing proactive and self-confident policies in the region have played a decisive role in the EU's calculations (Barbe/Kienzle 2007: 534). Russia's involvement has been perceived by the EU as an obstacle for its own engagement. However, it may be argued that the EU was more informed, not by Russia's real policy in the common neighbourhood, but by one constructed in accordance with European perceptions of Russia's rhetoric. Real Russian involvement (and its capacity to react to the interference of other actors) has been very questionable, and to some extent, exaggerated. As mentioned above, until recently Russia has lacked a consistent and well thought-out policy towards the post-Soviet space, including the unresolved regional conflicts. If there had been a serious assessment of Russia's foreign policy towards its 'near abroad', these shortcomings would have become evident. However, the EU policy-makers and expert community (following the logic of the EU's own development in the ESDP domain) focused too much on criticising Russian peacekeeping forces, and speculated on the possibility (or, more precisely, on the impossibility due to fierce Russian opposition12) of their replacement with an international contingent, presumably under the EU flag. Therefore, the EU missed the chance to become more deeply involved in the political dialogue on the protracted conflicts. It would make sense to discuss instruments for the post-settlement period once an appropriate political solution was found.

It may be concluded that by summer 2008 the EU had played a certain role in conflict management in the post-Soviet space, but many have argued that the EU needed to become still more involved (German 2007: 359). It seems that the EU did not have enough time to adopt its policy to the rapid changes in the South Caucasus. As Bruno Coppieters wrote in December 2007, "the EU works on the basis of a long-term conflict resolution perspective [...] Differences in timing create mutual fears. The EU fears that Georgian impatience may be one of the factors leading to the escalation of the conflicts to a violent level" (Coppieters 2007: 1). As mentioned above, it was not only Georgia that worked on changing the status quo. Paradoxically, in 2008, the EU must have been more interested (in comparison to Russia) in maintaining the status quo in the South Caucasus in order to win time to find a new approach for the conflict's management.

The outbreak of war in Georgia had many repercussions, which were not limited to the geo-strategic situation in the region. The EU's conflict prevention policy had obviously failed. The

burden of responsibility rests by no means solely on the EU, however. Russia and the US were much more to blame as external actors in the situation. However, while South Ossetia had been given priority over Abkhazia in the EU's policies, it was there that the conflict boiled over. As EU diplomacy after the five day war of August 2008 occurred in close cooperation with Russia, this will be considered in the next chapter.

EU-Russia dialogue on conflict management

Dialogue on conflict management is a part of the broader EU-Russia security cooperation. The importance of coordination between the EU and Russia on various security questions, including regional conflicts, is recognised in a number of key documents developed by both partners. The Common Strategy of the European Union on Russia (CSR), approved at the Cologne European Council in June 1999, states that EU-Russia cooperation promotes not only regional, but also global security. The Common Strategy does not exclude the possibility of developing "joint foreign policy initiatives" nor of Russian participation in Western European Union (WEU) missions, just as the necessity for closer cooperation in the "new European security architecture within the framework of the OSCE" is also emphasised (European Commission 1999).

The Russian government responded with a similar document half a year later. The "Medium-Term Strategy for the Development of Relations between the Russian Federation and the European Union (2000–2010)" can be viewed as the start of Putin's European policy (Ministry of Foreign Affairs, the Russian Federation 1999). According to the document, Moscow is interested in helping shape the CFSP of the EU. Such cooperation will help to build European security without isolating the US and NATO, but, at the same time, also without their monopoly on the continent. Thus, the need to create a counter-balance to 'the NATO-centrism in Europe' will help to establish a pan-European security system, in which non-NATO member states are allowed to play a larger role. According to this strategy, Russia should promote aspects of cooperation such as peacekeeping and conflict settlement (Ministry of Foreign Affairs, the Russian Federation 1999).

An analysis of key Russian documents on foreign policy and national security has confirmed that, at the beginning of the 21st century, Russia did in fact, consider modalities of joint conflict management. The National Security Concept of the Russian Federation (January

2000) envisaged possible Russian cooperation on the prevention and settlement of regional conflicts with international partners including the EU (Ministry of Foreign Affairs, the Russian Federation 2000). However, recently approved documents – the Foreign Policy Concept of the Russian Federation (July 2008) and the National Security Strategy until 2020 (May 2009) – do not include similar references (Ministry of Foreign Affairs, the Russian Federation 2008, 2009). This may be explained by Russia's general disillusionment with the practical outcomes of cooperation with the West (such as the suspension of work on a new Partnership and Cooperation Agreement and difficulties on the way towards a visa free regime between the EU and Russia).

The prospects for EU-Russia security interaction, including on matters of conflict management, have been regularly addressed at European Councils. The European Councils in Helsinki (December 1999) and Feira (June 2000) concluded that Russia "may be invited to take part in EU-led operations" (European Council 1999, 2000). At the Nice European Council in December 2000, Russia was offered (along with Ukraine and Canada) a framework for consultation with the EU's Political and Security Committee (PSC) on matters relating to the ESDP and military crisis management during the 'routine phase'. During a 'crisis situation', this framework (or, alternatively, direct consultations with the Secretary-General/High Representative) would permit the sharing of views and the consideration of possible participation by Russia in a crisis-management operation. Should such participation become a reality, Russia would have the right to appoint officers to the EU Planning Staff and to attend the Committee of Contributors "with the same rights and obligations as the other participating states" (Webber 2001: 416-417).

Since 1999, EU-Russia summits have also addressed issues related to international crisis management. The EU-Russia Summit in Moscow (May 2000) confirmed an EU invitation made to Russia to participate in future crisis management operations, and the summits in Paris (October 2000), Moscow (May 2002) and Rome (November 2003) issued joint declarations on strengthening dialogue and cooperation on political and security matters in Europe, including work towards a joint approach in the field of crisis management (Council of the European Union 2000, 2002: 5-6). However, omitting the repeated broad statements, Russian practical involvement has been cautiously marked by the word 'possible'. In particular, the EU acknowledged "possible Russian participation in the EU Police Mission in Bosnia and

Herzegovina" (Council of the European Union 2002: 6). In January 2003, this participation did in fact become reality, but it was limited to just three Russian officers.

Since the St. Petersburg EU-Russia Summit (May 2003), EU-Russian relations have been driven by the long-term project of creating four common spaces: a common economic space, a common space of freedom, security and justice, a space of co-operation in the field of external security, as well as a space for research and education (Council of the European Union 2003: 1). The Moscow EU-Russia summit (May 2005) adopted a single package of road maps for the creation of the four common spaces (Council of the European Union 2005). 'The Common Space of External Security' became a good example of the two parties reaching a rhetorical compromise at the expense of eventual concrete fulfilment. While initially Russia did not want to commit to having to cooperate and consult on its neighbourhood policy, the EU rejected the idea of the mutual recognition of the processes of regional cooperation. From the perspective of the EU, it would have looked as if it had supported Russian influence and attempts at re-integration in the post-Soviet space, even if it meant that Russia exercised coercive policy towards its neighbours. A compromise was found and Russia agreed on enhancing "dialogue and cooperation on security and crisis management in order to address [...] existing and potential regional and local conflicts, and give particular attention to securing international stability, including in the regions adjacent to the EU and Russian borders".

In turn, the EU agreed "to recognise that processes of regional cooperation and integration in which Russia and the EU participate and which are based on the sovereign decisions of States, play an important role in strengthening security and stability" (Council of the European Union 2005: 32).

The security dialogue between the EU and Russia, including on the unresolved conflicts, is assessed differently by EU officials and scholars. While the former argue that the protracted conflicts are a centrepiece of EU-Russia political dialogue and that they are always on the agenda at the highest political level as well as in informal consultations, the latter often criticise the EU for the absence of discussions with Russia on the regional conflicts. This ambiguity may be explained by the fact that, first, the process is highly confidential, and second, the intensity of talks does not necessary bring results that are reported to the public. Many studies describe the EU-Russia security interaction as "over-institutionalised", "heavy

on process and light on substance", an "illusion of activity" (Allison et al. 2006: 78) and "largely declaratory" (Lynch 2005: 123). It is also important to add that the EU's ability to act in the foreign policy domain has often been perceived sceptically by both the Russian policy making elite and expert community (Karaganov 2007).

EU-Russia security interaction has been mainly dominated by (sometimes avoidable) disagreements on technical issues which blocked the path for discussing fundamental strategic questions. In particular, protracted debates about Russia's possible contribution to the ESDP and its reluctance to accept that it could not have an equal place in EU decision-making processes related to the planning and implementation of operations15 show the importance of technicalities in the EU-Russia dialogue. Russia finally rejected the 2002 'Seville arrangements', which would have enabled its participation in ESDP missions (albeit not on an equal footing with the EU member states). Moreover, the issue of joint peace support units and military or civil-military operations should have been considered by the EU and Russia as complementary to their political dialogue on conflict settlement. Finally, as it is known, the EU dialogue on the ESDP was difficult even with non-EU NATO members (namely, the US and Turkey). As such, Russia was obviously not the easiest partner for discussions on its possible involvement in the ESDP.

It can therefore be claimed that EU-Russia interaction on a joint conceptual framework for managing conflicts in the post-Soviet territory is largely a story of missed opportunities. Generally, tensions relating to the shared neighbourhood have been accumulating since 2003. It seems that 'the common neighbourhood' has become a real litmus test that has significantly altered the EU-Russia dialogue since 2003. Divergent views between the EU and Russia on conflict resolution in Moldova in late 2003 were followed by different interpretations of the 'Rose Revolution' in Georgia (November 2003) and misunderstandings during the Orange Revolution in Ukraine one year later. "These events highlighted not only divergent perceptions but also clashing interests in the neighbourhood" (Lynch 2005: 126). A Communication of the European Commission (February 2004) notes that divergence between EU and Russian positions on a number of issues may have implications for Russia's relations with the enlarged EU, including for efforts to resolve frozen conflicts. Meanwhile, the document recommends that "the EU should work with Russia whenever possible to resolve frozen conflicts" (European Commission 2004a: 4). The idea of joint EU-Russian operations in the zones of conflict has been advocated by both Russian and European experts. While

Dmitri Trenin proposed the idea of a joint police mission specifically for South Ossetia (Trenin 2006: 17), Dov Lynch advocated generally a necessity to develop a joint conceptual framework for peace support operations (Lynch 2005: 135). These concerns of the respective expert communities seem, however, to have been left on paper and have not been utilised by decision makers.

Cooperation within the CIS, and by extent on the unresolved conflicts, has become less and less visible on the EU-Russia agenda since 2005. The EU and Russia have worked on their own, and have not been able to elaborate a common approach for conflict management. In such a situation it is no wonder that an "urgent interaction channel" to handle crises, as the one agreed to by Russia and the EU in October 2001 (Allison et al. 2006: 80) was not activated on the eve of the August war in 2008. Thus, the partners only began interacting once the conflict had actually boiled over

CHAPTER 7

BRIDGE CONCLUSIONS, PROPOSALS AND RECOMMENDATIONS FOR IMPROVING THE RELATIONS BETWEEN RUSSIA AND EU

Recommendations of general character

In general we proceed from the point that the potential of the strategic partnership between Russia and the EU is not fully used yet and a lot can been done to improve the situation. However, at the same time we need to stress the growing gap between *economic* and *political* spheres of cooperation being this gap the main trend in the Russia – EU relations during the last years.

The absence of a clear vision of future cooperation between the EU and Russia is compounded by a shared tendency to adopt broad schemes, leading to what analysts call 'virtualization of cooperation' or 'formalized symbolism', i.e. the lack of substance being hidden under rich layers of dialogue. Let us note that the Commission's overall assessment of progress in the implementation of the common spaces is mixed. There are no breakthroughs but day-to-day business is conducted efficiently. The assessment of the Russian side is more positive.

Basically, the general context of the relations between two parties is determed by the following important factors:

From the Russian side:

- lack of effectiveness showed by the Russian political regime certain negative implications for the sphere of foreign policy.
- corruption being turned into systemic phenomenon.
- over-centralization and existence of so called "power vertical".

From the EU side:

- economic crises as a threat for unity of the Union.
- fast and large-scaled enlargement.

- the special character of the EU foreign policy formation: the intergovernmental character of EU actorness requires significant input from the Union's member states.

General Recommendations for Russia – EU Relations:

(1)To form clear priorities of the both parties towards each other. On our view, the relations should be built (at least at the current stage) on the principles of functionality and practicality – this should contribute to overcome *the mismatch between cooperation and partnership on paper and interaction in real life.* The analysis of the current state of Russia – EU relations us leads to the recommendation to scale down mutual ambitions in the future.

(2)As a condition for building a lasting foundation for our partnership, Russia must prove that it can uphold the commitments that it has taken upon itself – first and foremost – respect for democracy and human rights (as stipulated by various acts of the Council of Europe of which Russia is a member), but also other commitments such as the ones stipulated by international law.

(3)It would be also important to abandon the language of mutual reproaches and accusations, in particular the issue of who needs who more: Russia needs EU more, or the EU needs Russia. This approach is completely misleading.

(4)We strongly opt for intensification of cooperation in the "human sphere" – putting persons in the center of Russia – EU relations. Such an approach presupposes development of "low politics" (instead of "high politics") with possible and rational reorientation of the EU funds and instruments towards civil society and non-commercial sectors in Russia.

(5)We also recommend continuing, intensifying and giving new impetus to cross-border cooperation, in particular cross-border personal traffic, between Russia and the neighboring EU-members – Poland, Estonia, Latvia, and Finland.

Common Economic Space

This sphere obviously represents the basis of t Russia – EU relations. There is a high level of interest and commitment to the dialogues on the Russian side. Both EU and Russian industry have also been quite supportive. However, progress in implementing the objectives of this common space has been achieved only in discrete policy areas but leaves much to be desired. A number of factors – from state protectionism of the "strategic industries" to corruption in

Russian businesses and institutions inhibit further advancement in EU-Russia economic and trade relations.

Some specific achievements should be enumerated – agreement on the gradual abolition of Siberian overflight payments, measures to reduce congestion on the EU-Russia border, entry into force of the EU-Russia Visa Facilitation Agreement or cooperation between Frontex and the Russian Border Guard Service. But the economic agenda has been overshadowed by geopolitical considerations. Many sectors of Russian economy are deemed strategic and therefore remain closed for European investment. By all standards Russia remains a protectionist country and such tendencies are continually reinforced.

On the view of the European experts the EU fails to promote its interests and impose its values in the context of negotiations with Russia. The main reason behind that is the asymmetrical interdependence that Russia managed against EU countries by promoting and succeeding bilateral negotiations and agreements with its EU partners. *In the economic sphere, the focus of the EU-Russia relationship has been concentrated on a few areas where Russia has the comparative advantage such as energy, and where negotiations have been left to autonomous foreign policies.*

Asymmetry has been noticed in the levels of development of the various sectoral dialogues. Some directions are quite successful while the others shower limited progress (for example, pharmaceuticals). On practical issues, the main difficulty is the slow exchange of information and communication from the Russian authorities.

Our general Recommendations to this common space would include:

- To avoid the politicization of technical issues and to follow the standard procedures in the realization of bilateral economic cooperation;
- To increase the scope of consultations between authorities and business (for the Russian side);
- To multiply the "talking grounds" to speed up the direct access of the Russian business to the EU political and economic infractructures;
- To decrease the level of bureaucratization (there has been a long delay in starting the work of some groups since the Russian side was not able to appoint a co-chair for a long time);

- To monitor closely the work of the subgroups (let us mention the Aerospace subgroup: most of the cooperation between the EU and Russia on aerospace and aviation issues has taken place outside the subgroup, This subgroup has failed to lead to any fruitful cooperation and the reasons are fairly diverse: predominance of international standards as opposed to European ones, overlaps with the work of other policy sectors (research, transport) and a marked lack of interest of industry in this group. The European Commission has proposed to the Russian side that the work of the group should cease);
- To overcome the split of responsibility between different institutions (subgroup "SMEs and enterprise policy": a complication on the Russian side is that responsibility for SME issues is split between the MIT and the Ministry of Economic Development (MED)).
- The Commission should continue to monitor the development of the Customs Union between Russia, Belarus and Kazakhstan and its implications for the EU-Russia customs cooperation.

More specific Recommendations:

Regulatory dialogue on industrial products

Future progress in this area requires:

- Integration of policy making principles and process in the sectoral working groups, such as prioritization of the industry-specific issues and problems, elaboration of joint recommendations for the solution of the identified problems in order for the dialogue to become more operational;
- Promotion of commitment, participation and representation in the dialogue from both sides, based on identified priorities;
- Raising awareness within the sectoral stakeholders and enhancing consultation on sectoral regulatory and technical issues;
- Encouraging further participation of Russian public and private organizations in standardization institutions, initiatives and dialogues; and
- Utilization of the funding opportunities in the context of the ENPI through projects enabling the reinforcement of the institutional capacity of the Russian services and organization.

Public procurement

The main problem of the Russian public procurement system remains the lack of transparency. Dialogue, consultation and projects on public procurement policy need to concentrate on the promotion of transparency and non-discriminatory practices, in all aspects around public procurement on both federal and regional level. To this end, dialogue can contribute on:

- The continuation of the trial for the elaboration and implementation of a modern and effective legal framework on public procurement in Russia;
- The exchange of experiences and practices on the utilization of modern tools including e-tendering and e-government routines to exchange information.
- In terms of projects, technical assistance should concentrate on the rapid diffusion of expertise on public procurement in the public sector and the global implementation of
- transparency in tendering rules and procedures.

Intellectual, industrial and commercial property rights

The most recognized deficiencies of the Russian IPR protection problem include counterfeiting and goods piracy (e.g. optical discs), Internet piracy and the legislation (Civil Code).

- Dialogue and consulting are oriented towards the adequate policy fields concerning IPRs, yet this policy area needs stronger political will and support from the Russian government, given that the cost for both the private and public sectors of counterfeiting is estimated at many millions of Euro per year.

Competition

The competition policy area aims at the approximation of competition legislation systems and the strengthening of implementation of competition policy by the parties. In terms of legislation, Russia's new law of 2006, in which the Commission had significant input – including the incorporation of increased penalties for competition infringement in 2007 – approximates Russian legislation to EU acquis on competition. However, some differences still remain.

Regulatory dialogue on competition needs further to:

- Highlight the specific market structure deficiencies; Seek higher political commitment to competition policy;

- Promote discussion on formal and informal means of cooperation in investigation of cases of infringement of competition law with transnational effect;
- *Important*: Interoperate with other policy areas, such as enterprise and industrial policy, especially in the fields of the role of state or state-protected monopolies and the abolishment of barriers to market entry.
- Priority should now turn to the issues of enforcement, business transparency and structural reforms necessary for the establishment of competition in the Russian market.

Investment

Until now, *no significant progress has been reported* (!) in the investment dialogue.

In any case, the large and increasing volume of investment capital from the EU makes investment policy a necessary and fruitful area for cooperation both in terms of technical assistance and support from the EU side, as well as on a higher political level for the improvement of framework conditions for the establishment of foreign capital in the Russian economy.

Policy dialogue in this area should take into account that:

- The current geological reserves and technological capacities are not enough to maintain the vital role of Russia's energy sector for the domestic economy and international economic relations, unless a sound energy investment policy framework enables adequate foreign and domestic investment in this sector;.
- Russia's competitiveness and sustainable growth need the expansion and the diversification of the production base for the supply of goods and services. Investment is needed both for the expansion of the energy infrastructure – in order to maintain the current level of production and respond to an ever-increasing demand – and the diversification of the production base for the supply of goods and services, in order to balance the exposition of the economy to the volatilities of the international energy prices;
- Russia's potential for attracting foreign investment is significant, given its abundant natural resources and the large and dynamic domestic market yet the insufficient policy transparency remains a serious obstacle to investment;
- The tax system needs to be considered extensively, especially as far as FDI to Russia is concerned.

Enterprise policy and economic dialogue

The objective in this policy area is the development of an in-depth dialogue on economic reform and enterprise policy for the improvement of the framework conditions for economic actors and the enhancement of their competitiveness.

Future steps towards an in-depth and effective dialogue in enterprise policy should consider:

- Integration of policy-making principles and process in the sectoral working groups, such as prioritization of the industry-specific issues and problems, elaboration of joint recommendations for the solution of the identified problems so that this dialogue becomes more operational;
- Utilization of funding opportunities in the context of technical assistance programs through projects enhancing competitiveness of the mining sector and promotion of the creation of an early warning mechanism for metal and mining products;
- Elaboration of joint programs to promote regulatory convergence, industrial restructuring and the sustainability of the chemical sector;
- Systematic analysis, prioritization and technical support for the improvement of entrepreneurial environment and SMEs and enterprise policies.

Financial services (banking, insurance, securities), accounting/auditing and statistics

Russia's financial system faces chronic problems related to specific deficiencies and dysfunctions of its banking system and capital market in general.

The current framework imposes additional uncertainties on foreign financial companies that operate in the country, and it does not facilitate foreign investment and entrepreneurship. ***If there were more banks from the EU, investors would feel safer:*** they may well have done business with these banks before. So perhaps we should consider the partial integration of the banking system, in the sense of exchange of information between banks. This would render feasible the facilitation of transactions between banks and citizens, as well as the monitoring system we mentioned. This might also act to limit to some extent the influx of Russian money into EU countries for laundering.

In view of the ongoing global financial crisis, dialogue and cooperation in this area should prioritize the mechanisms for mutual cooperation in regulation and institutions that *enhance transparency and stability in the financial systems*, as well as the participation and the role of Russia in the global financial scheme.

Trade facilitation and customs

Rapid growth in trade volume between the EU and Russia has sought for immediate actions and programs to confront emergent problems and issues, as well as to facilitate the unhindered movement of goods and services and advance institutions and procedures.

Recommendations:

- Projects and actions already planned in this policy area are expected to contribute to the *improvement of customs infrastructure* as soon as they are implemented. Future actions
- in this area are also urged by the developments in the markets and the increasing movement of goods between the two areas;
- Problems related to customs infrastructure call for coordination with other policy areas, especially transport and regulation;
- Legal framework reforms need to be considered to improve administrative procedures and reduce costs and other burdens on cross border transactions.

Telecommunications, information society and e-business

Recommendations: Given the limited progress in dialogue and consultation on ICT and information society issues, priority must be given to progress in dialogue and to the participation of business, academia and research actors in the dialogue and consultation. *Both sides should become more actively involved* in joint projects to promote public and private sector awareness on information society and cooperate in the areas of policy development. Issues of digital property rights and internet security should also be addressed in the context of the information society dialogue.

Transport

Further steps needed in the air transport policy area are:

- Formalization of EU-Russia aviation relations based on initially agreed principles;
- Adaptation of the current bilateral air services agreements between Russia and EU member states in order to comply with EU law;

Energy

In fact, the respective energy monopolies in the EU states are pursuing privileged partnerships with Gazprom – negotiating one-on-one agreements and closing long-term contracts in order to secure the provision of maximum quantities of natural gas to their domestic markets – thus hindering Brussels' efforts to avert a hostage situation, in which Russia will be holding the

gun. The emergence of oil-and natural gas-producing "champions" as key states in the energy community has heightened European concerns regarding state intervention in the rules regulating the international energy market. The fact that 79% of global oil production rests in the hands of state-controlled companies bears out these concerns.

Furthermore, Russia's reliance on strong bilateral energy relationships with European states further divides the EU and precludes the formulation of a common energy policy vis-à-vis Russia. On another level, Brussels is trying to persuade Moscow to open its market, as lack of investment in gas exploration and development, especially in the Far North and East Siberia, may result in Gazprom's inability to meet supply targets in the next decade, while the optimum use of gas exports by the Kremlin to pressure Ukraine and to an extent Moldova clashes with the EU's preference for their development.

Russia already controls a significant portion of natural gas exports from Turkmenistan, Kazakhstan, and Uzbekistan, with an additional stake in Algeria and, potentially, Libya. The geopolitical headache for Europe now in a particularly unfavorable position is that now Iran and Qatar have been added to this list via the cartel idea. North Sea reserves are reduced, and Chinese companies have established a firm foothold in African energy assets. So, we are talking about quantities vital to satisfying European needs. Given also Azerbaijan's limited capabilities, the EU's options are dwindling.

Dependencies concerning energy deliveries between Russia and Europe are, however, not at all one-sided. Europe is a secure, reliable, high-paying customer for Russia. Gazprom´s sales to Europe account for 65% of the enterprise's revenues although in terms of quantity they represent only 35% of total deliveries.

No new projects (Shtokman, Yamal-LNG etc.) have been moving forward in the energy sector for some time, as the current Russian economic model does not facilitate their implementation and Gazprom capital investment in recent years has been channelled into areas other than gas production.

The rapidly growing Russian economy will increase its demand for energy, which might have delimitating effects on Russia's export possibilities, prompting it therefore also to search for additional resources – and the danger is in competition with the EU.

Foreign investment and – in some cases – Western know-how is needed if Russia is to fulfil its future obligations. All this entails interdependence, but nevertheless, the downside of the situation for Moscow is that the EU will have more leverage if the partners in Brussels can reach a consensus on a clear, cohesive stance in their dealings with Moscow. *Solidarity within Europe is needed* (at least in a crisis situation), but it should be followed by renewed efforts to find alternative forms of energy that are friendlier to a long-suffering environment.

Recommendations:

Progress in energy policy strongly depends on the developments in other policy areas, such as investment protection, improvement in investment climate, promotion of regulatory convergence and harmonization of standards of environmental protection. More will also depend on the evolution of the diplomacy approach. Yet dialogue should in any case continue and be intensified in order promote important issues pending for agreement such as:

- Convergence of energy strategies of the EU and Russia;
- Cooperation on the elaboration and implementation of joint energy infrastructure projects;
- Cooperation in the field of nuclear energy;
- Examination of the feasibility of the integration of electricity markets;
- Cooperation in the field of safety of the transport of energy products, including by pipeline, rail and sea;
- Launch of full-scale business dialogue of energy companies, and facilitate fair trade and transit of energy products.

Environment

The promotion of environmental policies and initiatives in Russia, in the EU-Russia context, is a matter of high- politics and much of the progress depends on higher political level pressures on Russia's government to follow international conventions. In any case, awareness raising and the strengthening of Russian civil society play a crucial role. To this end, active dialogue and cooperation in all aspects related to the active engagement of Russia in global environmental conventions need to by actively promoted. In this context, priority should be given to promoting Russia's understanding of the long run benefits from its participation in global initiatives against climate change and for environmental protection,

especially as long as environmental pollution (due to industrial waste, fossil fuels, etc.) puts in serious danger the health of the country's population.

Common Space on Freedom, Security and Justice.

The complexity of the common space of freedom, security and justice does not allow to make a generalized conclusion about the degree of progress because the findings present a rather diverse picture. Let us stress, that in negotiations over the creation of the EU-Russia common spaces, the

EU initially proposed a fifth space of democracy and human rights. However, this idea was rejected by the Russian Federation.In attaining the freedom objective, the entry into force of the visa facilitation and readmission agreements is seen as the most tangible achievement within this common space. *Negotiations in this area have been characterized by intense bargaining*

On our view, the most important part is the reform of the judicial system in Russia.

Indeed, the justice segment of this common space is the one that is raising most concerns, due to:

1) the low effectiveness and political dependence of the Russian judicial system;
2) the human rights situation in Russia and
3) the futile outcomes of the EU-Russia consultations in this field.

Security

A key problem hampering progress in this area is a lack of common understanding of what terrorism is and who can be called a terrorist. This absence of agreed-upon definitions is a broader international problem.

There is a mismatch between repeated claims for the establishment of an EU-Russia partnership on security matters on the international scene, also in relevant international organizations, on one hand, and the sub-optimal day-to-day performance in implementing these ambitious goals.

Recommendations:

- The EU must ensure that its cooperation with Russia on combating terrorism and organized crime is based on respect for human rights and high standards of personal data protection.

The EU should continue to make clear that certain forms of cooperation (e.g. operational cooperation between Europol and the Russian police) are conditional on Russia's progress in meeting these standards.

- The Human Rights Consultations with the RF should be reformed. The meeting with civil society representatives should be given more prominence and visibility. The EU must make its views on the state of democracy and human rights in the RF more audible by issuing press releases, reports, etc.
- The EU should intensify efforts to improve document security, including biometrics, as an essential measure in combating trans-border criminality.
- The EU should make better use of the member states' liaison officers stationed in the Russian Federation in order to intensify the fight against organized crime and to better identify relevant threats.
- The EU should link cooperation on visas, border management and cross-border cooperation to Russian efforts to conclude border treaties with all of its EU neighbors.
- To ensure the effectiveness of EU financial assistance, including with regard to projects within the FSJ common space, the EU should take measures to increase Russian ownership (primarily by insisting on co-financing).
- EU and Russian institutions must provide accurate, comprehensive and truthful information to the public about all aspects of EU-Russia cooperation and interaction.

Civil Society and Local Self-Government

Today social activities in Russia are understood either as the work of NGOs, (the so-called "third sector") or as a political tool of opposing the authorities. In this sense, Russia's civil society has not yet become an institution of democracy development as in the EU.

At present, cooperation EU and Russia could evolve in the following formats:

- Modernization of the Russian social institutions, taking into account the European experience. We are interested in further development of cooperation with European civil society structures and the search for optimal models of such interaction.
- There should be an ongoing dialogue between the relevant organizations of the third sector on topical areas. Today, the interaction between the structures of civil society in Russia and the EU has mostly "elitist" character. Cooperation is carried out at the level of associations, funds, etc., while we need the direct contacts, involvement of grassroots activists, development of horizontal connections.

- Creation of joint discussion platforms for developing common approach to current issues related to the dissemination of information on the Internet, copyright and the rights of minorities. Participation in joint projects of this kind will increase the efficiency of solving the acute problems in the conditions of transition to a "society of open access".
- The development of exchange programs between the civil and public organizations of Russia and the EU.
- To organization of the international socio-environmental monitoring of the problems of poverty, destruction of natural habitats of indigenous peoples, socio-economic impacts of climate change, with the participation of activists of environmental and civic organizations.
- To assist the strengthening of efficiency of local government, protect cultural self-determination of local communities, interaction of civil structures and political parties.
- To create joint projects on protection of the interests of women and children in difficult life situations. In this case it seems timely to align provisions of European and Russian legislation concerning the rights of children from international marriages.

As far as the local self-government in Russia is concerned, we need to state that the degree of current centralization leads to the detriment of the local governing, that in turn gives birth to the following risks:

- superfluous concentration of resources at regional administrations. Without any oppositions they restrict representatives of federal bodies as well as economic subjects;
- readdressing of political responsibility to the central power in case of mass discontent;
- property redistribution between regional and local levels which provoke different conflicts;
- limitation of a social base of reforms and, as a result, pro-slipping of carried-out transformations and other significant changes.
- declining beliefs in ability to influence the power by civil initiatives and declining the level of civil participation.

Further cooperation with EU should be built on the increasing of participations of local authorities and local communities to the different kind of exchanges with EU organizations.

- Binational (bi-municipal) exchanges and different programs of sister city. Nowadays not more than 70 cities of Russia has their twinned cities in Europe and there are mainly capitals of regions and cities from European part of Russia.
- Participation of Russian local authorities in all European Associations can have high potential ("Cities for children", European Cities Marketing, Eurocities, Cities for active

inclusion, European Association of Cities Interested in the Use of Electric Vehicles, Welcome to the European Association for Urban History, Foundation of European Carnival Cities (FECC), Federation of Napoleonic cities of Europe). Nowadays there are isolated cases of participating Russion cities in this kind of associations. It was very good experience of Perm's participating in the all European project "Cultural capital of Europe" or successful attempt to attract some Russian cities (Tilsit, Mogaisk) to the European Federation of Napoleonic cities.

- Another way of cooperation is cooperation between NGO and different form of people diplomacy. Both Russian citizens and local staffs need some educational program to improve their skills and qualification in political and civil participation and to assimilate the exciting experience and civil rights. The most important topic for staff could be budgeting of local government, territory branding, strategic plans of cities' developing and involving people in the process of decision making.

The most important problems of Local communities are the following: lack of democratic traditions; non effective laws about municipal power; social base of civil society is not formed; most of municipal organs are still formed according to the principles of hierarchy; municipalities always face to the budget deficit; municipal authorities are not transparent to the people; resistance of regional elite and regional authority; forms of citizens activities haven't been increasing.

The Common Space of External Security

There is still continued divergence of security and foreign policy perceptions of security challenges, threats and solutions. At the same time, the two parties have divergent interpretations of the implications of these threats. The EU is concerned with the stabilization of its adjacent territories and sought to do this by means of a selective and limited process of inclusion. Russia perceived this process as encirclement and reads the situation as a threat. Another example is terrorism. From a European perspective, the phenomenon requires a range of policies often involving external action as in the case of failed states. Russia does not necessarily share this view and is much more inward, "in-country" looking.

The absence of an agreed set of criteria or benchmarks for the achievement of the stipulated provisions of the common space is a serious shortcoming, severely limiting the utility of the cooperation and partnership process.

What would help:

- Growing internal authoritarianism has implications for the external security agenda given the important linkage between democratic practice, transparency and governance and the management of security threats. One way of addressing the proposed discrepancy involves the scaling down of the goals of EU-Russia ties in order to more fully reflect its present realities.
- Work will need to be done in order to determine which activities may be the subject of benchmarking. For instance, it is clear that result-oriented progress on initiatives in multilateral settings such as the UN and the OSCE will be difficult to benchmark. On the other hand, areas of purely bilateral cooperation may easily be operationalized in such a manner. This tool will help structure and prioritize activities needed to fulfill the agreed priorities.
- The EU should clarify its principled position towards subregional integration projects within the former Soviet space.
- The EU should find out a better combination between its regional and bilateral approaches. A sub-regional level is certainly required to act more efficiently and also to get a better geopolitical understanding. Regional dimensions such as the Northern one deserve to be explored.
- The EU should not conduct its policies towards Belarus, Moldova, Ukraine and Georgia separately from its Russian one, but alongside it. At the same time, it should insist on the necessity to resolve the so-called "frozen conflicts", using in particular "human component" – more transparent approach, direct information flows, personal contacts, etc.
- The EU should use the implementation of the ENPI to address overall thinking about its "strategic partnership" with Russia.

The Common Space of Education, Science and Technology including Culture

The common space of science, education and culture can be perceived as rewarding because, out of all bilateral spaces, this one is considered the least controversial and the most successful and beneficial to both parties. EU-Russia cooperation in higher education is almost completely geared to the Bologna process and the agenda is dictated by requirements for reforms in all European countries, including Russia. The intergovernmental and voluntary character of the Bologna program is of particular importance for Moscow policy makers who have to implement the necessary reforms in a complex domestic political ambience that is far from consensual. Progress has been achieved on important issues such as the introduction of

B.A. and M.A. degrees, transition to the ECTS, modernization of curricula, quality assurance, but the introduction of the Ph.D. degree in the Russian educational system has proven an insurmountable challenge.

A serious future challenge is transition from the "technological" aspects of the Bologna process (involving mostly administrations) towards prioritizing its "substantive" aspects (involving teaching staff, students and employers). In other words, all the technical efforts should be "converted" to the basic goal – the improvement of higher education quality in Russia.

In general, when assessing the 4th space as whole, Russian analysts single out scientific research and innovation as the cooperation field where clearly "there is a win-win situation". An important achievement in implementing the 4th road map is the establishment of the European Studies Institute (ESI) with the Moscow State Institute of International Relations (MGIMO), and with the cooperation of the College of Europe – Bruges.

The EU should monitor a possible evolution of the modalities of application of the Russian FTP-RD in order to assess the extent, to which (i) international cooperation has been mainstreamed in this program, (ii) cooperation with European research entities has been prioritized, (iii) the claim of raising private funding equal to the commitment from the federal budget has been met.

According to EU science experts, future EU cooperation with Russia could build upon several strengths demonstrated by the Russian S&T sector as, for example, achievements in basic science and "big science" (space, fusion, high energy physics). It could exploit advances in technological niches in materials, nuclear technologies, biotechnologies, while taking into account the fact that research in these fields is essentially publicly funded and publicly executed. Given recent growth in Russian SMEs, cooperation on emerging industrial products could also be beneficial.

On the other hand, cooperation might be hampered because of the difficulty for Russia to overcome a "too much inward-looking approach", which is the result of the accumulation of a number of factors throughout the years, including: language; weak networking in the past; lack of active presence in international meetings; different approach to cooperation, notably

reluctance to share financial burden; discrepancies in intellectual property rights policies; different project management styles; political obstacles such as visas, export control and information disclosure issues; differences in S&T structures; weak implication of industry; meager involvement of the younger.

Recommendations in S&T:

- Extend the EU-Russia Science and Technology Cooperation Agreement;
- Develop coordination mechanisms for planning and implementing research programs targeted at Russia that operate at EU level (FP7), at national level (in EU member states), in a pan-European framework (Eureka, INTAS, CERN, etc.);
- Establish more viable and effective mechanisms for monitoring and coordination of EU-Russia cooperation between the scientific segment of the 4th common space and the 1st (economic) common space; in view of the possible association of Russia to FP8 and the opening of cooperation to security research – prepare the establishment of similar mechanisms for monitoring and coordination between the scientific segment of the 4th common space and the 2nd and the 3rd common spaces (internal and external security);
- Carry out a comprehensive ex ante assessment of opportunities arising from Russia's possible association to FP8, as well as of potential risks of this association in such sensitive thematic fields as security and energy, and possibly in other politically sensitive areas;
- Assess negotiations on Russia's possible association to FP8 in terms of their political dependence on (or autonomy from) negotiations on a new EU-Russia "strategic partnership" agreement and outline possible scenarios.

Education Recommendations:

- To prevent over-centralization and ineffective management practices, the emphasis should be made on the "bottom – up" approach, strengthening the autonomy of the departments (kafedry) within the Russian universities. This is critically important to introduce subsidiarity principle to the system of higher education in Russia;
- When planning EU higher education programs open for Russia, consider a gradual mid-term shift of funding from support for "technological" aspects of higher education reform to support for "substantive" reform – from action undertaken by administrations to activities performed by university teaching staff, students and employers;
- Strengthen coordination between EU programs in the field of higher education open to Russia and those of EU member states;

- Improve feedback and evaluation of higher education activities towards Russia at policy level (esp. the progress report) by fully exploiting the results of joint evaluations at program level (e.g. of the Tempus program);
- Upgrade support for the European Studies Institute with MGIMO also with a view to possibly making it the hub of a network of EU centers in Russia;
- Strengthen the potential of youth activities carried out within the educational segment of the 4th common space for fostering European identity;
- Assess the relevance of developing EU-Russia cooperation in public health as a "sub-field within the sub-field" and its implications for the overall coherence of the 4th common space.
- More funds should be allocated to student and scholar mobility;
- The essence of the Bologna process should be better explained to the Russian professors and teachers, otherwise, there is a possibility to introduce some bureaucratic "innovations" "under cover" of Bologna Process.

Culture

The intergovernmental character of cultural cooperation within the EU should be better exploited by the Commission in designing cultural exchange with Russia.

Recommendations:

- Consider the elaboration of a qualitative assessment of the impact of cultural exchange at EU and member state level on fostering European identity in Russia;
- Prepare and adopt a real (with specific objectives, benchmarks and deadlines), comprehensive and meaningful (covering policy and regulatory issues) Culture Action Plan;
- Coordinate with EU member states the possible placement of their national cultural events/programs targeted at Russia in a common European framework.

Despite political rhetoric, the three "arms" of cooperation within the 4th EU-Russia space – institutional, policy-related and financial – have not consistently applied ***the principle of equal partnership.*** The potential for a normative debate and for value-driven action is one of the most complex issues to tackle in the 4th space.

Conclusion

When dealing with the "four strategic spaces", the main dilemma was and still is: are EU and Russia strategic partners or regional competitors? We strongly opt for the first notion. The European Commission in 1995 has already underlined that "it is time that the EU and Russia recognize their historical mission as two key European powers and that in the common interest endeavour for the development of close and mutually enriched partnership, which will reflect their political, social and economic importance and their concern regarding respect of human rights without which will the cooperation remain unfulfilled and without contents". Mr. Putin 17 years later, on 2 March 2012, confirmed that: "Russia is an inalienable and organic part of Greater Europe and European civilisation. Our citizens think of themselves as Europeans. We are by no means indifferent to developments in united Europe….".

That is the reason why:

First, the EU should develop an improved strategic orientation towards Russia; for instance, we recommend to develop in due time the concept of collaboration with the existing (and future) free customs union of Belarus, Russia and Kazakhstan and the announced economic union as well and

Second, the EU cooperation with Russia should represent the interests of all EU members and should not be the reflection of standpoints of some of the EU member states, which views are anchored in the history.

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ANALYSIS OF THE EU – UKRAINE RELATIONS IN THE CONTEXT OF THE ASSOCIATION AGREEMENT AND RELATED DOCUMENTS AND THE EU 2014-2020 FINANCIAL PERSPECTIVE

Denys Kuzmin and Iryna Maksymenko

Center for International Studies,
Department of International Relations,
Odesa National University
Odesa, Ukraine

ODESSA, UKRAINE, 2012

ABSTRACT

The Analysis is scrutinized the actual topic of the EU-Ukraine relations during almost twenty years. At the very beginning of the 1990s the European Union welcomed the proclamation of the independence of Ukraine and its desire to build a democratic and modern state based on the European principles. Ukraine also has proclaimed its desire to integrate to the EU as soon as possible. But firstly Kyiv had to overcome the communist past, to carry into effect structural reforms in political, economic, legislative and humanitarian dimentions.

The European Union has considered the importance of Ukraine as an integral part of common European space and elaborated special instruments for development the mutually beneficial relations. The EU and Ukraine have signed bilateral agreements; Ukraine has joined to different European program of assistance and cooperation. The main goals of this wide range of documents are to stimulate internal transformation of Ukraine as well as to convergence Ukraine's political, economic and social system to the European one. From its side, Kyiv has stressed out the vital significance to build close relationship with Europe and its will to put reforms into effect aiming to integrate to the EU in ten-fifteen years.

Nevertheless nowdays the EU and Ukraine still share a border and are direct neighbors, which recognize their political and economic interdependence. So there is a necessity to work together within Ukraine-EU dialogue for creating an area of stability, peace, sustainable development and overwhelming social and economic progress on the EU external borders. It is worth to be mentioned that Ukrainian case is a challenge to the EU and its status as one of the world powers.

A close study of the EU-Ukraine relationship at political and practical levels, a short historical background of the Ukraine policy and EU-Ukraine relations, critical assessment, achievements and shortcomings of reforms and implementation of the EU standards in rule of law, democracy, human rights, development of civil society and local democracy as well as soft security issues – migration, visa liberalization and Transnistria settlement have been under close examination of Ukrainian experts.

Aiming to achieve serious progress in internal development of Ukraine in the context of Association Agreement implementation and improving the Ukrainian perspective to reach the EU membership in the near future the detailed recommendations have been elaborated. The main messages of them are the following: the current state of EU-Ukraine cooperation doesn't meet the needs of both sides and the amelioration of the EU-Ukraine relationship is very important for both parties. So Ukraine has to continue the implementation of undertaken obligations and in such way to confirm its adherence to the European integration values. At

the same time the EU institution and the EU member-states should maintane the dialogue with Ukraine and to pay extra attention to the regional and non-government component: local and regional communities, civil society etc. Moreover the most relevant approach for the EU to the effective progress of Ukraine on the way to democratic development and European convergence is to work out a clear EU strategy, to make EU-Ukraine cooperation more well-structured and functional.

Key words: Ukraine, the European Union, the EU-Ukraine cooperation, relations, the European Neighbourhood Policy, Eastern Partnership, structural political and economic reforms, democratic transformation, rule of law, civil society, education, culture, science, cross-border cooperation, migration and visa libiralisation process, Transnistria conflict.

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CHAPTER 1

UKRAINE IDENTIFICATION DATA

Geography

Ukraine is the largest country inside Europe. It is located between Central Europe and Russia which is an important strategic factor for the country and its policy. Major transport ways which bind Western Europe to the Caucasian and Central Asian countries pass through its territory.

Ukraine has seven neighbor-countries of first order, i.e. it has a common border with these countries. Thus, in the West Ukraine borders on Poland, Hungary and Slovakia, through their territories lays the shortest way that binds Ukraine to the countries of Western and Central Europe. In the East and North there is a border with Russia, in the South-West - with Moldova and Romania. In the North Ukraine borders on Belarus which connects it with the Baltic countries. With Romania and Russia Ukraine has not only land border but sea border as well.

It is important to underline that Ukraine has a wide outlet to the Black and Azov Seas, which binds it to the countries of the Mediterranean region. Also across the sea Ukraine borders on Bulgaria, Turkey and Georgia. The biggest Black Sea ports are Odesa, Illichivsk, Kherson, Sevastopol, Azov Sea ports are Mariupol, Berdyansk, and Kerch. Apart from sea routes presence of river arteries which also bind countries to its neighbours and Europe is very important. It is Dnipro, Danube, Dniester, and South Bugh.

Population

The general amount of present population of Ukraine, according to data of the All-Ukrainian census of population in 2001, amounted to 48 millions 457 thousand persons. There is planned a new national census in the mid of 2012. According to the data, on November, 1, 2008 the population of Ukraine amounted to 46 179 226 persons. In relation to the amount of population Ukraine occupies the sixth place in Europe, after Russia, Germany, Great Britain, Italy and France.

High density of population is typical for Ukraine; in accordance to information of the All-Ukrainian census of population on the whole it comprised 80 persons per square km. There is

the least density of population in North-West and South of the country, where it amounts to less than 60 persons per square km. This index is especially low in Chernigiv region - 39 persons per square km. Eastern industrial areas are the most populated, here this index exceeded 90 persons per square km, in Donetsk area - 183 persons per square km.

Ukraine has the same problem with the majority of the European states: diminishing of part of children in the general amount of population together with the substantial increase of part of persons in age, older than capable of working, considerably complicates modern demographic situation in the country and predetermines the ageing of population.

National structure of population of the country is relatively homogeneous: about 78% are Ukrainians; more than 17% consider themselves Russians. Also on the territory of Ukraine there reside representatives of almost 130 other nationalities and peoples which amount to almost 22%. In a percentage ratio they do not exceed one percent from the general amount of population. Most communities present are Belarusians, Moldovans, Crimean Tatars, Bulgarians, Hungarians, Romanians and Poles. Not more than 1 % of total amount are Armenians, Greeks, Roma, Azerbaijanians, Georgians, Tatars and others.

The variety of national background of the Ukrainian population is caused by common borders with other countries, and also historical factors which encouraged migration and resettlement of population during different historical periods.

Amount of urban population, according to the result of the All-Ukrainian census comprised 32 millions 574 thousand persons, or 67,2%, rural - 15 millions 883 thousand persons, or 32,8%. In comparison to 1989, urban population diminished for 2, 0 million persons, rural - for 1, 2 million persons, however, correlation between them on the whole in the country during the last two censuses remained practically unchanging.

According to the results of the All-Ukrainian census of population, the amount of men comprised 22 millions 441 thousand persons, or 46, 3%, women - 26 millions 16 thousand persons, or 53, 7%.

Considering social constituent, population of Ukraine is not homogeneous. About 60% consider themselves Ukrainians; 25% are inclined to consider themselves both Ukrainians and Russians. 10% of population of Ukraine assign themselves to specifically Russian nationality.

Other respondents of sociological researches named themselves the representatives of other nationalities. It also finds the reflection in linguistic composition of population. 67, 5% of population of Ukraine considered Ukrainian to be a mother tongue, which is on 2, 8 percent point more than compared to data of census of 1989. Russian was defined as mother tongue by 29, 6% population, comparing to the past census of population this index diminished for 3, 2 percent point. Particle of other languages which were indicated as native, from the beginning of independence of country increased and has been 2, 9%.

It is important to mark, that during 1990-s on the basis of higher educational establishments and schools faculties and courses in Polish, Bulgarian, Greek, Hebrew, Turkish and other languages were opened. Also the numerous cultural unions of national minorities started to work. In general, Ukraine does not have open xenophobia, racism or other displays of negative attitude to the representatives of other nationalities.
Herein the important role plays the level of education, which is high among the European countries. It should be underlined that in the last few years amount of population which has higher and secondary education grew considerably.

By its demographic indicators Ukraine belongs to the countries where there is exceeding of ageing and natural reduction of population above the birth and migratory increase. At the same time state policy in the last few years resulted in the increase of intensity of birth-rate on the whole to 11, 0 babies per 1000 persons.

Migratory increase of population which changed a permanent residence, for the last year in January-November 2008 in comparison to the corresponding period of 2007 diminished from 13, 2 thousand to 12, 7 thousand persons. The majority of immigrants (80, 2%) consisted of those arriving from the CIS countries. Among those leaving Ukraine 65, 6% left for the CIS countries and 34, 4% – for other countries.

Socio-economic indices

Ukraine is an industrially agrarian country with 40th world economy by size of GDP in PPP according to the world rates in 2010. GDP growth in 2010 was expected at 4.2%. But real growth of GDP for 2011 was 5,2% and exceeded the 1315 billion US dollars. In Ukraine there are three economic districts: Donetsk-Prydniprovskiy, Central-Western and Southern ones. The first district stands out for the most concentration of industrial, metallurgical, chemical,

extractive and power objects of economy. Such industrial centers as Donbas (Donetsk and Lugansk regions), Dnipropetrovsk and Zaporizhia belong to it. Manufacturing, light and food industry concentrate in the second region. For the Southern region shipbuilding and port economies, as well as tourism industry, are typical. The important centers of tourism are Crimea and Carpathians. Agriculture, especially in the western, central and southern areas of the country, is geographically and climatically determined.

The large stake of national GDP is made by the sector of services. In accordance to statistical information of 2007, sphere of services comprised about 69 %, industry – 28 % and agriculture – 3-4 %. European Union and member-states hold the second place by the volume of export-import operations, according to the data at the beginning of 2012: in trade sector 17969,9 million USA dollars (export) and 25750,6 million USA dollars (import). On the first place there are Russia and other CIS states with following data: in trade sector 26178,7 million USA dollars (export) and 37212,4 million USA dollars (import). It's worth to be mentions that Asian states constantly take the third place. Similar situation is observed in relation to the export-import of services: the EU countries are on the second place after Russian Federation and CIS countries: EU – 3572,3 million USA dollars (export) and 3351,3 million USA dollars (import), Russia-CIS – 6229,2 million USA dollars (export) and 1162,5 million USA dollars (import). At the same time European Union is the main source of direct foreign investments to Ukraine: 39411,2 million US dollars (79,9% from a general amount of 6473,1 million US dollars of direct investments), Russia and CIS countries made only 4011,3 million US dollars (8,1%), other states – 5939,8 million US dollars according to the official statistic data for 2011.

In 2011 average monthly quantity of economically active population aged 15–70 as a result of selective survey of population (households) on questions of economic activity on the average makes up 22056,9 thousand persons, 20324,2 thousand from which were engaged with economic activity, and the rest are unemployed, i.e. persons which did not have work, but were actively searching for it both independently and with help of state employment service. The level of population employment amounts to: in age 15–70 – 64,3 %, and in age capable of working – 72,7 %. Unemployment level (according to methodology of MOP) among economically active population aged 15–70 amounts to 7,9 %, of the age able of working – 8,6 %.

Administrative structure

In accordance with Constitution, Ukraine is a complex unitary state which consists of administrative-territorial units (regions, districts, cities, city districts, settlements and villages) and Autonomous Republic of Crimea.

According to Constitution of Ukraine, the territorial system of Ukraine is based on principles of unity and integrity of state territory, combination of centralization and decentralization in realization of state power, equilibration of socio-economic development of the regions, taking into account their historical, economic, ecological, geographical and demographic features, ethnic and cultural traditions.

Units of higher rank in the administrative-territorial division of Ukraine is Autonomous Republic of Crimea and 24 regions: Vinnytsia, Volyn, Dnipropetrivsk, Donetsk, Zhytomyr, Zakarpatia, Zaporizhia, Ivano-Frankivsk, Kyiv, Kirovograd, Lugansk, Lviv, Mykolayiv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Kherson, Khmelnytsk, Cherkassy, Chernivtsi, Chernigiv. Each of administrative-territorial units has bodies with some plenary powers.

Autonomous Republic Crimea is an integral component of Ukraine and within the limits of plenary powers, defined by Constitution of Ukraine, controls spheres, attributed to its authority. AR of Crimea has considerable independence in decisions concerning local issues, has its own Constitution (ratified on Decembers, 23, 1998 by Verkhovna Rada of Ukraine), higher representative (Verkhovna Rada of Autonomous Republic of Crimea) and executive bodies (Council of Ministers of Autonomous Republic of Crimea).

Besides, two cities with the special status are equated to regions – that is Kyiv (as the capital of country) and Sevastopol (as a place where navies of Ukraine and Russia stand). The largest cities of Ukraine are Kyiv, Kharkiv, Dnipropetrovsk, Donetsk, Odesa, Zaporizhia and Lviv.

The lowest rank of the administrative-territorial system is cities of district value, settlements of city type and villages. On the whole, there are 490 districts, 446 cities, 907 settlements of city type and 10196 villages in Ukraine.

Such complex administrative and territorial system is the patrimony of the Soviet Union. A couple years ago the authority has tried to carry out the administrative reform. That reform foresees to unite the neighbour regions of Ukraine in one some. But still now those changes are not realized yet.

Political system

Ukraine is a democratic republic which combines the features of presidential and parliamentary republics. A new democratic Constitution, adopted a multi-party system, and adopted legislative guarantees of civil and political rights for national minorities was adopted on June 28, 1996, which mandates a pluralistic political system with protection of basic human rights and liberties, and a presidential form of government. Also it outlines the structure of the national government and specifies its powers and duties. Under the Constitution the powers of the government are divided into three branches - the legislative which consists of the Verhovna Rada, the executive, headed by the President, and the judicial, which is led by the Supreme Court.

The Constitution was amended in December 2004 to ease the resolution of the 2004 presidential election crisis. The Consociationalist Agreement trasformed the form of government in a semi-presidentialism in which the President of Ukraine had to cohabit with a powerful Prime Minister. The Constitutional Amendments took force between January and May 2006. The Constitutional Court of Ukraine in October 2010 overturned the 2004 amendments, considering them unconstitutional. The present valid Constitution of Ukraine is therefore the 1996 text.

The President of Ukraine is the head of the state and speaks on behalf of it. He is elected directly by the voters for a term of five years with no more then two full terms. Beginning from 1991 President of Ukraine has been elected five times. Last Presidential elections were held at January 17th of 2010. Viktor Yanukovych from Party of Regions and Yulia Tymoshenko represented by All-Ukrainian Union «Fatherland» were the main candidates. During the second round of elections V. Yanukovych won with 48.95% against 45.47% votes for Y. Tymoshenko.

According to the Constitution President is a guarantor of Constitution, state sovereignty and territorial integrity of the country, rights and freedoms of citizens.
Plenary powers of President in relation to the conduct of domestic policy imply that President of Ukraine issues decrees and orders which are obligatory for implementation on the territory of Ukraine. Cooperating with all branches of power, President appoints and retires the members of Government and heads of bodies of executive power, can take part in meetings of Government, and also have the representatives in Constitutional Court, Verkhovna Rada.

In the field of foreign policy President as a country's head acts in its name, presents Ukraine in international relations, negotiates and concludes international agreements, and also manages all foreign policy activity of the state.

President is Supreme Commander-in-chief of Armed Forces of Ukraine. In the case of the armed aggression against Ukraine President makes a decision in relation to resort to armed forces of Ukraine with the purpose of country's defense against an aggressor. President heads Council of national security and defense of Ukraine.

President carries out his Constitutional plenary powers through the vertical of power which consists of: Administration of President, Advisory Council, Council of national security and defense and local administrations.

The highest body of executive power is the **Cabinet of Ministers** of Ukraine. Today Ministry is headed by the Prime-Minister Mykola Azarov. Head of Government is elected by Verkhovna Rada after the giving of President. The Prime-minister and cabinet are *de jure* appointed by the Parliament on submission of the President and Prime Minister respectively. Cabinet conducts financial, price, investment and tax policy, and also policy in the spheres of labor and employment of population, social defense, education, science and culture, conservancy, ecological security and nature management. A large share of the current top officials in the executive branch and majority parliament coalition are from East Ukraine, most notably from Donetsk Oblast.

Verkhovna Rada is the only legislative body of Ukraine. Parliament consists of 450 deputies elected for a four year term (five year between 2006 and 2012 with the 2004 amendments). Prior to 2006, half of the members were elected by proportional representation and the other

half by single-seat constituencies. Starting with the March 2006 parliamentary election, all 450 members of the Verkhovna Rada were elected by party-list proportional representation. The Verkhovna Rada initiates legislation, ratifies international agreements, and approves the budget.

Verkhovna Rada is unicameral and formed from political parties and blocks which overcame three percent barrier during parliamentary elections.
Chairman of Verkhovna Rada of Ukraine, which is elected by deputies by secret vote heads the Parliament. Work of Chairman of Verkhovna Rada of Ukraine and his deputies is supported by the respective secretariats.

The basic sectoral bodies of Verkhovna Rada are its committees which carry out legislative work. A committee, defined as a main architect of a certain bill or project of other act of Verkhovna Rada, summarizes and systematizes suggestions, amendments and conclusions of other committees, and prepares them for consideration by Verkhovna Rada.

Verkhovna Rada within the limits of its plenary powers can organize the temporal special commissions for preparation and preliminary consideration of issues. Right for legislative initiative in Verkhovna Rada of Ukraine belongs to President, deputies, Cabinet and National Bank of Ukraine. Laws accepted by Verkhovna Rada of Ukraine are signed by President of Ukraine who has a right to veto them.

Among the basic plenary powers and tasks of Verkhovna Rada of Ukraine is amending Constitution of Ukraine, setting All-Ukrainian referendum on a certain circle of questions, passing acts, approval of the State budget of Ukraine and making alteration to it; determination of principles of domestic and external policy, setting elections of President of Ukraine, granting consent on appointing of Prime Minister of Ukraine by the President of Ukraine, declaration of war after proposal of President of Ukraine and establishing peace, approval of decision of President of Ukraine about the resort to Armed Forces of Ukraine and other military units in case of armed aggression against Ukraine, approval of the national programs of economic, scientific, technical, social, cultural development, conservancy etc.

Due to the latest elections, there are five deputy factions in Verkhovna Rada: Party of Regions which took 175 seats, Yulia Tymoshenko Bloc (All-Ukrainian Union «Fatherland», Ukrainian

Social Democratic Party, Reforms and Order Party) with 156 seats, Our Ukraine–People's Self-Defense Bloc (People's Union «Our Ukraine», Forward, Ukraine!, People's Movement of Ukraine, Ukrainian People's Party, Ukrainian Republican Party Assembly, Christian Democratic Union, European Party of Ukraine, Citizen's Party «PORA», Motherland Defenders Party) – 72, Communist Party of Ukraine with 27 seats, Lytvyn Bloc (People's Party, Labour Party of Ukraine) – 20 seats.

According to Constitution, justice in Ukraine is carried out exceptionally by courts, any delegation of courts' functions, and also the appropriation of these functions by other bodies or officials is forbidden. Jurisdiction of courts spreads on all legal relationships which exist in the state. Constitution specifies the impermissibility of creation of extraordinary and special courts.

The general structure of the **judicial system** is determined by Constitution of Ukraine; in compliance with it the legal proceedings are carried out by Constitutional Court of Ukraine and courts of general jurisdiction. The courts of general jurisdiction carry out justice in form of civil, economic, administrative and criminal legal proceedings. Constitutional Court of Ukraine is a special judicial body of constitutional control.

Justice is carried out by professional judges and, in cases specified by law, by assessors and jury. The guarantees of independence of judges is their inviolability and electing of professional judges by Verkhovna Rada on a permanent basis, that is carried out after completion of their first term on position after being appointed by President of Ukraine for five years.

Apart from Cabinet, system of central bodies of executive power of Ukraine includes ministries, state committees (state services) and central bodies of executive power with a special status.

Ministry is a main body in the system of central bodies of executive power which provides realization of public policy in the certain sphere of activity. Minister carries out guidance of a ministry. Minister is responsible for development and introduction of Program of Cabinet of Ukraine on proper questions, realization of public policy in the certain sphere of state

administration. He carries out management in this sphere, directs and coordinates activity of other bodies of executive power on issues of his concern.

State committee (state service) is the central body of executive power, whose activity is directed and coordinated by Prime Minister of Ukraine or one of Vice Prime Ministers or Ministers. State committee (state service) makes suggestions in relation to forming of public policy to the respective ministers and provides its realization in the certain sphere of activity, carries out administration in this sphere, and also intersectoral coordination and functional adjusting on issues of its concern. State committee (state service) is headed by a chairman.

Foreign policy course

According to the Law of Ukraine on Basis of domestic and foreign policy, adopted in 2010, Ukraine pursues an active foreign policy which is directed on establishment and development of good neighbourhood relations, fostering economic development, social and political stability, security etc. Foreign policy based on the following principles:

- Sovereign equality of States; respect for territorial integrity of foreign countries and inviolability of frontiers; non-interference in internal affairs of States;
- refraining from the threat or use of force against territorial integrity or political independence of any foreign state;
- Settlement of international disputes by peaceful means;
- Respect for human rights and their fundamental freedoms;
- Mutually beneficial cooperation between countries;
- Priority of generally recognized norms and principles of international right before the rules and principles of national law;
- application of international sanctions, countermeasures and measures diplomatic protection under international law in cases international wrongful acts that harm Ukraine, its citizens and legal entities;
- Timeliness and adequacy of protection of national interests of actual and potential threats to Ukraine and its citizens and entities.

According to the Articles 11 of the Law the basic principles of foreign policy are the follows: Ukraine as a European non-aligned state carries open foreign policy and seeks cooperation with all interested partners, avoiding dependence on specific States, groups of States or international organizations.

The main principles of foreign policy are:

- protect national interests and security of Ukraine by maintaining peaceful and mutually beneficial cooperation with members international community for universal principles and international law;
- protection of sovereignty, territorial integrity and inviolability of frontiers Ukraine, its political, economic, energy and other interests;
- using international potential for the establishment and development of Ukraine as a sovereign, independent, democratic, social and legal state, its sustainable economic development;
- creating favorable conditions for Ukrainian nation, its economic potential, historical consciousness, the Ukrainian national identity and ethnicity, cultural, linguistic and religious identity of all citizens of Ukraine nationalities;
- consolidation leading Ukraine's place in the system of international relations, strengthening the international authority of the state;
- promote international peace and security in the world, participation in comprehensive political dialogue to enhance mutual trust States, overcoming traditional and new security threats;
- Ukraine's compliance with non-alignment policy, which means non-participation of Ukraine in military and political alliances, priority participation in improving and developing the European system collective security, the continuation of constructive partnership with North Atlantic Treaty Organization and other military-political blocs in all matters of mutual interest;
- support for strengthening the role of international law in international relations, enforcement and implementation of effective, develop new principles and norms of international law;
- conflict prevention in areas bordering Ukraine, and settlement of existing conflicts;
- protect the rights and interests of citizens and legal people of Ukraine abroad;
- create favorable conditions to meet national cultural and linguistic needs of Ukrainian citizens living outside Ukraine, to maintain stable relations with them;
- support Ukraine's integration into European political, economic, legal space for Membership European Union;
- support the development of trade and economic, scientific, technical and investment cooperation between Ukraine and foreign countries on the basis of mutual benefit;

- to ensure full economic development welfare of the people of the integration of Ukraine into the world economic system;
- expansion of international cooperation in order to attract foreign investment, technology and management experience in the national economy in the interests of its reform modernization and innovation development;
- Support Ukraine's integration into the global information space.

At the moment Ukraine established diplomatic relations with many countries, actively cooperates with European Union and NATO, is a member or observer at many international and regional organizations: OSCE, Council of Europe, World Trade Organization, World Bank, European Bank of Reconstruction and Development, CEI etc. Ukraine also was the country-founder of such organizations as the UN, CIS, Black Sea Economic Cooperation Organization, GUAM – ODED, CDC etc. It is a participant of NATO and EU programs: Partnership for Peace, European Neighborhood Policy, Eastern Partnership and others.

CHAPTER 2

SHORT REVIEW OF THE MAIN DOCUMENTS REGULATING EU-UKRAINE RELATIONS IN THE CONTEXT OF ENP AND EP POLICY RESPECTIVELY

Modern international and internal political situation of Ukraine in many respects depends on alignment of political, military strategic and economic forces in modern Europe. European integration, which has been developing especially actively in the last decade due to deep evolutionary changes in the EU, presents essential part of the process.

Such setting of the problem is tightly connected with the aspiration of Ukraine to participate in European integration and to enter the EU in future prospects. It was more than once declared by the governing body and is reflected in the official documents.

Advancement of Ukraine towards European integration relates with the whole complex of both internal and international problems. Nowadays mutual relations of Ukraine with the EU are mainly grounded on the base of the Agreement about partnership and cooperation acting since 1998. Transfer to a deeper stage of cooperation in the form of associated membership and preparation for the commencement of negotiations about entering the EU is not foreseen in nearest several years as the Governing body of European Commission declares. Ukraine is proposed to build cooperation with the EU on the ground of bilateral relations and neighbor cooperation. Such conditions can be explained by both internal problems of Ukraine and the developments in the EU itself. In the first term it is inconsistency between the levels of economical development and social political field to those of the EU standards and slow progress on this way.

Besides the EU is on the stage not only deepening of integration processes but also increasing of its membership. For the first time it is happening in such mass number and includes former socialist states. Entry of new members is connected with many problems .In the fist term with social economic ones. Therefore after 2004 and 2007 when a group of the states entered the EU, inevitably, so called «adaptive pause» in enlargement and in distribution of such promises, would appear. It will negatively influence on the movement of the other CEE states towards European integration even in case of great spurt in the field of market economy and

democratic changes. Reasoning from these circumstances, it will be extremely important for Ukraine the consequences of the EU enlargement and the outline of cooperation with the EU in the neighbor status, which would remain in the future due to the explained internal and international reasons and would be extremely important for development of Ukraine. Such a scheme is on the stage of working out and, to elaborate the optimal foreign policy line of Ukraine from one side and the EU strategy from the other, a fair and thorough appraisal of new situation is necessary (Kuzmin, 2007).

Bilateral relations between Ukraine and European Union were established after Ukraine became independent - in December 1991. European Communities, having marked democratic character of the All-Ukrainian referendum, recognized independence and sovereignty of Ukraine. Then for the first time EU called on Ukraine to maintain with the member-states of European Communities open and constructive dialogue directed on implementation of all former obligations of the USSR.

Actually from beginning of its independence Ukraine tried to build its foreign policy and – in a wider sense - its independence on the basis of «returning to Europe». Ukraine became the first country in the expanses of the CIS that signed Partnership and Cooperation Agreement with European Union (on June, 16, 1994), where the legal mechanism of cooperation between two parties was defined. In 1994-1996 the EU Common Strategy on Ukraine (on November, 28, 1994) and Action Plan (on December, 6, 1996) which expressed support to independence, territorial integrity, democratic political and economic transformation of Ukraine and its integration to the world economy. On March, 1, 1998 Partnership and Cooperation Agreement came into force, soon on June, 11, 1998 by the decree of President of Ukraine «Strategy of Ukrainian integration to European Union» envisioned for a period till 2007, was ratified. Acquisition by Ukraine of full-fledged membership in European Union was proclaimed as a strategic purpose and receipt of status of the associate member of the EU as a main foreign policy priority of Ukraine in medium term (Burakovskiy I., Nemyria G., Pavlyuk O. 2007, 15-25).

Establishment and development of relations between Ukraine and the EU

In 1990s the official foreign policy orientation of Ukraine directed on the integration to European community was formed. It is always underlined that only the European choice of Ukraine opens new prospects for cooperation of Ukraine with developed countries of the

continent, socio-economic development, modernization, strengthening of state positions in international relations. In political dimension European integration determines modernization of the legal field of the Ukrainian state, democratization of its political and institutional systems. At the same time, in the process of Ukraine approaching the EU negative factors of Eurointegration will inevitably come into play. Among them: incapacity to sustain the financial burden of payments to the EU; growth of competition with the firms of the EU member-states in the process of liberalization and increase of openness of national economy which will be accompanied by liquidation of uncompetitive enterprises with negative social consequences. However, potential advantages of European integration considerably exceed possible losses and risks that were convincingly proven by the experience of all European countries which chose this way. Possible alternative is a transformation of Ukraine into economically underdeveloped, politically unstable country-outsider isolated from the European processes. Need to modernize and radically reform Ukraine coincides with its Eurointegration aspirations.

The desire of Ukraine to become the full-fledged member of the EU was expressed by the President of Ukraine Leonid Kravchuk on June, 14 1994 in Luxemburg during signing of Partnership and Cooperation Agreement between the European Union and Ukraine (PCA). The date of signing of PCA can be considered as a completion of the beginning stage of establishment of relations between Ukraine and the EU during which the recognition of independent Ukrainian state from the side of the EU and member-states took place. Development of bilateral relations on this stage was complicated by Brussels' requirements for Ukraine to obtain a nuclear-free status. The EU put forward the main condition of cooperation and signing of PCA Ukraine's deprivation of nuclear weapon and joining Nuclear Non-proliferation Treaty. Among the other topical problems which caused the disturbance of the EU were closing of Chornobyl AES and providing of nuclear security of new reactors. Signing of an Agreement between USA, Russia and Ukraine about the withdrawal of nuclear weapons from Ukraine in Moscow in January, 1994 opened a way to signing of PCA and expansion of cooperation between Kyiv and Brussels. Formation of the newly independent states, and also political and economic processes which began in these countries required the new approach to construction of their relations with the EU.

Position of Ukraine in relation to the European Union first at the legislative level was formulated in Basic directions of foreign policy of Ukraine that were approved by Verkhovna Rada of Ukraine on July, 2, 1993.

During 1993 years three rounds of negotiations were conducted between Ukraine and European Commission (EC) about the conclusion of **Partnership and Cooperation Agreement** between Ukraine and the EU (PCA), which were completed in March, 1993. The Agreement was signed on June, 14, 1994 in Luxemburg. For a period prior to ratification of PCA on June, 1, 1995 during meetings of President of of Ukraine L.Kuchma with Head of European Commission J.Santer there was signed a Temporal agreement between Ukraine and the EU about trade and questions, related with trade, which came into effect on February, 1, 1996. The agreement contained all of PCA provisions concerning access to the commodity market, rules of competition and solution of contradictions. It regulated questions which are in the exceptional competence of Community that is why there was no need in long ratification procedures from the side of all member-states.

PCA was ratified by Verkhovna Rada of Ukraine on November, 10, 1994 and came into force only on March, 1, 1998 after ratification by the EU 15 member-states. With the moment of PCA coming into force, previous Agreement about trade, economic and commercial cooperation between EEC and Euroatom from one side and the USSR from another from December, 18, 1989, lost its validity.

EU-Ukraine Partnership and Cooperation Agreement was complemented by sectoral agreements. Among them is Agreement between European Communities and Ukraine about trade in textile products (May, 5, 1993), Agreement between Government of Ukraine and Commission of European Communities on creation of the Contact group on coal and steel (June, 8, 1994), Agreement between ECSC and Government of Ukraine about trading in steel products (July, 15, 1997), Multilateral Agreement of INOGATE between Ukraine and the EU concerning creation of legal principles of international cooperation with the provision of energy carriers to countries of Western Europe (July, 22, 1999), Agreement on cooperation between Government of Ukraine and Euruatom in sphere of the guided thermonuclear synthesis (July, 23, 1999), Agreement on cooperation between Government of Ukraine and Euroatom in sphere of nuclear security (July, 23, 1999), Agreement about the quotaless trade in textile products for 2001—2004 (December, 2000). At the same time it should be noted that sectoral agreements which regulated trade in textile and steel actually caused the limitation of Ukrainian export to the EU by establishment of certain quotas (Chekalenko L. 2006, 250-262).

In September, 1997 the first EU-Ukraine Summit took place in Kyiv. Hence, the European choice of Ukraine was confirmed, present problems were discussed in a legal sphere, the ways of economic cooperation were considered

The factor of forming of the EU policy in relation to Ukraine in the first half of 1990s was its vision by Brussels in the context of relations of the EU with Russia. For example, Common position of the EU on Ukraine accepted on a basis of PCA from November, 28, 1994, marked Ukraine's importance for the EU as a large European industrial state, located between Russia and the EU's eastern neighbours. It was underlined that a purpose of the EU is an assistance to the development of Ukraine as a state which has the balanced relationships with Russia and the West.

Gradual activation of relations between Ukraine and the EU was testified by opening a Representative Office of the Commission of the European Communities in Kyiv (October, 1993) and of a Representative Office of Ukraine at European Communities in Brussels (July, 1995), and also by the beginning of bilateral negotiations on some directions of a branch cooperation and trade relations (1994). The important mechanism of realization of the European course of Ukraine was (from 1993) the Interdepartmental Committee on European Communities matters as a state body of coordination of policy of Ukraine in relation to the European Communities, accountable to the Cabinet of Ministers of Ukraine. Since March, 1995 the Common Committee, formed by parties and intended for monitoring of economic and trade cooperation has been operating.

The second stage of development of relations between Ukraine and the EU was completed adoption of EU Common Strategy on Ukraine at the European Council in Helsinki (on December, 10, 1999). During this period (second half of 1990s) events which became corner-stones in the process of rapprochement between Ukraine and the EU took place. Among them is the ratification and beginning of implementation of PCA; acquisition by Ukraine of membership in Council of Europe and OSCE; membership in the program «Partnership for peace»; signing Charter on a Distinctive Partnership between Ukraine and NATO in Madrid in July, 1997; ratification of European Convention on human rights by Ukraine; beginning of negotiations in relation to the entry of Ukraine to WTO. Ukraine sent peace-keepers to Balkans, came forward as a peace guarantor in Moldova. During the EU summit in Florence

(July, 1996) Ukraine was recognized as a country with a transitional economy. The political signal of EU's support of Ukraine was Action Plan accepted by the Council of the EU on December, 6, 1996, which defined directions of interaction between the EU and Ukraine and outlined the ways of assistance to its development. On September, 5, 1997 the first EU-Ukraine summit took place. It confirmed the importance of bilateral relations and also provided an exchange of opinions in relation to existing problems and ways of cooperation in future.

After PCA coming into force steps in direction of instituionalizing relations between Ukraine and the EU, and also internal providing of integration process in Ukraine, were carried out. By the decree of President from February, 24, 1998 Ukrainian part of the EU-Ukraine Cooperation Council was created, it was headed by the prime minister of Ukraine. The decree foresees forming departments of cooperation with the EU in all bodies of state authority. The National Agency of Ukraine on Development and European integration has been also created. On June, 11, 1998 by the decree of President of Ukraine Strategy of Ukraine's Integration to the EU was ratified, it formulates basic directions of cooperation between Ukraine and the EU. During Cologne summit of the EU (June, 3-4, 1999) in Conclusions of Germany presiding in the EU there was marked the achievement of new level in the relationships of European Union with Ukraine.

Acceptance of the EU's Common Strategy on Ukraine during Helsinki summit testified that cooperation with Ukraine constituted special интерес for the member-states of the EU. The EU's Common Strategy, accepted on a basis of PCA, defined priority directions of member-states' and also the EU institutions' policy in relation to Ukraine on a quadrennial term. The EU's Common Strategy for the first time declared political recognition by European Union of European aspirations of Ukraine, and also confirmed a course on strategic partnership with it. At the same time, Strategy dissatisfied the hopes of Ukrainian establishment, as it did not contain recognition of Ukraine as a potential candidate for the EU's membership. Moreover, the persistent desire of the Ukrainian politicians to see such categories as associate or «full-fledged» membership in EU's Strategy on Ukraine was considered in Europe as a display of the elementary misunderstanding of essence, as counterproductive political idealism not supported by anything (Kopiyka V., Shynkarenko T. 2001, 369-405).

Integration of Ukraine into the EU was proclaimed as a key foreign policy priority in inaugural speech of President Leonid Kuchma (November, 1999) and defined in the governmental program (beginning of 2000) as a strategic goal of the state. These very dates might be considered as a beginning of a new stage of development of relations between Ukraine and the EU. Governmental program accepted by Cabinet of Ministers of Victor Yushchenko by a term till 2004 («Reforms for prosperity») defined building of relevant basis for Ukraine's membership in the EU and forming of pro-European majority in society as a primary strategic objective of Ukraine.

The followings stages of advancement of Ukraine to the EU membership were defined:

1. Acquisition of membership in WTO which foresees bringing Ukrainian legislation into accordance with the standards of country with a market economy.
2. Ukraine's joining in European Free Trade Association and European Economic Zone. Realization of PCA.
3. Creation of free trade zone between Ukraine and the EU.
4. Acquisition of status of the associate member of the EU.

In opinion of some specialists, the way of Ukraine's European integration lies through previous political and military-political integration into the Euroatlantic community which includes NATO, Council of Evroatlantic Partnership, program «Partnerships for peace». It is noteworthy that the EU's Common Strategy on Ukraine duplicated directions of cooperation between Ukraine and NATO, in particular, dialogue in crisis situations, control of non-proliferation of weapons of mass destruction, antipersonnel mines, etc. Consequently, in a geopolitical dimension the cooperation of Ukraine with NATO was put into the limelight, including the prospect of entry, while cooperation with the EU develops parallelly mainly in the field of economics.

After PCA's coming into force on March, 1, 1998 with the purpose of realization of strategic course of Ukraine on integration to the EU, ensuring of the comprehensive including of Ukraine in European political, economic and legal space and creation of pre-conditions for Ukraine's joining the EU by Decree of President of Ukraine from June, 11, 1998 Strategy of Ukraine's Integration to the EU, envisioned for a period to 2007 year, was ratified.

In this document Ukraine's acquisition of full-fledged membership in the EU was for the first time proclaimed as a strategic purpose, and getting the status of the associate member of the EU – as a main foreign policy priority of Ukraine in the middle term.

Strategy determines basic directions of integration process:

- adaptation of Ukrainian legislation to the legislation of the EU, protection of human rights;
- economic integration and development of trade relations between Ukraine and the EU;
- integration of Ukraine to the EU in the context of all-European security;
- political consolidation and strengthening of democracy, etc. and its internal securing, and also basic priorities of activity of bodies of executive power for a period till 2007, during which preconditions needed for Ukraine's acquisition of full-fledged membership in the EU must be created .

It was also marked that a receipt of status of associate member of the EU is a main foreign policy priority of Ukraine in the medium-term.

In the context of this Strategy in 1998-1999 the institutional basis of cooperation was formed in accordance with PCA and the first meetings of the Council and Committee on Ukraine-EU cooperation, relevant sub-committees and also the first working meeting of Committee of Parliamentary Cooperation.

Regular consultations between Ukraine and «The Three» («The Three» consists of representatives of the country which presides in Council of Ministers, country which has already presided and country which will preside in the EU) and EU-Ukraine summits became the norm of bilateral relations (European management 2006, 293-304).

Strategy of Ukraine's integration to the European Union, approved by Decree of President of Ukraine from June, 11, 1998 №615, determines basic directions of activity of executive power bodies for a period till 2007, during which conditions necessary for acquisition by Ukraine of full-fledged membership in the EU and joining European political, economic and legal space, were to be created.

With the purpose of realization of Strategy of Ukraine's integration to the EU Program of Ukraine's integration to European Union was developed and adopted by Decree of President

of Ukraine from September, 14, 2000 №1072. The Program outlines the successive steps of Government in all of spheres of public life with the purpose Ukraine's adjusting to the criteria defined by the Council of the EU in June, 1993 in Copenhagen.

The mechanism of realization of programme priorities is annual Action Plan that includes as a component part Action Plans on adaptation of legislation of Ukraine to the legislation of the EU. Due to such mechanism Program is a flexible and open for an improvement document.

The monitoring of implementation of measures of afore-mentioned Action Plans and Action Plans on adaptation was carried out by Cabinet of Ministers of Ukraine jointly with Ukrainian part of Ukraine-EU Committee and the solution of problems which has arisen up during their realization was coordinated.
The program of Ukraine's integration to the EU envisions that since 2000 other programs and plans of political, socio-economic direction already ratified, being developed or will be developed must take into account the aims of this Program and correspond to its provisions. It has considerably extended basic principles for realization of programme priorities by introduction of measures within the framework of other governmental target and sectoral programs, including programs of actions of Government and the programs of socio-economic development.

Aims and tasks of the new stage of Ukrainian development at the beginning of the XXIst century were defined in Message of President of Ukraine to Verkhovna Rada of Ukraine **«The European choice. Conceptual principles of strategy of economic and social development of Ukraine for 2002-2011»**. Clear and dominant orientation of Ukraine towards the integration to European Union, acquisition of status at first of associate, later of full-fledged membership in the EU was considered as a basis of strategy of state economic and social development for next ten years and further prospect. Real preconditions of implementing major geopolitical task of our state - Ukraine's joining the EU should become the pivot of strategy of economic and social development creation for the next 10 years and more distant perspective of the .

Strategy of economic and social development of Ukraine for 2004-2015 «In the way of European integration», which was approved by President of Ukraine on April, 28, 2004 (Decree of President of Ukraine №493) acknowledged the acquisition by our state of full-

fledged membership in European Union as the ultimate goal of eurointegration course of Ukraine. Document states that the European choice of Ukraine was a choice in favour of the European values, transformation of the institutional system of the state into the institutes of the European standard, implemenation of the European standards of socio-economic and political development, relevant level and quality of life of population.

Institutional ensuring of realization of public policy of integration to the EU was defined by Strategy of Ukraine's integration to the EU, by other decisions of President of Ukraine, Verkhovna Rada of Ukraine and Cabinet of Ministers of Ukraine. It includes the following institutions:

- State council on questions of Ukraine's European and Euroatlantic integration was created for coordination of measures directed on realization of strategic aims of public policy in relation to ensuring Ukraine's joining European political, economic, security and legal space, establishment of preconditions for acquisition by Ukraine of membership in the EU, increase of efficiency of coordination and control over activity of authorities in the field of Eurointegration (Decrees of President of Ukraine from August, 30, 2002 №791 and from January, 30, 2003 №48).
- State council is headed by President of Ukraine, it also includes Chairman of Verkhovna Rada of Ukraine, Prime Minister of Ukraine, Head of Secretariat of President of Ukraine, Secretary of National Security and Defense Council, Representative of Ukraine on issues of European and Euroatlantic integration, Minister of Foreign Affairs, Minister of Economy, Minister of Defence, Minister of Justice, President of the National Academy of Sciences, Director of the National Institute of Strategic Studies, Chairman of the National Center on Euroatlantic integration issues.
- Governmental committee of economic development and European integration issues, which was formed by the decision of Cabinet of Ministers of Ukraine from September, 13, 2000 №1165. Main task is to form and realize public policy in the respective sphere according to the strategy defined by the Cabinet of Ministers of Ukraine.
- Committee of Verkhovna Rada of Ukraine on European integration issues, was created by the decision of Verkhovna Rada of Ukraine from June, 7, 2002 №13. Also it includes separate ministries which within the limits of their jurisdiction carry out interdepartmental coordination of process of Ukrainian integration to the EU are defined by Decisions of President of Ukraine (MFA - in the field of external policy and security policy (in MFA

there was created a position of the First Deputy of Minister of Foreign Affairs on European integration issues); Ministry of economics - on issues of economic and social cooperation, development of trade relations, regional and sectoral cooperation, organizational provision of integration process; Ministry of justice - in the field of adaptation of Ukrainian legislation to the legislation of the EU and justice and internal affairs, etc).

- To implement decision of Cabinet of Ministers of Ukraine in the central bodies of executive power there were created or defined structural subdivisions on European integration issues.
- PCA foresees the creation of common Ukraine-EU bodies - Council and Ukraine-EU Cooperation Committee, Committee of parliamentary cooperation between Ukraine and the EU:
- Ukrainian part of Council on Ukraine-EU Cooperation (Decree of President of Ukraine from February, 24, 1998 №148) is headed by Prime Minister of Ukraine to whom First deputy - Representative of Ukraine on European and Euroatlantic integration issues (since 2005 it is separate position of Vice-Prime Minister of European integration), Minister of Foreign Affairs, Minister of Economy and Minister of Justice are subordinated. All ministers and other leaders of central bodies of executive power are members of Ukrainian part of the Council.
- Ukrainian part of Committee on Ukraine-EU Cooperation (decision of Cabinet of Ministers of Ukraine from July, 13, 1998 №1074 with changes and amendments) was formed as an auxiliary body of Ukrainian part of the Council. It is subordinated and accountable to Prime Minister of Ukraine who is a Chairman of Ukrainian part of Council on Ukraine-EU Cooperation
- One of the turning-points in relation to Ukraine's integration in European economic space was signing of Declaration «Ukraine – EFTA» in Geneva on June, 19, 2000, where basic directions and institutional principles of cooperation between parties, and also receipt by Ukraine of status of country with a market economy in anti-dumping businesses (decision of Council of the EU from October, 9, 2000) are marked. Ukraine met its obligations in relation to closing Chornobyl APP on December, 15, 2000.
- At the same time, the euphoric moods of past years changed by the realistic awareness that a period of adaptation of Ukraine to the political and economic requirements of the EU will be a long process. In opinion of specialists, the period of Ukraine's approaching the level of the developed countries will last about twenty years.

The approval by European Council of the EU Common Strategy on Ukraine in December 1999 had a major importance for developing relations between our state and European Union.

The main instrument of realization of Strategy has become Program of Ukraine's integration to the EU approved by Decree of President of Ukraine on September, 14, 2000. Accepted with the purpose of acceleration of implementation of the Partnership and Cooperation Agreement between Ukraine and European Communities and their member-states and realization of Strategy of Ukraine's integration to the EU, Program played an important role in bringing in of all of the system of state administration to practical realization of Strategy of Ukraine's integration to the EU. To implement it, Cabinet of Ministers of Ukraine was entitled to develop and approve annually, starting from 2001, Action Plan in relation to realization of priority positions of Program, whose component part should be a plan of work on adaptation of Ukrainian legislation to the legislation of European Union with the expenses foreseen in the State budget of Ukraine for financing of measures for its implementation.

By its volume Program was a relatively large and concrete document that consists of 140 sections, each of which has the following parts:

- description of current situation;
- short-, medium- and long-term priorities;
- major directions of adaptation of Ukrainian legislation to the legislation of the EU;
- institutional and financial needs (estimation of resources necessary for realization of priorities).

Conceptual principles of strategy of economic and social development of Ukraine for 2002-2011 sets a number of practical steps in European integration, which by their nature can be considered as state sub-startegies or as concrete strategies of the European choice. It is, in particular:

- acquisition by Ukraine of membership in World Trade Organization;
- conduct of negotiations process and signing of EU-Ukraine Association Agreement;
- conduct of negotiations process about creation of area of free trade between Ukraine and the EU;
- adaptation of Ukrainian legislation according to the requirements of EU's legislation;

- conduct of negotiations process and creation of Customs union with the EU;
- complete implementation of EU-Ukraine Association Agreement and Copenhagen and Madrid criteria of membership in European Union (2007-2011);
- creation of the real preconditions for Ukraine's entering into the EU (2011).

However, realization of these strategies was considerably postponed in connection with the actual refusal of former President of Ukraine from Eurointegration course that showed up not only in conservation of buliding of open economy, unwillingness to overcome a system corruption on the higher stages of power but also in pressure on basic democratic values, such as freedom of speech, free elections and political competition.

As a result there dominated «declarative» culture and was a shortage of «implementation» culture in the bodies of executive power, weak institutional, functional and financial fixedness of priority of European integration policy, underdeveloped mechanisms of interdepartmental coordination and monitoring of implementation of the decisions and obligations taken, low level of professional training, knowledge and skills (including an unsatisfactory knowledge of foreign languages) of civil servants of even higher rank in European integration sphere. Unbalanced state of these problems lately not only generates more complicated problems, related to realization of state strategies of the European choice but also has generated new questions, simultaneously reanimating the old ones.

Approval on May, 12, 2004 the EU institutions of **European Neighbourhood Policy - Strategy Paper** and on December, 9, 2004 **Ukraine-EU Action Plan** by European Commission activated EU-Ukraine integration processes to certain extent, and Orange revolution in Ukraine at the end of 2004 - beginning of 2005 caused official approval of **Ukraine-EU Action Plan** on February, 21, 2005.

Within the framework of Ukraine-EU Action Plan a number of measures whose realization would allow strengthening relations between Ukraine and the EU considerably were being offered. Priorities defined by Action Plan can be considered sub-strategies whose essence was the following: the afore-mentioned allowas to draw a conclusion that state strategies of the European choice of Ukraine are divided into such that were developed and accepted in a

period prior to the beginning of 2005 and after. Also state strategies of the European choice by their essence are divided into general and concrete.

Among general strategies were those marked in:

- provisions of Declaration about state sovereignty of Ukraine and Constitution of Ukraine, Partnership and Cooperation Agreement between Ukraine and European Union,
- EU-Ukraine Integration Strategy,
- Message of President of Ukraine to Verkhovna Rada of Ukraine «The European choice»: conceptual principles of strategy of economic and social development of Ukraine for 2002-2011, Ukraine-European Union Action Plan.

Concrete state strategies of the European choice of Ukraine which can be named substrategies, laid down in such documents as Ukarine-EU Integration Strategy.

- Message of President of Ukraine to Verkhovna Rada of Ukraine «The European choice»: conceptual principles of strategy of economic and social development of Ukraine for 2002-2011
- Ukraine-EU Action Plan (European management. 2006, 293-304).

Priorities, principles and bases of economic cooperation between Ukraine and the EU are formulated in the respective acts of President, government and Verkhovna Rada of Ukraine. Central place in the general institutional and legal system of Ukraine-EU economic cooperation belongs to Partnership and Cooperation Agreement. As for the probable membership of Ukraine in the EU, positions of parties have asymmetric character predefined mainly by long socio-economic crisis and slow motion of economic transformation of Ukraine.

The leading forms of economic cooperation between Ukraine and the EU are trade, investment activity and technical help. Central place belongs to trade in the general system of economic cooperation. European Union (the EU) at the beginning of XXI century entered the new stage of the unprecedented deepening of integration (the completion of forming economic union and approaching to realization of political union) and expansion of its scales. Eurointegration becomes reality for many countries of Central and Eastern Europe (Policy of European integration 2007, 43-60).

One of the most essential and effective instruments of Ukraine's integration to European community is cooperation within the framework of **EU's Program of Technical Assistance for the Commonwealth of Independent States** (Program Tacis)

The program Tacis was started with Program of technical assistance to the USSR, founded by Protocol from August, 2, 1991. On February, 11, 1992 Ukraine together with other countries of the CIS signed Protocol of Agreement with the EU which defined basic principles of the program for NIS. Tasis is the program developed by the EU with the purpose of assistance development of harmonic and strong connections between the EU and these state-partners, support of process of transition to the market economy and development of democratic societies.

Regulation of the Council (the EU, EURATOM) from December 29, 1999 which is acting at the present moment defined six spheres to get technical assistance:

1. Institutional, legal and administrative reform
2. Support in realization of economic reforms and development of private sector
3. Social consequences of transition to the market economy
4. Development of infrastructural networks
5. Support of conservancy and rational use of natural resources
6. Development of agriculture

Additionally, the separate sphere of cooperation is Program on nuclear security (for states-partners with APP). Basic technical, legal and administrative aspects of realization in Ukraine of the programs and projects of technical assistance are regulated by an international agreement «General rules applicable to the financing memoranda», adopted on December, 28, 1994 between Government of Ukraine and Commission of European Communities.

The assistance to Ukraine within the framework of the program Tasis at the moment is given through:

- National program, including the programs of small projects;
- Regional program;
- Program of transborder cooperation;
- Program of nuclear security, including common Action Plans of the EU and «Great Seven»

in relation to power sector of Ukraine.

In regulations of the EU Council concerning the indicative programs, aims and tasks of program in every country are determined. Tacis program is not static; it changes according to the needs of time. For example, in Regulation of 1996 two goals were set as a priority: support of economic reforms and strengthening of democracy. Within the framework of these two priority aims Tacis program encompassed all spheres of life of countries-recipients - economy, policy, legal system, education, state institutions and administrations, public organizations, etc. Indicative programs are concretized and specified in annual Programs of actions ratified by European Commission, where separate projects and directions of actuvities, financing are determined. On the whole, within the framework of Tacis program since 1991 till 1996 an assistance of over 400 millions EUA was given to Ukraine. «Geography» of technical assistance at regional level included Donbas, triangle Kharkiv-Dnipropetrivsk-Zaporizhia, Crimea.

Within the framework of Tacis program five types of assistance were given in the second half of 1990s.

1. National programs developed on the basis of Action Plan.
2. Intergovernmental programs which included projects common for several countries, mainly in the field of energy, fight with organized crime, drug dealing.
3. Programs of transborder cooperation directed on the improvement of border control, development of transport connection, etc; the program has been expanded to Ukraine since 1996 in connection with perspective of the EU enlargement.
4. Programs of nuclear security, in particular, program of increase of nuclear security of operating reactors, program on converting "Shelter" object into an environmentally clean object.
5. Programs of small projects (whose financing amounts to, with some exceptions, not more than 300 000 EUA); the EU finances more than 15 programs of small projects: bistro - a conduct of conferences, seminars, research, realization of study programs; LIEN - connection with European non-governmental organizations; TEMPUS - the European program of cooperation in the field of higher education, ACE - program of cooperation in the field of economics, ESSN of – assistance to small and medium enterprises, OVERTUR - regional development; INTAS – encouragement of cooperation with the research fellows of NIS, etc. Stimulation of investments in 2000 – 2006 was recognized as a program

priority for 2000-2006 (Ukrainian size amounts to 600 millions EUA), 25% of costs of the program will target that. It was foreseen that next to a traditional form of technical assistance (consultations of the European specialists) projects will include industrial cooperation between the enterprises of the EU states and CIS. Technical assistance of the EU in 2001-2003 with an annual budget over 50 million Euro was directed to the development of civil society, education, support of small and middle business, reformation of power sector, creation of the modern banking system, and development of social policy in Ukraine.

With the purpose of reorganization of atomic power sector and closing of Chornobyl APP Commission of the EU granted 500 millions EUA, 100 millions from them in form of grants from Tacis and 400 millions EUA in form of loans given by Euratom. After closing of Chornobyl APP the EU made a decision to grant Ukraine 65 million Euro for compensation of fuel deficit. On December, 13, 2000 the European Commission approved granting credit of 585 million dollars to the National powergenerating company of Ukraine «Energoatom» from Euratom on completion, modernization and introduction in action of the second block on Khmelnitskiy and fourth block on Rivne nuclear power plants, that covers approximately 40% of necessary sum (the total cost of this project is estimated as 1 480 million dollars), EBRD agreed to grant 215 million dollars. Together with the afore-mentioned programs the general financial obligation of the EU concerning assistance to Ukraine relating to closing of Chornobyl APP reached about 1,2 milliards Euro.

In 2004-2006 the EU financed indicative program (212 million Euro), indicative program TAC1S on nuclear security for 2004-2006 (117 million Euro), program «Neighbourhood» in the field of transborder cooperation for 2004-2006 (75 million Euro).

At the beginning of 1990s Ukraine exported to the EU mainly oil and oil products purchased in Russia for discounted prices. From the middle of 1990s in Ukrainian export to the EU states such commodity groups as base metals (especially products of ferrous metallurgy), textile and soft goods, mineral and other products prevailed; on the whole in 1998-2002 they provided 58-64% receipts from supplies of Ukrainian commodities to the EU markets.

The export of capital-intensive products prevailed in 1990s inherited in the production structure of the former USSR, where heavy industry prevailed. At the same time the EU

accused Ukraine in non-fulfillment of PCA. In December, 1999 European Commission put into notice of Ukraine 19 primary problems in trade sphere, among which were privileges for some investors, in particular, in motor-car construction, problems with the certification of products, and also customs export duties and increases of tariffs.

An important event in Ukraine-EU relations became the acceptance by the EU Council on October, 9, 2000 decisions about the exception of Ukraine from the list of countries with non-market economy and distribution on Ukrainian export of order of definition of «normal cost» according to the rules which are used in relation to countries with a market economy. In December, 2000 Agreement between Ukraine and the EU about the quotaless trading in textile products for 2001-2004, in 2001 preblematic questions related to expansion of quotas on export of Ukrainian metal production to the EU was still being discussed.

In investment industry member-states occupied waiting position mostly. On January, 1, 2001 only four countries invested in Ukrainian economy, mainly in industry of food industry and domestic trade, capital of over 100 millions dollars: Netherlands - 361,8 million dollars (9,3 % of all direct foreign investments in Ukraine), Great Britain - 299,4 million dollars (7,7%), Germany - 237,9 million dollars. (6,1 %), Austria - 126,3 million dollars (2,5 %). At the same time, in 1990s the EU remained the largest foreign investor in Ukraine, which invested more than the USA and Russia together (Buriak P., Gupalo O. 2007, 199-122).

In trade with Ukraine the leader in 1990s was Germany. Italy, France, Spain, Austria, Netherlands were the following. These countries had 77,8% of commodity turnover between Ukraine and the EU. The least volumes of trade were observed with Luxemburg, Belgium, Sweden. Practically those very countries occupied leading positions in Ukrainian import. The major exporters of commodities from European Union to the Ukrainian market at the end of 1990s were Germany - 8,56%, Italy - 2,77%, France - 2,03%, Great Britain and Netherlands - 1,09% each, and Finland - 0,78%.

The increase of export from Ukraine to the EU, and also positive changes in its structure were impeded by slow changes in national economy, development of shadow economy in foreign trade, low level of competitiveness of the Ukrainian commodities. Cooperation between Ukraine and the EU member-states had a relatively limited character concerning the nomenclature of goods, forms of economic relations. The commodity structure of trade

turnover of Ukraine with the EU countries corresponded the structure of the EU trade with developing countries. Ukraine exported commodities with low level of treatment and imported machines and technological equipment, manufactured goods and foodstuff (Kopiyka V., Shynkarenko T. 2001, 369-405).

In the conditions of the EU enlargement Ukraine considered use of its transit capabilities perspective for development of bilateral cooperation. That meant concentrating on the territory of the country of international transport corridors, their effective integration in transport systems of Europe and Asia, Baltic and Black Sea regions. Four from ten international transport corridors which are included in the European net pass territory of Ukraine, two from five Eurasian transport corridors. Ukraine has all opportunities for participating in solution of wide spectrum of problems related to securing energy needs of Europe, including their participating in the reconstruction of the gas-transport system of Ukraine, in the project of Euroasian oil-transport corridor, in exploitation of oil pipeline Odesa—Brody —Hdansk—Plotsk (Ukraine: strategic priorities 2005, 63-67).

In the economic sphere the important long-term factor of positive influence on the socio-economic parameters of Ukraine's development are the EU's requirements concerning meeting the criteria, determined for countries-candidates. Besides losses in a short-term period, implementation of requirements and standards of the EU will orient Ukraine to the achievement of important landmark in the increase of effectiveness of market institutions and market economy, opportunity to sustain competition pressure and market forces within the EU, that is in a long-term prospect a positive influence of EU enlargement on Ukraine.

It should be marked that there is a progress of Ukraine on the way of Eurointegration during period which passed from the first wave of EU enlargement. In particular it is including to the programs of internal economic development of European integration goals, namely: strengthening of democratic, market principles of realization of economic activity, providing of market freedoms to subjects of economy, balancing of «rules of game» in the internal market, widening spectrum of actions concerning fight with organized crime and corruption, diversification of foreign trade; expansion of cooperation with ten new EU member-states in the field of realization of Ukrainian interests in the EU (in particular, with Poland); deepening of negotiations process with the EU, and also expansion of consultative, methodical and technical assistance, mediation of the EU in political, economic and humanitarian spheres.

After enlargement European Union transformed into one of key economic partners for Ukraine in regard of the volumes of economic cooperation. Ukraine has considerably strengthened cooperation with the EU. In 2004 goods turnover between Ukraine and enlarged EU was 31,4 %, that reaches the index of the CIS states and exceeds the index of commodity turnover with RF (27,2 %).

In 2005 some negative tendencies of cooperation between Ukraine and the EU became apparent, partly forecast as losses from EU enlargement. According to the results of the first half-year in 2005 export of Ukraine to the EU decreased to 28,4 from 32,7 % in the same period in 2004 (that comprises 267,3 million USA dollars of lessening of export supplies). The particle of import from the EU countries decresed a little less - in first half-year in 2005 it was 31,9 % comparing to 33,2 % in the same period in 2004. Besides, during the first half-year in 2005 lessening of supplies of products of machine- and instrument-making took place which comprised only 35,2 % from the same period in 2004.

Among basic orientations of state strategy, directed on harmonization of Ukraine's joining the system of labour division in European space, the following, in our opinion, should be named:

- increase of investment attractiveness of domestic economy due to the use of new investing opportunities, which arose up in connection with enlargement of European Union, increase of volumes of bringing in of foreign investments to Ukraine in hi-tech branches of economy;
- activating interaction with European Commission in relation to fostering receipt by Ukraine of status of country with a market economy;
- developing systems of mutual defence of national and European investments, defence of investors' rights in Ukraine and the EU;
- organizational and economic assistance to advancement of products of Ukrainian producers to the market of European Union, in particular due to introduction of the informative and educational programs among national businessmen about the potential of the EU market; forming information channels for the bodies of state administration and subjects of economy of the EU countries about investment potential of Ukraine; fostering activity of trade missions of Ukraine in the EU states;
- information support of European integration of Ukraine, adjusting of information exchange, and practical assistance in the search of business contacts with the enlarged EU, realization

at bilateral level of the program of meetings, educational seminars, information exchange and also experience exchange between the representatives of Ukrainian business and their European partners;

- creation with the support of Ukraine and the EU of the educational programs for the Ukrainian businessmen on informing about requirements in relation to quality and standards of the EU in commodities and services, practical courses on marketing etc for the increase of adaptation capabilities of the Ukrainian enterprises on the markets of the EU states;
- introduction of monitoring concerning unfair competition between the Ukrainian producers and producers from the EU both at the internal Ukrainian market and on the markets of the EU member-states with the purpose of preventing discrimination of Ukrainian enterprises;
- organization of intergovernmental group to study potential and provide implementation of innovative projects between Ukraine and the EU, deepen relationship between scientific research and productions, development of strategy of expansion of industrial and technological cooperation and scientific and technical cooperation between Ukraine and the EU countries, including the one on the basis of common financing of projects.

One of the first steps on the way of integration to the EU was Ukraine's entering World Trade Organization (WTO), which became possible in 2008. Direct economic consequences of Ukraine's membership in this organization is a facilitation of access to the world markets of commodities, labour, services, due to the receipt of the proper rights for defence of its interests on world markets, considerable expansion of volumes of foreign investments attracted, and defence of interests of national producer. Ukraine's Membership in WTO was a precondition of the beginning of negotiations with the EU about association and free trade zone.

Completion of internal procedures necessary for Ukraine's entry to WTO on December, 13, 2006, was the largest achievement of Ukraine in the field of implementation of economic part of Ukraine-EU Action Plan. Ukrainian diplomacy provided external accompaniment of our state's entry to WTO: due to their efforts in 2006 6 bilateral protocols were signed with the countries-members of working group and total political support of our state by all WTO member-states - participants of negotiations process – was ensured.

The government of Ukraine during October-November 2006 submitted, and Verkhovna Rada accepted a package from 20 bills that bring the Ukrainian legislation in accordance with

bilateral protocols, signed during negotiations with the countries-members of working group. The final acceptance of Ukraine to WTO took place only in February, 2008.

An important step for providing economic progress of Ukraine and its joining European economic space as a full-fledged member was an introduction of free trade area (FTA) between Ukraine and the EU. After entry to WTO there finally started preparation of the relevant agreement, article 4 of PCA underlined the possibility of negotiations about the creation of FTA starting as early as 1998.

EU's decisions and documents relating to Ukraine

In the official EU documents no point of view in relation to membership of Ukraine in this organization was expressed. Common position of the EU countries in regard of Ukraine related to support of development of democracy in this country, economic reformation, deepening of economic cooperation. Among the first documents accepted by the EU in relation to Ukraine, there was granting to Ukraine the advantages of Generalized Scheme of Preferences from January, 1, 1993, and also approval of the EU Strategy on Ukraine in April, 1994.

To demonstrate to the Ukrainian authorities growing support from the EU, and also for activation of cooperation of Ukraine with the countries of Community European Union in the second half of 1990s років accepted a range of relevant documents. Among them was the Common EU Position on Ukraine (November, 28, 1994), which contains obligations of the EU member-states to support independence, territorial integrity and sovereignty of Ukraine. In Common Position the interest of the EU in development of democracy and market economy in Ukraine, and also its integration, into world economic order, was expressed. In Declaration of the EU on Ukraine (May, 1996) it was underlined that independence, territorial integrity and sovereignty of Ukraine is a key element of security in Europe.

On December 6, 1996 the EU Council, taking into account Ukraine's declaration of course on European integration, accepted **Action Plan** with Ukraine.

The Action Plan foresaw six main directions of the EU and member-states' activity concerning Ukraine:

- support of policy of the macroeconomic stabilizing, and also assistance to the deepening of economic reforms in Ukraine;

- assistance to Ukraine' enetering into the European security system;
- support of transformation of Ukrainian society, assistance in the conduct of administrative and legislative reforms;
- support of regional cooperation: encouragement of cooperation of Ukraine with neighbours, in particular, with the associate members of the EU, and also support of cooperation with countries of Black Sea region;
- assistance in reformation of power sector: assistance in the implementation of strategy of energy-savings, restructuring of coal industry, diversification of sources of fuel supply, increase of security level of nuclear power plants, closing of Chornobyl APP.

An important event in the relations between the EU and Ukraine was the adoption during the December session of European Council in Helsinki (December, 10-11, 1999) of the **EU Common Strategy on Ukraine**. The most important in Common strategy is recognition of European aspirations and European choice of Ukraine by European Union, although it was not recognized in the Strategy as a country-candidate for the EU membership. Nevertheless, in the EU Common Strategy on Ukraine the EU for the first time recognized «European aspirations of Ukraine» and greeted its «pro-European choice». Accepting Common strategy for 4 years term, European Council acknowledged that successful and stable Ukraine meets the EU interests. It was also underlined that complete implementation of PCA is a precondition of successful integration of Ukraine in the economy of Europe and will help Ukraine to assert the European identity.

Strategic partnership with Ukraine was considered a vital factor of movement to peace, prosperity and stability in Europe. Common strategy defined the following goals of strategic partnership:

- support of process of democratic and economic transformations in Ukraine;
- solution of common problems on the European continent;
- support of cooperation between Ukraine and the EU in the context of its enlargement.

Common strategy set the medium-term background for subsequent development of relations between Ukraine and the EU, taking into account the fact that with the enlargement process Ukraine would become the direct EU neighbour, coordinated actions of the EU member-states, and also the order of applications of various EU instruments (Buriak P., Gupalo O. 2007, 199-122).

Since January, 2000 the EU common strategy was realized on the basis of half-year workings plans which are developed by the states presifding in the EU. The term of action of the EU Common strategy on Ukraine finished in December 2003.

Subsequent vision for the future of Europe and Ukraine's place in it the EU defined in two documents developed by the European Commission: **«Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and. Southern Neighbours»** from March 11, 2003 and **«On European Neighbourhood Policy Instrument»** from July, 1, 2003 which foremost defend the EU interests. The main purpose of these documents is to maintain stability on the expanses of the EU and prevent new threats which can go out from Ukrainian territory. Documents also suggested creating in the nearest ten years together with the neighbour states area of prosperity and good neighbourhood – «circle of friends». Thus Europeans showed the understanding of necessity to spread the advantages of welfare and prosperity on new neighbours, rather than to erect a new wall around Europe.

At the same time the EU pledged to give Ukraine financial and technical assistance for organization of boundary points and creation of boundary infrastructure on the western border of Ukraine to prevent illegal, uncontrolled migration, in particular, labour one (for the realization of the program in 2004-2006 the EU provided 255 million Euro). According to the mentioned list of the «neighbourly programs» Ukraine takes part in three of them: cooperation of Ukraine, Poland and Belarus; cooperation of Hungary, Slovakia and Ukraine, and cooperation of Ukraine with the countries of Central and Eastern Europe. The new plan on Ukraine (May, 12, 2004, Brussels) implied cooperation, but not subsequent enlargement.
The Ukraine-EU relations develop according to the scheme of the special neighbourhood which means creation of circle of friends for European space, and for Ukraine - vagueness of prospects. Research of neighbourhood concept enables to come to the conclusion about that with this program coincides with the model of «Europe of concentric rings», which was offered at the beginning of 1990s by the Prime Minister of France Balladur. This model foresaw the formation of different areas of cooperation around the consolidated kernel of the EU with the differentiated depth of integration which would diminish gradually: the EU – as a kernel of Eurointegration process; the second and third rounds are countries of the European economic area (EEA) and countries-candidates for EU membership; wider circle – all other European countries, including newly independent states (i.e. CIS countries).

Concept «Wider Europe» prepared by the European Commission in March 2003 states that the relationship of the EU with neighboring countries in future should be based on bilateral Action Plans which can in future replace existing EU Strategies concerning these countries. At the same time it is foressen that such Action Plan for every concrete neigbouring country would be separate, its development and approval will take place taking into account suggestions of the country concerned.

In June, 2003 The EU Council made a decision to develop similar document with Ukraine. **Ukraine-EU Action Plan** must become one of basic instruments of transferring of relations between sides from the model of cooperation to the model of integration.

Within the framework of Sixth Ukraine-EU Summit (October, 7, 2003, Yalta) sides came to the consent as for the necessity of common development of document which will represent common vision of sides relating to all sides of relations.

In January - March, 2004 three rounds of consultations took place with European Commission concerning preparation of Ukraine-EU Action Plan for realization of initiative «Wider Europe-Neighbourhood»
Ukraine-EU Action Plan is the program concerted between Sides of mutually beneficial partnership which takes place in the context of the European Neighbourhood Policy which is a strategic philosophy of development of cooperation of Euroepan Union with the neighbouring states after EU enlargement in May, 2004.

From the very beginning of work on project of Ukraine-EU Action Plan the Ukrainian side expected that it will be the additional resource of filling the EU-Ukraine relations of qualitatively new sence. Unfortunately, the EU refused to meet requirements of Ukraine concerning fixing in the document formula of «transferring the relations from partnership and cooperation to integration and association». The European Union sees Action Plan as an instrument of ENP, intended for the reflection of political and economic situation in Ukraine.

Three-year Action Plan to foster cooperation between European Union and Ukraine within the framework of the European «new neighbourhood» policy was signed by Ukraine and the EU on February, 21, 2005, and on February, 25, 2005 there was signed Action Plan with ten additional points which touched: granting status of market economy to Ukrainian economy,

support of country's entry to WTO, prospects of creation of free trade area between Ukraine and the EU, simplification of the visa regime between Ukraine and European Union. Liberalization of visa regime for Ukrainian citizens targets students, journalists, diplomats and businessmen which have business relations in the EU countries. Consequently, informal apendix to Plan, so-called road map, determines the concrete ways of realization of the mentioned Plan. Ukraine abolished visas for European diplomats since 1997 and for other EU citizens — from spring 2005 and reciprocally wants the same step from the EU.

Advancements of Ukraine in direction of Eurointegration was strengthened by the results of the December Ukraine-EU summit (December, 1, 2005, Kyiv), after which parties signed Memorandum on mutual understanding between Ukraine and the EU concerning energy industry. Document says about monitoring of operating nuclear power plants in Ukraine and introduction of «energy» legislation of the EU. Taking into account enormous experience of the Ukrainian side in the field of technology of global satellite orientation, the EU also signed with Ukraine an Agreement on cooperation within the framework of the European program of satellite radionavigation «Galileo». Notably, that similar document was signed with China and Israel. Apart from Memorandum, there was signed an Agreement on cooperation in civil aviation industry which allows the European airlines to carry out flights between the EU countries and Ukraine. That foresees the integration of aviation industry of Ukraine in the European structures. Positive consequences of the mentioned agreement it doubtful, as Euroinstitutions in case of expansion to Ukrainian air space will limit the development of domestic air industry of Ukraine.

The analysis of this document testifies that hopes of the Ukrainian side about its balanced nature (in sense of full consideration of interests of both partners) did not come true. Wit some exceptions, it resembles more a new «home task» for Ukraine. And very complex task. In fact it is hard to imagine efficient realization in a three-year period of that list of obligations which can be put on Ukraine according to this Action Plan. At the same time, in EU's opinion, only proper implementation of tasks will allow Ukraine to hope for a subsequent progress in bilateral relations.

The European partners are not inclined to give many promises. Rather vice versa. That relates, in particular, to clear definition of terms of conclusion of treaty to replace PCA, creation of area of free trade (FTA), and also introduction of the preferential regoime of movement for

Ukrainian citizens. For this purpose today there is a range of obstacles of both objective and subjective character.

During negotiations on adoption of Action Plan Ukrainian side repeatedly raised question about establishment of terms of grant of status of the associate member to our state. There were expressed wishes in relation to including the association treaty to one package with an agreement of FTA creation. However, the EU's position is unambiguous: relevant questions could be examined only after implementation of preliminary conditions, foreseen by AP, and correction by the EU of its strategy in relation to Ukraine.

The other explanation of uninclination of the European partners to give Ukraine any guarantees of association can be problems which arose as a result of recent enlargement and expected EU's enlargement with new countries of Eastern and Southern Europe. Considerable sizes of our state and amount of population will require bringing in enormous resources from the EU which is in any case limited at the moment.

Effort in the sphere of democracy and supremacy of law which must become an immediate imperative and to foresee a subsequent targey assistance, including strengthening of civil society (for these aims the European investment bank gives a credit Ukraine in amount of 250 million Euro). Making speech on February, 25, 2005 in European Parliament, President of Ukraine V.Yuschenko marked that new President and government of Ukraine had been determined with the constituents of future decisions, and with their form. It is norms and standards of European Union, its legislation, legal, political, economic and social culture. European integration is the most efficient and actually the only possible program of reforms for modern Ukraine. During the last years much has been already done for the beginning of European integration of Ukraine. Entering the EU is defined as a main task of state authorities, strategic foreign politicy course of Ukraine. But notwithstanding certain changes, declarations about integration to Europe much has been left on paper.

Can Ukraine carry out necessary transformation without the assistance from the EU side? Considering experience of new members of European Union, there are grounds to doubt that. Level of technical and financial support from the side of association to countries-candidates was extraordinarily high and considerably exceeded the assistance which Ukraine gets by the Tacis program. Probably, it would be expedient to develop for Ukraine a special program of assistance which would be based on those programs which operated for former and present

countries-candidates. As the conception of «Wider Europe» foresees the potential prospect of sharing freedoms of the Common market with countries-partners, such action would be fully justified (conception mentions about it). However, taking into consideration a wide geographical sphere of distribution of the program, the EU linked technical assistance with the achievement of progress in implementation of bilateral Action Plan.

In the light of mentioned circumstances, Ukraine most probably should not force effort to receive status of the associate member from the EU in the nearest future.
As Action Plan was a project with relatively general contents, the Ukrainian side developed more detailed program of its implementation which is entitled «Road map». This document foresees measures on implementation of Ukraine-EU Action Plan in the current year. After its assertion by Cabinet of Ministers of Ukraine and presentation in Brussels the Ukrainian government, and more precisely three key ministries – Ministry of Foreign Affairs, Economy and Justice, started realization of the planned steps. Two basic principles, experts counted on during drafting the «map», is reality of its implementation and adequate financial support both from Ukrainian and from the European side.

Measures foreseen in the «Road map» cover six directions of cooperation which are marked in Ukraine-EU Action Plan: political, economic, socail, energy spheres, justice, etc. This is a document which was drafted by ministries; it has a clear structure, performers, and terms of action.

In our point of view, detailed elaboration of Action Plan was made, firstly, in order demonstrate responsible attitude towards the obligations from the Ukrainian side, and secondly, to ensure greater level of discipline of Ukrainian eurointegrators and more clear structuring of process of reforms implementation. The success of implementation of the «Road map» by Ukraine in the context of Ukraine-EU Action Plan would influence the conclusion of not only Brussels but also all world community about the ability of new authorities to fulfil promises and manage the processes of state modernization. Thus, official Kyiv realized the necessity of persistent work which should determine the European prospects of Ukraine and its chances to join the EU. One of major provision of Action Plan was recognition of possibility to conclude a new enhanced agreement between Ukraine and the EU. Without doubt, the contents of a new enhanced agreement have depended on success in AP implementation and progress in reforms realization. At the same time, our position is that

the nonordinariness of events which took place recently in Ukraine and a positive democratic advancement demonstrated by the Ukrainian people needed maximal support - adequate and answer from the EU side. Ukraine will never perceive the term «neighbour» because in fact proior to the revolutionary events Ukrainians identified themselves as Europeans, and after a new president was elected that seems to have been understood in Europe too. However, Partnership and Cooperation Agreement between Ukraine and the EU expired on March, 1, 2008. Thus, even without Orange revolution in any case it was necessary to decide a question about the possibility to renew existing contract relations between Ukraine and European Union (Pokryshka D., Gorelov D. 2005, 508 – 517).

Preparation of a new Enhanced Agreement between Ukraine and the EU

Negotiations on a new Enhanced Agreement about partnership between Ukraine and the EU are exposed to the insuperable barriers. The main is different conceptual vision of contents and philosophy of the noted document. For the Ukrainian side this philosophy of relations with the EU is seen in a formula «political association + economic integration». The European Union views future development of relationships with Ukraine only within the framework of «neighbourhood policy» which guarantees the prospect of its membership neither now nor in future.

Moreover, on April, 11, 2007 European Commission offered new strategy of relations of the EU with the countries of the Black Sea region. Such strategy has three constituents: preparation of Turkey to the entry in the EU; European Neighbourhood Policy towards Ukraine, Moldova, Georgia, Armenia and Azerbaijan; strategic partnership with Russia. As the primary objectives of new strategy of relationships with the countries of the Black Sea region European Commission considers the following:

- development of democracy;
- defence of human rights;
- transparency of power;
- strengthening of security and fight against illegal migration;
- solution of «frozen conflicts »;
- cooperation in spheres of energy, transport, environmental protection;
- cooperation in trade, marine policy, fishing, science and technologies;
- solution of problems of unemployment and regional development.

Thus European Commission does not see a necessity for creation of new institutes or bureaucratic structures and finds it possible to realize new strategy both on the basis of bilateral contacts and multilateral dialogue. Besides, European Connission expresses readiness to strengthen contacts with regional organizations of Black Sea region.

What prospects are opened before Ukraine if it agrees on creation of new Agreement on the base of philosophy of «policy of neighbourhood»? It is, first of all, free trade area with the EU. However, free trade area is only the first and not main step in realization of Eurointegration course. Besides, it is not known yet on what terms such Area will be created and if it can be advantageous for Ukraine.

What it is needed to be done to convert the European choice of Ukraine into reality?

It is possible to single out two basic groups of factors which hinder fast integration of Ukraine in the EU - external and internal ones.

External factors. The EU realizes disparity between Ukraine and integration criteria, occupies careful position in relation to Ukraine and expects any substantial economic successes. That is why among the members of European Union there is a tendency of distancing themselves from Ukraine as from the "problem" state.

Besides, there is a problem of indefinite final position of the EU as for the geographical borders of future European Union and even time frames of accepting new countries. But, notwithstanding some paradoxicality, this vagueness from the side of the EU now can be positive for Ukraine: application of criterion of determination of individual readiness of a country to membership by European Union, and also postponement of internal reformation of the EU, at certain terms, give Ukraine a chance to catch up with Central and Eastern European neighbours in order to join states-candidates for entering the EU.

Internal factors. Integration process to the EU can not be separated from internal processes which take place in our state. Reforms develop very hard. We are not content with their results, accordingly our progress on the way of European integration is not satisfactory.

Among internal problems are the following:

1. Slowness in the conduct of economic reforms, absence of noticeable results of internal socio-economic transformations.
2. High level of corruption and economic criminality.

3. Inconsistency between our legislation and standards and norms in European Union.

4. Absence of consensus in relation to European choice both among population and at the level of state institutions (Parlament, ministries, departments).

5. Deficit of experienced specialists on integration processes, on the whole, and European integration, in particular.

6. Questions of political character also should be adressed.

European integration and even joining the EU is not a one-moment political act. It is a protracted process which requires mobilization of all society and cardinal change of consciousness. If in the future we want to become the member of European Union, our primary task should be not discussion about the date of entry, but concentration of efforts on successful implementation of operating agreements and successive realization of democratic and market transformations.

THE STAGES OF PROCESS OF UKRAINE'S ADVANCEMENT TO THE EU

Ukraine entry into the EU makes serious challenges not only before our state but also before Community. Ukraine's joining the EU would bring in substantial changes in internal political balance, realization of common politics and distribution of finances within the Community. On one side, taking into account demographic criteria Ukraine will be able to count on least the same political weight in European institutions as Spain and Poland (27-28 voices in Council of Ministers and 50-60 deputy places in European Parlamenti according to the provision of Nice Agreement). On the other side — it ideally fits into the existent system of the EU spending, majority of which is directed to the financing of common agricultural policy and structural assistance to poorer member-states. Ukraine is characterized by an enormous agricultural sector, destroyed heavy industry, ruined infrastructure and ecology and extremely GDP concerning purchasing ability which so far does not exceed 25% from the middle level of 25 Union member-states. Thus, Ukrainian state as the EU member could claim for a considerable political role and considerable particle of agricultural and structural funds. Therefore «absorption» of Ukraine seems considerably more difficult, than, for example, integration of Romania and Bulgaria, and then Western Balkans, to the Union (Posolskiy V. 2005, 269-271).

Algorithm of Ukraine's advancement to the EU was the following:

- to entry to WTO;
- to receipt of status of country with a market economy;
- to create the free trade area with the EU

- to get an association membership in the EU.

Entering World Trade Organization

Membership of Ukraine in WTO (took place in February, 2008) was a precondition for creation of FTA. Financial viability of creation of free trade area between Ukraine and countries of the EU from March, 1999 was being discussed by the experts of parliamentary subcommittee on trade and investments (its creation was foreseen by PCA). There were two questions of its concern: progress of economic reforms in Ukraine and prospect and possible consequences of creation of free trade area.

Receipt of status of country with a market economy

In October, 2002 European Union granted Ukraine the special status of country with a market economy. It is intermediate between status of country with non-market economy whose exporters actually are rightless in the anti-dumping investigations brought against them, and status of country with a market economy (it was finally granted by Council of European Union on Decembers, 23, 2006), using it companies can successfully argue the validity of low prices on their commodities.

Basic advantage of status of country with a market economy was that during anti-dumping investigations.

The second side had obligation to utillize the internal costs of country and estimates of production charges. In addition, in case of opening anti-dumping investigation a whole industry will no longer get under sanctions, but only company which tries to sell commodity in low price. The negative consequences of status of market economy possible for Ukraine are the following: compensation dutiesto are used in respect of market economies as a mean of defence which is not utillized to the countries with a non-market economy – there is possibility to initiate investigation under pretence of state subsidizing production and export of these commodities. Herewith subsidies given to factories 15 years ago can be laid to the charge.

Creation of free trade area

Negotiations on creation of free trade area between Ukraine and the EU countries are not completed.

Receipt of the associate membership in the EU

On the whole the prospects of the real integration of Ukraine to the EU so far are unclear. The desired prospects of development of relations between Ukraine and the EU were outlined in Message of President of Ukraine to Verkhovna Rada of Ukraine «European choice. Conceptual principles of strategy of economic and social development of Ukraine for 2002-2011».

The EU agreement foresees two types of associated membership, one of which clearly determines possibility of country to become the full-fledged member of the EU in the future, and the other does not stipulate such possibility. On the whole, the purpose of association is assistance to economic and social development, and also establishment of close political and economic relations between Sides.

Striving for status of the associate membership in the EU, Ukraine, above all, counts on legal recognition from the EU side of possibility of country at certain terms to become a full-fledged member. However, besides, signing of Agreement on association with the EU would enable Ukraine to be better informed in relation to transformations in the EU, take part in work of European Conference, to participate informally in negotiations (as a rule, the representatives of countries which concluded Agreements on association with the EU are invited on meetings of EU workings bodies for information or general discussion of various European questions, such as agriculture, finances, transport, ecology, migration of population, fight against crime, etc), in particular, concerning the EU enlargement, and to get the facilitated access to a greater extent to the financial resources of the EU.

From the EU side there are no expressly defined criteria on associate membership of the country in the Union. This question requires above all political consent of the EU memebr-states. It is therefore important to define necessary measures and outline the possible basic criteria of Ukraine's achievement of the associate membership in the future.

In May, 2002 Ukraine applied to the EU with a request to give it a status of the associate member. In response Ukraine was granted a status of "EU neighbour" whose detailed explanation appeared almost in a year after.

The New Neighbourhood Policy was offered by European Commission in relation to countries which were not considered by the EU as candidates on membership in a medium-

term prospect, however, after enlargement of 2004 will have common borders with European Union, in particular Russia, Ukraine, Moldova, Belarus and countries of South Mediterranean.

Now the relationships of the EU with Russia, Ukraine and Belarus are regulated by Partnership and Cooperation Agreements. This agreement is a document which regulates relationships with an external partner and sets basic institutional frames for cooperation from a wide range of questions in the nearest future.

Comparative description of status of associate membership and neighbourhood policy:

Purpose of New Neighbourhood Policy presented in Adress of European Commission to European Council and European Parliament «Wide Europe - Neighbourhood: A New Framework for of Relations with our Eastern and of Southern Neighbours» is to provide framework for development of new relationships with the countries-neighbours of the EU, which in medium-term period would not foresee the prospect of membership or participating in the institutes of the Union. According to this policy, practical questions determined by closeness and neighbourhood, must be examined separately from the question of entering the EU.

Main moments of the Adress are the following:

1. Document determines the medium-term frame of development of relations between EU and Russia, Ukraine, Moldova and Belarus, countries of South Mediterranean. It is suggested to build on one basis relationships with countries which substantially differ in a civilizational, cultural and historical dimension and in the level of development and strategic priorities;
2. Possibility of membership in the EU for the countries of Mediterranean is absolutely eliminated a document. At the same time, this question remains open for those European countries which declared their wish to enter the EU. It was decided to consider the question of membership in the EU separately from conception „Wider Europe".
3. Adress foresees active partnership and establishment of „control points" for the estimation of the attained progress. Document puts forward initiatives which could be used by sides to be ready to consider question of accepting Ukraine to the EU on a new basis and from totally new positions:
   a. Ukraine is offered a prospect of coming to the internal market of the EU with

subsequent integration on the basis of the so-called four freedoms: free movement of people, goods, services and capitals;

b. distribution on Ukraine of new instruments of European Union in investing and crediting, technical assistance and transborder cooperation;

c. integration of Ukraine to European transport, power, telecommunication, research networks is encouraged;

4. key role in a subsequent coordination, and also future implementation of new conception of relations of enlarged EU with nearby countries will be given to abilityy of country-neighbour to implement the undertaken obligations;
5. in accordance with the offered initiative for cooperation with every country Action Plan will be developed; it will be based on the analysis of achievements and failures as between Sides and include purpose, orientations and schedule of their achievement. «Annual control of the attained successes in relation to fulfiling Action Plan integrated in the existent institutionalized frames of cooperation with countries-partners will be a concrete display of the fixed political interest of the EU and will provide possibility of receipt of credit from the EU to the government on the conduct of political and economic reforms».

The purpose of such cooperation is «access to all of advantages of the EU without participating in its institutes», including «common market, free trade, open investment regime, bringing legislation into conformity, intercommunication of infrastructural networks and use of Euro as a reserve and basic currency in bilateral relations»".

Document states a high risk of social and economic destabilization from new neighbours of the EU.

Without regard to severale undesirable for Ukraine political moments of conception «Wider Europe» (in particular absence of the European prospect), its contents meets national interests of Ukraine and can be actively utillized for deepening relations with the EU (Development Ukraine-European Union cooperation. 2003, 152-163).

EU – Ukraine Association

In case of a political decision negotiations and ratification of the Association Agreement (AA) between Ukraine and the EU will take some more years before all the provisions of the Agreement enter into force. However, it is expected that the Interim Agreement covering the provisions of the Association Agreements with the European Union will enter into force much

earlier. At the same time it is necessary to ensure that both Ukraine and the EU enjoy all the benefits of the first Interim Agreement, and later the Association Agreement, after their ratification. In this regard, during the Ukraine - EU Summit in Paris the leaders called for the development of a new practical instrument to replace the Ukraine - EU Action Plan.

The new Association Agreement and the Association Agenda will promote further political association and economic integration of Ukraine into the EU by creating a comprehensive and practical cooperation through which these basic tasks can be implemented.

Mostly they will help to consolidate democratic reforms, including reforms of the judiciary, respect for the rule of law and human rights, transparency and democratic accountability, fight against corruption, and increase public participation in the decision-making process in Ukraine.
Creation of a deep and comprehensive free trade area between Ukraine and the EU will lead to gradual and deeper integration of Ukraine into the internal market in parallel with the introduction of relevant elements of the acquis communautaire.

Association Agenda is developed on common principles, as set in Section II below. It does not aim to create a comprehensive list of priorities for action, as these will be determined by the Association Agreement as soon as it enters into force. Association Agenda clearly identifies at the sectoral basis those priorities which require immediate action before the Association Agreement enters into force.

Association Agenda will be implemented according to a number of common guiding principles:

- Compliance with the overall goal of achieving political association and greater economic integration of Ukraine with the EU: the recognition that all measures taken under the Association Agenda should be implemented under this overall objective;
- Compliance with the specific goal of "promoting and preparing for" implementing the Association Agreement between Ukraine and EU: priorities agreed in the Association Agenda will supplement the obligations of Ukraine and the EU to fully implement the provisions of the Association Agreement between Ukraine and the EU as soon as it enters into force. Priorities set out in the Association Agenda may be modified or updated (including by introducing new priorities) at any time as necessary by agreement between

Ukraine and EU in order to achieve this specific goal. As soon as interim agreement enters into force, Ukraine and the EU will conduct a major review of relevant parts of the Association Agenda;

- Adherence to the principles of transparency, accountability and inclusiveness;
- Shared ownership and shared responsibility: recognizing that the Association Agenda introduces both sides to implement the provisions of the Association Agenda;
- Achieving tangible results through progressive implementation of practical measures: recognizing that the Association Agenda aims to achieve tangible and concrete results through progressive implementation of a range of specific and practical measures;
- Stability and adequacy of instruments: recognition of the importance of support to the agreed priorities through appropriate and sufficient political, technical and financial tools. In the framework of the EU financial assistance provided to Ukraine, resources can be directed to support the actions identified in Association Agenda;
- Joint evaluation: recognition that the implementation of the Association Agenda will be the subject to annual reporting, monitoring and evaluation, and that in this process the parties will aim to make, as much as possible, a joint evaluation of annual progress;
- Negotiations: the contents of Association Agenda will not affect the negotiations on Association Agreement between Ukraine and the EU. However, negotiations on Association Agreement can be taken into account during the annual review of Association Agenda;

The fact that Association Agenda lists a limited number of priorities should not affect the scope or mandate of the current dialogue in the framework of the Partnership and Cooperation Agreement or other relevant Agreements.

The European Union will support Ukraine in implementation of goals and priorities. If necessary, this will be done by the EU through a variety of tools including: the exchange of technical expertise and recommendations, best practices and know-how, the exchange of information, support in building and strengthening institutional capacities. If necessary, this can also envision consultative aid and a structured process of approximation to the EU legislation. Parties may also consider establishing sectoral dialogues, as defined below.

In addition, within the Joint Board of senior officials referred to in section III.9, they may consider establishing, in case of need, other dialogues by mutual consent when starting such a dialogue will bring a clear added value to existing formats. If necessary, the European Commission will encourage international, governmental, business and community partners to realize these goals and priorities and, if necessary, help them in these tasks. Tools of the Eastern Partnership will be also available for the implementation of Association Agenda.

The political dialogue

Democracy, rule of law, human rights and fundamental freedoms

The parties agreed to maintain dialogue and cooperate to foster respect to democratic principles, rule of law and good governance, human rights and fundamental freedoms, including the rights of persons belonging to national minorities, as stated in the core UN and Council of Europe Conventions and their related protocols. Such dialogue and cooperation will include the following areas:

(i.) Increasing stability, independence and effectiveness of institutions by providing democracy and the rule of law, in particular:

- promoting the process of inclusive constitutional reform elaborated for the further development of effective constitutional system of checks and balances between public bodies in accordance with the relevant recommendations of Venice Commission;
- strengthening local and regional self-government with consideration of the relevant standards contained in the European Charter of Local Self-Government;
- closely cooperatig in reforming and strengthening the capacity of public administration in Ukraine based on Sigma evaluation, including effective fight against corruption;
- ensuring the efficiency of the electoral system and environment for the presidential and parliamentary elections according to international standards of democratic elections and the recommendations made by OSCE and Office for Democratic Institutions and Human Rights;
- helping to ensure independency and effectiveness of Ombudsman. Principles relating to the status of national institutions (Paris Principles)* will be relevant to this priority.

* Adopted by resolution of General Assembly on December, 20, 1993, № 48/134

(ii.) Ensurng the independence of judiciary and the effectiveness of courts and prosecutors, and law enforcement agencies, including:

- continuing reform of judicial system and judicial system to further strengthen the independence, impartiality and professionalism of the judicial branch of power and courts, in particular by enhancing training of judges, court staff and prosecutors and personnel of these institutions and law enforcement bodies;
- effective implementation and introduction of European standards in civil, criminal and administrative codes and their corresponding procedural codes.

(iii.) Ensuring respect for human rights and fundamental freedoms by comprehensive cooperation on human rights and fundamental freedoms issues, embracing both individual cases and issues relating to instruments of international law and human rights. This cooperation includes, among others:

Promoting the implementation of international and regional human rights standards is foresees:

- Freedom of expression, assembly and association
- Ensuring the rights of persons belonging to minorities
- The fight against tortures, inhuman and degrading treatment
- Equal treatment
- Enforcement of children's rights
-Enforcement of trade union rights and core labor standards

Fight against corruption is directed at:

- promotion of cooperation within the Group of States against corruption of the Council of Europe and further implementation of its relevant recommendations;
- completion of the ratification process of the UN Convention against Corruption and the Council of Europe Criminal Law Convention on Corruption;
- implementation of the National Action Plan to fight corruption in cooperation with the relevant EU bodies.

Foreign and Security Policy

Regional and international issues, cooperation in the field of foreignand security policy, WMD non-proliferation and disarmament, conflict prevention and crisis management

(i.) Further strengthening the convergence on regional and international issues, conflict prevention and crisis management; cooperation to improve the effectiveness of multilateral institutions and conventions with the goal to strengthen global governance, coordination in combating security threats and focus on the development-related issues

- intensifying consultations and coordination through existing diplomatic and military channels to focus on international issues of common value, including first of all challenges to the generally accepted principles of international peace and security, as set by the UN Charter, OSCE Helsinki Final Act and other relevant multilateral documents, as well as consider Ukraine joining the declarations and common positions of the EU in CFSP area;
- continuing of dialogue on implementation of the European Security Strategy;
- revitalizing consultations between the EU and Ukraine on crisis management;
- continuing practice of joint identification of opportunities for Ukraine to participate in future ESDP operations, using positive experience of Ukraine's participation in the EU operations in the Balkans, as well as considering current discussions on Ukraine's possible participation in the EU naval operation Atalanta;
- further implementation of Seville Agreements on consultations and cooperation between Ukraine and the EU in the EU crisis management operations, including the permanent participation of Ukraine in relevant crisis management exercises and training activities related to the ESDP;
- increasing interoperability, where appropriate, between Ukrainian peacekeeping units and EU military forces using experience gained from relevant EU crisis management operations with the participation of Ukraine. Ukraine has expressed interest to explore at the bilateral level the possibility of involvement of the units of Armed Forces of Ukraine into the formation of the EU multinational military tactical combat groups;
- Ukraine and the EU will strengthen joint effort within the 5+2 cooperation on the effective settlement of the Transnistrian conflict in the Republic of Moldova;
- Ukraine and the EU will continue cooperation with the Republic of Moldova on border issues;
- continuing consultations on sanctions applied by the EU;
- definining further concrete ways to achieve convergence in foreign and security policy;

- taking measures to foster military and technological cooperation between Ukraine and the EU;
- encouraging and facilitatig direct cooperation on concrete measures, jointly defined by both sides, between the relevant institutions of Ukraine and CFSP/ESDP agencies and such bodies as the European Defence Agency, European Union Institute for Security Studies, EU Satellite Centre and the European Security and Defence College.

(ii.) Further development of cooperation in addressing common security threats, including terrorism, proliferation of weapons of mass destruction and illegal arms exports

- continuing cooperation in nonproliferation of weapons of mass destruction, including aspects related to accession to and national implementation of relevant international instruments, such as CCW, CBTW and the NPT and export control regimes;
- further improving the efficient system of national export control, control of export and transit of goods related to WMD, including control over the final use of dual-use goods and technologies of WMD, according to EU Dual Use Regulation, adopted in 2000 and according to its updated version, further cooperation in the development of national lists of dual-use goods, control over intangible transfers of technologies, strengthening the system of export control, including prevention and sanctions for violations, and interaction with industry;
- continuing cooperation in the fight against illegal trade in nuclear materials;
- continuing cooperation aimed at achieving the objectives of a G-8 Global partnership in all its aspects;
- cooperating to improve standards of biosecurity and bioprotection in laboratories, other facilities and during transportation of dangerous bioagents, in particular according to the ongoing dialogue on possible cooperation on biosecurity and bioprotection in Ukrainian sanitary-and-epidemiologic station (Crimea, Simferopol)
- developing further cooperation in combating illegal trade in small arms and light weapons and their ammunition;
- jointly counteracting to security threats that may be caused by the Ukrainian stock of conventional weapons and old ammunition, including light weapons and small arms and ammunition and landmines, according to Ottawa Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction.

International Criminal Court

Strengthening cooperation to promote international justice and fight impunity, including by:

- further support to the International Criminal Court (ICC) and creation of a consultation mechanism on the activities and functioning of the ICC;
- effective implementation of all measures necessary for the entry of the Rome Statute establishing the ICC into force in Ukraine;
- further cooperation in the framework of the Special working group on crime of aggression and other special groups.

Cooperation on Justice, Freedom and Security

In the context of the commitments contained in the revised Ukraine-EU Action Plan in the sphere of justice, freedom and security in 2007, cooperation in this area should focus on the following priorities:

- supporting the development of the Ukrainian system of personal data protection after ratification of the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data from 1981 and the Additional Protocol* to it and its implementation. This has to become a prerequisite for entering into agreements with Eurojust and Europol, including the exchange of operational information;
- developing necessary legislative and institutional frameworks related to migration management to combat illegal migration, smuggling and trafficking in people with the EU support;
- practical implementation of the UN Convention relating to the Status of Refugees from 1951 and the relevant Protocol relating to the Status of Refugees from 1967, including the right to asylum and the principle of non-expulsion, and the UN Convention against Transnational Organized Crime from 2000, to combat and prevent criminal, organized or other activities;
- encouraging the EU member-states to use the opportunities that exist in the acquis of the Community to reduce or waive visa fees for individuals;
- ensuring the complete implementation of two agreements between the EU and Ukraine: on visa facilitation and on readmission;

* Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, Starsbourg, 28.01.1981 and Additional Protocol to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data regarding supervisory authorities and transborder data flows, Strasbourg, 08.11.2001).

- facilitating further judicial cooperation between the EU and Ukraine in civil cases on the basis of existing international instruments that can be applied;
- working out, introducing and improving the strategy, legal basis and procedures of integrated border management, including full support from the EU, to be jointly defined;
- with technical support of the EU continuing the process of demarcation of Ukrainian borders according to international standards in cooperation with relevant authorities of neighboring countries;
- in the context of the ongoing cooperation between Ukraine and the Republic of Moldova on border issues, including effective exchange of information on the flow of goods and people across the common border, Ukraine and the European Commission will support cooperation with the Republic of Moldova, including through technical tripartite talks and with the support of the EU Border Assistance Mission to Ukraine and Moldova;
- for minimization of security risks during EURO 2012, existing law enforcement and judicial cooperation will be strengthened through the exchange of relevant expertise and data on fans-violaters, on the basis of existing mechanisms of information exchange. Network of national football information points of the EU will be closely involved to the launched initiatives.

Economic cooperation

The Parties cooperate to support Ukraine in creating fully functioning market economy and the gradual approximation of its policies to the Community policies in accordance with basic principles of macroeconomic stability, sound public finances, stable financial system and sustainable balance of payments and, in particular:

- developing of Ukraine's capacity in macro-economic forecasts, including improvement of the methodology of making development scenarios and monitoring of economic processes, improving quality of the analysis of influences by the exchange of best practices;
- strengthening independence of the National Bank of Ukraine, including by revising the Law of Ukraine «On National Bank of Ukraine» according to EU best practice, with the expert support of the EU and the ECB;
- extending the EU, including the ECB, experience on currency rate and regulation and supervision of financial and banking sector, and providing assistance in developing and strengthening Ukrainian capacities in all these areas;

- strengthening stability and management of public finances by implementing fiscal and expenditure reforms, including the pension system and public debt management, in particular, by:
  - joint development of effective tools and methods for enhancement of budget planning, including planning in the medium term (with strategic plans and budget assignments for current and permanent (capital) spending by administrators of budget costs);
  - exchange of information, experiences and best practices for the improvement of the program-target approach in the budgeting process, analysis of performance and results of the realization of budget programs, planning and execution of budget, and public debt;
  - exchange of the best practices of the EU and EU member-states concerning the reform of the pension system to improve the stability of the pension system of Ukraine;
  - assessment of economic impact of tax measures in cooperation with the EU experts;
  - exchange of the best practices concerning the improvement of public debt management in accordance with international standards.
- decreasing government's involvement in the process of price setting and implementation of procedures for full compensation of prices according to the EU best practices;
- further development of open, competitive and transparent rules and procedures of privatization and their implementation in line with the EU best practices.

Trade and Trade-related Issues

Trade in goods

Priorities will be defined after negotiations on Association Agreement between Ukraine and the EU and in accordance with the provisions set out in section III.9.

Rules of origin

The Parties shall cooperate in properly preparing the implementation of rules of origin to be applicable between the Parties, in particular by:

- transfer of authority in certification of origin from Chamber of Commerce to the customs authorities before Association Agreement enters into force;
- provide relevant Twinning projects for the State Customs Service of Ukraine on the application of rules of origin according to the initiative of Ukrainian side.

Technical regulations on industrial products, standards and conformity assessment procedures

- working out the legislation of Ukraine on technical regulation, standardization, conformity assessment, market surveillance, metrology and accreditation for the provisions governing the circulation of industrial goods in accordance with the EU acquis* to eliminate trade barriers between the Parties;
- taking measures according to the indicators agreed between the Parties for the EU budgetary support projects in the field of standardization in 2010-2012

Sanitary and Phytosanitary Measures

In order to ensure the gradual approximation of the laws and practices of Ukraine to the legislation and practices of the EU concerning sanitary and phytosanitary measures regarding food and feed, health and keeping of animals, the EC will support Ukraine, including through existing instruments, in:

- developing comprehensive strategy of reform ation of Ukrainian policies on SPM, food and feed, as well as health and keeping of animals. Strategy will contain schedule, including interim milestones and financial plan for its implementation and will set clear priorities for areas where a rapid progress might be reached. It will envision, among others, approximation of laws, capacity building and implementation, among others in the area of food and feed, health and keeping of animals, of operational control and audit to be executed by regulatory authorities;
- strengthening administrative capacity in these areas by:
  - revision of functions of public bodies of Ukraine, responsible for health and animal keeping, food and feed to reach their convergence with the EU requirements (Regulation 882/2004/EC);
  - training personel of competent public bodies of Ukraine;
  - improvement of laboratories according to the EU requirements with special attention to the necessary equipment and appropriate methods of analysis (remnants testing) and preparation of their accreditation in accordance with ISO standards.
- organizing information campaigns on rules and requirements on access to the EU market with relevant institutions and organizations;

* The EU will make reference as in FTA

- food and feed industry concerning the mplementation of system of Hazard Analysis Critical Control Point;
- setting up a dialogue between the parties on sanitary and phytosanitary issues.

Trade in services, freedom of establishment and investment

Priorities will be determined after negotiations on Association Agreement between Ukraine and the EU and in accordance with the provisions set out in section III.9.

Movement of capitals and payments

To continue effective dialogue on the movement of capital and payments, in particular to monitor observance of all existing obligations and prepare for the new Association Agreement.

Procurement

The sides will pay special attention to the cooperation in taking the following measures:

- strengthening cooperation, including through technical assistance aimed at taking appropriate measures, in particular to ensure the adequate administrative capacity of the central body of executive power responsible for economic policy in order to fulfill its tasks related to public procurement;
- creating independent supervising body under Directive 89/665 as amended by Directive 2007/66 and ensuring its adequate administrative capacity to implement effective measures;
- further harmonization of legislation of Ukraine to the EU acquis on public procurement, as defined in Directive 2004/17 and 2004/18.

Trade facilitation and customs

The Parties shall pay special attention to cooperation in taking the following measures:

- development of mutually transparent trading environment. Ensuring that relevant laws and procedures, and administrative and executive capacity of customs administration will meet the goals of effective control and support of facilitation of legal trade in general, while ensuring security and preventing fraud;
- working out and introducing strategic plan, with the EU support, in case of request by Ukraine, for the State Customs Service, including structures, processes, resources,

information and technology support and the implementation plan. Updated customs programs of the EU might be used as an indicator;

- further development of the customs legislation of Ukraine and its implemention provisions in accordance with international instruments and standards used in the field of customs and trade, including those developed by the EU, the World Customs Organisation (in particular updated Kyoto Convention), WTO, UN (e.g. Convention on the harmonization of frontier controls from 1982);
- cooperation on implementation of modern Harmonized Commodity Description and Coding System for the implementation of the combined nomenclature and ensuring the clear and coherent classification of goods;
- cooperation to implement modern customs control techniques, based in particular on a selective WMD and risk-based control and simplified procedures for release of goods and post-clearance control;
- ensuring the highest standards of integrity, particularly at the border, through measures that reflect the principles of the Arusha Declaration of the World Customs Organization. The EU Customs Ethics Blueprints may be used as an indicator;
- cooperation on the further development of customs evaluation procedures and practices to make them more transparent and efficient, including exchange of the best practices on implementation of WTO standards (Agreement on Implementation of Article VII of GATT 1994), including the reference price in determining the customs value;
- implementation of all necessary measures within the competence of the Parties to facilitate future participation of Ukraine in the EU-EFTA Working Group and the EC-EFTA Working Group, and ECG (Electronic Customs Group) - NCTS;
- working out, with the EU support, when requested by Ukraine, and implementing a comprehensive strategic plan for the State Customs Service of Ukraine, to approximate transit legislation of Ukraine, operating procedures, systems of information technologies for EC/ECFTA conventions on common transit procedures and simplify formalities in trade in goods in order to ensure the future accession of Ukraine to the mentioned conventions and participation in a joint transit system;
- evaluation of the possibility of information exchange mechanisms, including on goods and vehicles under the appropriate standards and rules of information protection.

Trade and Sustainable Development

The parties will engage in dialogue on the issues identified in the chapter on Trade and Sustainable Development of the Association Agreement.

Transparency of regulation

Priorities will be defined after negotiations on Association Agreement between Ukraine and the EU and in accordance with the provisions set out in section III.9.

Trade and Regulatory Cooperation

Priorities will be determined after negotiations on Association Agreement between Ukraine and the EU and in accordance with the provisions set out in section III.9.

Cooperation in energy, including nuclear issues

Based on the continued implementation of the Memorandum of Understanding between the EU and Ukraine on cooperation in energy and preparing for the implementation of the EU acquis, as referred to in a relevant supplement to the Association Agreement, and consistent with relevant multilateral agreements, Parties shall pay special attention to cooperation in implementing the following measures:

- integration of energy markets:
- working in direction of rapid accession of Ukraine to the Energy Community Treaty;
- strengthening the capacity and independence of National Electricity Regulatory Commission of Ukraine (NERC), including creation of a legal framework necessary for this purpose;
- continuing the reform of electricity tariffs and gas pricing and measures to ensure full payments for electricity and gas;
- taking all necessary measures for the entry into force of the Law of Ukraine «On the principles of the natural gas market operation», which has to meet relevant EU regulations (Directive 2003/55/EC, the EU Regulation 1775/2005);
- fully implementing Joint declaration after the International Investment Conference on modernization of Ukraine's gas transit system on March 23, 2009;
- intensifying work towards integration of united energy systems of Ukraine to the central European electricity network, according to the UCTE (Union for the Coordination of Transmission of Electricity) requirements.
- energy security:

- continue development and making use of strategic oil reserves.
- energy efficiency, renewable energy and environmental aspects

- exchange of experiences and best practices to work out, adopt and implement subindustry documents on energy policy in respect of energy efficiency and renewable energy;
- take all necessary measures to enable Ukraine's participation into Intelligent Energy - Europe programme;
- advance in assessing technical and financial feasibility of implementing and disseminating technologies of methane collection and coal cleaning.
- nuclear security:
  - continuation of cooperation on the joint EU-IAEA-Ukraine project on nuclear security evaluation of Ukrainian nuclear electric plants.

State internal control and external audit and control

The Parties will cooperate to ensure the development of public internal control and external audit by:

- securing the further improvement of internal control system in public bodies by harmonizing with generally accepted international standards and methodologies and the EU best practices;
- ensuring the implementation by the highest audit institution (Accounting Chamber) of the internationally accepted external audit standards (International Organization of Supreme Audit Institutions);
- securing effective cooperation with the relevant EU institutions and bodies in the urgent checks and inspections related to the management and control of the EU funds to be realized in accordance with relevant rules and procedures.

Taxation

Enhance and strengthen cooperation aimed at improving the tax system and administration in Ukraine according to international and European standards, including the gradual approximation to the structure of taxation, as enshrined in the EU acquis, stated in the relevant annex of the Association Agreement, in particular by:

- working out and implementing a comprehensive strategic plan for the State Tax Administration, including structures, procedures, resources and information support;

- improving and simplifying the tax laws, including, if necessary, their consolidation through codification;
- improvement of international tax cooperation to strengthen good governance in the tax area, as stated in the Association Agreement. In relation to fair tax competition, taking into account the principles of European Union Code of Conduct for Business Taxation;
- improving capacities of taxation administration, in particular by moving in the direction of the target system of tax control and audit based on risk evaluation;
- implementation of the effective and quick solution to the indebtedness problem with the AVT refund;
- taking measures to harmonize policies concerning the fight against fraud and smuggling of excise goods;
- developing cooperation with the tax administrations of EU member-states by exchanging experiences and new trends in the field of taxation.

Statistics

- preparation for implementation of the EU Statistical Requirements Compendium annexed to the Association Agreement;
- working out and implementing the Action Plan on cooperation with customs to improve trade statistics by discussions with EC experts;
- ensuring complete functionality of SMIS+ for Ukraine by defininig final deadlines for providing information on a regular basis. The EU will provide training on SMIS+ for Ukraine and will analyze the pilot results with ESTAT.

Transport

The Parties cooperate in preparation for implementation of the EU acquis indicated in the relevant annexes of the Association Agreement and support for Ukraine in:

- final revision of newly created national transport strategy of Ukraine with a view to start implementation in early 2010;
- implementation of driving hours and rest periods for drivers in international transportation area according to international standards;
- working out and mplementing action plan for improving road safety;
- developing combined and multimodal services to address issues of interoperability of different rails and other technical standards;

- considering conditions and necessary preparatory measures to achieve free movement of vehicles in accordance with the EU standards on weights and dimensions, taking into account also the planned needs of infrastructure modernization;
- preparing and implementing rail sector reform and its restructuring program;
- preparing and implementing reform in ports area (separating administrative and economic functions);
- implementing relevant IMO (International Maritime Organization) international conventions intensifying activities in the area of control of port state, implementing national flag documents and oil tankers security;
- developing infrastructure, in particular by identifying priority projects of international importance, feasibility studies and preparing five-year working plan for the network development;
- completion of the preparation of the text of a comprehensive Common Aviation Area Agreement;
- working out and implementing a new Air Code of Ukraine;
- harmonizating legislation in aviation safety area and strengthening the administrative capacity of public authorities responsible for policy in aviation sphere;
- developing cooperation with the European Aviation Safety Agency and the EC on flights safety.

Environment

The Parties cooperate to prepare for implementation of the EC acquis, stated in the relevant annexes of the Association Agreement, and support to Ukraine in

- elaborating, adopting and implementing by Ukraine of the National Strategy for Environmental Protection till 2020 and the National Action Plan on Environmental Protection for 2009-2012 in order to be able to take measures for the mplementation of budget support;
- strengthening administrative capacity at the national, regional and local levels, including development of an effective inspection and law enforcement;
- further developing and implementing Ukrainian legislation, strategies and plans on the environment, including the impact assessment, strategic assessment, access to information in environmental protection and public participation;

- developing national implementation instruments under multilateral agreements on environmental protection, signed and ratified by Ukraine and the European Community;
- implementation of the Kyoto protocol through dialogue within the EU-Ukraine joint working group on climate change in respect of: new agreements on climate change beyond 2012, acceptable criteria for employing Kyoto protocol mechanism and elaborating measures on mitigation of climate change and adapting to them;
- active participation in DABLAS working group, including implementation of Mykolayiv project;
- joint work on the implementation of roadmaps to achieve Millenium Development Goals relating to water, and Goals of integrated water resource management using dialogue on national policy in the framework of the EU Water Initiative;
- considering possibilities for Ukrainian participation in selected activities of the European Environment Agency for collection and dissemination of information;
- creating Ukraine Regional Ecological Center, also to raise awareness on environmental protection and enhancement of civil society in these issues;
- parties will consider possibility of establishing a high-level dialogue on environmental protection.

Industrial and enterprise policy

The Parties will cooperate on implementation of policy on small and middle enterprises according to the EU best practices and will maintain a regular dialogue on industrial and enterprise policy, involving government representatives and representatives of business circles of Ukraine and the EU.

Association law, corporate governance, accounting and auditing

The Parties willll strengthen cooperation in all areas of association law, corporate governance, accounting and auditing by exchanging experience and information about their best practices and acting regulatory framework and, in particular:

- prepare for implementation of the EU acquis, referred to in the relevant annexes of the Association Agreement by the gradual approximation of Ukrainian legislation in the sphere of associations with the relevant EU acquis;
- develop administrative capacity of relevant state agencies;

- improve the legislation on associations through regular review of relevant legislation and its implementation, including in particular Law of Ukraine "On Joint Stock Companies";
- simplify rules and procedures on registration of legal entities, including associations and individuals, as well as entrepreneurs, concerning their creation and liquidation;
- implement relevant international auditing standards at the national level;
- encourage adherence to the international accounting standards by all association registered at national level, in particular by creating a mechanism for achieving this goal.

Financial Services

- prepare for implementation of the EU acquis referred to in the relevant annexes of the Association Agreement;
- cooperate to ensure effective implementation of the prudential regulatory framework for financial markets and supervision conforming to the equivalent framework existing in the EU;
- encourage cooperation between supervisory authorities of Ukraine and the EU, especially on the information exchange and disclosure;
- develop national legislation on prevention and countermeasures to money laundering and financing of terrorism, including through implementing 40 Recommendations and 9 Special Recommendations of FATF, as well as the relevant EU legislation concerning fight against money laundering and financing of terrorism (besides, the provisions of Directive 2005/60/EC on the prevention of usage of financial system for the purpose of money laundering and financing of terrorism; Directives 2006/70/EC, the EU Regulation 1781/2006; the EU Regulation 1889/2005);
- continue organizing joint seminars, conferences and educational events and visits in fight against money laundering and financing of terrorism, including inviting Ukrainian experts to the relevant EU events;
- intensify cooperation with the FATF, the Council of Europe, MONEYVAL, as well as relevant authorities in EU member-states and sign Memorandum of Understanding between the financial intelligence bodies of Ukraine and those of the EU member-states.

Information Society

The Parties cooperate to prepare for implementation of the EC acquis, referred to in the relevant annexes of the Association Agreement, and support for Ukraine, in particular by:

- assess the consistency of a new draft law on electronic communications submitted to Parliament in December 2008 with the EU acquis during the legislative process;
- strenthening independence and administrative capacity of the national regulator in the communications sector to ensure its ability to take appropriate regulatory action and implement their own solutions and regulations and ensure fair competition in the markets with the support of twinning projects, including participation of the EU regulators;
- exchange information and experience of the EU initiative "i2010" for the purpose of developing and implementing e-strategies in Ukraine, including the implementation of the National Concept of Telecommunications Development and the state program "e-Ukraine".

Agriculture and Rural Development

The Parties cooperate to prepare for implementation of the EU acquis, referred to in the relevant annexes of the Association Agreement, and support for Ukraine, including through enhanced work through the dialogue started in agriculture, in particular by:

- elaborating and implementing a new plan to bring the sector closer to the EU policies and legislation in agriculture and rural development;
- intensifying cooperation on scientific research and exchange of best practices of using biotechnologies in agriculture;
- training central and local authorities of execuritve power on new models of rural development policies to further implement programs for rural communities;
- exchange the best practices of the restoration and conservation of natural resources to ensure effective, sustainable and high quality agricultural production;
- exchange the best practices of sustainable agricultural production of renewable energy resources and their use, including in agriculture;
- learning the EU experience on the transition to providing direct support to agricultural producers;
- improving competitiveness of agricultural production, including through cooperation on the implementation of quality schemes.

Fisheries and Maritime Affairs

- strengthen cooperation and work together towards sustainable fisheries in the Black Sea, both in bilateral and multilateral frameworks under an ecosystem approach to fisheries management;

- intensify scientific and technical cooperation to ensure the capacity of fisheries monitoring and assessment of marine resources and marine environment;
- exchange the best practices on the integrated approach to maritime affairs, such as establishing a coordination structure in the Government, and identify mutually beneficial areas of common interest for future cooperation in the context of the EU Integrated Maritime Policy.

Science and Technology

- prolong and intensify the implementation of the agreement between Ukraine and EU on scientific and technological cooperation to enhance the participation of Ukrainian research institutions in the projects of the Seventh Research Framework Programme;
- employ available tools (Agreement on cooperation in science and technology between Ukraine and the EU, INCO-Nets) to prepare for a possible association participation of Ukraine in the Research Framework program;
- Ukraine will actively contribute to the activities of the National Contact Points on information and communication technologies and involve the private sector to research through participation in activities of "Information and commuication technologies" of the Seventh Research Framework Programme.

Consumer protection

With regard to the preparation for the implementation of the EU acquis, referred to in the relevant annexes of the Association Agreement between Ukraine and the EU, the parties cooperate to:

- exchange information and initiate dialogue on consumer protection. Parties may consider further cooperation on issues of common interest;
- promoting consumers' opportunities in the context of protecting their rights;
- strengthening administrative capacity of application of the legislation on the protection of consumer rights in Ukraine, including through training and technical assistance in the framework of the TAIEX program for Ukrainian public authorities, including judicial and legislative branches of power and civil society organizations on the EU legislation and its subsequent implementation and enforcement.

Social cooperation

The Parties cooperate to:

- prepare for implementation of the EU acquis in the areas of gender equality, anti-discrimination, health and work safety, labor law and working conditions, referred to in the relevant annexes of the Association Agreement between Ukraine and the EU, and in particular:
  - strengthen administrative and executive capacities in the protection of health and work safety, including inspection of labor;
  - strengthen practical activities in the area of gender equality to reduce the pay gap by gender.
- elaborate strategic approach to employment in order to:
  - ensure better compatibility between skills and jobs in the Ukrainian labor market and its effectiveness;
  - strengthen administrative capacity of the body in charge of employment policy;
  - promoting anti-discrimination and ensure equal opportunities, particularly for people with disabilities, especially in the context of employment.
- exchange of the best practices of efficiency of social protection in order to enhance its social conformity and financial sustainability and to reduce a number of poor and vulnerable people;
- encourage both tripartite and bipartite dialogue and capacity building of the social partners, including in the framework of TAIEX;
- encourage the conclusion of the agreements between Ukraine and the EU member-states for coordination of social security for workers–citizens of Ukraine, who are legally employed in the EU member-states;
- exhange best practices on the prvision of social services to promote joint activities of public and private partners in this area in Ukraine.

Health

The Parties will cooperate in

- conducting health sector reform;
- preparation of the implementation of the EU acquis on health protection in Ukraine, including those listed in relevant Annexes of Association Agreement, including on tobacco, blood, tissues and cells, infectious diseases;

- prevention of non-infectious diseases through health education and popularization of healthy lifestyles and by identifying the main determinants and problems in health care, such as mother and child health, mental health, alcohol-, drugs - and tobacco addiction and broader involvement of civil society;
- prevention and control over infectious diseases, including HIV/AIDS, tuberculosis, sexually transmitted diseases and hepatitis C and B;
- exchange of the best practices on implementing the WHO Framework Convention on Tobacco Control and International sanitary regulations;
- graduate development of cooperation with the European Centre for Disease Prevention and Control.

Education, training and youth

The Parties will cooperate in

- joint interaction and exchanges in order to contribute to the further integration of Ukraine into the European higher education space in the context of its membership in the Bologna Process;
- activities towards mutual recognition of academic and professional qualifications, diplomas and certificates of education;
- joint interaction and exchange to support Ukraine in bringing its system of vocational education to the EU processes of the modernization of the structures of vocational education, taking place within the Copenhagen process, and through such instruments as the European Qualifications Framework (EQF), the European Credit system for vocational education and traiing and European quality assurance reference framework for vocational education and training;
- intensifying dialogue on the systems of secondary education, distance learning and life-long education;
- increasing exchanges and cooperation in the field of informal education for young people and youth workers as a means of promotion of intercultural dialogue and support of civil society, particularly through the Youth in Action Program (2007-2013).

Culture

- take all the measures necessary for the rapid entry into force of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions in Ukraine;

- cooperation on the development of comprehensive cultural policy in Ukraine and on the preservation of historical heritage;
- promote the participation of Ukrainian culture activists in cultural cooperation programs (Eastern Partnership Culture Programme and the future ENP window within the Culture Programme).

Sport and Physical Education

Exchange of information and best practices on the following topics: integration of groups with mental or physical disabilities, the fight against doping.

Cooperation on Civil Society

The Parties will cooperate in order to acquaint stakeholders of Ukrainian civil society with the process of consolidation and dialogue between social partners in the EU to further integrate civil society into political processes in Ukraine.

Conclusion

Now Ukraine stands on the eve of the process of signing a new agreement with European Union – Association Agreement. Ukrainian priorities during this process are clear, they are shown in the official formula «political association and economic integration». This combination of words covers basic tasks which Kyiv pins on a new agreement, namely, to achieve formulation about the prospect of Ukrainian membership in the EU and about formation of free trade area. Such approach is not only narrow; it is, firstly, dictated by the specific lines of the Ukrainian domestic policy discussion and, secondly, does not take into account current European realities. Ukraine set the «greatest ceiling» for itself at the level, which, possibly, meets certain ideological needs, but is far from the real agenda of cooperation with European integration association. Brussels got remarkable possibility to conduct with Kyiv bargaining around not too fundamental questions for itself, and, in the end, even if two mentioned tasks are executed during negotiations, it will not change substantially not only structural parameters of the system of international relations in Europe but also basic parameters of Ukraine as one of its actors.

It should be taken into account that a new agreement will be developed within the framework of the European Neighbourhood Policy, which, due to its specific features, contains an accent

not on political, but on functional aspects of cooperation with the nearby states. Therefore it is worth for Ukrainian diplomacy to concentrate on the practical spheres of relations between Ukraine and the EU, rather than on the question of membership.

Ukrainian Eurointegration strategy must be corrected, even reoriented, in the sphere of political priorities and functional dimension. Above all, Ukrainian power should not look at the EU exceptionally through the prism of membership and work out effective approach of cooperation directed on strengthening permanent cooperative platform which would be instrumental in growth of interdependence in relations. For this purpose the scale of aims and tasks of foreign policy of Ukraine certainly should be modified, having realized that the role of the state in the international system depends not so much on its belonging to some military alliances or integration unities, but on functions it performs in it. For this end it is necessary to get rid of bipolar vision of international surroundings of Ukraine, where Russia and the West / the EU come forward as almost antagonistic centers of power. There is no sense for our country to follow the example of Central European states and try to repeat their way, as terms and political context in which a decision about their acception to the EU was taken radically differs from the present one in which the relations of Ukraine with the European integration association is developing. Most of all it relates to a moral duty undertaken by the EU states during democratic transformations at the end of 1980s to restore historical justice and consolidation of the European continent, which came forward as the leading factor of strengthening political will of the European leaders to enlarge to the east.

Political recommendations:

So, to bring its Eurointegration strategy in conformity with the structural parameters of the European system of international relations and its own objective necessities Ukraine has to:

1. Give up making entry to the EU the primary objective of its foreign policy. It diminishes possibilities to elect the most comfortable forms of cooperation, puts advancement of relationships with other countries in dependence from intentions and aspirations of association of twenty seven states. That does not mean quitting the desire to get EU membership at all, but rather stopping to absolutize this desire as a universal and non-alternative method to improve status characteristics of Ukraine in its international surroundings. It can be better called «diversification» of foreign policy directions.

2. Examine issues of joining the EU not as basic principle of current relations, but as orientation for a medium-term prospect. Without doubt, in the nearest ten years Ukraine will not become the EU member. Therefore its task is to develop fruitful cooperation in the most acceptable format, the one which would make the consolidation of the European identity of Ukraine possible and allow avoiding client subordination. Similar format must be based on functional interdependence.
3. Find the levers of influence on the EU from outside, and for this purpose to pay the priority attention to development of bilateral cooperation with the European states. It should be understood that a political decision about enlargement in any case is accepted by the EU member-states, and «Brussels' bureaucracy» plays the most important role directly during negotiations on terms and conditions of enlargement. In this situation Ukrainian diplomacy must take efforts to build close partnership and political rapprochement with those states which have the substantial interest in Ukraine, or to create purposefully this interest, so Ukraine's joining the EU could become interest of its members, not only Ukrainian society. In no case it means a duty to go to the concessions in all questions which interest the European governments, but only the necessity to form their political motivation to receive Ukraine in their association.
4. Make independent integral approach to the integration processes in Europe and to define the priorities in them. Eurointegration strategy is not only strategy of acquisition of membership. It is a behaviour strategy inder the conditions of integration. Ukraine needs to have its position on all questions of reformation and functioning of the EU, in particular, on institutional architecture, economic and currency integration, social standards, Common agricultural policy, Common foreign and security policy, spectrum of problems related to acceptance of Constitutional Agreement etc. Otherwise being involved to the integration processes, even in the conditions of free trade area, it will be forced to do it «on the spot», and that can result in impeding socialization of Ukraine in the Eurointegration system.
5. Extend the concept of political association including in it not only the need of EU's recognition of prospects of Uktrainian membership, but also the need to involve Ukraine to the political aspects of the EU activity. It concerns those directions of CFSP which relate to Ukraine directly, above all, EU politics towards Ukrainian regional surroundings - Belarus, Moldova, Black Sea region, partly Balkans. In the questions related to these states, Kyiv can show up as a contributor to the security on the continent and important EU partner in its stabilizing efforts. Certainly, it will depend on the extent

in which European Union will have interest in geographical space to the east of its territory, which, as well as interest to Ukraine, is a derivate from the general context of CFSP, political situation in this space and character of EU-Russia relations.

6. Treat carefully any forms of economic integration with the EU without parallel rapprochement with Brussels at the relevant political level. One should remember that the only basic economic reason to expand has been access to new markets that is why the receipt of such access diminishes interest of European Union in granting the applicant country full-fledged membership at the time when its dependence on communitary bodies grows proportionally to its involvement into the relevant forms of economic integration. Because of that during the discussion of issues of free trade area it is necessary to demand the right to save partial protectionism measures in relation to those groups of goods whose production has a strategic value for Ukrainian economy.
7. Realize that Ukraine can present most practical interest for European Union in the context of its relationship with Russia. Because of this it is better to fix institutional forms of cooperation including Russia, Ukraine and the EU and encourage effective coordination of actions between them in spheres especially important for three sides. First of all it concerns energy sphere where only this association can decrease tension and encourage trust and transparency between the partners (Shapovalova O. 2005, 44-47).
8. Taking into concideration the complexity of future Association Agreement, its implementation requires the development and adoption of National programs for implementation of the Association Agreement (NPI). Such a program should be the basic document for the coordination of Ukraine's European integration at the state level. NPI should include three groups of priorities given the scheduled time of execution: the short, medium and long term. The degree of detail depends on the priorities of their urgency. Short-term priorities include more detailed information (including schedule of events, responsible departments, financial and personnel paintings), while medium and long term describes a somewhat more generalized (Policy paper «*Institutional issues of Ukraine Association Agreement: development and adoption of national program implementation of the Association*»).
9. NPI is a public document and is reviewed at least annually to make adjustments to reflect progress and taking into account the dynamics of bilateral relations with the EU. Effective implementation requires the AA to develop NPI and create institutional mechanism to administer its entry into force of the AA or its interim versions («Interim

agreement»). The feasibility of the use of NPI in the Ukrainian confirmed the approach of the EU in the framework of the Comprehensive Institution Building, which is part of the policy instruments «Eastern Partnership».

In the context to prepare the effective NPI it is considered appropriate to ask the EU to organize and finance the project-based assistance in the development of NPI through the use of consultants with experience of other CEE countries that have developed similar documents. Using the NPI allows:

- to create a national budget of the European integration (including medium-term),
- to get additional painting needs in human resources, statistics measures on European integration for each of the central authorities and others.

In addition, if the launch of NPI accompanied by information database for its service, it enables to monitor implementation of the Agreement on-line. The format of NPI will also attract a lot more donor resources to meet the obligations and will begin the systematic implementation of the AA immediately after the entry into force. Finally, the development of programs such as NPI testifies seriousness of Ukraine in regard to its European integration course (Policy paper «*Institutional issues of Ukraine Association Agreement: development and adoption of national program implementation of the Association*»).

CHAPTER 3

CRITICAL ASSESMENT, ACHIEVEMENTS AND SHORTCOMINGS, OF STRUCTURAL REFORMS UNDERTAKEN BY THE UKRAINIAN GOVERMENT, AIMED AT THE REALISATION OF OBJECTIVES OF EU-UA COMITMENTS

Structural reforms in Ukraine

Reforms in political, economic, legal and social dimensions have always been a challenge for the Ukrainian state and the main requirement of the European Union in the context of effective integration policy of Ukraine. Three-year Action plan was signed in 2005 to stimulate effective reform. However, the period of 2005 - 2009, according to the director of the Ukrainian Institute of Public Policy V. Chumak, was not a period of accelerated reforms in our country, but rather a demonstration of the thesis that inefficient political system may negate all the reformist potential of power and provided foreign aid (Chumak V.).

Development of economic relations with the European Union has always been among the most important priorities of Ukraine. However, achieving effective economic cooperation for a long time was hindered by the pace of reforms in Ukraine. It should be noted that the EU was the first to recognize Ukraine as a market economy in 2005, which was to encourage reforms in the economy and expand economic and trade ties with Europe. But only in 2010 there was launched a series of major reforms in Ukraine. Legislative changes approved in late 2010 marked the beginning of the process towards the improvement of the welfare of citizens of Ukraine. However, as shown by international experience, effective implementation of economic reforms requires joint efforts of government, business and civil society.

The law «On the Foundations of Domestic and Foreign Policy» adopted in 2010 identified the following tasks:

- ensuring the competitiveness of the national economy, achieving high rates of growth, macroeconomic stability and low inflation;
- developing internal market, increasing efficiency of its operation and improving mechanisms of state regulation, ensuring balance of demand and supply on certain markets;
- conducting a coordinated anti-inflation policies and ensuring price and exchange rate stability;

- conducting stable, efficient and fair tax policy which includes lowering of the tax burden on the economy with expanding of the tax base;
- conducting transparent and prudent fiscal policy as an effective instrument of social and economic development, protecting vulnerable people and investing in the real economy to support domestic producers and saving working places;
- conducting effective public debt management policy;
- increasing the effectiveness of public spending, implementing transparent policy of public procurement which will ensure sustainable use of resources;
- transferring the tax burden from mobile factors of production (labor and capital) to the consumption, especially, of products harmful to human health, resource and environmental charges;
- developing and strengthening of the banking system and non-financial institutions;
- providing institutional and financial independence of the National Bank of Ukraine at the same time strengthening the transparency of its activities;
- increasing the protection of depositors' rights;
- introducing of the market instruments of accumulation and redistribution of long-term financial resources, also through the introduction of mandatory accumulative retirement system;
- developing liquid, transparent and reliable stock market, effective functioning of the depository account of securities;
- providing economically sustainable regional development, coordinating areas of their development with the national needs;
- guaranteeing by state of the inviolability of all forms of ownership as foundations of a market economic system;
- creating favorable conditions for entrepreneurship development, simplification of business start-up and exit, reducing state intervention in economic activity of entities, facilitating the system of permits, reducing pressure of supervisory authorities on business;
- transiting to the European model of market surveillance, product quality and safety;
- introducing European approaches in the delegation of functions of state to entities;
- developing competition as a main factor increasing the efficiency of the economy, ensuring effective regulation of natural monopolies, preventing monopoly on the national and regional levels;

- eliminating shadow economy, creating favorable conditions for economic agents in a legitimate legal framework;
- intensifying investment and innovation, particularly through the involvement of costs of enterprises and people, establishing an effective system of insurance of investment risks, promoting targeting citizens' savings to the investment of economy, providing innovative component of the investment;
- introducing economic incentives to encourage the modernization of national production, directing investment in new technologies, establishing national innovation infrastructure and government programs of industrial modernization;
- developing public-private partnership for investment in modernization of industrial and social infrastructure;
- shifting from fiscal to investment-oriented model of privatization, ensuring transparency of decision making and interconnection of the strategy of privatization of state property with Ukraine's economic development strategy and its individual sectors;
- ensuring effective management of state property objects, introducing transparent and efficient mechanism for state to implement its rights of holder;
- reaching a high level of energy security, diversification of energy supply, increasing own production, increasing energy efficiency, introducing energy-saving technologies;
- bringing Ukrainian gas-, oil transport- and electricity networks to the conditions of operation in the European Union member-states;
- creating conditions for the revival of the Ukrainian village, effective use of agricultural land, formation of competitive agricultural sector, increase of its export capacity, guaranteeing food security;
- providing high quality agricultural products and food, forming a transparent market of such products;
- forming infrastructure of land market, providing registration of legal documents on land ownership;
- ensuring transport infrastructure, efficiency of the transit potential of the state, the integration of transport networks of Ukraine in international transport corridors;
- reforming housing and communal services, ensuring accessibility of public services and improving their quality, attracting people to the management of housing.

However, actual implementation of economic reforms has been very slow and not always performed in the interest of national development. Business elite and political circles having

direct interests in some business areas have a significant impact on the reform. In September 2011 only 16.8% of citizens of Ukraine considered that there are effective economic reforms in Ukraine. These are the results of a nationwide survey conducted by the Razumkov Centre (Only 17% of Ukrainians see effective economic reform). One third of respondents (34.2%) believe that effective reforms are not conducted at all, and 30.5% of respondents believe that economic reforms are implemented, but not properly. The fact that 18.5% of respondents could not give an answer also indicates the unsatisfactory degree of reform.

Among the reasons of this situation citizens who believe that economic reforms are not carried out or not carried out as necessary, often say that everyone who has a possibility try to steal (23.6% of respondents who believe that reform is not carried out, or carried out not as necessary), influential financial and industrial groups are interested in preserving the current situation (22.4%) and there is a lack of unity within the government concerning the reform (19.4%). Less often such reasons as a lack of clearly defined areas and principles of economic reform (12.3%) and lack of support from public (11.2%) are mentioned. And the least often (5.6%) among the reasons that the reforms are not carried out or not carried out properly, people mentioned that reforms are directed from the center, but inhibited at the regional level. 0.9% of respondents who believe that reform is not carried out, or not carried out properly, gave other answers, and 4.5% were not sure about the answer.

Evaluation of the macroeconomic situation in Ukraine in 2011 shows the consolidation of recovery trends in the real sector, stabilization in the banking system of the country and improvement of state and municipal finance. The traditional risks continue to put pressure on the dynamics and prospects of domestic economy:

- dependence of the dynamics of the real sector of economy of Ukraine on conjuncture in global goods and commodity markets, as well as from possible fluctuations in demand for domestic exports;
- growth of public debt and the cost of its services while there remains the need for new borrowing in order to ensure sufficient liquidity of the state budget and repayment of loans raised in previous budget periods;
- high proportion within the state budget expenditure of current primary expenditures, which are not subject to reduction, as well as costs to finance the indirect budget deficit (Pension Fund deficit and compensation to "Naftogaz Ukraine" of the difference between the

purchase price of imported natural gas and its implementation), which puts pressure on the balance of the budget indices;

- negative trade balance putting pressure on balance of payments and external liquidity indicators which will likely lead to a further increase in gross external debt;
- high sensitivity of the banking system of Ukraine to the systemic and individual risks which hampers recovery of the banking market.

A long phase of political instability in Ukraine, the slow progress towards reform and inconsistency in their implementation became a real challenge for European integration of Ukraine. According to a report on the implementation of European Neighbourhood Policy in 2009 there was only insignificant progress in many areas of cooperation with the EU which are crucial for the further development of our country. Ukraine had to put further efforts to implement constitutional reform, energy sector reform, public administration reform, and take effective measures to combat corruption, including through judicial reform, improve the business environment and investment climate.

The presence of significant problems with the practical implementation of the European integration course of Ukraine was stated in most national surveys. According to the findings of a research of independent Ukrainian analysts "Modernisation of Ukraine: Defining Reforms Priorities", European integration in Ukraine "has long ago transformed into a worn rhetorical stamp, and never turned into a real strategy of political, economic and social development".

In another study – «A New Foreign Policy of Ukraine: Experts' Views» - a group of researchers raise an important issue of a low awareness of the nature of the process of European integration among people and among Ukrainian politicians. According to a considerable number of research and monitoring of the Razumkov Center, «in relations with the EU, despite the intensification of political and diplomatic contacts, the positive results in various fields of cooperation, the Ukrainian side lacked a clear strategic approach». At the same time the Center's specialists emphasize that the perspectives of the relationship will be defined in Ukraine-EU Association Agreement which will be «a real strategy of cooperation only if Ukrainian government will use it as a priority program of concrete actions».

However, these research were united by a central idea of the priority of the European choice in domestic and foreign policy of Ukraine. European integration remains a key issue for Ukraine's state policy.

On June 1, 2010 at a meeting of National Security and Defense Council of Ukraine President of Ukraine Viktor Yanukovych stressed the highest priority of the European strategic course of Ukraine, which is the vector of state development determining the contents of social transformations and the main focus of foreign and domestic policy. Viktor Yanukovych argued that Ukraine should integrate with the EU through reform. Certainly, the President said, in this case it means intensive and hard work. «This is a test for politicians and bureaucrats and, of course, for the people», - said Yanukovych, noting that the state has many problems that need to be solved. Among them, the head of state, in particular, described the need for a new Criminal Code, the harmonization of Ukrainian legislation to European standards and its implementation in all spheres of life.

Among the priorities he identified the following:

- the Association Agreement between the EU and Ukraine;
- creation of a deep and comprehensive free trade;
- liberalization of visa regime between Ukraine and the EU.

Energy field is another important area of cooperation. In this context state and analytical institutes were entitled to develop the directions of modernization of Ukraine.

However, according to Ukrainian experts, despite decisive rhetorics of leaders about the country's «European choice», it seems that until now there was no real awareness of the need to advance Ukraine to the European Union and a clear strategy concerning our neighbor was not elaborated. Key factors that lead to this state of affairs can be determined as follows:

- specific domestic context in Ukraine which inhibits both the domestic reform process and bringing Ukraine closer to Europe;
- conceptual shortcomings of EU's contemporary Eastern policy, in general, and towards Ukraine, in particular;
- impact of other external players, including Russia, which is a counterbalance to the Europeanization impact of the EU.

Specificity of Ukrainian domestic context is a major factor that limits the modernization and Europeanization of Ukraine. Accession to the EU in this respect is not a usual foreign policy goal. It can be achieved only under radical changes in domestic policy. The nature and results of the internal reforms are the central variables that determine the level of cooperation between the EU and Ukraine.

It should be noted that general perception, evaluation and willingness to implement the European integration course of Ukraine by its political elite in recent years remains controversial and ambiguous. Unlike in Central Europe, where political elites had a strong desire to break with the communist past and «return» to civilized Europe, Ukraine lacks a desire and political will or capacity to do so.

At the beginning of building a sovereign state political forces that were opposing communist rule did not manage to come to power, and therefore could not also provide for radical reform and implementation of the "European choice" strategy. Instead, Ukraine was choosing «the third way» and implemented «multi-vector» policy, supported by former Soviet elites that became the present Ukrainian oligarchy. After Ukraine gained independence, the ruling elite pursues a policy of so-called «partial reforms» which greatly hindered the transformation of Ukraine into modern European country.

The election of a new power in 2010 and return to the old version of the Constitution had to enhance the efficiency and stability of the political system. The expert report of the National Institute for Strategic Studies for the Address of the President of Ukraine Viktor Yanukovych to Ukrainian people "Ukraine in XXI century. The strategy of reform and social consolidation" envisioned the following directions of the improvement of Ukrainian constitutional design:

- optimization of the parliamentary-presidential form of government as an effective algorithm for distribution of the central government by basic principle: "strong president - strong government - strong parliament". President of Ukraine in this case provides the overall political leadership, Prime Minister - the effective management of the economy, and the Parliament is an institution for coordination of positions of the main political players;

- stabilization of the political system in Ukraine based on political compromises and effective functioning of mechanisms of consolidated democracy, creating conditions for the formation of social consensus on the historical and strategic goals, improve the Ukraine's competitiveness on the way of democratic development and state-building, overcoming of internal threats to national security of Ukraine. Appropriate institutional arrangements should be implemented in this order:
- analysis and correction of organic laws (the laws to be adopted according to the Constitution);
- optimization of the power model within the triangle President of Ukraine - the Verkhovna Rada of Ukraine - Cabinet of Ministers of Ukraine;
- reforming the electoral system;
- judicial reform;
- reform of local self-government, administrative-territorial reform.

The European Union expected that Ukraine would take active efforts to implement constitutional reform, gas sector reform, public administration reform, improve the business environment and investment climate, and take effective measures to combat corruption, in particular through judicial reform. In addition, Ukraine had to adopt a law on public procurement meeting international standards and EU legislation.

However, the results of a new government in 2010-2011 show that the declared goals of European integration often differ from the actual steps of a new power, which only uses rhetorics of necessary reforms and pro-European slogans, while in practice is guided by the objectives of the concentration of power and resources in their hands. For example, inclusive constitutional reform was abolished. First, in April 2010 a special Constitutional Council founded in 2007 to draft a new constitution was suspended. Later, at the request of 252 MPs from the ruling coalition, the Constitutional Council approved the decision that the amendments to the Constitution in December 2004 were made in violation to the relevant constitutional provisions. On this legal basis former 1996 Constitution was restored. Then Parliament passed a new law on the Cabinet of Ministers of Ukraine, as well as changes to the Rules of the Verkhovna Rada and 32 other laws that were aimed at bringing the legal framework in line with the 1996 Constitution. Experts believe that these changes granted

broader powers to President, weakened the parliamentary control over the executive power and balance of power.

Viktor Yanukovych declared a policy of continued improvement of the Constitution in view of the EU call for effective democratization. In November 2010 the President created the Commission on strengthening democracy and the rule of law, whose task was «to combine the efforts of public authorities, political parties, NGOs and other civil society organizations to strengthen democracy and the rule of law». Its main task was the consideration of constitutional amendments (including those needed to further reform the judiciary and the Prosecutor's Office), recommendations of the Venice Commission and Ukraine's implementation of its commitments to the Council of Europe. Shortly after the reporting period, the President created a special working group to prepare the concept of the future Constitutional Assembly that will develop draft amendments to the Constitution. However, real steps in this direction do not occur, and reforms initiated, particularly in the judiciary, do not get any positive estimation by the Venice Commission.

Further reforms also provoked criticism from the international community. This concerned changes in electoral law in the middle of the election process, transfer of local elections from spring to October 2010, adoption of a new Law "On local elections" in July 2010 with amendments approved next month, covering a number of issues, but do not touching several important aspects. As defined by the representatives of the International Observers Mission of the Congress of Local and Regional Authorities of Europe, innovation on the local elections «did not meet the norms we would like to see».

Subsequently, the date for new parliamentary elections became a topical issue. In February 2011 Parliament passed a series of constitutional amendments proposed by the ruling coalition which prolonged the term of the Verkhovna Rada and local councils from four to five years, scheduled the next parliamentary elections for October 2012, and the next presidential elections - for March 2015. There was also introduced a five percent threshold and mixed (proportional-majority system): 225 MPs are elected by proportional system in statewide constituency by the election list of candidates from political parties and 225 MPs are elected by majority system of relative majority in single-mandate constituencies. Also, new law established that blocs do not take part ito the elections and a column «against all» would be deleted from the ballot. It should be noted that certain provisions of current

legislation on political parties still conflict with other applicable regulations, as well as provisions of the European Convention on Human Rights and European norms relating to political parties.

The judicial reform was more or less successful - a new Law on judicial system and status of the courts was adopted. But even here some aspects were subjected to harsh criticism, especially those that, according to international experts, strengthen control of the executive branch over the judiciary, weakened the authority of the Supreme Court and simultaneously invested Supreme Council of Justice with more power to appoint and dismiss judges. The process of elimination of defects was launched in 2011. However, international institutions have not found positive developments regarding the adoption of the draft of the Criminal Code or the laws relating to prosecution reform, which were passed on first reading in 2009. Similarly, no positive achievements were achieved in advocacy reform and creating a professional Lawyers Association. In the end of 2010 a series of criminal investigations against former government officials, including former Prime Minister, were initiated. These actions provoked criticism on the possible use of criminal judicial system for political purposes and violating human rights.

Also there remain the institutional imperfections of Ukrainian judiciary, namely:

- delay of legal investigations in courts;
- failure to ensure citizens' right on legal assistance;
- low quality of court decisions which is shown by considerable rate of cancelled decisions during their review in Appeal or cassation order;
- non-implementation of court decisions;
- inperfect material and technical basis of courts.

As for corruption, there were no improvements in this issue in 2010. Only in April 2011, the Verkhovna Rada of Ukraine adopted Law of Ukraine «On Prevention and Combating Corruption» approved by President of Ukraine Yanukovych. Earlier a package of anti-corruption laws that had to come into effect in January 2011 was cancelled, namely: the Law of Ukraine «On Prevention and Combating Corruption», «On the responsibility of legal persons for corruption», «On the Amendments to Some Laws of Ukraine on Prevention and Combating Corruption». Law of Ukraine «On Prevention and Combating Corruption» entered

into force on July 1, 2011, except Article 12 «Financial Control», which entered into force on January 1, 2012. In general, it may be noted that the Law applies not only to state actors and local authorities, but also to businesses and individuals. In addition, there is a number of terminological defects and inaccuracies, unregulated procedures and loopholes. This refers to the terms «close relatives» and «family members», «officer» and «official». Some provisions of the Law have all features of a legal fiction.

One of the main principles of preventing and combating corruption alongside with the general ones is a preventive measure, according to the Law. However, this principle is not disclosed in a detailed way, but the legislation in force provides for the application of the following preventive measures in criminal proceedings: the travel ban, personal guarantee, guarantee of a public organization or labor collective; bail; taking into custody, supervision of the command unit. Among the subjects authorized to carry out measures to prevent and combat corruption, the President of Ukraine, public bodies, the Cabinet of Ministers of Ukraine, as well as specially authorized entities in combating corruption; prosecutors; special units to combat organized crime of the Ministry of internal affairs of Ukraine, tax police, units for combating corruption and organized crime of the Security Service of Ukraine, Military service of legal order in the Armed Forces of Ukraine are listed.

Prosecutor General of Ukraine and subordinate prosecutors will conduct the coordination of activities of law enforcement bodies. Based on all of the above, the prosecution authorities are assigned a leading and decisive role in preventing and combating corruption by the Law.

During 2011 and early 2012 in order to enhance anti-corruption activities there were adopted the following documents and amendments to existing ones: the Law of Ukraine «On introduction of amendments into some legislative acts of Ukraine on responsibility for corruption offense» , the State program on prevention and combating corruption for 2011 - 2015, the Decree of President of Ukraine from 01.09.2011 «The issue of National Anti-Corruption Committee» (changes made by the Decree of President of Ukraine dated 16.03.2012 «On some issues of the National Anti-Corruption Committee»), Decree of the President of Ukraine from 25.01.2012 «On the procedure of conducting a check of information about individuals who apply for positions related to the performance of functions of the state or local government».

The current leadership supports the implementation of European obligations of Ukraine in the context of local government reform. In the election program of the President of Ukraine Viktor Yanukovych «Ukraine - for people», it was noted that "local government should be a reliable and solid foundation of people's rule. Empowerment of local councils, maximum removal of bureaucracy from the resolution of matters of local communities is very important. I support decentralization, reform of interbudgetary relations in favor of local government».

Following 100 days in office of the President of Ukraine Viktor Yanukovych on June 2, 2010 there was presented a program of economic reforms for 2010 - 2014 «Prosperous society, competitive economy, effective state», which was prepared by the Committee on Economic Reforms under the President of Ukraine. This program covers a wide range of policy reforms in five areas:

1. Creating basic conditions of economic growth by maintaining low inflation, stabilization of public finances and creation of a stable financial system.
2. Formation of the regime of maximum assistance to business by reducing the state's role in the economy, reducing administrative barriers for business, modernizing the tax system and strengthening international economic integration of Ukraine.
3. Modernisation of infrastructure and basic sectors by eliminating established structural problems in energy, mining, oil-and-gas fields, housing, transport infrastructure development and land market. The transition from subsidies to self production and social services.
4. Preservation and development of human and social capital by improving the efficiency and sustainability of social protection, improving the quality and accessibility of education and health care.
5. Improved governance through reform of civil service and executive power.

However, the priority area for modernization of public administration (in particular, local government) at the beginning of 2011 has not been been submitted in violation of the principle of integrity of the preparation and implementation of reforms. Major revision of legislation governing the work of local authorities was carried out: the European Charter of Local Self-Government from 15.10.1985, Decree of President of Ukraine «On the optimization of central executive power» from 09.12.2010, the Law of Ukraine «On local self-government in Ukraine» from 21.05.1997, the Law of Ukraine «On association of local authorities» from 16.04.2009, the Law of Ukraine «On service in local government bodies»"

from 07.06.2001, the Law of Ukraine «On the bodies of self-organization of population»", from 11.07.2001, the Law of Ukraine «On Elections of deputies of the Autonomous Republic of Crimea, heads of local councils and heads of settlement, village and town» from 10.07.2010. However, the development of the revised Strategy of local government reform and national program of its implementation is still topical.

One of the key areas of efficiency of local government of territorial communities of Ukraine is to give them sufficient resource base in the financial, infrastructure and personnel dimensions, and only at the relevant territorial basis. So, the strategy of formation of capable local self-government of the European standard in Ukraine is to determine the optimal territorial base of capable communities, optimal system of local government of local communities, power of providing public services to be transferred to local bodies of local communities, the resource base of local communities (Ukrainian Association of district and regional councils // http://uaror.org.ua).

Currently three projects on local government reform are being reviewed: Draft Concept of the reform of local government in Ukraine (prepared by the Association of Cities of Ukraine) , Draft Concept of the territorial organization of power in Ukraine, prepared by Ukrainian Association of district and regional councils, draft framework document «Key strategic directions of the reform of local self-government in Ukraine» (considering proposals), and developed table of proposals to the draft framework document «Key strategic directions of the reform of local self-government in Ukraine» prepared by the regional centers for training and qualification of servants of public authorities, local self-government, state enterprises, institutions, organizations and universities that train specialists in the field of «Public Admiistration» (Web-site of the State Fund for Local Self-Government in Ukraine // http://municipal.gov.ua)

However, experts at an international meeting on strengthening local governance in the countries participating in the revised European Neighbourhood Policy and Russia, held in June 2011 in Odessa within the framework of the European BRIDGE project, noted that some issues are still neglected by state and identified priorities of reforms (BRIDGE Odesa declaration 2011). Among the most important the following should be noted:

- to enhance decentralisation in order to provide democratic ways and means for engagement of people in the decision-making;

- to enhance legislative basis for the functioning of efficient local and regional self-government, to clear-cut competencies and responsibilities, and to ensure adequate instruments and financial resources for achieving these goals;
- to propagate the benefits of local democracy and self-government for the amelioration of living conditions of population, to raise public awareness on this issue by adopting adequate policies and instruments for their realisation, and to ensure the support of activities of civil society organizations and institutions within the local self-government;
- to ensure the democratic and transparent execution of local self-government among other through the functioning of assemblies, councils and by direct participation of people in referenda, public hearings and similar forms of democratic engagement;
- to provide local and regional communities with legal possibilities to take part independently in cross-border cooperation and to ensure that local and regional communities can without obstacles use the EU funds for realisation of projects that are important for the life of population;
- to improve the existent courses and introduce new programs of civic education on all levels of education with the aim to educate children as citizens who are aware that democracy is a corner stone of stable and prosperous societies and of their human rights and freedoms as well;
- to adopt adequate programmes for training of people who are involved in the functioning of local communities with the aim to improve their knowledge, skills and capacity concerning exercising competences, effective organisation and decision making ;
- to adhere to the Additional protocol to the European Charter of local self-government on the right to participation in the affairs of local authorities of 16 November 2009 and to the 3rd protocol to the European outline convention on trans-frontier cooperation of 1982 providing the possibilities for "Euro-regional cooperation groupings (ECGs)".

Also, there is still disregard for fundamental freedoms in Ukraine, including freedom of media, freedom of assembly and democratic standards. As for democracy, after in general good conduct of the presidential election earlier this year, elections to local authorities held in October 2010 have been strongly criticized by international and national observers, particularly for low quality of legal structure and poor administration of election procedures. The adoption of the electoral code, which corresponds to European standards and supported by major political forces is very important for future democratic elections in Ukraine. This

question is primary for the the EU agenda in Ukraine. Further support should be given to the activities required to strengthen the Ombudsman's independence and effectiveness of its organization and increasing its role. In August 2010 there was created a position of Ombudsman for Children's Rights, who is the Deputy Ombudsman for Human Rights in Verkhovna Rada.

However, political leadership is not ready to completely abandon the project of European integration, for example, in favor of the Russian direction, because it is popular among voters, strengthens internal confidence in them as reformers, as well as brings immediate economic rewards, including greater access to markets and international financial assistance.

It should be noted, that in the process of integration of Ukraine into the EU there are contradictions inherent in domestic realities. Having considered the criteria for EU accession, one can single out three groups of domestic contradictions: economic, political and membership ones. Contradictions arising between Ukraine and EU on different visions of the European perspective of our country deserve special attention, as well as controversy over the perception of the European integration processes by Ukrainian population. Analysis of the contradictions of economic group shows the lowest GDP and HDI of Ukraine among Central and Eastern Europe, a small contribution of the economy of Ukraine to the EU's GDP, low level of governance, aimed at building sustainable development of Ukraine and the failure of government to solve the problem of economic crimes. In particular, attempts to develop policy documents on sustainable development of Ukraine are largely institutional in nature, are based on different premises and complete in the development of instruments with significant differences between themselves (Kostenko A.M. 2009).

Within political group differences the most typical for Ukraine are the contradictions of democracy, lack of effective cooperation between different governmental and political institutions, domestic political conflicts, problems in the fight against corruption, the level of freedom of parliamentary, presidential and local elections, the level of civil society develoment.

As noted above, the group «membership contradictions» contains inconsistency between the declared objectives of Ukraine's European aspirations and activities for its implementation. This, in particular, is a policy of budget expenses for implementation of programs of

European integration. Also, there is insufficient internal motivation of the Ukrainian leadership to the European goals, problems of adaptation of Ukrainian legislation to the EU norms.

So, most of the independent Ukrainian experts believe that European integration rhetoric of Ukrainian ruling elite is a declaration dictated by certain conjuncture needs, rather than a sincere desire and willingness to fulfill all the requirements of European integration. Therefore, the political elite regard it more useful to keep the status quo than to introduce reforms in interests of long-term benefits for the country and society.

Important in this context is the integration experience of other Eastern European countries (such as Slovakia, Bulgaria and Romania) that were forced to abandon the practice of imitating the preparation for the membership in exchange for economic assistance through the discipline of pre-accession.

The situation is further complicated by the fact that society in Ukraine is still ambivalent about the direction Ukraine should move to. In recent years the situation has deteriorated markedly because of disappointment in the prospects of Europeanization of Ukraine. According to an opinion poll conducted by the Razumkov Centre in September-October 2009, decreased support of the European integration course of Ukraine by the population might be noticed. Thus, in the end of 2002 65.1% of respondents answered «yes» to the question «Should Ukraine join the European Union», and in October 2011 - only 51.2%. At the same time according to the results of another poll conducted in October 2011, only 43.7% of respondents elected European direction for the question «What integration direction should Ukraine move to». Similar data is cited by Kyiv International Institute of Sociology that conducted survey in February 2012. In case of a referendum on Ukraine's accession to the EU 40% of Ukrainians are ready to vote "for" opposed to «against» (33%). Proponents of EU membership dominate in the Western and Central regions (67% vs. 13% and 46% vs. 26%), and opponents to the accession – in the Southern and Eastern regions (45% vs. 22% and 50% vs. 24%) (Citizens' attitude towards integration projects). According to another poll by the Razumkov Centre, respondents identified the most important obstacles to Ukraine's integration into the EU. Among them were called, first, the low level of economic development and insufficient pace of reform - 70.4%, secondly, a high level of corruption in

Ukraine - 64.0%, and thirdly, incompatibility of democracy in Ukraine to European standard - 38.5%.

There is a widespread thought among Ukrainian experts that this is largely due to both - failure of political elites to conduct reforms and the uncertain position of the EU itself towards Ukraine. So far, the internal momentum for reform and modernization of Ukraine is minimal, and pro-European public interests are not sufficient for consistent movement towards implementation of the EU norms and rules. It is often indicated that the presence of significant consolidated groups interested in implementing European standards and able to act as an engine of internal transformation, is the main precondition for their effective implementation (Authoritarianism in Ukraine should be stopped by citizens, not foreign politicians).

At the same time lack of unity among member-states on the desirability of further expansion in general and specifically the integration of Ukraine predetermines absence of any coherent EU policy line concerning Ukraine. Western governments were caught between two potential dangers: on the one hand, they don't want to cause isolation of Ukraine, on the other - are afraid to give legitimacy to Western illiberal rulers. Contradictions associated with the EU and Ukraine's different visions of the European integration model, in turn, hinder effective cooperation. Some Ukrainian politicians require a specific signal from the European community on the possible membership of Ukraine, while the EU is focusing on the priorities of internal systemic transformations in Ukraine.

As the T. Sydoruk notes, dominant approach shared by the majority of EU member-states as the most appropriate, requires avoiding steps that isolate the government of Ukraine. Indeed, on the one hand, harsh EU position on the internal situation in Ukraine can cause isolation, economic difficulties and undermine democracy, if the Ukrainian government and society will turn their glances back to Moscow in search of protection. On the other hand, closer cooperation with the Government of Ukraine will provide support for undemocratic forces. This may call into question the commitment of the EU to basic democratic values. This traces the geopolitical dimension of controversies related to the nature of relations in economic and political spheres between Ukraine and Russia, as well as the Russian Federation and the European Union.

Signing Association Agreement could be an effective lever to promote political, economic, legal and social reform of the Ukrainian state.

Active cooperation of Ukraine with the European Union, which is based on recognized international standards and norms of international law, intensifies the processes of formation and functioning of the Ukrainian legislation. The new political and legal course «to build a society in the interests of people» taken by Ukraine in 1991 and stated by the Constitution of Ukraine, contributed to Ukraine's integration into the world community and the increasing role of international legal norms in the national legislation of Ukraine. In connection with the definition of Ukraine's strategic goal - integration into the EU, including membership - an important task is to bring domestic legislation into conformity with the EU law, which leads to reform of the legal system as a whole.

According to some experts, Ukraine needs to adopt new or make appropriate changes to almost 4 thousand laws and regulations to enter into the legal framework of Europe (Yakimenko H.S. 2010). In fact it comes to creating entirely new legislation, and in many cases initiated according to international principles and standards that earlier were not used in the practice of our country.

To implement the provisions of the Ukraine-EU Partnership and Cooperation Agreement concerning the reform of Ukrainian legal sphere in accordance with the requirements of the EU law there was established an institutional mechanism of adaptation, and the main idea that lied at its core was to achieve a consistency (adequacy) of the Ukrainian legislation to the European one. Most clearly this approach to the Ukrainian law reform in this area is articulated in Decree of the Cabinet of Ministers of Ukraine dated 16.08.1999 "On the concept of adaptation of legislation of Ukraine to the European Union", according to which in the adaptation of Ukrainian legislation the main provisions of EU regulations are taken into account to the extent they are appropriate for Ukraine, including economic, political and social consequences of the adoption of relevant legal norms, adapted to the requirements of the EU legislation. However, as Yakimenko H. stresses, until now the EU did not set out to which limits the Ukrainian legislation should be adapted, because there are several national legal systems in the world that preserved a lot of specific features reflecting peculiarities of their development, legal culture of a state.

In general, Ukraine is more or less successfully advancing in reforming the legal sector. Among the achievements the Law «On Access to Public Information» adopted in January 2011, improvement of the institutional capacity of equal treatment policy, creation of the Department of Family and Gender Policy under the Ministry of Family, Youth and Sports, the inter-ministerial committee to review complaints on gender discrimination, entering into force in March 2010 of the UN Convention on the Rights of Persons with Disabilities and its Optional Protocol need to be mentioned. Also the development of a number of the following documents is noteworthy: project declaration «On dignity, freedom and human rights»; on amending certain laws of Ukraine on education (to comply with state guarantees for persons enrolled in private educational establishments); on proclamation of November, 1 the Day of nationalities in Ukraine; on proclamation of the Day of national minority languages, regional languages and minority languages in Ukraine; on the basis of state language policy; on countering extremism; on amendments to the Law of Ukraine «On Pre-School Education» (concerning education in mother tongue); «On amending certain legislative acts of Ukraine» (concerning the examination of draft legislation to prevent narrowing of the content and scope of existing rights and freedoms of person and citizen).

There are certain achievements in the field of children's rights. National legislation has been harmonized with the UN Optional Protocol on the Sale of Children, Child Prostitution and Pornography (UN CRC OPSC), according to the recommendations of the Committee on the Rights of Children in 2007. In January 2010, Ukraine passed a law against child pornography. For its part, the EU has helped to organize a series of regional workshops aimed at a more effective implementation of the Hague Convention on the civil aspects of international child abduction.

However, in some areas the pace of reform remained at very low levels. Moreover, in the sphere of human rights, fundamental freedoms and the rule of law there was witnessed a deterioration of situation. The EU expressed concern about the decline of respect for fundamental freedoms and democratic principles in Ukraine.

By definition of V. Kolesnichenko, deputy of Ukraine, Deputy Chairman of the Party of Regions' faction in Verkhovna Rada of Ukraine on legislative work, among the main challenges of human rights in Ukraine are the following:

1. Immaturity of civil society and post-authoritarian elements in public administration;

2. Failure of government (law enforcement bodies);
3. Gap between different socio-cultural groups in society and the alienation of citizens from the state;
4. Spread of xenophobia, antisemitism, racism and discrimination. According to a social monitoring «Level of national alienation of citizens of Ukraine» by the Institute of Sociology of the National Academy of Sciences, only 12% of respondents assessed the situation in Ukraine as quiet. More than 60% - as tense and even conflicting. This internal struggle gives no prospects for the future. In Ukraine, about 8% of the population is of extremist orientation relative to other ethnic groups and nationalities, and 1% of them indicated a high level of these sentiments (about 400 thousand people.). For example, a tolerant attitude toward Jews has dropped from 30 to 11 percent, to Russians - 2 times, to Roma - 5 times;
5. Lack of effective interaction between public bodies and human rights activists;
6. Lack of proper examination of legislative procedures on the rights and freedoms of people and citizens (Kolesnichenko V. 2012).

Ukraine's commitment on public broadcasting, media freedom, transparency of media ownership and privatization of printed publications, as well as cancellation of «the law of public morality» remain unfulfilled. No success was achieved in the adoption of new laws on peaceful assembly and on NGOs, despite numerous discussions of these issues, as well as anti-discrimination legislation that was recommended by the monitoring UN and the Council of Europe agencies. In addition, the project concept «On Civic Education»", concept of public policy on human rights of person and citizen, new Criminal Code, Law of Ukraine «On national and local referendums», «On strengthening accountability for crimes motivated by ethnic hatred» and «On social standards», «Code of accountability of officials» etc should be elaborated and adopted.

Current national legislation in ethno-national sphere has an extensive system of legal documents: the Constitution of Ukraine, laws, decrees and orders of the presidents of Ukraine, decrees of the Cabinet of Ministers, international instruments ratified by the Parliament, bilateral interstate and intergovernmental agreements and more. But still the development of modern legislation on national ethnic policy is going on, which is caused by a mismatch of existing legislation with modern trend and a lack of basic documents of ethnic policy – Concept of ethnonational policy. This document is a basic political document for the

formation of model of ethnic policy, development and further implementation of legal documents on its basis. Concept needs to be implemented also due to the need to implement the the same conceptual apparatus, common principles, goals, and directions and mechanisms of state ethnopolitical policy into the legislation. This would form the system of prevention of different interpretation of law, conflict within it. Projects of the Concept of the state ethnonational policy of Ukraine were being developed by scientists from the late 1990s. However, most of them were rejected because they did not meet the requirements of the national minorities living in Ukraine (Shipka N. 2011).

Another draft law of Ukraine "On State Ethnonational Policy of Ukraine" was developed by the State Committee for Nationalities and Religion back in 2006 and is based on the provisions of the Constitution of Ukraine, Law «On national minorities in Ukraine», «On Refugees», «On the legal status of foreigners and persons without citizenship», «On public associations» and other legislative acts and international treaties. But in February 2012 the Cabinet of Ministers at its meeting approved the draft Law of Ukraine «On State Ethnonational Policy of Ukraine» which was developed by the Ministry of Culture to the Decree of President of Ukraine from May 14, 2010 «On additional measures for resettlement of Crimean Tatars and other persons deported on ethnic grounds, and their descendants who have returned or are returning to permanent residence in Ukraine».

The bill, which will be proposed to the Parliament, is expected to determine basic principles, goals and objectives of ethnonational policy at the legislative level. The draft defines state ethnonational policy as a part of state policy aimed at creating conditions necessary for the harmonious development of the Ukrainian nation, indigenous peoples and national minorities of Ukraine, and provides for the application of effective mechanisms of consolidation of all ethnic components of the Ukrainian society. The basis of this policy is the actions of the state on meeting the needs of ethnic communities, creating conditions for free, independent, active development taking into account the need to implement European standards, the recommendations of the OSCE and other international institutions authorized with the regulation of inter-ethnic relations.

Adoption of a new enhanced law on ethnonational policy is one of the major issues of state development, its stability and internal security. This is connected with the increasing discrimination and racist manifestations. It should be noted that, studying the dynamics of tolerance of Ukrainians to other ethnic groups during 1994-2010 Kyiv International Institute

of Sociology presents the following facts: the level of xenophobia in Ukraine was rising steadily from 1994 to 2008, but in 2009 and 2010 there have been some signs of stabilization (the level of xenophobia even slightly decreased) (Tolerance of the population of Ukraine). At the same time, experts stress that increasing xenophobia and other discriminatory acts occurred in the first wave of the global financial crisis. So, alongside with the legislation reform and improvement of the economic situation of Ukrainian population, it is necessary to take further efforts to raise awareness of racial discrimination and to combat it, to study the effectiveness of the Action Plan for 2010-2012 aimed at overcoming xenophobia, ethnic and racial intolerance and to mprove it and to adopt a new program of action. Special attention needs to be paid to the development of a new law on languages, which will not only guarantee the right to use native languages by ethnic minorities, but also will not put pressure on state language, as happened in the draft law on languages in 2010.

Conclusions and recommendations

Given the fact that all analyzed issues are subject to the Association Agreement, it is extremely important for Ukraine to move along a path of successful reforms at all levels and spheres of state-building. Obviously, the effectiveness of political and economic reforms in Ukraine in the framework of the European transformation is the main argument in favor of European integration.

Socioeconomic differences could be solved by removing the obstacles of regional development in Ukraine, the decentralization of administrative and fiscal relations, improvement of regional economic structure.

To solve domestic political controversies it is recommended to offer a rational and controlled planning and management system for the measures provided by the European integration policy. Ukraine also should use screening mechanism.

It should be noted that Ukrainian authorities are trying to speed up the process of signing Association Agreement, thus trying to solve the membership contradictions. However, since Ukraine can no longer count on favorable conditions for rapid EU accession, it should look for other ways. In particular, the EU and Ukraine have accumulated considerable experience of political cooperation, which allows stating the emergence of de-facto political association between them. Cooperation with states of Central and Eastern Europe that demonstrate

readiness to defend our interests in the governing bodies of the European Union is an important key to effective modernization of Ukraine in all spheres of public and social life.

CHAPTER 4

CRITICAL ANALYSIS OF THE EU-UKRAINE COOPERATION IN THE FIELDS OF EDUCATION, SCIENCE AND CULTURE

The importance of educational establishments in the process of sharing the European ideas and social, economic and cultural development was underlined by the European Union Council of Ministers which in 1990 approved the special program – the Trans-European mobility scheme for university studies (TEMPUS), aimed at the perfection of the systems of higher education in the EU state-partners. They are the source of the specialized knowledge, human resources, and centers for training the new generation of political leaders, the program stated. Since 1993 TEMPUS has been operating in Ukraine. The other most essential and effective instrument of Ukrainian integration into the European community is cooperation within the framework of Technical Assistance for the Commonwealth of Independent States - TACIS.

Cooperation between Ukraine and the EU in cultural and educational direction was boosted after signing of ***Scientific and Technical Cooperation Agreement between Ukraine and the EU*** in July 2002. The realization of this agreement foresees determining the priority directions of cooperation in this sphere and prospective participation of Ukrainian educational and scientific institutions in the EU programs. Other important documents of improvement of cultural and educational level of Ukrainian population by the EU are the following: Ukraine-EU Action Plan, annual National Indicative Programs, Strategy of bringing in international help for 2005-2007, state national programs of informing the public on European integration issues etc.

At the same time there are two aspects to be paid attention to for a subsequent analysis. At first, notwithstanding an almost twenty-year cooperation with the EU in educational sphere still in Ukraine there is a shortage of specialists on European issues. In our point of view, it is connected primarily with shortage of higher educational establishments where the European integration issues are highlighted. At the moment there are 351 institutes of higher education in Ukraine, about 2,4 million students study there (Ukrainian state committee of statistics). But not more than fifteen Ukrainian institutes of higher education have departments which train specialists on specialities relating to European integration, and only three master's degree programs in European studies. It might be reminded for comparison that in the USA there are

about 200 research and educational centers on European studies, in Great Britain the European issues are taught at almost 90 higher educational establishments. Considerable attention is paid to the issues of European and Euroatlantic integration in the countries of Central and Eastern Europe. For example, in Poland there are over 170 institutes of higher education which specialize in European issues.

Certainly, in many Ukrainian institutes of higher education curricula contain separate courses on European integration, which either have general informative character, or concentrate on the separate aspects of integration processes (European economic integration, European law) as an appendix to the basic courses. Clearly, such approach can not meet urgent needs of the increase of education and knowledge of population on questions of European integration, European Union and Ukraine-EU cooperation.

Here we encounter another aspect. Previous research shows that in Ukraine until now there is no common view as for the question how should the system of European studies in Ukrainian institutes of higher education look like. In most countries the European studies are considered to be an aggregate of several humanities: languages, literature, history, philosophy, law, politics. In other countries experts consider that the European studies are the separate speciality which is based on interdisciplinary approach and includes a wide range of questions: history, political sciences, culture, linguistics, economy.

We can see today that in Ukraine there has been formed the interdisciplinary approach to the European studies which supposes that all of these aspects are important, therefore different directions of research should be formed and specializations on European studies in many specialities - history, political sciences, linguistics, law and economics – should be created. At the same time curricula structure and teaching methodology of the European studies in Ukrainian educational establishments differ. It testifies to the urgent necessity of standardization of the methodological approach to its content.

The importance of the task to unify the term of «European studies» is confirmed by research of Association of Ukrainian and European studies which among the other issues focused on the textbooks and their contents. According to the information of this research, about 50 % of institutes of higher education have their own textbooks, but, as the experts who took part in questioning state, there is no enough clearness in educational materials as for the reflection of

knowledge necessary for students*. All experts gave unequivocal positive answer to the question if today there is a need to create separate specialized course of «European studies» in the system of higher education of Ukraine, hence the resolution of this question is very urgent.

This task acquires the added value from the moment of Ukraine's joining «Bologna process», i.e. the process of forming common scientific and educational space with the common criteria and standards in this sphere. This question is urgent also in the context of recognition of Ukrainian diplomas abroad and European diplomas in Ukraine, increase of interaction and cooperation of institutes of higher education of different countries and spread of the exchange programs and internships for Ukrainian tutors and students in European universities and for Europeans – in Ukrainian ones.

Among the leading higher educational establishments of Ukraine where European studies are one of key directions of training specialists in international relations and European studies, institutes and universities of Kyiv, Odesa, Donetsk, Kharkiv, Lutsk, Lviv should be mentioned. Also the newly founded centers on European studies opened for the last few years in Khmelnitsk, Dnipropetrovsk, Chernivtsi, Zaporizhia are noteworthy.

In Kyiv European studies are based in three establishments. **Institute of International Relations of Taras Shevchenko Kyiv National University (IIR)** is the leading one. In IIR emphasis is placed on research and study of a wide range of questions. Several specializations are introduced such as «European policy», «International strategies and security», «European law», «European communications», «European economics and integration». The complex of educational disciplines which expose the European issues in their multisidedness is being taught. Among them the following should be mentioned:

- International relations and foreign policy
- The political and legal systems in Europe
- Economics of European countries
- Modern European political theories
- Foreign policy of European states
- Analysis and prognosis of the European policy

* Report based on the results of expert questioning of the representatives of Ukrainian educational sphere – tutors of higher educational establishments, research fellows, representatives of student self-government – on the coverage of European integration issues, contents of courses, curricula and forms of work // http://www.slideshare.net/shtukarin/report-on-european-studies-in-ukraine

- Role of NATO in the modern world
- The European Union law
- European policy and global development
- International and European security
- Fundamentals of geopolitics and geostrategy
- National and ethnic problems in Europe
- Problems of conversion in Europe
- The law of the EU institutions
- Human rights and democratic institutes in Europe
- European policy of Ukraine
- Peacemaking activity of Ukraine
- International security law
- Conflictology and conflicts in Europe
- Nuclear policy and problems of non-proliferation.

Within the framework of TEMPUS projects first two-year master's degree program with the specialization «European policy» was opened and Center of European studies and innovative center INCOS was created.

Subjects on European integration at master's degree level are also being offered at the **National University «Kyiv Mohyla Academy»** within the framework of two specializations: «European studies» and «German and European studies».

Kyiv Humanitarian University is another center of the European studies in Kyiv. Here on basis of department of international relations there is a regional research program focused on European issues connected with foreign policy, social and economic priorities of Ukraine. Students of this university get a chance to get the systematic knowledge on the followings disciplines:

- International relations and world policy
- International organizations
- World economy
- International economic relations
- European Union in international relations
- Analytical activity in international relations
- Foreign policy of Western European countries

- Foreign policy of the states of Central-Eastern and North-Eastern Europe
- Features of modern international relations
- Culture of Western European and North American states
- Ukraine and European policy
- Expansion of the EU and NATO
- European integration and national policy of Ukraine
- Global and regional security systems
- International and European security
- The EU law

European studies teaching is one of important directions of the educational program of **Odesa Mechnikov National University** within the specialization «International Relations». The Department of International Relations is the heart of the European studies in Odesa University. Teaching of material directly related to the processes of European integration takes place within a wide context of history and modern problems of the system of international relations, problems of military-political security, foreign policy of European countries and regional studies. Basic emphasis is put on the political and historical disciplines, and less on international law and international economy. Master's degree program is expected to be opened soon; it will have «European studies» as one of its specializations. At the moment students of Institute of Social Sciences (Departments of International Relations, Political Science and Sociology) have opportunity to take courses on European issues, take part in scientific conferences and round tables, and conduct discussions relating to the European choice of Ukraine and European integration during meetings of student scientific seminars and groups.

Today the problems of European integration are covered in the followings educational disciplines:

- Foreign policy of Ukraine
- Topical issues of world politics
- History of international relations
- Foreign policy of Western European states
- Foreign policy of East European states
- Postcommunist transformation of East European states
- The EU and other institutes of united Europe

- International organizations
- Problems of the Black Sea region
- History of the states of Europe and America
- Higher education and Bologna process
- Intellectual property
- Modern political systems and political regimes
- Modern theories of democracy
- Sociology of conflicts
- Political conflictology
- UN and international structures.

On basis of Department of International Relations of Odesa Mechnikov National University thwere is Center for International Studies and Information Center on International Security, whose employees are engaged in the different aspects of educational work relating to spread of information about the EU among the students of Odesa institutes of higher education and organizing expert research and conferences, summer schools and seminars for students, young research fellows and scientists, representatives of mass-media and local authority bodies.

Apart from the Department of International Relations issues of economic integration within the framework of European Union are studied at the Department of World Economy and International Economic Relations.

In Odesa separate issues of European studies are also taught at the departments of other institutes of higher education:

- Department of European integration, Odesa Regional Institute of Public Administration of National Academy of Public Administration the President of Ukraine;
- Department of International Law and International Relations of Odesa National Law Academy;
- Department of the EU Law and Comparative Jurisprudence;
- Department of International Economic Relations of Odesa State Economic University.

Donetsk National University, as well as Odesa University, does not have speciality «European studies», but considerable part of educational process of the department of international relations is devoted to the wide range of questions relating to European issues. It

is indicative that the leading chair of department bears the name Department of International Relations and European Integration. Center of International Security opened at the university in 2005 is an additional research center on European problems.

At the Department a range of special and normative courses directly relating to the European studies are being taught:

- European security system
- Constitutional law of the EU states
- Ukraine in Euroatlantic community
- Ukraine in international organizations: political and legal aspects
- Security of the Black Sea region
- Pan-European process
- International systems and global development
- World integration processes
- Transformation of global structures of international security
- International organizations
- Foreign policy of Western European and North American states
- Foreign policy of Ukraine
- Foreign policy of the Central-Eastern Europe states
- The European Union law.

There is a powerful center of European studies in Lviv. Actually it exists due to the efforts of tutors and research fellows of **Lviv Ivan Franko National University**. About ten years ago they founded the Faculty of International Relations which nearly became a full-fledged competitor of Institute of International Relations in Kyiv. Being the West-Ukrainian higher education institute, both tutors and students of the Lviv National University concentrate their activities on European studies. Besides, on the basis of university there was founded Center of European Integration, which is the original ground for European studies, above all in sphere of policy and economics.

At the same time, European studies hold a main position in the curricula of faculty of international relations. Now there are 4 specializations at the faculty:

- Law of the European Union (within the framework of speciality «International Law»):
  - Introduction into the EU law
  - Institutional law of the EU

- Migration law of the EU
- Competition legislation of the EU
- Transport law of the EU
- External relations law of the EU
- European constitutional law
- Customs law of the EU
- Economy and finances of the European Union (within the framework of speciality «International Economic Relations»):
- Tax policy of the EU
- Economy of the EU
- Political economy of the EU
- International finances

▪ European policy (within the framework of speciality "International Relations"):

- Structure of the EU
- Common policy of the EU
- Foreign policy of the EU
- Transborder cooperation in Europe
- Ukraine and the EU
- The EU policy in tourism and business
- History of political studies
- European subregional organizations

▪ European Union (within the framework of speciality "Regional Studies").

Volyn Lesia Ukrayinka State University is another west-Ukrainian institutes of higher education. In experts' opinion, this university is still on the initial stage of its development, and because of their impressive curriculum, at times there is a lack of relevant personnel.

However, taking into account their sincere interest and working enthusiasm, they can become the center of European studies of national level. In 1995 a research laboratory «European integration process and regional development of free trade» was founded on a voluntary basis in Volyn State University. European studies in Lutsk are concentrated at the Faculty of International Relations which consists of three chairs (departments):

- Department of international relations and country studies;
- Department of international economic relations;

- Department of international information.

The followings courses are included in the faculty curriculum:

- Foreign policy of Western European states
- Foreign policy of the Central and Eastern Europe states
- European transborder cooperation
- EU in international relations
- Economy of the European states
- Modern European political theories
- Political history of modern Europe
- The EU law
- Expansion of the EU and NATO
- European policy of Ukraine
- National and ethnic problems in Europe
- Comparative civil and trade law of the European countries
- Economy of European integration
- Cultural and religious traditions in the region (Western, Central and Eastern Europe)
- International currency relations in the region (Western, Central and Eastern Europe)
- Ethnology of region (Western, Central and Eastern Europe)
- Political and legal systems in the region (Western, Central and Eastern Europe)
- Sociopolitical systems and sociopolitical processes in the region (Western, Central and Eastern Europe)
- Modern problems of international relations in the region (Western, Central and Eastern Europe)
- Foreign policy of states of the region (Western, Central and Eastern Europe)
- Ukraine in the system of international economic relations of the region (Western, Central and Eastern Europe)
- Humanitarian contacts of Ukraine with the countries of the region (Western, Central and Eastern Europe)
- Etnopolitical and demographic processes in the countries of the region (Western, Central and Eastern Europe)
- Integration processes in the region (Western, Central and Eastern Europe)
- Modern political development and geopolitical orientation of the states of the region (Western, Central and Eastern Europe)

- Development of productive forces and modern ecological problems in the region (Western, Central and East Europe)
- Tourism in the region (Western, Central and Eastern Europe)
- International relations in the EU
- Competition policy of the EU
- Foreign trade management in the EU
- Currency policy of the European countries
- European financial markets
- Foreign trade regulation in the EU
- Scientific and technical integration in the EU
- Regional policy in the EU
- Integration of Ukraine
- European relations
- Cultural and religious traditions in the region (Western, Central and Eastern Europe)
- European mass media

In Kharkiv European studies are concentrated in **National Technical University «Kharkiv Polytechnic Institute»**. There is still no relevant specialization at the institute, but courses on European issues are taught at contiguous specialities:

- International economy (speciality «Management of Free Trade»)
- Management and economy of European Community (speciality «Management of Organization»)
- History of Europe: sphere of education and science.

A list of educational disciplines on European processes is diverse:

- European integration
- Economy of European integration
- European currency system
- International financial management
- International contract and investment law
- European policy and European law
- Accounting of enterprises in the EU states
- International law and international cooperation in the field of intellectual property defence
- International cooperation of Ukraine
- World economy

- International management
- International and European organizations
- International marketing
- Financial systems of foreign countries
- Higher education and Bologna process
- History of Europe
- Modern problems of international financial management
- International monetary and credit relations.

There are some noteworthy institutes of higher education which have only recently started to implement their own European studies, but already have the achievements. Among them are Khmelnitsk National University, Dnipropetrovsk National University, Zaporizhia National University and Chernivtsi Yuriy Fedkovych National University.

In **Khmelnitsk National University** there is no specialization "European studies", but there are grounds for its creation and development. There has been recently created the Faculty of International Relations whose curriculum includes a range of educational courses which relate to the European economic problems mainly:

- Regional policy of the EU;
- Economic integration of Ukraine;
- International economic integration;
- Markets of world trade;
- Economy and external economic relations of Ukraine;
- International economic relations;
- External economic policy of Ukraine;
- Economic globalization;
- World economy;
- World service market.

The university is active in international cooperation, including introduction of general projects in different areas of science.

European studies in **Zaporizhia National University** are concentrated in the international master's degree program of «Teaching of Masters of Art in Social and Pedagogical Sciences»

within the framework of project «European prospects of social involvement» at the Faculty of Social Pedagogics and Psychology. The program foresees teaching of the followings courses:

- Ethics and social justice in the European «Social policy»
- Theories of social discrimination (European aspect)
- Social dimension of Europe
- Social sphere in Europe
- Comparative social policy in European states
- Theories of interference and social changes in social work in the European states
- The European prospects of social work with people with special needs
- European prospects of work with aged people
- The European prospects of work with drug-addicts.

In addition, European studies figure out in many other more general courses which are taught at some other faculties:

- Faculty of law:
  - The EU law
  - Civil and trade law of foreign countries
  - International law
  - Criminal law of foreign countries
  - Constitutional law of foreign countries.
- Faculty of sociology and management:
  - Higher education and Bologna process
  - International relations
  - Sociology of international relations
  - Ethnic sociology
  - Introduction into history of civilizations
  - Political communications
  - Political philosophy
  - Modern political systems
  - Fundamentals of democracy and human rights
  - Philosophy of policy.
- Management faculty:
  - Management of foreign economic activity
  - Methods of world market research

- International credit and currency calculations
- International business
- Integration of Ukraine into the EU
- International trade
- International marketing
- International management
- Signing of international contracts.

- Faculty of history:
- Modern history of Western Europe and North America
- History of international relations
- History of external relations of Ukraine
- History of European culture
- Historical portraits of foreign political leaders
- Ethnic and demographic history of Europe
- History of diplomacy
- Political systems of foreign countries
- International relations in the epoch of globalization
- Ethnic problems of nowadays.

There is another relatively new center of not only European studies but also international relations on the whole at the Faculty of International Economy of the **Dnipropetrovsk National University**, where the Department of International Relations was opened in 2005. As in many other higher education institutes in Dnipropetrovsk there is no separate specialization in European studies, however range of educational courses actually have the European contents.

Among them are the following:

- The European Union in international relations
- The EU law
- International security
- History of European culture
- The EU and globalization
- International system and globalization
- European politics
- International political economy

- European currency union
- International organizations
- Foreign policy of European countries
- Regionalizm and integration in the modern world
- Comparative law (European legal systems)
- International communications
- International economic relations
- Theory of international relations.

The Department of Political Sciences of the Faculty of History, Political Sciences and International Relations of **Chernivtsi Yuriy Fedkovych National University** is considered to be one more perspective center of European studies. At the same time nowadays development of European issues in research and curricula in the local university ows to efforts of tutors and group of enthusiasts from the Center of European studies. Other specific remarkable feature is that European studies here are somewhat limited, being oriented, mainly, to subregional and transborder problems.

Thus, we can see that there are common courses in separate institutes of higher education, but most subjects differ, which is determined by different specializations and regional approach to the issue. Most widespread are such courses as:

- History and foreign policy of countries of Western and Eastern Europe
- Economy of the EU and European countries
- International economic relations or world economy
- International relations and foreign policy
- The European Union law
- International and regional security
- Modern European political theories and systems
- Foreign policy of Ukraine.

Two following parameters are also very important. First, mostly development of European studies is personified and strongly depends on activity of tutors. State programs and financing are at a very low level and do not meet urgent requirements of textbooks preparation. Second, the vagueness of prospects of future cooperation between Ukraine and European Union limits the reformation of educational courses of higher education institutes at state and regional

level. Lack of understanding that the system of education is one of the most perspective directions of cooperation and integration with the EU restrains cooperation in other spheres, hinders overcoming of existing stereotypes and positive changes of vision of Ukraine in the EU countries.

Notwithstanding problems, all institutes of higher education continue to develop European studies in Ukraine, take part in various projects and programs which are carried out with the purpose to spread of European identity and are supported by the European Union. Universities organize conferences, seminars, round tables devoted to the problems of Europe, European and Euroatlantic security. Most of universities have links with European educational establishments, carry out common projects, introduce new specializations, courses and give the opportunity for the best students to continue studies at the European universities. As for Ukrainian universities, it is necessary to develop the most effective educational course in several disciplines for technical institutes of higher education and separate courses on European studies which have to be implemented in majority of humanitarian establishments. Also there is a need to prepare and implement greater amount of master's degree programs which will deepen knowledge and continue research on European issues. Such measures will allow to make students focus on the most essential aspects of European integration. Also these courses should include information on the subsequent study of the topic which is a specialization for every faculty or institute, in Ukraine or in European educational establishments. The necessary feature of these disciplines must be their practical filling and possibility of internship. It is implied that educational courses will be able to bring benefit only if students will have chance to implement their knowledge during joint work with student groups from the EU on the same questions.

At the same time there still remain the urgent tasks to work with the students of other institutes of higher education, to distribute information among schoolchildren, and also to prepare textbooks on different aspects of European studies and to share them among all institutes of higher education, those which are specialized on European studies and those which study this subject among other general courses. One of the possible variants of strengthening European consciousness among Ukrainian Universities is to create inter-university community or network of universities and institutes of European studies, which will have a general library base with free access for students and tutors to all of its resources, permanent news block and debate forum on European issues.

CHAPTER 5

CRITICAL ANALYSIS OF THE EU-UKRAINE COOPERATION CONCERNING CROSS-BORDER COOPERATION

Practical cooperation between Ukraine and EU in regional policy is currently focused on the following areas: Implementation of the Memorandum of Understanding for Establishing of a Dialogue on Regional Policy between the Ministry of Regional Development and Construction of Ukraine and the European Commission, as well as Working Program for its implementation for years 2009-2011; Establishment of a dialogue mechanism between the representatives of the local and regional governance of Ukraine and the EU within the frameworks of the Committee of Regions. Fulfillment of cross-border cooperation programs (component CBC ENPI –program on trans-border cooperation «Hungary – Slovak Republic – Romania-Ukraine», «Ukraine-Poland-Belarus», «Ukraine-Romania- Moldova» and regional program «Black Sea»); Cooperation in implementation of the EU Joint Initiative on Crimea; Involvement of Ukraine to the development of the European Danube Strategy; Cooperation in the framework of regional organizations and the European associations.

The Mid-Term Review of the programming document confirmed that the Country Strategy Paper adopted in 2007 remains a valid framework for cooperation with Ukraine. The new National Indicative Programme (NIP) 2011-2013 for Ukraine was adopted in March 2010 and has a budget of EUR 470.1 million. The programme is geared towards supporting the achievement of key policy objectives, as outlined in the EU-Ukraine Association agenda, and pursues three priorities: (1) good governance and the rule of law, (2) facilitation of the entry into force of the EU-Ukraine AA (including the DCFTA and (3) sustainable development. The NIP 2011-2013 includes a specific appropriation to finance new actions under the Eastern Partnership, notably a Comprehensive Institution Building programme (CIB) (a minimum of EUR 43.4 million) and Cohesion Policy (a minimum of EUR 30.8 million). The CIB Framework Document was signed in October 2010. It sets out the four priority areas for support: one is 'horizontal' (the steering and implementation process for the AA and DCFTA) and three are 'vertical' (sanitary and phyto-sanitary regulations, state aid control and migration).

Implementation of the measures covered by previous Annual Action Programmes (AAP) from the period 2007-2009 is underway. The three sectoral budget support operations (1) 'Support to the implementation of Ukraine's energy policy', (2) 'Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union' and (3) 'Support to the implementation of Ukraine's strategy in the area of energy efficiency and renewable sources of energy' are being implemented, although one disbursement was delayed pending timely confirmation of the improved situation in the country regarding public financial management, notably in the field of public procurement.

An important element of coordination between Ukraine and EU in regional policy is involvement of Ukraine's regions on regular basis to the activities of European regional associations, in particular the Assembly of the European Regions, Council of European municipalities and regions, Conference of European Regional Legislative Assemblies, Association of European Border Regions, Conferences of Peripheral Maritime Regions, Conference of President of Regions with legislative power, European Association of elected representatives from Mountain Areas and EUROCITIES.

In 2010, particular attention was given to all levels of education, with new reform plans to accelerate convergence with the developments in the EU. Reform objectives includestrengthening educational governance, improving quality and accessibility, and ensuring the continuity of education levels and financing. In August, the government identified pre-school education as a new reform priority. It adopted a concept for a state programme of pre-school education development to 2017, with objectives and benchmarks closely aligned with those of the EU's Education and Training 2020 targets. The ministry of education and science initiated secondary curriculum reform in August with the adoption of two state programmes 2010-15 to improve ICT, science and mathematics education and to enhance teaching skills. Secondary education was reduced from 12 to 11 years.

The direction of higher education reform in Ukraine is determined by the need to ensure convergence with EU standards and implementation of the principles of the Bologna Process. Advances took place in the implementation of a third-cycle for doctoral programmes under the Bologna Process and the European Credit Transfer System for the first and second cycles as of the academic year 2009-10. A Higher Education Reforms Expert Group was established in August 2009 with EU support with involvement of Ministry of Education and Science of

Ukraine and the National Tempus Office convening its first meeting in October. The Bologna Process Diploma Supplement, providing for greater transparency on higher education qualifications was (and is still being) gradually introduced in Ukrainian universities and higher education institutions during the course of 2009. University autonomy also advanced with the granting of the status of self-governing academic institutions and research centres to five Ukrainian universities. However, a number of major challenges still remain including improving equal and transparent access to higher education, reforming curricula to take account of labour market needs, strengthening partnerships with enterprises and industry, developing mechanisms for recognition of prior learning and establishing a national quality assurance agency. In pursuing greater internationalization of higher education, greater attention should be paid to the professional development of academic and administrative staff as well as to the need to promote the active involvement of students in decision-making processes, particularly in the areas of mobility and curricular content.

Ukraine continued to benefit substantially from its active participation in Tempus. Five new projects were selected under the third Tempus IV Call for Proposals, including support for the development of doctoral studies. A total of 28 Ukrainian students benefited from Erasmus Mundus Masters Course scholarships during the 2010-11 academic year. Student and academic mobility to the EU continued to develop through the expected award of 99 individual mobility grants under Erasmus Mundus Action 2, for the 2010-11 academic year. Three new Ukrainian projects were selected under the Jean Monnet Programme in 2010, including, for the first time, two Jean Monnet Chairs in Kyiv (Kyiv-Mohyla Academy) and Donetsk (State University) — on EU relations and economic issues, respectively. Ukrainian young people, youth workers and youth organisations continued to benefit from the Youth in Action programme in youth exchanges, voluntary service actions and youth activities in non-formal education. Further national efforts promoting intercultural dialogue and drug prevention activities through youth exchanges and informal education would be welcome.

Among the latest events in this field took place in February 3, 2012, when representatives of the National Tempus-office in Ukraine (NTO) funded by EU held training on Tempus project proposals writing. The training was commissioned in cooperation among International Renaissance Foundation, Kharkiv Charity Fund «Academy», Kharkiv University of Humanities «People's Ukrainian Academy» and the NTO in Ukraine. Kharkiv University of Humanities hosted the training. The series of such thematic training was launched by the NTO

in June 2011, and this training became the second in the series. The idea for the training was initiated by Kharkiv University of Humanities. The University acted as a caring host for the training and assured comfortable conditions for training and discussion. On February 3, 2012, 25 representatives of higher education institutions from Kharkiv, Mykolayiv, Vinnytsia and Poltava took part in the training. It is worth mentioning that the launch of trainings on Tempus project proposal writing has been driven by the high demand. Given the nature of the training, the limited number of registered participants (50%) was invited to participate in event. This provided for individual treatment of every participant, and thorough assessment of every project idea by the trainers. Within the framework of the training, participants obtained knowledge and skills in relevance to determining project problems, objectives and results and learned how to counter-act risks appearing during the project implementation which are out-of-control of project implementers. Participants had the opportunity to work in groups to practice in project strategy formulation, defining problems, their projects aimed at resolving, objectives, the projects aimed at reaching, and developing working tactics with project partners/ stakeholders. Based on three years experience of Tempus program in Ukraine, representatives of NTO consulted and recommended upon elaborated project ideas. It is important that knowledge and skills obtained within the training will be of help to training participants in preparation of other (besides Tempus) projects of international technical assistance. Given the fact that demand for trainings on project proposals writing is high, the NTO in Ukraine is planning to hold another thematic training in the second semester of 2012. Along this training, in the second half of 2012, the NTO plans to organize three Tempus Information Days.

Ukraine continued to update its research and innovation policy with more direct and sustainable economic development objectives. Ukraine's participation in the 7th Research Framework Programme (FP7) continued to be encouraging with an increased number of successful proposals in 2010. As of November, 91 Ukrainian research entities were involved in successful FP7 research projects, receiving an EU contribution of EUR 8.08 million. The possibility to associate Ukraine to FP7 is being explored. The ongoing bilateral 'Bilat-Ukr' project organised various seminars and workshops supporting Ukraine's participation in FP7. As part of this project, analysis has been carried out on the issues of scientists' mobility, research infrastructures and innovation as a basis for fostering EU-Ukraine collaboration in these areas. The EU-Ukraine Science and Technology (S&T) cooperation agreement is in the final stages of being renewed for a further period of five years. Ukraine continued to

participate actively in the International Science & Technology Cooperation Network for Eastern European and Central Asian countries (FP7 IncoNet EECA project), which aims to support a bi-regional EU-EECA policy dialogue on science and technology and to increase EECA participation in FP7. In October 2010, an IncoNet Brokerage Event for the FP7 energy theme was organised in Kyiv by the FP7 National Information Centre.

In the area of culture, Ukraine ratified the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, after the reporting period in January 2010. Ratification will now enable Ukrainian cultural organisations to participate in the Call for Proposals of the ENP Special Action under the Culture Programme in 2010. In the context of its commitment to implementing the above Convention, the Ministry of Culture organised a forum of national cultures in October 2009 to highlight the contribution of ethnic minorities to future cultural development. To advance its regional cooperation in the framework of the Eastern Partnership and the Kyiv Initiative, Ukraine is encouraged to ratify the 2005 Council of Europe Framework Convention on the Value of Cultural Heritage for Society.
Ukraine took an active part in the Black Sea ERA-NET project which aims to help coordinate national research programmes (from EU member states and partner countries) targeting the Black Sea region as a whole. The project consortium for the Black Sea ERA-NET project recently launched a first joint call for proposals to promote collaborative research on innovative approaches to sustainable development in the region.

ENPI CBC Poland/Belarus/Ukraine*

The Cross-border Cooperation Programme Poland-Belarus-Ukraine 2007-2013 (hereinafter "the programme"), under the European Neighbourhood and Partnership Instrument (ENPI) continues and broadens the cooperation in the border zone areas of the three countries, which so far has been developed within the framework of the Neighbourhood Programme Poland-Belarus-Ukraine INTERREG IIIA / Tacis CBC 2004–2006 (Neighbourhood Programme). Despite substantial progress in cross-border cooperation, the level of integration in the programme area needs further improvement in order to realise and utilise the full social and economic potential of the region. All the more so, since the programme area's economic development is still insufficient, with a comparatively low GDP per capita, a very high unemployment rate on the Polish side of the border, high share of agriculture in the

* ENPI CBC Poland/Belarus/Ukraine web-site // http://www.pl-by-ua.eu/en

employment structure, a relatively low innovativeness of SMEs, R&D spending and technical environmental standards. The programme will enable cross-border cooperation by bringing the different actors – people, institutions and organisations, enterprises and communities – closer to each other, in order to better exploit the opportunities offered by the joint development of the cross-border area.

The programme has been elaborated by the Joint Task Force, which consisted of representatives of central and regional authorities of the three countries, in accordance with the Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument. The coordinating role has been conferred on the Ministry of Regional Development of Poland to be the Joint Managing Authority of the programme.

The core objective of the programme is support for cross-border development processes. The programme objectives will be realised through non-commercial projects implemented within the following priorities and measures:

- Priority 1. Increasing competitiveness of the border area.
- Priority 2. Improving the quality of life.
- Priority 3. Networking and people-to-people cooperation.

Total Programme budget: 202,9 million EUR (including 186,2 million EUR of the EU co-financing.)

The programme area consists of cooperation areas and adjacent cooperation areas and it includes the following administrative units:

- in Poland: Krosniensko-przemyski sub-region (in Podkarpackie voivodship), Bialostocko-suwalski sub-region (in Podlaskie voivodship), Bialskopodlaski and Chelmsko-zamojski sub-regions (in Lubelskie voivodship), Ostrolecko-siedlecki sub-region (in Mazowieckie voivodship) and also as adjacent cooperation areas: Rzeszowsko-tarnobrzeski sub-region (in Podkarpackie voivodship), Lomzynski sub-region (in Podlaskie voivodship), and Lubelski sub-region (in Lubelskie voivodship)
- in Belarus: Grodno Oblast, Brest Oblast, seven western districts of Minsk Oblast: Miadel, Vileika, Molodechno, Volozhin, Stolbtsy, Niesvizh, Kletsk and as adjacent cooperation

areas: eastern part of the Minsk Oblast (15 districts and the city of Minsk) and Gomel Oblast

- in Ukraine: Lvivska, Volynska, Zakarpatska Oblasts and as adjacent cooperation areas: Rivnenska, Ternopilska and Ivano-Frankivska Oblasts.

The launch conference of the ENPI-funded «Cross-Border Cooperation Programme Poland - Belarus - Ukraine 2007-2013» (PBU CBC) served as a «launch pad for operational network-based cooperation among regions» involved in the programme, according to the latest edition of its newsletter, «The Crossborderer». The conference took place in Lviv in Ukraine in January 2010. The newsletter said the aim of the event was to introduce a plethora of opportunities offered to potential applicants by the EU through the cross-border programme and acquaint the applicants with the Programme priorities and measures. The conference brought together government officials from Poland, Ukraine and Belarus as well as interested representatives of NGOs, state organizations and public bodies of the participating countries. The newsletter also announced the results of the 1st Call of registered proposals, saying it had attracted 306 project applications, and that quality evaluation would follow in the coming months. It also presented a new «Partner Search Web Platform» available on the Programme's website, together with the database link to the list of organisations in Partner Countries interested in submitting proposals under ENPI CBC calls. The newsletter highlighted the programme's forward planning, including the 2010 Annual Work Programme. Among its past activities it reported on trainings for the large scale projects with partners from all participating countries in Poland, and trainings in the six cities of Western Ukraine and in the capital of Belarus with a total of 457 participants.

1st Call brought first results. The JTS registered 306 proposals during the opening session which took place from 15th to 17th March. The Partner Search Forum, which took place January 26, 2010 was meant and happened to be the exact match for potential applicants' expectations and needs – the initiative aimed at facilitating cooperation between partner institutions and enhancing its cross-border character. The Forum was organized in such a way as to allow intensive partner-to-partner interaction on the prior selected measure letting the partners from Poland, Ukraine or Belarus brainstorm and negotiate the ways to make a successful joint project. In order for the potential applicants to see first hand how an organization may benefit from participating in the Programme, JTS, together with RCBI

inolved a former grantee from the Poland-Belarus-Ukraine 2004-2006 Programme. He elaborated on the project, explained the ways of managing the project, including the ways of handling obstacles. Group discussions helped to clear certain issues on project administration and formulate precise questions that were later asked and during the Question and Answer Session addressed by the JTS team.

In total 506 applications were submitted to the Joint Technical Secretariat of the Cross-border Cooperation Programme Poland - Belarus - Ukraine 2007-2013 within the second call for proposals. Currently letters to applicants are being sent with confirmation that application was submitted before the deadline and with information about the given reference number. The administrative and eligibility check of the applications started as well. The second call for proposals started on May 16, and closed on September 30 2011. Within this time the Joint Technical Secretariat together with its Branch Offices from Lviv and Brest organized 15 trainings for applicants in Poland, 14 in Belarus and 15 in Ukraine.

Among the ENPI projects with the Ukrainian partnership is Project «Lubaczów - Yavoriv two potentials, joint opportunity» with the priority on increasing competitiveness of the border area aimimg at tourism development. Lead Partner Lubaczów Municipality (Poland) with the Partnership of Yavoriv City Council (Ukraine). Total budget 450 259,30 euro with the Programme Contribution 305 233,37 euro. Great cultural and tourist potential of Yavoriv and Lubaczów has not been used to the full extent. Limited tourist infl ow, lack of promotion, poor state of historical infrastructure impedes tourist development in the region. Therefore, the project aims at the improvement and the full use of tourist potential of the border region. The objective of the project will be achieved through the creation of tourist information systems for partner cities, renovation of market squares in Yavoriv and Lubaczów, conducting trainings on providing tourist information and tourist traffic service, promotional events – crossborder meetings of partner towns and communities, etc. The project activities aims include: the boost in tourism in the Polish-Ukrainian borderland, the increase in business activity and business contacts in tourism and related sectors, the increase in local communities' awareness as far as culture and history of partner towns are concerned and eventually tighter cooperation between border regions and partner towns of Lubaczów and Yavoriv.

Another project «Underground city: development and popularization of cross-border tourism by the creation of cross-border tourist route in the underground routes of Lviv, Rzeszów, Lublin» has been leaded by Office of Historical Environment Preservation of Lviv City Council (Ukraine). Partnership: Center «Brama Grodzka – Teatr NN» (Poland), Municipality of Rzeszów (Poland). Total budget 494 866,51 euro. Programme Contribution 445 379,85 euro. Tourism is an important economic branch for the development of the border regions of Poland and Ukraine. The rich cultural potential of Lviv, Rzeszów and Lublin is the basis for tourism development in the region as a whole. However, the number of common initiatives is still too small. Previous contacts of project participants have proved that insufficient cross-border cooperation is a significant problem and requires resolute action. The main goal of the project is to raise competitiveness of the partner cities in the sphere of tourism. The main assumptions of the project concern the creation of cross-border tourist route on the basis of the existing underground routes in Rzeszów and Lublin and planned underground route in Lviv. The common meetings, seminars and conferences will become an important project element and will contribute to its implementation. Common actions implemented within the project will contribute to cooperation between local authorities in the field of cross-border tourism development. One of the results will be the increase of information level among Poland and Ukraine citizens. The project implementation will also increase the cross-border cooperation level of border regions, which will positively influence the socio-economical integration of cities-project participants and will raise the quality of life in the region.

Another project «Clean Water at the Bug Estuary - A Cross-Border Water Supply System for Hrubieszów and Volodymyr Volyns'kyi» under increasing competitiveness of the border area priority has been leaded by the Urban Commune of Hrubieszów (Poland) in partnership with the Town authorities of Volodymyr Volyns'kyi (Ukraine). Total budget 410 327, 00 euro with the Programme Contribution 369 294,30 euro. One of the most significant factors that limit the regions accessibility for investments and reduce inhabitants' living standard is an obsolete water supply network. The overall objective of the project is to increase the accessibility of the region of the Lower Bug Estuary for investors, uphold the inhabitants' living standard and improve the region's tourist and economic attractiveness through the improvement of the quality of social and economic infrastructure related to water supply. The specific objectives of the project are implementation of joint water supply management in local self-governments by establishing joint project structures, support of the future investments concerning water supply and the improvement of the inhabitants' awareness of effective water management.

The core of the project is creation of technical documentation for the most prioritized areas of water supply infrastructure. The result of the project will be the creation of a Common Office for the Management of Water Supply, specially developed technical documentation on water supply for the towns of Hrubieszów in Poland and Volodymyr Volyns'kyi in Ukraine, a number of workshops for the employees of town administrations, extensive information and promotion activities including publications, the Internet web pages as well as two conferences. As the result of the project, both towns will obtain knowledge in the needs for water supply and actual state of investment structure for water supply.

Another project «Renewable sources of energy – method of improving the quality of natural environment within the area of the Lubaczów district and Yavoriv region» under priority on improving the quality of life has been leaded by The District of Lubaczów (Poland) in partnership with Regional Council of Yavoriv (Ukraine) and aimed at natural environment protection in the borderland. Total budget 453 717,22 euro, Programme Contribution 408 345,50 euro. Significant excess of dusts and gases emission, connected with combustion of fuels creates a serious risk to the health of the population in the area and reduces interest in investments, which negatively impacts the region's development. The aim of the project is to improve the state of natural environment by decreasing the emission of harmful substances within the district of Lubaczów and Yavoriv region. This aim will be achieved through utilization of renewable energy sources in order to receive heat energy. The activities planned within the project include installing the solar system in the hospital in Novojavorivsk and purchasing the machines collecting chips form roadsides in the Lubaczów municipality that will be used as biomass in boiler house to heat the School Complex in Oleszyce. This is supposed to lead to the decrease in gas and coal consumption while increasing heat energy received from renewable sources across the Polish-Ukrainian border. Through decreasing the consumption of nonrenewable fuel and increasing the utilization of renewable energy the project should have impact on increasing the energy security, providing the patients of hospital in Novojavorivsk and students of the School Complex in Oleszyce with better accommodation conditions, health improvement of residents of the Yavoriv region and Lubaczów region, improvement of technical infrastructure, increase of institution attractiveness and improvement of staff's work conditions.

ENPI CBC Hungary/Slovakia/Ukraine/Romania*

The Hungary Slovakia-Romania-Ukraine ENPI Cross-border Cooperation Programme is to be implemented in the period of 2007-2013 on the external border of the participating EU Member States with Ukraine. The Programme entered into force on 23 September 2008, after the approval of the European Commission. The programme allocates 68.638.283 € of ENPI funding for the seven years. The Programme offers a wide range of opportunities to the potential Beneficiaries through the four priorities - Economic and social development, Enhance environmental qualities, Increase border efficiency and Support people to people cooperation.

The overall aim of the Programme is to promote activities with the support of the European Union which will lead to a more intense and deeper social and economic cooperation between regions of Ukraine and regions of Member States sharing common border.

With the assistance of European Neighbourhood and Partnership Instrument (ENPI) funds we attempt to enhance the joint development of the Programme area by stimulating cross-border partnerships. We will keep you informed about the latest news in the Programme, with emphasis on the Calls for proposals.
Eligible Border Regions: Hungary: Szabolcs-Szatmár-Bereg; Slovakia: Prešovský Kraj, Košický Kraj; Romania: Maramures, Satu Mare; Ukraine: Zakarpatska Oblast, Ivano-Frankivska Oblast.
Adjoining Regions
Hungary: Borsod-Abaúj-Zemplén; Ukraine: Chernivetska Oblast; Romania: Suceava

In the frame of the first call for proposals of the Hungary-Slovakia-Romania-Ukraine ENPI Cross-border Cooperation Programme 2007-2013 project preparation workshops were organized by the Joint Technical Secretariat of the Programme together with the project «Regional Capacity Building Initiative» (RCBI). The seminars took place in Ukraine – on the 30th of June, 2009 in Uzhgorod and on the 1st of July, 2009 in Ivano – Frankivsk. The main goal of the mentioned events was to provide the potential applicants with the detailed information concerning the rules of the call and the preparation of the Application package. During the seminars the attention of the participants was drawn to such topics as the project

* ENPI CBC Hungary/Slovakia/Ukraine/Romania web-site // www.huskroua-cbc.net

idea generation, partnership and the role of the main partner in the project, preparation of the action plan and budget. Additionally it was held the training for the participants devoted to the filling up of the Logical frame and identification of the future projects indicators.

Joint annual conference «Time for championships of cross-border cooperation in Eastern Europe» of the Hungary-Slovakia-Romania-Ukraine and Poland-Belarus-Ukraine 2007-2013 ENPI Cross-border Cooperation Programmes took place on 30 June-1 July in Mukachevo. The conference was a joint event of one of the largest ENPI CBC programmes (Poland-Belarus-Ukraine with total allocation of 186,2 million €) and of the most advanced one (Hungary-Slovakia-Romania-Ukraine with 46 already contracted projects). This two programmes cover large part of the EU´s eastern border and thus representatives of six countries were participating at the conference. Cross-border Cooperation (CBC) is a key priority of the European Neighbourhood and Partnership Instrument (ENPI). It aims at reinforcing cooperation between member states and partner countries along the external border of the European Union. The plenary session of the annual conference took place on the first day, and the second day was devoted to a spectacular popularisation of the two programmes and the cross-border cooperation in general by climbing to the Kremenec mountain (1221 m), which lies on the triple border of Slovakia, Poland and Ukraine. The date of the event was also significant as it took place on the last day of the Hungarian and the first day of the Polish EU presidency. Accordingly, Consul General of Hungary in Uzhgorod symbolically passed over the EU flag to Consul General of Poland in Lviv, on the top of the triple border.

On the current stage 46 projects approved within the Second Call for Proposals. The forth meeting of the Joint Monitoring Committee was held in Vinne (Slovakia) on 2 August 2011. Representatives from Hungary, Slovakia, Romania and Ukraine made decisions on the 260 project applications which have been received within the Second Call for Proposals. As a result, 46 new projects were approved for funding in the framework of the HUSKROUA ENPI CBC Programme requesting about 17 million EUR co-inancing from the European Neighbourhood and Partnership Instrument (ENPI), complemented by the state co-inancing of the three member states and the own contribution of the Applicants and Partners. This means that already 93 projects have been selected and awarded ENPI grant under the Programme. The total amount of inancing requested by Applicants in the submitted project proposals approaches 100 million EUR, which is seven times more than the available ENPI

allocation within the Second Call for Proposals. The 260 submitted projects involve almost 840 partner organizations from all the four participating countries.

Among the most successfull projects is the cross-border project «Together against human traifficking» (HUSKROUA/0901/028) which is based on the partnership between NGOs from 3 countries. Project activities are implemented by the League for Defence of Human Rights-branch of Satu Mare (Romania), in partnership with the Helper Hand 2003 - Social Association (Hungary) and the Malteser Charity Organisation of Berehovo (Ukraine). The project was awarded within the First Call. Traifficking in human beings, for whatever reason is a violation of fundamental human rights. Because it afects vulnerable groups such as women and children in particular, the European Union has focused its action on objectives aiming to protectthese groups and to prevent and combatthis phenomenon. There should be increased cooperation between the stakeholders who can help to prevent this phenomenon. Diferent institutions in Romania, Hungary and Ukraine have found their way todo it with the help of an EU funded project. An increasing number of young people from Satu Mare county (Romania), Szabolcs-Szatm?r-Bereg County (Hungary) and Berehovo district - Zakarpatska region (Ukraine) were identiied by the authorities to be in a vulnerable or dii cult situation in other countries. Most of them are exploited: to work, to beg, to make robbery or to be prostituted. The issues related to the young people in a diifficult or vulnerable situation or endangered to be trafficked are very complex and the specialised Hungary-Slovakia-Romania-Ukraine authorities of the 3 countries try to respond to the diversity of this phenomenon. But no eforts were made towards cross-border cooperation between the NGOsand institutions in the light against this form of human slavery. It is needed the coordination of several social actors efforts, from the regions, in order to create a joint methodology for the intervention, to raise the awareness of endangered groups referring to this phenomenon. The project ofers the opportunity to put together the social actor's staf of 3 countries in order to share their experience and learn from each other and to think the best joint actions or strategies to address the issues related to human traifficking. 2 training courses (for Hungarian and for Ukrainian staff) were organized with Romanian specialist trained by the Applicant in a previous project. Teachers, NGOs workers, police oifficers, journalists from Ukraine and Hungary were trained in Satu Mare during 3 days. They learned about the forms of the human traifficking (concepts, trends and international legislation), the profiles of the traifficker and the victim, identifying the victims and the psycho-social assistance of the victims. They were empowered to act as human rights and prevention action promoters in

their communities. Their irst task was to organizeand carry outsimilartraining coursesin Berehovo district and in the county of Szabolcs-Szatm?r-Bereg with other colleagues. The project aims to interconnect NGOs with relevant institutions (schools, police, and governmental agencies) in the light against human traifficking. Even state institutions show interest to be involved in the project. An example is the National Agency against Human Trai cking from Romania who participated on all the training courses organized in the frame of the project in Romania, in order to share its knowledge and experience related to human trafficking.

ENPI CBC Romania/Moldova/Ukraine*

The Joint Operational Programme Romania-Ukraine-Republic of Moldova 2007-2013 (hereinafter JOP RO-UA-MD) is one of the EU's new ENPI financing instruments, which are going to be implemented on the EU's external borders during the programme period 2007 – 2013. It aims at creating "bridges" among the three countries involved, in order to help the border areas overcome their similar development challenges, by working together and finding common solutions. Hence, instead of dividing, the border will unite the areas concerned. Through the JOP RO-UA-MD the people in border areas will be encouraged to further develop the border economy, confront environmental challenges and enhance their preparedness for emergency situations. The program will also promote greater interaction between people and communities living in the border areas. The EC funding for the JOP RO-UA-MD is 126,72 M€ for the period 2007 to 2013.

The Joint Operational Programme Romania-Ukraine-Republic of Moldova 2007-2013 covers three priorities and a technical assistance component. Priority 1: Towards a more competitive border economy. This priority aims to improve the economic performance of the border area through the diversification and modernisation in a sustainable manner, of the border economy. Priority 2: Environmental Challenges and Emergency Preparedness.This priority aims to develop long term solutions to the environmental problems faced by the border areas particularly those associated with environmental emergencies where a co-ordinated approach is essential. Priority 3: People to People Co-operation. This priority aims to promote greater interaction between people and communities living in the border areas.

* ENPI CBC Romania/Moldova/Ukraine web-site // http://www.ro-ua-md.net

Eligible Border Regions: Romania: Botosani, Suceava, Iasi, Vaslui, Galati, Tulcea; Ukraine: Chernivetska Oblast, Odeska Oblast; Republic of Moldova: The whole country; Adjoining Regions; Romania: Braila; Ukraine: Ivano-Frankivska Oblast, Ternopilska Oblast, Khmelnitska Oblast, Vinnitska Oblast

Having good projects, the ENPI CBC Romania/Moldova/Ukraine, nevertheless, faces a lot of difficulties. As Inna Pidluska, President of the Europe XXI Foundation, Kyiv, Ukraine, state «the challenges to crossborder cooperation are common for Ukraine and Moldova and can be summarized as follows:

- weak institutions and poor governance, lack of political and institutional accountability and responsibility for results of their performance or failure to perform,
- insufficient (and often totally lacking) respect for the rule of law, incomplete economic transformation, non-transparent privatization, insecure and questionable property rights,
- dramatic and rapid deterioration of the «social capital», impoverishment of population and lack of incentives for development of «middle class»,
- corruption and illegal activities justified by broad circles of the population».

At the level of legislation, there is a lack of legal provisions in Ukraine and Moldova (and Romania, as a party to the Euro-regions concerned) for procedures of direct joint actions taken by the countries' authorities in the border areas to promote common interests and interact with their EU partners. There is also a lack of mechanisms for interaction of governments and elected authorities for coordination of crossborder cooperation efforts at the bilateral and multilateral levels. There is no common set of norms for administration, financing and monitoring of implementation of crossborder cooperation projects.

At the practical level, the crossborder cooperation is hindered by differences in the two states' border control, taxation, customs and tariff systems that are «overregulated» on some aspects (particularly in the field of movement of goods across the border) but leaving the border notoriously «porous» due to the lack of proper technical capacity, infrastructure and often integrity of border-guards and customs officers. Finally, there is always lack of funding for crossborder initiatives - and given the economic conditions of the countries in question this problem will last for a long time. Taken together, the challenges have created a risk of being excluded or marginalized from European integration processes. However, the problem is too many decision-makers in the two states do not perceive that exclusion as a risk to their own

interests and, thus, are not motivated to work towards reducing it. The task of bringing crossborder exchange to the formal economy sector and a new quality of cooperation is complicated by the present political situation, protracted economic crisis at both sides of the border, the general lack of trust, the domination of informal relations in decision-making and pursuit of the balance between various interest groups and stake-holders. Currently, the figures of crossborder cooperation remain modest. The reason is not limited to slow development of crossborder cooperation, but rather is linked to the fact that a major share of transactions, exchange and contacts occurs in the shadow sector. It is difficult to estimate the real volume of goods and persons moved between Ukraine and Moldova, as available statistics are not reliable and reflect no more than one third of the real volumes. The problems are accumulated in the failure to find an adequate solution for the future of the Transniestria region – not lastly due to the presence of some political and economic interests in Moldova, the Transnistria and Ukraine to maintain the status quo. One of the major controversies in relations between Ukraine and Moldova, the problem of deployment of Moldovan customs officers at joint Ukrainian-Moldovan border crossing points, has been turned into political rather than technical issue. While Moldova's desire to suppress large-scale smuggling across the porous Ukrainian-Moldovan border at the segment controlled by the self-proclaimed Transniestria is understandable, and while it is clear that the losses of Moldovan budget because of the shadow nature of the crossborder transactions are substantial, it is also clear that the exchange of accusations that followed Ukraine's refusal to accept the joint customs deal has been generally counterproductive to development of crossborder cooperation between the two countries» (Ukraine-Moldova).

Black Sea programme*

The Black Sea Basin Joint Operational Programme 2007-2013 (hereafter Black Sea JOP) is a programme under the European Neighborhood & Partnership Instrument (ENPI) of the EU. It aims to contribute to: "a stronger and sustainable economic and social development of the regions of the Black Sea Basin".

Priorities of the programme:

1. Cross border support to partnership for economic development based on combined resources:

* Black Sea programme web-site // http://www.blacksea-cbc.net/index.php/eng/Programme

- strengthening accessibility and connectivity for new intra- regional information, communication,
- transport and trade links; creation of tourism networks in order to promote joint tourism development initiatives and traditional products; creation of administrative capacity for the design and implementation of local development policies

2. Networking resources and competencies for environmental protection and conservation: strengthening the joint knowledge and information base needed to address common challenges in the environmental protection of river and maritime systems; promoting research, innovation and awareness in the field of conservation and environmental protection for protected natural areas; promotion of cooperation initiatives aimed at innovation in technologies and management of solid waste and wastewater management systems
3. Cultural and educational initiatives for the establishment of a common cultural environment in the basin: Promoting cultural networking and educational exchange in the Black Sea Basin communities.

The strategy of the ENPI-CBC Black Sea Basin programme is coherent with the EU Black Sea Synergy regional initiative. It will contribute to the Black Sea Synergy cooperation sectors with a clear focus on civil society and local level cross-border cooperation, aiming additionally to foster coherence with other national and trans-national programmes and strategies. There are 8 participating countries in the Black Sea JOP, i.e. Armenia, Bulgaria, Georgia, Moldova, Turkey, Ukraine, Romania, and Greece.The Black Sea JOP aims at a stronger and more sustainable economic and social development of the Black Sea Basin regions. Through the Black Sea JOP, communities in the areas concerned will be encouraged to further develop their local economy, confront environmental challenges and promote greater interaction among people.

The programme is financed by the ENPI. The participation of Turkey is financed by the IPA (Instrument for Pre-accession Assistance). The participating countries co-finance projects with a minimum of 10% of the EU contribution. Total allocation (2007-2013): 17.306 million EUR. In December 2011, the European Commission decided to increase the financial allocation of the ENPI budget of the Programme with 1.499.726 Euro, making the current total allocation raises to 25.696.516 Euro ENPI funds.

Eligible regions:

Romania: South East

Bulgaria: Severoiztochen, Yugoiztochen

Greece: Kentriki Makedonia, Anatoliki Makedonia Thraki

Turkey: Istanbul, Tekirdağ, Kocaeli, Zonguldak, Kastamonu, Samsun, Trabzon

Russia: Rostov Oblast, Krasnodar Krai, Adygea republic

Ukraine: Odessa, Mykolaiv, Kherson, Sevastopol, Zaporosh'ye and Donetsk Oblasts, Crimea Republic, Sevastopol

Moldova, Georgia, Armenia, Azerbaijan: the whole country

Managing Authority: Ministry of Development, Public Works and Housing, Romania

The Second Call for Proposals of the Joint Operational Programme «Black Sea Basin 2007-2013» opened on the 30thof June2011 and it constituted the major task of the Programme bodies in the second part of 2011. Preparatory events such as partnership forums, project preparation workshops and info days had already been carried out during the first half of 2011. In the second part, direct support was provided to potential applicants and partners via helpdesk. The Call has been closed successfully and evaluation of 195 projects submitted under the Second Call has started.

Another major task in this period has been the contracting and implementation process of the awarded projects under the First Call for Proposals. 13 out of 19 awarded projects have been contracted and their implementation has started.

Among the projects which are under elaboration with the Ukrainian participation, are:

The Action «Facilitate the trade of agro-food products in the Black Sea Basin (FTAP)». The Action aims to carry out integration activities in the Black Sea Basin, focused on increasing regional trade and boosting economic development in rural areas. Also, the Action aims to improve the quality of information by creating a regional system of information about markets in Galati and Constanta (Romania), Odessa Oblast (Ukraine) and the Republic of Moldova. This will generate an increasing level of regional economic cooperation among countries, an increase in export transactions.

Beneficiary: National Federation of Agricultural Producers AGROinform, the Republic of Moldova.

Partnership: Foundation for the Promotion of Private Small and Medium Enterprises Galati - F.P.P.S.M.E, South-East, Romania, Regional Fund for Support to Entrepreneurship in Odessa Region, Odessa, Ukraine.

The trans-regional network called «Black Sea Network for Regional Development» will involve regional stakeholders that support SMEs. This network will respond to the needs of regional organisations dealing with SMEs by:

- improving communication with business, by organising regular round table researches, dialogues,
- improving communication and collaboration with the public administration. Promoting public-private partnership,exchanging experience among development agencies from the five region, using external expertise (development agents, experts in support of SMEs, from EU countries, not participating in the Black Sea Basin Programme,familiarizing and adopting best EU practises,training of personnel.

Beneficiary: Regional Agency for Entrepreneurship and Innovations, Varna, Severoiztochen, Bulgaria

Partnership: Small and Medium Enterprises Association of Constanta, South-East, Romania Organisation for Small and Medium Enterprises Development within the Ministry of Economy and Trade of the Republic of Moldova, Chisinau, Moldova , Agency of Economic Development of Sevastopol, Sevastopol, Crimea, Ukraine, Research Committee of Aristotle University of Thessaloniki, Urban and Regional, Innovation Research Unit, Thessaloniki, Central Macedonia, Greece.

The project «Development of a Common Intraregional Monitoring System for the Environmental Protection and Preservation of the Black Sea (ECO-SATELLITE)». The ECO-Satellite action aims to protecting and preservating the water system of the Black Sea, with its main emphasis given to river deltas and protected coastal regions at the seaside. It deals with environmental problems posing a threat that cannot be addressed individually, but only in an unified way.

Beneficiary: Decentralized Administration of Macedonia and Thrace, Thessaloniki, Central Macedonia, Greece

Partnership: Aristotle University of Thessaloniki, Central Macedonia, Greece; Balkan Environment Centre, Thessaloniki, Central Macedonia, Greece; Danube Delta National Institute for Research and Development, Tulcea, South-East, Romania; Odessa Branch Institute of Biology of Southern Seas, National Academy of Sciences of Ukraine, Odessa, Ukraine; District Administration Varna, Varna, Severoiztochen, Bulgaria

The project «Strengthening the regional capacity to support the sustainable management of the Black Sea Fisheries (SRCSSMBSF)». The project's aim is the cooperation between the Black Sea riparian countries for knowing and rationally managing the marine ecosystem and its resources, carrying out diagnostics of fish stocks status, as well as sharing advice on management strategies. The major task is to develop methods for joint-regional stock assessment for the Black Sea, that will ultimately enable researchers to determine the condition of stocks and advice on management strategies.
Beneficiary: National Institute for Marine Research and Development "Grigore Antipa" (NIMRD), Constanta, South-East, Romania
Partnership: Institute of Fishing Resources, Varna, Severoiztochen, Bulgaria; Institute of Oceanology - Bulgarian Academy of Science, Varna, Severoiztochen, Bulgaria; Southern Research Institute of Sea Fisheries and Oceanography, Kerch, Crimea, Ukraine; Central Fisheries Research Institute, Trabzon, Turkey; Black Sea Technical University, Marine Science Faculty, Trabzon, Turkey

The Project «Interpretative Trails on the Ground - Support to the Management of Natural Protected Areas in the Black Sea Region (Inter Trails)». The Action will provide support to the establishment of national and cross-border expert structures for interpreting nature and cultural diversity in the Natural Protected Areas, training of experts in modern environmental management practices, elaboration of the trails with production of guide books for the trails, the training of nature interpreters, the production of visibility and awareness interpretative media and holding a final cross-border interpret Conference in the Black Sea region.
Beneficiary: Black Sea NGO Network, Varna, Severoiztochen, Bulgaria
Partnership: Mare Nostrum NGO, Constanta, South-East, Romania
Black Sea (Odessa) Branch of the Ukrainian Environmental Academy of Science, Odessa, Ukraine
Community Foundation 'Sustainable Development of Cahul, the Republic of Moldova
Black Sea Eco Academy, Adjarian Autonomous Republic, Georgia

The project «Dialogue between Cultures». The project aims at establishing a network of good neighbourly relations and regional prosperity of the communities in Black Sea Basin through cultural and social-economic cohesion of General Toshevo, Murfatlar and Bolgrad Regions and building further the established cross-border cooperation.The cornerstone of the project is the idea that some of the most effective tools to connect countries and societies are culture, education and young people initiatives.Holding cultural events, exchange of good practices in the area of culture and education and also building young men networks for cooperation are the main activities of the project Dialogue between Cultures.
Beneficiary: General Toshevo Municipality, Severoiztochen, Bulgaria
Partnership: Murfatlar Local Council, South-East, Romania; Bolgrad Region, Odessa, Ukraine

BSUN Joint Master Degree Study Program on the Management of Renewable Energy Sources (ARGOS). The project proposal has been conceived in order to address the problems related to the adjustment of study programmes to the needs of the sector, to bring a contribution to the exchange of best practices through the mobility of students and teachers, to improve the cross cultural skills and attitudes of students for addressing projects with regional relevance and to generate awareness on regional issues.
Beneficiary: «Ovidius» University of Constanta, South-East, Romania
Partnership: Taurida National University, Crimea, Ukraine; Technical University of Moldova, Chisinau, Republic of Moldova; Technical University of Varna, Varna, Severoiztochen, Bulgaria; Istanbul Technical University, Istanbul, Turkey

Local Border Traffic Agreements with Poland, Slovakia and Hungary

Following the Regulation (EC) No 1931/2006 of the European Parliament and of the Council of 20 December 2006 laying down rules on local border traffic at the external land borders of the Member States and amending the provisions of the Schengen Convention in 2007 Ukraine launched separate bilateral negotiations with Poland, Slovakia and Hungary, and in 2008 with Romania, on Agreements on local border traffic that foresee simplified border crossing procedure for residents of the border area, i.e. an area that does not extend for more than 30 (in exceptional cases - 50) kilometers from the border.
As of today such Agreements are concluded with Hungary (entered into force on December 14, 2007), Slovakia (entered into force on September 27, 2008) and Poland (entered into force

on July 1, 2009), while negotiations with Romania continue. Both Ukraine and the EU note successful implementation of these agreements. Local border traffic makes life significantly easier for people living near the external land borders. It proved useful for increasing cross-border trade, social and cultural interchange and regional cooperation.

At the same time, as Svitlana Mitryayeva, Director of Regional Branch of NISS in Uzhgorod (Ukraine) stresses out, «…shifting main regime and control measures to our state land border fairly raises concerns among citizens of Ukraine concerning appearance of certain features of «iron curtain» on the land border which has served as an example of good neighborhood relations for many years*. Slovak Republic has already introduced new infrastructure and disposition of border units. State border guard line has been substantially expanded and it gave the possibility for active force maneuvers; border orders are not located at the state border exclusively. Practically the following system of stationary units has been introduced: in terms of their responsibility areas they extend as far as 15 kilometers inside the country. With this purpose the border police have been reformed according to specific standards; its functions include not just border protection but extra checks of foreigners on the main road routes of Slovak Republic as well. Modern technical equipment has been installed at checkpoints including the territory of «green border» of the countries that have joined Schengen visa system since the end of the year; various movement detectors are already functioning as well as detectors of hidden objects, detectors of active electronic and other types of radiation, stationary thermo tracking cameras and bio locators have been set and are in function. Slovak Republic, Hungary and Poland are already applying such equipment and Romania is actively working on installment of such equipment. It requires considerable financing. For example, European Union has allocated 560 million Euros for Romania's preparation to EU accession and equipment of Romanian borders. Slovak Republic received 44 million Euros for this purpose regardless the fact that its border area with Ukraine is considerably smaller. More than 250 million Euros were received and spent by Hungary for these purposes. Ukraine expects that raising security level of EU external border (Schengen border since the end of December 2007) of countries neighboring Ukraine will not hinder the development of good neighborhood relations; introduction of local border traffic Institution as demonstrated in the Agreement between Ukraine and Hungary which is unique on EU

* New Schengen border equipment exclusively between Slovak Republic and Ukraine with new special border control gadgets (sensor cameras, special scanners, computer SiSone 4 all system, etc.) costs more than 3,5 million Euro; number of personnel has increased by almost three times.

territory (384 Ukrainian and 244 Hungarian administrative districts have been included into the Agreement, about 750 thousand of Transcarpathian residents of border areas will enjoy the possibility of free movement). At the same time Ukraine expects unified position of neighboring countries in terms of admeasuring local border traffic territorial zone (up to 50 km) which will definitely promote strategic aims of border cooperation on the territory of new Eastern EU borders, at least in terms of Carpathian Euro region (border territories of Ukraine, Hungary, Slovak Republic, Poland and Romania) by facilitating border cooperation challenges for these countries.Agreements on local border traffic may be considered as the steps and elements on the way to facilitate visa regime for Ukrainian citizens and introduction of visa free travel in future (in terms of implementing Agreement on Visa Regime Facilitation between Ukraine and European Union)» (Mytryayeva).

As Svitlana Mitryayeva continues, «Paradoxically, expanding of freedom area for EU citizens limited the freedom area for their neighbors. Elimination of internal borders inside EU is done simultaneously with strengthening of external borders. Strong security and infrastructure is being developed, more severe control is being set, and tougher visa regime is being introduced for third countries including Ukraine. It cannot be unnoticed that currently free and intensive communication between societies is being violated, namely between Ukrainians and Polish, Ukrainians and Slovaks, Ukrainians and Hungarians. Such communication has been developing for decades and it helped to eliminate numerous stereotypes and resolve many of past historic problems. Relevant results may be noticed in tolerant Transcarpathia (the issue of Verets'ki pass, etc). The next problem is the issue of numerous national minorities in Ukraine: Polish – 144, 1 thousand, Hungarian – 156,6 thousand, Romanian – 151 thousand (according to the Census of 2001). Residing densely on the border area they are already facing problems in communication with their relatives across the border line. An attempt to resolve this problem is the recognition of such residents, citizens of Ukraine as those possessing a status of ethnic Hungarian, Polish, Slovak, etc. Relevant legislative bodies of these countries approved declarations in this regard. Such status will entitle these groups of citizens to receive Schengen visas on favorable terms, live and work abroad without registration in relevant services, use preferences of public transportation, education and even health care. Such privileges may apply to 2% of Ukrainian population but it fairly raises the question of equality of Ukrainian citizens regardless their nationality. Reaction of Ukrainians to such legal regulations may be inadequate as currently there are discussions concerning 900 thousand of ethnic Polish people. Agreement on local border traffic laying down the facilitated form of

receiving visas is a certain way to settle these issues. Though local border traffic minimizes certain Schengen challenges, generally we see a clear tendency of limiting the entries of Ukrainian citizens on the territory of Europe» (Mitryayeva S.).

Recommendations

1. The EU organs and agencies are invited to consider the following proposals and suggestions:

- to further elaborate the cross-border cooperation in the future ENP and Eastern Partnership (EP) programmes as an important tool for the achievement of the aims of these policies and especially for creating an area of stability, peace, sustainable development and overwhelming social and economic progress on the EU external borders;
- to increase – in accordance with the above mentioned assessment - the share of the financial means subscribed to cross-border and territorial cooperation in the next financing period, probably 2014 – 2020;
- to continue with the endeavours for diminishing the negative consequences of the Schengen border regime management and of the existing visa system, which is a serious obstacle for the people to people programmes and for the development of cross-border cooperation in particular;
- to avoid the fragmentation of the EU CBC policy and the influence of historical reminiscences on the managing and execution of the programmes;
- to consider by the European Commission the initiation and promotion of joint meetings of the monitoring committees of the on-going ENPI CBC programmes (2007-2013), for the purpose of improving the overall programmes management and of avoiding mistakes and excluding potential problems;
- to ensure the equal position of regional and local communities from the ENP and EP partner countries respectively in the managing and decision making in the Euroregions along the EU external border;
- to explore in accordance with para. 16 of the preamble of Regulation EC No. 1082/2006 the ways and means for including the territorial entities from Belarus, Moldova, Russia and Ukraine in the revision of the European Grouping for Territorial Cooperation - EGTC and to include the proposals in the report of the European Commission to the European Parliament and the European Council, which was foreseen for August 2011.

2. The EU organs and agencies and the governments of the EU and ENP partner countries are invited to consider the following proposals and suggestions:

- to improve a system of the EU spatial planning in order to include the border regions of Belarus, Moldova, Russia and Ukraine;
- to include in the instruments of cross-border cooperation elements which will develop the ethnic identity of national minorities living on both sides of the border and thus mitigating their problems, eliminating the historical reminiscences and creating an atmosphere of friendship among neighbouring nations;
- to include in the EU Tempus, Erasmus Mundus, Jean Monnet, Marie Curie, Leonardo da Vinci and research programs priorities that are important for education and training of people and for researching issues related to the development of ENP and EP respectively and CBC in particular;
- to create and support the joint business info networks and institutions of innovation economy, which would serve for exchange of information, realisation of common business ideas and transfer of knowledge;
- to support the creation of cross-border networks and associations of local and regional authorities and NGOs as well of the EU and EP countries and Russia;
- to foster harmonization of legislation of the EU member and eastern partners states concerning the realisation of ENPI CBC;
- to adopt adequate measures and invest efforts for enforcing peaceful resolution of disputes, in accordance with the potential of existing EU-rules on mediation in disputes, which is a pre-condition for successful development of cross-border cooperation.

3. The governments of Belarus, Moldova, Russia and Ukraine are invited to consider the following proposals and suggestions:

- to ensure an equilibrated regional development through specific regional approaches in order to avoid the increase of social and economic differences, caused also by greater capability of more developed regions to use the EU funds;
- to build up an adequate legal framework – in the context of decentralisation - which will provide regional / local authorities with competencies regarding CBC;
- to consider and accelerate procedures for accession to the 3rd Protocol to the Madrid Convention of 2009 on establishment of European Cooperation Groupings (ECGs);
- to consider the accession of Russia and Belarus into the EU Strategy for the Baltic Sea Region of 2009.

CHAPTER 6

CRITICAL ANALYSIS, ACHIEVEMENTS AND SHORTCOMINGS, OF EU-UKRAINE COOPERATION REGARDING THE REGULATION OF MIGRATION ISSUES AND VISA LIBERALISATION*

Migration policy: Assessments and recommendations of the international working groups for Ukraine

Ukraine is stereotypically considered to be the country of higher migration risk related to the immigration of the citizens of Ukraine, however real risks are mostly not in the area of migration potential of the country but in the low level of readiness of the country to form and implement comprehensive, modern and institutionally and regulatory ensured migration policy.

Migration situation in Ukraine is rather stable. The country achieved a point of the certain migration equillibrum. Migration potential of Ukraine is moderate and doesn't provide a substantial threat to any other country (or group of countries). Only 7,9% of Ukrainians expressed in 2010 consistent will to emigrate.

Ukrainian migration policy is fragmentary: a number of essential migration policy elements are either not developed enough, or completely absent from Ukrainian practice.

Ukrainian migration policy is not integrated enough in the regional context and does not fully make use of opportunities of cooperation with foreign partners, above all, with the European Union, in order to improve migration policy standards in general and to adopt modern technologies in particular.

* This Chapter is based on to papers: first, migration issues are covered at the paper, prepared by Sushko I., Belitser N., Khmara O., Levchenko K., Sushko O. Implementation of Action Plan on Visa Liberalisation: a Case of Ukraine.//Independent Monitoring Findings. Ed. by the Civic Initiative «Europe without Barriers» (Ukraine). – Kyiv, 2012, – 123p. Second – the issue on visa liberalization – on the Article «Comparative assessment of the EaP cooperation with the EU in the field of Freedom, Security and Justice. Current assessments of the EU visa practice in Ukraine» by Iryna Sushko, Europe without Barriers, Kyiv, Ukraine. Full text is available at www.novisa.org.ua.

Ukrainian institutional needs in the field of migration management are above all connected with overcoming the gap between current conceptual and operational challenges and tasks, on the one hand, and the existing institutional capacity, on the other.

In December 2010 State Migration service (SMS) was re-established by the President's Decree (under the Ministry of Interior). This is a step in right direction, however challenges of the SMS institutional capacity remain rather strong.

The government is developing legislation aimed to modernize Ukraine's migration policy, making it adequate to the current challenges and European standards. However, without wide vision and deep understanding of the migration situation in the country, migration legislation will not be effective. Current views on migration situation and migration flows in Ukraine are not correct and that is why certain propositions concerning migration management will not be proper.

As the exit labour migration abroad is the dominant migration trend in Ukraine, there is an obvious need to develop national policy to make it regular, legitimate, to ensure protection of human rights of labour migrants as well as reintegration of the returnees into Ukrainian society.

Ukraine lacks any additional protection mechanisms applied in the countries of Europe, those that are provided for the persons facing serious danger in their home land due to the military conflict or mass violation of human rights, who are exposed to the risk of death penalty, tortures, inhuman or undignified treatment or punishment in case of return to their homeland. Additionally, there are no mechanisms for protection on humanitarian grounds of human trafficking victims not necessarily falling under the Convention provisions on refugee status but needing international assistance.

Migration sphere reforms should become an integral part of the institutional transformations in the context of European integration policy in the context of the EU-Ukraine Association Agenda adopted in 2009 as a practical transitional instrument to assist Ukraine to ensure proper implementation of the future Association Agreement.

Action Plan on Visa Liberalisation (APVL) presented by the EU to Ukraine on November 22, 2010, should become a guideline of the reforms. A special block of APVL is dedicated to migration poloicy issues. Due to APVL the new opportunities emerge not only to solve well understandable problems but also to launch debating the issues which have never even touched by the debates over migration legislation.

The migration policy should be considered in a complex manner, not restricted to punishment measures, enforcement and control. Horizontal cooperation should be developed between different governmental bodies as well as between the government and the civil society.

Actual migration process in Ukraine

1 Migration situation in Ukraine

According to the data of the migration analysis annually conducted by the State Statistics Committee of Ukraine, in 2007-2009 total numbers of registered movements in Ukraine including all migrants regardless the directions for their travels, regions and types of settlement, correspondingly amounted to 14,997,000, 14,066,000 and 12,722,000 people. Division of migrants according to the flows shows that inner regional movement of people dominates in Ukraine, making up 58,1%, 57,9% and 57,7% of general number. Regional resettlement of the population between rural areas and urban settlements is still the main type of migration (within regions, territorial autonomy).

Intraregional migration constitutes a considerable part of migration movement in Ukraine: the scale of regional movements of the population from one region to another within the country during 2007-2009 amounted to more than one third of gross migration (36,8%, 37,4% and 38,2% respectively). The smallest share of migration flows connects Ukraine with CIS countries, Baltic countries and far abroad: interstate migrant exchange between these countries provided for only 5,1%, 4,3% and 4,1% of total migration in the country in 2007-2009 pp. For comparison we should note that the share of external migration in 1999-2000 was 11,2% and 9,4% respectively.

During 2000s Ukraine experienced the diversification of interstate migration flows. If the total number of registered movements of the population between Ukraine and other states including all migrants regardless the directions for their travels and countries of destination decreased by 2, migration exchange with the far abroad countries during the same period

reduced by 2,2 and with CIS countries — by 1,9. Contribution of CIS countries into gross migration increased in 2002-2008 from 71,9% to 74,3%, and of the far abroad countries — decreased from 28,1% to 25,7%. Thus, the geography of interstate flows in Ukraine is gradually turning into the spatial structure for migration movements of the country existing at the beginning of the 1990s.

Changes in the size and structure of migration flows are followed by the improvement of migration situation in Ukraine. Already in 2005 Ukraine turned into the country admitting immigrants and its migration losses over 2004-2005 are compensated by former citizens from CIS countries.

However, for the first time since 1990s the increase of the population due to migration exchange with the far abroad countries was recorded in 2006. Over the next years this tendency intensified. Even though the size of migration flows from abroad is small, the very fact shows the turning point in the development of migration situation in Ukraine and its transformation from the country of emigrants into the country of destination for immigrants both from CIS and far abroad countries. Migration situation in Ukraine is stable now. The country is in the position of the new migration balance that it has been trying to achieve for 18 years. A certain stage of transformational changes in this sphere has been completed.

2. Migration potential of Ukraine

According to the monitoring results of social changes in Ukrainian society annually conducted by the Sociology Institute of Academy of Sciences of Ukraine since 1992, in 2000s almost every fifth Ukrainian was a potential migrant and was eager to leave its place of residence (19,3% in 2000, 21,1% in 2004, 20,1% in 2006 and 19,6% in 2010). At the same time in 2010 11,2% of those wanting to leave chose another locality in Ukraine and only 7,9% of Ukrainians intended to leave the territory of former USSR.

In 2000 the number of those wishing to leave their place of residence was larger: 14,4% expressed their wish to resettle within Ukraine and 9,6% - outside the territory of former USSR. The number of potential migrants indecisive about their place of destination was the largest: in 2000 it equaled to 17,0%, and in 2010 — to 18,3%. The main reasons that could provoke the intention of Ukrainians to leave their places of residence included harmful ecology conditions and the desire to find a new job (in 2000 15,4% and 18,0% respectively and in 2010 16,7% and 19,9%). Other reasons are mentioned less often. As a rule since the

beginning of 2000 Ukrainians preferred to look for new employment. Almost half of the residents see the environmental conditions in their place of residence as harmful or extremely harmful (59,2% in 2002 , 46,4% in 2006 , 41,1% in 2010).

Migration potential of Ukrainian youth deserves special attention. According to the survey conducted by Democratic Initiatives Foundation and «Ukrainian Sociology Service» company among young people in Ukraine in December 2009 and January 2010 only 13,8% of young people aged 18-34 intended to leave their country forever. Much more often Ukrainian youth was determined to stay temporary abroad: 29,9% of young Ukrainians intended to leave for other countries for a certain period of time. However, more than half of Ukrainian young people did not express the inclination to emigration (51,5%). It should be mentioned that similar survey concerning potential migration intention of the youth held in 2003 showed that the share choosing the home land was basically the same — 50,9%.

How long do potential migrants intend to stay abroad? Young Ukrainians planned an average trip to foreign countries for 3-4 years. As a rule, young people do not plan to stay for more than 5 years outside their native country. The shares of those intending to stay in foreign countries for different period are about the same: for one year — 22,1%, 2 years — 23,8%, 3 years — 22,1% and finally 5 years — 21,3%. In 2003 the period for eventual stay abroad was much shorter for potential migrants. Ukrainians defined the longest period for staying abroad as lasting 2 years (9,3%).

Only 6,0% of young Ukrainians intended to stay abroad for 5 years. Thus, over the last 7 years the duration of staying abroad for Ukrainian youth has significantly increased in their migration intentions.

Why do young people intend to go abroad? Young Ukrainians mention labour migration as the main reason for traveling abroad (65,1%). 2,2 times less often Ukrainian youth intends to realize its touristic interests (30,1%) and only 5,5% of them plan to study outside their country. In comparison with 2003 the number of young Ukrainians wishing to work abroad has increased by 2,9 (from 22,4% to 65,1%).

3. External labour migration of Ukrainian population

The interest towards the problem of foreign labour migration has increased and intensified over the last years. Dynamics, structure and intensity of labour migration flows from Ukraine

and perspectives for its development under the conditions of world financial and economic crisis are of the biggest interest nowadays. That is why we consider it necessary to detect characteristic features for labour migrants as a separate social and professional group; create a collective social and demographic portrait of a worker abroad; discover the evaluations made by Ukrainians concerning the world financial and economic crisis and the survival strategy they choose under such conditions; detect the peculiarities of employment of migrants and the reasons for their return to the homeland.

Community of labour migrants as a separate professional group. Labour migrants constitute a community uniting people with rather high adaption level to market economy conditions. They choose and realize such market strategy where self employment and entrepreneurship are dominant. They are ready to take the risks, they rely mainly on their own work and resources, they cultivate the values typical for middle class representatives while their welfare level is much closer to the «new poor» rather than «new middle class».

They are characterized by the rational choice of living strategies, harmonized with available social and economic resources, high social and motivational tension stimulating them to overcome difficulties in applying these resources; engagement in different entrepreneur activities; new standards and conduct examples on the labour market, specific models of social behaviour, system of values; external policy orientations and internal policy choice. This group contains significant potential for self organisation and national mobilization.

Labour migrants are sort of market idea missioners, entrepreneurship idea bearers, pioneers on the foreign labour markets. They constitute a social and professional group which is undoubtedly «class forming» and will later be incorporated into a multi layer middle class that is developing in the country. The prevalence of young people, males and residents from small towns and rural areas in this group shows, on the one hand, the engagement of the most active individuals in the processes of economic and social relations transformation, and on other hand, it demonstrates the penetration depth of modernization reforms and their not always positive outcomes into the wide masses.

The author made such conclusions in 2002 in the process of in-depth analysis of social monitoring data concerning Ukrainian society conducted by the Sociology Institute of the Academy of Science of Ukraine since 1992. The country has changed over the last 8 years.

The world became different and it is falling deeper into the system financial and economic crisis. Does it influence the dynamics, structure and intensity of labour migration flows from Ukraine and in what way? Have labour migrants changed? What are the perspectives for development or reduction of external labour migration?

Tasks of migration policy of Ukraine in the context of visa dialogue with the EU

Migration policy has not yet become a priority for Ukrainian authorities regardless the fact that according to media reports existence of migration problems is among social concerns. Society is equally keenly responsive to trips abroad that are quite often accompanied by violation of rights of Ukrainian citizens, and to entry of foreigners into the country, in particular those who use our state for mostly illegal transit to the West. At the same time there is a paradox when the migration issue in Ukraine is addressed in the context not related to migration rather than due to its large scope and its questionable consequences. For example, it is spoken about during the elections, as there is a need for the votes of citizens living abroad or in connection to budget deficit trying to partially pay it off with earnings of citizens employed abroad. Quite often migration is used in political and interdepartmental struggle for dominance, authority, allocation of state funds or as an argument to receive international aid.

Under such circumstances the society is left disoriented and the migration issue is regarded as a critical one, citizens create unjustified myths, mostly in the form of various phobia. In addition, the emphasis on migration issues in relations with EU, including visa dialogue is perceived with suspicion.

Difficulties Ukrainian citizens face when applying for Schengen visas cause the feeling of frustration and dissatisfaction. According to the large scale survey conducted in 2009 by the Market Technologies Bureau together with PR-bureau «Diyeslovo» (more than 3 thousand respondents were surveyed in 130 localities all over Ukraine) more than half of Ukrainians (45%) believe that they are discriminated in Europe. Besides, public discussions often interpreted the interconnection of the Agreement on the Facilitation of the Issuance of Visas for Ukrainian citizens and the Agreement on Readmission as well as the requirements to organize adequate border and migration control as the egoistic attempts on behalf of the EU to transform Ukraine into the «buffer zone», «sump» for illegal immigrants who are trying to reach the wealthy European countries. Such perceptions were repeatedly exploited by the opponents of European integration in order to discredit it in the eyes of citizens. For example,

we can mention the draft laws registered in Verkhovna Rada (Parliament) of Ukraine last year on suspension of the Agreement on Readmission and reintroduction of visa regime for the the EU citizens entering Ukraine.

If we forget the emotional declarations and assessments, the main point of similar proposals was trying to prove the fact that EU requirements in the field of migration primarily correspond to the interest of the EU itself, while they turn into additional burden for Ukraine. In order to be fair we must agree that indeed, if we take into account the perspective of visa free travel around Europe for Ukrainians, the EU is trying to protect itself from migration threats originating in Ukraine. However, if we review the documents on partnership, potential association or visa dialogue, migration issues are listed as important but not the primary ones. Europe is much more concerned with democracy and human rights safeguards in Ukraine, fight against organized crime and corruption.

At the same time, the Action Plan on Visa Liberalisation, presented to Ukraine during Ukraine-EU Summit in November 2010, includes many provisions dealing directly with migration. Even though the document security is a primary issue, the second block of the Action Plan mostly deals with migration issues. However, its title «Illegal Migration Including Readmission» shows that migration problems are interpreted rather narrowly and are limited to the aspect the EU is particular interested in. Apart from the section on border migration, this Block includes the «Migration Management» and «Asylum Policy» sections. A number of issues listed in the 4th Block of the Action Plan deal with fundamental rights; in particular freedom of movement within Ukraine and anti-discrimination can be attributed to the migration issues.

Let us review the main provisions of the Action Plan on migration and try to determine what concrete tasks it puts forward for Ukraine in the sphere of migration policy; to what extend the solution of these problems can improve the level of migration processes management and how it benefits the state and its citizens.

Legislation Gaps

The first stage of the Action Plan on Visa Liberalisation implementation envisages «approval of the national strategy on migration management». Such provision appears due to the fact

that Ukraine has not yet decided on the necessary migration policy and has not approved a clear and comprehensive guide for authorities and society in this field.

The first attempts to create the concept of migration policy date back to the middle of 1990s. The Presidential Decree from October 18th 1997 dealing with the foundation for social policy included the section on migration policy with the definition of its basic principles: free exit and entry of Ukrainian citizens; equality before the law for the foreigners and citizens of Ukraine; diversified treatment towards different categories of immigrants depending on the national interests of the state.

According to this document, the major principles of migration policy should be: promoting repatriation of Ukrainians and Ukrainian natives of other nationalities; return of the persons who were previously deported on nationality grounds; assisting refugees; foreigners' immigration management. The Presidential Decree on main principles for social policy dated 2000 amended previously defined policy tasks with the following issues: protection of social and economic interests and rights of Ukrainian immigrant workers; preservation of labour and intellectual potential of the state; creation of legal, social and economic basis for external labour migration regulation in response to mass employment of Ukrainians abroad which unfolded spontaneously and was often illegal*.

These reference points played an important role in development of Ukrainian migration policy, facilitated legislation creation and accedence to the recognized international legal documents. However, they were limited in time as the Decrees listed tasks set out only for several years. In addition, after they were approved there were many changes in dynamics and structure of migration flows in the world and Ukraine.

At the beginning of the new millenium the development of migration policy of Ukraine considerably slowed down. Even though dozens of draft laws were put forward, only some of them were approved by Verkhovna Rada, mostly those dealing with amendments and changes to the existing legislation.

* On main principles of social policy for 1997-2000: Decree of the President of Ukraine dated October 18, 1997. # 1167; On main principles of social policy for the period till 2004: : Decree of the President of Ukraine dated May 24, 2000. № 717/2000. — www.president.gov.ua.

On the one hand, urgent tasks of creating the basis of migration policy and legislation, with the primary aim to reject autarchy from the Soviet times and guarantee human rights including freedom of movement, were completed. On the other hand, the role of migration policy under the new conditions was not seen when not only rejection of totalitarian past was discussed, but also ensuring orderly movement of the population being open to the external world and participation in the international labour market and globalization processes.

On June 15th, 2007 the National Security and Defense Council of Ukraine having reviewed the issue of state migration policy made the conclusion that the policy remains conceptually undefined. Its principles, strategic tasks, current goals and standards of human rights protection are not set.

In order to implement the Council decision approved by the Presidential Decree*, the Cabinet of Ministers entrusted the Ministry of Justice with the Concept draft of national migration policy of Ukraine. However, the drafting process was determined to fail. Firstly its development was entrusted to the institution competent in the legislation field and not migration. Secondly, the old draft law, developed in the late 1990s and already rejected by the Parliament, was taken as a basis, even though the migration situation has significantly changed since then. Thirdly, the Ministry of Justice collected and tried to take into account all proposals submitted by other ministries and institutions. As a result it failed to develop a single strategic vision of the problem. The draft law listed numerous repetitions and it looked more like an action plan for specific authorities rather than a legal act of conceptual nature.

On April 1st, 2009 Verkhovna Rada rejected the draft law submitted by the Cabinet of Ministers on the Concept of migration policy. Shortly after the government developed the new draft law and submitted it to the parliament in September 2009 though the document did not substantially differ from the previous one: after the revision the text was just shorter, amended and edited. Several days later a group of members of parliament registered an alternative draft law. Some experts saw it as intentional hindering of the law making process. However, such situation existed not only in the field of migration law making but concerning other governmental initiatives as well. Alternative proposals were put forward by the

* On the decision of the National Security and Defense Council of Ukraine dated June 15, 2007 "On Ukrainian national Migration Policy Principles and Urgent Measures for its Efficiency Improvement". : Decree of the President of Ukraine dated July 20, 2007. № 657

members of parliament under the conditions of existing confrontation between power branches which resulted in decision delay.

The Research Experts Departmeent of the Verkhovna Rada of Ukraine was very critical of the two law making attempts. Sharp critical remarks pertained to the draft law submitted by the Members of Parliament as according to the conclusions made by the Research Experts Department the document was more of a «newspaper article» rather than a regulatory act. Nevertheless, on February 16th, 2010 the Parliament rejected the governmental draft law and at the first reading it adopted the draft submitted by MPs. Although at the second reading on July 1st 2010 only 56 votes supported this initiative and consequently it was rejected as well.

At the same time, the need for the National Migration Policy Concept has not been met. It is still present not just because it is impossible to proceed with improvement of migration management without clear definition of its strategic goals and principles; but also because according to the National Security and Defense Council decision mentioned above, a number of important draft laws on migration regulation had to be submitted after the Concept approval. Thus its absence blocked any law making process causing deference in processing the new version of extremely important regulation on legal status of refugees and stateless persons. The need for such document is long overdue. On addition, the asylum and subsidiary refugee protection mechanisms issues have not been legally settled*.

Taking into account existing preconditions and the Presidential Decree, in July 2010 the Cabinet of Ministers of Ukraine resumed its work on a different document version soon after the MPs had repeatedly failed to approve the attempt of state migration policy concept definition. The Ministry of Justice of Ukraine presented the draft law for public discussion on its website and sent it to competent institutions for harmonization.

However, the draft law did not contain any substantial changes comparing to the previous governmental document which had been already rejected by the MPs, the new document was basically its revised copy. At the same time a group of MPs registered their own draft law in the Parliament as well, and this version just copied the document submitted before, not

* Asylum procedure for foreigners in Ukraine is defined in the Article 26 of the Constitution of Ukraine. Applying current law of Ukraine «On Refugees» showed the need for such additional protection mechanism as humanitarian protection. Legislative regulation of asylum and subsidiary protection issues was to be defined in the new law version «On Refugees»; according to The National Security and Defence Council decision its draft was to be submitted to the parliament in two months after the approval of the State Migration Policy Concept.

introducing any quality changes. Therefore, the context of two contrasting documents was created again. The idea to approve the state migration policy Concept of Ukraine by the Presidential Decree was put forward in order to escape such context.

If this idea is realized Ukraine will finally acquire the Concept of state migration policy. However, according to the Constitution migration issues are regulated exclusively by the laws (Article 92), that is why there is a reservation concerning possible approval of the Concept by the Presidential Decree and secondly, failed attempts to approve the relevant document reflect (apart from political struggle not related to migration) the fact that there is no consensus within society concerning the migration policy and its goal is perceived too narrowly, mainly in the context of fighting against illegal migration flows coming to Ukraine.

Regardless, the State Migration Policy Concept approval will bear indisputable positive effect. First and foremost it will unblock further law making process and it will result in implementing the tasks of the Action Plan on Visa Liberalisation that emphasizes priority migration issues requiring legislative regulation.

These issues include improvement of the rules for migrants' entry and stay, fight against illegal migration, even though the law makers have always been focused on these problems which is attested by a number of draft laws (approved or rejected by the parliament) aimed at settling these issues. The requirement for measures on reintegration of Ukrainian returnees seems like a novelty as it has not been previously included in the national legislation. Thus the Action Plan provides a chance to not only settle legislative issues that have been already addressed, but also to start discussion of the issues which have not been previously discussed in the legal context.

First of all it should be mentioned that even though due to the illegal migrant readmission practices the society is primarily concerned with return of foreign citizens, coming mostly from exotic countries and illegally entering Western Europe via Ukraine, the results of the Agreement implementation show that the number of trespassers was much higher among Ukrainian citizens comparing to foreigners: during the first nine months of the Agreement on Readmission validity 573 persons were admitted from neighboring countries, out of whom 357 were citizens of Ukraine, 157 — CIS citizens and 89 citizens of other countries (Chumak V. 2010). The deportation circumstances for our citizens from EU countries are certainly

different. However, if we exclude clear criminal components which are most likely present, majority of the deported are labour immigrants who were working in other countries without necessary permits. Some of them could be victims of human trafficking, fraud or exploitation. While the foreigners deported to Ukraine under the Agreement on Readmission will benefit from not quite comfortable but specially equipped placements with provided accommodation, food, medical aid and even legal consultations, Ukrainian citizens deported to the country are left alone with their problems, though they certainly need support, employment help and probably psychological or medical care.

The measures on reintegrating successful migrants who voluntarily return to their home land after having worked abroad are equally important. Moreover, taking into account the demographic situation in Ukraine, quite possible labour force deficit in the nearest future, promoting return of the citizens who went abroad for employment purposes should occupy the key position in the state migration policy structure. It will help to preserve the population and reinforce labour resources at the account of workers who acquired new, sometimes extremely valuable experience of production and management.

Council of Europe pointed out to the necessity of reintegration policy for Ukraine. For example, the Action Plan for Ukraine for 2008-2011 emphasizes the necessity to develop reintegration programs for returning migrants*. However, currently the church, non-governmental and international institutions are the ones providing assistance for returnees.

Repatriates do not benefit from any state support, though in many cases persons who have been working abroad for a long time, need such support: they are under serious psychological stress as they returned to a different family and society; at the age of 40-50 having lost their qualifications and previous social ties while working abroad, they face difficulties finding a job, the acquired savings are seldom sufficient to start their own business and create their own working place, the credit interests are unreasonably high. As a result repatriates quite often had to seek employment abroad again after having spent their savings in 1,5-2 years. It is a paradox, but this tendency intensified during financial and economic crisis, as the conditions for employment and starting small enterprise in Ukraine grew worse.

* Council of Europe. Action Plan for Ukraine 2008 — 2011. — DSP(2008)15

Representatives of non-governmental organisations, in particular unions of Ukrainian migrant workers abroad have continuously appealed for the new law on legal status of the citizens employed abroad that would list measures on returning migrants' reintegration. However, practical actions in this direction have not taken place. The Action Plan encourages expectations that state authorities will take into account the initiative of immigrants and will jointly work on the necessary document. The document should define the responsibilities of persons going for employment purposes abroad (for example, officially appoint guardians for minor children staying at home), state guarantees of their rights, responsibilities of competent authorities, responsibility of the state in securing the rights and freedoms of workers.

The law could include the requirements for intermediary services offering employment abroad, liability of intermediaries and the role of public institutions in the process of employing citizens outside Ukraine. Specific law provisions should be devoted to the migrant insurance mechanisms, including pension insurance and methods to include the duration of service outside Ukraine into the pension record. However, the central position in the law should be devoted to the activities on promoting the return of migrants and productive usage of funds earned abroad; in particular regulations for the practical solutions of the relevant issues, introduction of target programs on the state and regional levels.

The next policy task stipulated in the Action Plan is the introduction of the monitoring of migration flows, both legal and illegal, in order to provide reliable and constantly updated information on the situation, as any management decision will be made blindly without it.

In order to stop speculations on the questions whether immigrants are burden for the state, whether emigration scale turned into a threat, and whether migration processes contribute to the growth of crime rate, etc., official statistics should provide complete and clear answers to such questions. The components of migration statistics should be enhanced, while means of information collection should be diversified.

For example, through sample surveys of households in order to detect labour migrants or immigrants to Ukraine among them and find out their level of integration into the society. The researches that are currently only sporadic should become systematic and should be implemented with defined periodicity.

Apart from the state migration statistics, internal statistics compiled by a number of institutions, for example, internal affairs agencies, custom office, etc. belongs to the

informational basis in the migration sphere as well. It requires settling the issue of comparing the data from different sources, and setting the order of their exchange and application entailing intensified activity coordination of different institutions. Therefore it constitutes a very important policy task.

Adequate informational basis for approval of administrative decisions in the migration sphere provides for not mere collection but also proper interpretation of the required data, i.e. systematic scientific research. Taking into account that international migration belongs to the phenomena affecting different social aspects, such researches should be multidisciplinary in order to provide full image of migration situation development.

However, at the moment there is no specialized center for migration studies in Ukraine capable of uniting expert work on different research fields; its creation is long overdue. Development of policy provisions and legislation on asylum in compliance with international legal standards and EU standards is an important component of the Action Plan. Recently Ukraine has been repeatedly criticized by the reputable international human rights organisations for the serious drawbacks in the refugee protection system, for example, the criticism was sharp in the recent report developed by Human Rights Watch*. One of the biggest legislation gaps relates to the fact that it provides for protection only on the basis of the UN Convention Relating to the Status of Refugees from 1951, i.e. to the victims of prosecution based on the concrete criteria listed in the Convention. At the same time, Ukraine lacks any additional protection mechanisms applied in the countries of Europe, those that are provided for the persons facing serious danger in their home land due to the military conflict or mass violation of human rights, who are exposed to the risk of death penalty, tortures, inhuman or undignified treatment or punishment in case of return to their homeland. Additionally, there are no mechanisms for protection on humanitarian grounds of human trafficking victims not necessarily falling under the Convention provisions on refugee status but needing international assistance. Adequate protection of children seeking asylum who arrived to Ukraine not being accompanied by adults entails a number of legal issues. Currently about 100 of underage asylum seekers residing on the territory of Ukraine who are separated from their family are registered in the UN Refugee Agency. Though the number of this most vulnerable category is not big, the access to the procedure of assigning refugee

* Buffeted in the Borderland: The Treatment of Asylum Seekers and Migrants in Ukraine. December 2010.

status for the minors is significantly complicated due to the absence of clear procedures of appointing legal guardian for the child and determining its age. There are no special placements for such children, and that is why they have to reside together with the adults, live in rented flats, being exposed to the risk of violence.

Apart from legislative gaps on asylum there are many problems with the existing legislation implementation. It especially relates to the limited number of placements in the temporary locations for refugees that cannot accommodate everyone, including persons belonging to the most vulnerable groups, i.e. unaccompanied children, children from incomplete or large families, etc. Lack or inadequate status of interpreters constitutes another serious problem. As a rule migration services choose them among the refugees or asylum seekers and as a result the accuracy or neutrality of the translation of official conversations with asylum seekers is questionable.

Lack of adequate programs for local integration of refugees is another drawback in the relevant policy of Ukraine, at the moment the UN Refugee Agency and non-governmental organisations deal with this problem in Ukraine but not the state. Obviously this direction is emphasized in the Action Plan for a reason. Securing non-discrimination of foreigners, actual fight against hate crimes can be added to this, which is stipulated in the paragraph 2.4.3 of the Action Plan provisions.

Organisation of the refugee protection system, ensuring their integration in Ukrainian society is needed not only to implement international requirements and national legislation but also to increase the efficiency of illegal migration fight listed as one of the key provisions of the Action Plan. Annually 2 thousand applications for refugee status are registered in Ukraine. At the same time 33 persons acquired this status in 2007, 155 — in 2008 and 156 in 2009. A certain share of rejected applicants could have applied for additional protection mechanisms if such mechanisms existed. They cannot be sent out from the country as it would breach Ukraine's commitments rising from important international legal documents, for example, European Convention on fundamental rights and freedoms. The fate of those who were rejected or escaped the procedure before it ended is not known. Obviously, some of them renew their attempts to reach European countries or stay on the territory of Ukraine illegally.

Institutional aspect

Insolvency of many legal issues in the migration sphere to a large extend is caused by the lack of adequate management structures in this field, capable of developing and lobbying the advancement of relevant draft laws, forming public opinion, coordinating the activities of central and local authorities in migration sphere, cooperating with civil society, monitoring migration situation, improving migration statistics, stimulating scientific researches. That is why it is not surprising that the Action Plan provides for creation of effective institutional structure for migration management.

Currently migration management in Ukraine is divided between several ministries and institutions. First attempts of creation a single body for migration management date back to 1996 and since then they seemed as attempts to overtake competences, budget funding and human resources between the Custom Office, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Justice and State Committee on Nationalities and Religions (formerly on nationalities and migration matters). Though the need for a single body on migration management has not been questioned, the institutions failed to develop a united vision of its shape and competences.

Ministry of Labour and Social Policy responsible for labour migration management practically did not participate in these discussions, as none of the attempts presupposed the transfer of labour migration issues to the Migration Service competence, even though this type of migration flow is the largest and most socially significant in Ukraine.

In 2002 the draft law on state migration service establishment reached the level of plenary meeting of the Verkhovna Rada of Ukraine. However, MPs rejected it, as they considered that creation of another law enforcement agency as listed in the proposal did not meet the interests and needs of the country.

Nevertheless the issue of the concentration of executive functions in the migration sphere was not removed from the agenda partially because it was viewed as an important issue of cooperation with the EU, including continuous ambitions to get visa free regime. Ukraine-EU Action Plan on Justice and Home Affairs that was approved in 2002 and updated in 2007 provided for Migration Service setting up.

According to the aforementioned National Security and Defense Council decision from 2007, the Cabinet of Ministers had to create the State Migration Service. In summer 2008 the

government completed this task by approving the resolution on renaming the Department on Citizenship, Migration and Personal Registration Matters at the Ministry of Interior into the Department of Migration Service and authorizing the Ministry of Interior with functions of executive body especially competent in the migration matters. However, this decision was suspended by the Presidential Decree as an unconstitutional one, as according to the Constitution the functions and structure of law enforcement agencies as well as basics of migration process regulation are defined exclusively by the laws. Besides, it contradicted the Council decision defining the creation of an independent central executive body in the field of migration*.

In response to the Presidential Decree the Cabinet approved new regulation according to which the State Migration Department was formed and the Ministry of Interior had to direct its activities. Nevertheless, this regulation was suspended by the Head of the State. Moreover, he filed a claim to the Constitutional Court. Such position was supported by the Ombudsman as she considered it to be impractical to entrust the social migration issues to the law enforcement agency.

«The War» of regulations and decrees concerning migration agency did not end. In June 2009 the new governmental regulation was approved on creating an independent executive body, namely the State Migration Service on the basis of the State Department on Citizenship, Migration and Personal Registration Matters at the Ministry of Interior and the Department on Refugee Matters at the State Committee on Nationalities and Religions. This regulation transferred a part of the functions, property and staff from these institutions to the new agency. Criticisms addressed to the government related to the fact that it exceeded its authority and approved the decision belonging to the Presidential field of competence.

Before the decision of the Constitutional Court was made the government had amended its Regulation in order to avoid the accusations in unconstitutional changes of the Ministry of Interior functions and resources. In this way, the Migration Office did not have the functions of fighting illegal migration which was the task for the Ministry of Interior; the detention centers for illegal migrants remained within the structure of the Ministry of Interior. However,

* Some issues of state administration in the field of migration policy. Regulation of the Cabinet of Ministers dated June 18, 2008, # 558. — www.zakon.rada.gov.ua; On suspending the Regulation of the Cabinet of Ministers of Ukraine from June 18, 2008, # 558. Decree of the President of Ukraine # 643/2008 dated July 21, 2008 — www.president.gov.ua

the changes concerning the number of Ministry of Interior staff and division of its property could not be avoided, so the grounds for claiming unconstitutionality remained. The Court reviewed this matter several times and on February 17, 2010 it confirmed unconstitutionality of certain provisions of the Regulation approved by the Cabinet of Ministers.

Confrontation between power branches concerning the issue of State Migration Service establishment caused numerous negative outcomes. For example, since the approval date of governmental Regulation the competence on the refugee status decision was transferred to the Migration Office, the State Committee of Ukraine on Nationalities and Religion that was previously responsible for implementing the Law of Ukraine «On Refugees» did not make any decisions. The number of asylum seekers, whose applications for refugee status in Ukraine was processed longer than stipulated by the law, reached about 800 persons. Another several hundred foreigners who had appealed previous decisions in the court were not able to obtain or prolong the validity of residence certificates and the State Committee was devoid of the relevant competences. Thus, more than thousand of foreigners stay in Ukraine without relevant legal status regardless constant brave state rhetoric about fighting illegal migration.

In her report to the Head of the State «On Approval of General Basics of The State Migration Policy and Creation of Civil State Migration Service of Ukraine» (May 2010), Ukrainian Ombudsman Nina Karpachova pointed out the issue of institutional migration policy maintenance in Ukraine to the new president of Ukraine. For example, she emphasized the urgent need to secure the interests of millions of Ukrainian citizens working abroad as well as of migrants and refugees in Ukraine, and with this aim create the governmental agency with special status making it civil in nature rather than law enforcement.
Taking this into account as well as other conditions and the request of the President of Ukraine the Cabinet of Ministers of Ukraine approved the Regulation on July 7th 2010 №559 «Certain Issues of State Management in the Field of Migration». The Regulation abandoned the State Migration Service that was never created in practice and returned the previous competences in the sphere of migration to the Ministry of Interior and the State Committee on Nationalities and Religions. Under existing conditions it was probably a predictable step and perhaps the only correct decision enabling further adequate operation of relevant institutions.

However, such situation did not last long. In terms of the administrative reform initiated by the President of Ukraine in 2010, the decision to establish the State Migration Service was

announced; such a body would be empowered to implement national policy on citizenship, immigration and personal registration, as well as on the migration matters according to the Law on Refugees. In other words, the decision of the previous government to create State Migration Service on the basis of relevant departments of the Ministry of Interior and the State Committee on Nationalities and Religions was resumed, with the latter being liquidated as a result of the administrative reform.

Under such conditions all critical remarks concerning relevant decision that were expressed before, including those made by the Ombudsman remain relevant. The most serious doubts relate to the question whether the State Migration Service will turn into the institution capable to provide effective migration management as it is created on the basis of police departments and only a part of the competences in the field of migration was transferred to it, not including labour migration. Nevertheless concentration of main functions in migration area in one institution will lead to positive results and will benefit to its organisation.

Conclusions and recommendations

Migration policy of Ukraine requires serious reforms, which are not possible without high-quality strategic planning, coordination, resources and political will.

Over the last decade the migration policy creation process in Ukraine that was rapidly developing in the 1990s has been paused and its goal and principles have not been defined. Lack of determined work in this sphere causes abundant and sharp problems and they require immediate solutions without any delays. Primarily it relates to the labour migration from Ukraine as during demographic crisis it constitutes a serious threat for labour and intellectual potential of the nation; entails the need to protect the rights of labour migrants, ensure their legal employment abroad, and encourage their return to the homeland and reintegration; causes accumulation of foreign immigrants on the territory of the state, including asylum seekers, as their legal status definition is unreasonably complicated, while clear actions on their integration into Ukrainian society are virtually missing.

As Ukraine has recently joined world migration processes, the society and authorities have not yet realized the need for active migration management. Understanding of migration situation does not meet the current requirements because of existing migration statistics weaknesses and deficiency in adequate scientific assessments of people's movement.

Migration legislation contains numerous shortcomings, while institutional setup is not complete. The need to correct these deficiencies has been repeatedly addressed by the Head of the State and the government; it has also been discussed in the parliament.

However, relevant solutions were hindered due to political confrontation and interdepartmental struggle.
Under such conditions the impact of European migration policy which became one of the main directions for the domestic and external EU policies, as well as cooperation with the EU Member States in the sphere of migration can have significant positive implications to ensure the exit of this issue out of the deadlock.

Migration issues were always a part of the agenda between Ukraine and the EU and its Member States. Firstly, migration is inherently an international phenomena and therefore it cannot be regulated exclusively by one country; secondly, migration policy in a democratic society must comply with certain principles, in particular on human rights, developed by the international community and enshrined in recognized international legal instruments, thirdly, efficiency of international cooperation in migration sphere and capacity of the state in migration management are interrelated and interdependent.

The Action Plan on Visa Liberalisation with Ukraine presented on November 22nd 2010 practically does not contain any issues that have not been discussed previously on the national and international levels, in particular in the Ukraine-EU Action Plan on Security, Justice and Home Affairs, Association Agenda or within the framework of the Eastern Partnership. It only emphasizes the issues, solutions of which are needed and will be beneficial for Ukraine.

At the same time the experience of the EU accession of the new Member States shows that implementation of European norms and standards made a significant positive impact on public administration improvement, especially in the field of migration. That is why existence of the Action Plan and its implementation can be regarded as an important external impetus for solving current issues in Ukraine in the sphere of migration.

While choosing the ways and methods for the Action Plan implementation attention should be paid to the international experience in improving migration policy and advancement towards visa free regime of those countries that acquired EU membership and third countries,

primarily Western Balkan states. However we should take into account specific Ukrainian political realities, migration situation, and available resources as simple copying of foreign experience can't be productive as well.

Current assessments of the EU visa practice in Ukraine

Freedom, Security and Justice (FSJ) cooperation between the EU and EaP countries is an issue of high importance as it indicates the level of integration/cooperation in the most sensitive areas which require high confidence between partners. FSJ cooperation is closely connected with the maturity of democratic institution and the rule of law. Increasing standards of FSJ cooperation may encourage EaP countries to proceed with the crucially important reforms in the areas of combating corruption and organized crime, fighting against illegal migration and human trafficking, stimulate reforms aimed at better protection of human rights, more efficient law enforcement and transparent judiciary system.

The specific «carrot» within the FSJ cooperation with the EaP countries is the **visa liberalisation process** which is supposed to stimulate and guideline important reforms aimed to make these countries safer for their citizens as well as for the foreign partners. Therefore FSJ cooperation can't be assessed automatically within the quantitative approach, and existent capacity of the partner to cooperate on the basis of democracy, respect for human rights and rule of law should by considered.

Ukraine launched institutional cooperation with the EU on the FSJ area back in 2002, when the first **EU-Ukraine Action Plan on Freedom, Security and Justice** was signed (then updated in 2007). Ukraine hai already almost completed negotiations on a chapter on Justice, Liberty and Security within the framework of official talks on Association Agreement that will replace the PCAs enforced in 1998.

For a long time, especially after the Orange revolution of 2004, Ukraine was considered a pioneering country in the sphere of FSJ. Ukraine was the first one among EaP countries to sign **Visa Facilitation** (VFA) and **Readmission** (RA) **Agreements** (2007). Currently the EU reports on the satisfactory level of RA implementation by Ukraine (which was stressed in the preambles to Action Plans on Visa Liberalisation).

Ukraine unilaterally cancelled visa requirements for the EU citizens in 2005. So it was the first country to start official Visa Dialogue with the ultimate goal to set up visa free regime (October 2009).

In November 2011 Ukraine received the Action Plan on Visa Liberalisation (APVL), and currently Ukraine and Moldova are the only two of EaP countries with achieved such a high level of progress within the visa liberalization process.

The first months of APVL implementation proved this new instrument is an efficient tool to mobilize both countries' government to proceed with adoption of important legislation (including ratification of CoE and UN conventions) in such areas as integrated border management, data protection, countering human trafficking and illegal migration, protection of refugees and asylum seekers etc.
Ukraine has 13 valid cooperation agreements on judicial cooperation and assistance with the EU Member States which is the biggest number among the EaP countries. Currently none of EaP countries has enforced operational agreements with Europol and/or Eurojust. Ukraine signed just framework agreements with Europol.

In the sphere of border management, Ukraine has Working Arrangements with FRONTEX, as well as the valuable practical cooperation in the frames of EUBAM.

How some legal acts are implemented?

The analysis of implementation of some important provisions of the Visa Facilitation Agreement and the EU Visa Code in the JLS area

1. Multiple-entry and long-term visas.

Active Regulations

Visa Facilitation Agreement (hereinafter – Agreement): Diplomatic missions and consular posts of the EU Member States shall issue multiple-entry visas with the term of validity of up to one year to the following categories of persons, provided that during the previous year they have obtained at least one visa, have made use of it in accordance with the laws on entry and stay of the visited State and that there are reasons for requesting a multiple-entry visa.

The EU Visa Code: Paragraph 2 of Article 24 contains one of the most progressive provisions, which introduced a lower limit for issuing standard multiple-entry visa with a period of validity between six months and five years.

In Practice: The largest amount of multiple-entry visas was issued by the consulates of Hungary, Poland and Slovakia. The first place on issuing the long-term visas is occupied by the Hungarian consular service primarily due to liberal politics of the consulates located in Transcarpathia (total - 64%), followed by - Poland (54%) and Slovakia (48%). The smallest amount of multiple-entry visas was detected in the consulates of Lithuania (6.7%) and Greece (12.2%).

There was a slow increase in the share of long-term multiple visas valid for three to six months – about 11.6% (last year - 9%). The total share of visas, valid for over 6 months to one year, has increased from 13% to 17.3%, the lion's share of which are the "one year" visas.

However, the half of multiple-entry visas still has a short validity: to three months, which indicates a failure of the EU Visa Code provisions by the consulates (Article 24, paragraph 2). This Article provides the issuance of long-term visas for 6 months or more. The visas valid for more than a year are still unavailable for Ukrainian citizens. The amount of such visas is less than one percent - 0.4%.

2. Free visas

Active Regulations

Agreement: (Article 6) Visa fee is not charged to 14 categories of persons.

The EU Visa Code: Applicants belonging to the categories defined in the Article 16 headlined «Visa fee» shall be exempt from visa fees.

There was marginal decrease in the number of free of charge visas: from 31% in the last year to 28% in this year. The vast majority of applicants paid for a visa is 71%.

Number of respondents that consider themselves to privileged categories and go abroad with a declared (preferential) aim is higher than the number of those who exempt from the visa fee, in practice. Therefore, there is a resource of expansion in the number of those who use benefits from the visa fee exemption.

3. Fee for the services provided by the External Service Providers

Active regulations

Agreement: The fee for processing visa applications is amount to EUR 35 and in case of urgent consideration (when the visa application and the supporting documents have been submitted by the visa applicant within three days before his/her envisaged date of departure) it is amount to EUR 70. The agreement does not regulate the issue of cooperation between consulates and intermediary institutions, the so-called Visa Application Centers.

The EU Visa Code: Articles 17 and 43 of the Visa Code regulate the cooperation issues with the so-called «"visa centers». Legal (statutory) regulation of such services means that additional payment may be charged legally, in addition to the visa fee. However, paragraph 5 of this article states that the relevant EU Member States must keep an opportunity for all applicants to submit visa applications directly to the consulates.

In practice: List of Consulates, working with Visa Application Centers in 2007, is supplemented by the consular offices of Finland, Slovenia and Denmark.

The least number of free visas are issued by the consulates of the Netherlands, Spain, Italy, Denmark and Belgium. Those are the consulates, collaborating with the Visa Application Centers.

Almost 29% of applicants of privileged categories, applying for visas, were exempt from paying a visa fee.

4. List of documents

Active regulations

Agreement: defines a clear set of documents to justify the purpose of the journey for some privileged persons categories, the list of which is contained in Article 4

The EU Visa Code: admits a wide list of documents required from applicants to confirm the purpose of travel.

In practice: The list of documents remains a potentially inexhaustible and consular officers continue to interpret the Agreement and Code provisions, depending on the doubts appearance to the applicant's intentions.

The greatest number of additional documents is required by the consulates of Belgium, the Netherlands and Spain. The second group of «demanding» consulates according to the additional requirements consists of the consulate of Italy, Portugal and France.

5. Written explanation in case of visa refusal

Active regulations

Agreement: contains only the recommendation on written explanation in case of visa refusal.

The EU Visa Code: article 31, paragraph 2 – visa refusals must be obligatory provided (according to this paragraph).

In practice: In most cases of visa refusals Consular officials provide applicants with the written explanation of visa refusal and the appeal procedure. However, more than a half of applicants which were denied in visa do not use their right of appeal.

6. The right for appeal procedure

Active regulations

Agreement: doesn't regulate this issue.

The EU Visa Code: Article 31, paragraph 3. Applicants have a right to appeal in case of visa refusal.

In practice: Most consulates provide information about the features of appeal procedure, but most of those who received information about the features of appeal procedure won't use this right. The main reasons for the refusal to use the right of appeal procedure by the applicants are the lack of time and funds (money).

7. The practice of returns registration

Active regulations

Agreement: Doesn't regulate such practice.

The EU Visa Code: Doesn't regulate such practice.

In practice:

According to research results, more consulates started to use the practice of return report to the Consulate after applicants' return from the EU and Schengen area states. Applicant of this group has received the right to travel in exchange for a stamp in the passport, which specifies the period of citizens' obligatory appearance in the Consulate after her/his return.

During the monitoring was recorded increase in the number of consulates applying such additional controls and accordingly increase the number of applicants that faced with such a specific expression of distrust.

Such practice is often used by French, Italian and Spanish consulates.

In particular, according to respondents who were interviewed during a recent study, the German, Latvian, Estonian and Belgian consulates have resorted to this practice in certain cases.

Peculiarities of the EU-Ukraine negotiations on the amendment of the Visa Facilitation Agreement

In January 2012 the fourth anniversary of the beginning of implementation of the Agreement on Visa Facilitation between the EU and Ukraine will be passed. The latter is considered as one of the most important tool to facilitate visa requirements for citizens of Ukraine in relations with the EU member states.

Since that time the Agreement has received lots of different, sometimes contradictory, commentaries. It has been seen either as the «main visa facilitation tool» or as the «one of the biggest disappointment».

Concluding of the Agreement was accompanied by the establishment of the Joint Experts Committee aimed to adjust its shortcomings and improve specific components. The process has been under the watchful gaze of the public which expected the agreement to provide them with considerable facilitatation of visas procedures.

In overall, the first year of implementation of the Agreement became an important indicator for all stakeholders of the visa facilitation dialogue.

Not only the effectiveness of the Agreement's rules and regulations, but also the technical conditions and political will of stakeholders for further development of the document's positive changes potential were revealed.

Civic Initiative «Europe without Barriers» has been carried out the monitoring of the implementation of the Agreement for four years, among other things fixing changes and trends in the EU member-states' visa practices towards Ukrainian citizens. At the same time we offered our proposals for amendments necessary to remove the deficiencies of the Agreement. Some of them were taken into consideration by the negotiation groups and included in the final version of the amended and approved Agreement on the Facilitation of the issuance of visas (more on the amendments see below).

The recent outcomes of our monitoring revealed that the benefits of the Agreement has expired or are close to exhaustion, therefore information about the completion of the next round of negotiations on the Agreement revision in favor of Ukrainian applicants is a long awaited event. The agreed amendments require ratification by the Verkhovna Rada of Ukraine

and therefore the practical application of new provisions of the Agreement will enter into force approximately by the second half of 2012.

So what advantages the amended Agreement will bring for Ukrainian applicants in 2012 and to whom it is addressed?

The list of the privileged categories is expected to be broadened:

List of categories of citizens having the right to obtain the long-term and free visas will be enlarged with the representatives of non-governmental organizations, professional associations, religious communities, participants in the EU official programs on Cross-Border Cooperation.

Adjustment of the term «journalist»

The provisions defining the list of the main documents necessary for certain categories of citizens envisaged in the Agreement have been refined. In particular the latter concerns the representatives of the mass media as one of the most active part of the society who according to the before established practice had to submit as basic document for visa obtaining the official request from the journalists' professional associations. New amendments foresee, apart from the request, the possibility to submit the letter from the employer what considerably facilitate the process of applying for those journalists who are not members of any professional association of journalists. Besides, this amendment will also cover technical staff that hasn't been included before to none of the privileged categories.

Validity of visas

The issue of validity of visas was one of the most problematic regarding the difficulties in practical implementation of the provisions of Art. 5 of the Agreement. The experts of «Europe without Barriers» have repeatedly stressed the failure of consular officers in complying with rules on issuing multiple long-term visas valid for up to 1 and up to 5 years. In most cases, the consulates interpreted this provision literally and were reducing the overall term of validity of the long-term visas, even for those applicants who had clearly positive visa history.

According to the latest wave (summer 2011) of our public monitoring, the number of issued visas valid for 2-5 years consisted less than one percent.

According to the new amendments to the content of the Agreement, the parties have clearly identified the terms of validity of the multiple-entry visas: **1 and 5 years**, **rather than up 1 and up to 5 years** according to the wording of the current text of the Agreement.

That is the clarification offered and supported by the Europe without Barriers. We hope that amendment will help to solve the problem of the so called "fictitious" multiple-entry visas, when the latter is granted with unlimited number of entries, but valid for only 1-3 months, and even less.

Abolition of increased fees (70 EUR)

Under the current Agreement consulates are allowed to charge a visa fee of 70 EUR from citizens who submitted required documents for visa application according to the accelerated procedure. Now it is expected that those citizens who live far from the place of applying will have the right to apply within the accelerated procedure at no additional charge.

Recommendations how to make effective use of the Agreement on the visa facilitation between Ukraine and the EU?

Over 3 years of its implementation the Agreement on the Facilitation of the Issuance of Visas (VFA) between Ukraine and the EU has attracted the attention of Ukrainian mass media and public. It was mainly due to unfulfilled expectations concerning quick solutions for the majority of problems which Ukrainian applicants face during Schengen visa application procedure. Summarizing the events of 2008 popular weekly «Korespondent» even gave the Agreement the title **«disappointment of the year»** underlining significant differences in the expectations and the real state of affairs over the first year of VFA implementation.

Certain VFA clauses have actually been deficiently implemented by EU Consular establishmentse and we have discussed these facts in our previous publications. At the same time investigations on numerous cases of unrealized expectations enabled conclusions that in most cases low efficiency of the VFA is caused by low level of applicants' preparedness to make competent use of the possibilities the Agreement offers.

Visa Facilitation Agreement is not a panacea or a magic stick, it is a tool. Most advantages of this tool are revealed only if used efficiently and it requires certain knowledge and skills.

The most important aspects, in our opinion, are presented below.

First of all, people should understand that though the Agreement introduces a number of preferences, it does not lift the limitations. Such limitations are not directly listed in the Agreement; they are defined by Schengen law.

For example, a person who was previously refused a visa, deported or committed offence on the territory of EU Member States cannot count on all the preferences even though he or she falls under special categories stipulated in the Agreement. The most important preferences do not apply to persons travelling to Schengen zone for the first time. If you possess a new international passport while previous visas were stamped into the old one, and you cannot present it at the Consulate (in some cases copied visas are not considered as sufficient evidence), you will be considered as an applicant who travels for the first time. First of all it pertains to the right to obtain long term and multi entry visas (see below).

Your relatives, even the closest ones, can not claim your preferences if they do not personally fall under preferential categories. It also concerns children whose pictures are stamped into your international passport.
Certain Consular establishments do not always inform the applicants about all possible preferences at their disposal. It is especially common in the cases of applying via Visa Centers. Foremost it pertains to the right to obtain free of charge visas.

Visas Free of Charge.

Article 6 of the Visa Facilitation Agreement

This preference often depends on personal competence of the applicants. That is why before visiting the Consulate we recommend to clarify whether you fall under those 14 categories of persons who are able to obtain free of charge visas and whether your case corresponds to special conditions defined in the Agreement*.

* Fees for processing visa applications are waived for close relatives of Ukrainian citizens legally residing on the territory of Member States; members of official delegations; members of national and regional Governments and Parliaments, Constitutional Courts and Supreme Courts; pupils, students, postgraduate students and accompanying teachers who undertake trips for the purpose of study or educational training; disabled persons and the person accompanying them; persons who have presented documents proving the necessity of their travel on humanitarian grounds, including to receive urgent medical treatment and the person accompanying such person, or to attend a funeral of a close relative, or to visit a close relative seriously ill; participants in international sports events and persons accompanying them; persons participating in scientific, cultural and

For example, certain categories can obtain free of charge visas in all cases of visa issuance for short stays (up to 90 days) which do not presuppose employment. All pensioners, disabled people and children under 18 years old belong to such preferential categories. At the same time most preferential categories defined in the Agreement can obtain free of charge visas only if the trip is directly connected with relevant professional activities. For example, preferences for journalists, drivers, sportsmen, researchers, students, artists, members of official delegations, state officials and members of parliament (apart from bearers of diplomatic passports who do no need visas) are applicable only if their **trips are connected with performing relevant professional functions** (mass media tasks, sport competitions, scientific and student exchanges, official visits, etc.). On the contrary, if a journalist, student and sportsman travels with touring purpose or visits friends, the relevant preferences are not applied and they have to pay for a visa like other applicants.

The same rule is applied to close relatives of persons, legally residing on the territory of EU Member States – the right for preferences is realized only when the purpose of the trip comprises visiting these relatives (and they have appropriate invitation). The category of close relatives includes only parents (and guardians), children (including adopted), spouses, grandparents and grandchildren.

In order to confirm affiliation to the category enabling the right to free of charge visas, a person should provide the Consular establishment with the original and copy of the relevant documents – student or pensioner ID, invitation, program of the visit or exchange, etc.

At the stage of document submission the applicant should **independently state his or her affiliation to the relevant preferential category** referring to the Agreement. The Consulate officer will verify whether the submitted documents are sufficient in order to confirm the right to the preference and attest that the visa will be issued free of charge in this case.

If a Consular officer states that the right to preference is not applicable or the submitted documents are not sufficient, the applicant should clarify the grounds for such decision and try to eliminate them. In most cases Consular establishments doubt only the purpose of the

artistic activities; participants in official exchange programmes organised by twin cities; journalists; pensioners; drivers and members of train crew conducting international cargo and passenger transportation services to the territories of the Member States in vehicles registered in Ukraine; children under the age of 18 and dependant children under the age of 21.

journey, for example, if the submitted documents testify to slightly different purpose of the trip than those stated under the preferential categories, or if the purpose seems too unclear.

Taking into account the above mentioned facts we **recommend avoiding declarations of double or multiple purpose of the journey**, for example, touring and journalist research, or visiting friends and participating in the conference. In such cases you can not only lose your right to free of charge visas but also provoke doubts concerning false information about the real purpose of the trip, and it may even result in visa refusal.

It is important to be aware that **waiving of visa payments is applied only to Consular fees (35 Euro),** while services of Visa Centers are not free of charge for all applicants. It concerns, in particular, the majority of applicants to Belgium, Italy, Spain, Netherlands and several other Western European countries who generally pay 25 Euro for intermediary services.

For your information, in 2008 Consulates of Schengen Member States issued about 25-35% of free of charge visas and some Consulates issued even more than 40% out of general visa number. Thus this preference is actually widely applied and its effective use mostly depends on the applicants.

Long term and multiple entry visas.

Article 5 of the Visa Facilitation Agreement

Article 5 defines 10 categories of persons who have the right to obtain long term (valid for from 1 up to 5 years) visas*. Preference in terms of obtaining long term and multi entry visas is more complicated in its application, i.e. the possibility to make use of such preference includes numerous conditions and the applicants are not always aware about them. Comparing to obtaining free of charge visas this issue predetermines impact of higher level of subjectivity, treatment on behalf of Consular offices, previous visa history and the content of supporting documents including listed details, which are not obvious at first sight.

* The right to obtain long term/ multi entry visas valid for one or up to five years is given to the following categories of the citizens: members of national and regional Governments and Parliaments, Constitutional Courts and Supreme Courts; permanent members of official delegations; one of the spouses and children (including adopted), who are under the age of 21 and are visiting citizens of Ukraine legally residing in the territory of the Member States; business people and representatives of business organizations who regularly travel to the Member States; journalists; drivers and members of train crews conducting international cargo and passenger transportation services; persons participating in scientific, cultural and artistic activities, including university and other exchange programmes who regularly travel to the Member States; participants in international sports events; participants in official exchange programmes organized by twin cities

Firstly, it is rather difficult to make use of this preference if over the last years you were refused a Schengen visa and your passport contains relevant stamp.

Secondly, chances to obtain multiple entry visa (and it is stipulated in the Agreement) are small if over the last two years you did not make use of two single entry or one multiple entry Schengen visa. If you have a new international passport and it does not contain any visas yet, it is advisable to submit previous passport with Schengen visas to the Consulate if you still have it. In other case you can submit copies of your previous passport with stamped visas, however copies are not always considered to be sufficient.
Please, pay attention to the fact that according to the VFA Consulates take into account only those Schengen visas which were issued over the last two years. Visas issued by new Schengen States before December 2007 (before their accession into the Schengen zone) are not viewed as grounds for preferences.

Thirdly, if you have not previously obtained long term Schengen visas, as a rule, the Consulate will offer a visa, valid for a shorter term than the maximum period of stay stipulated in the Agreement (one-three-five years) – one-three months, half a year the most. Only after you made use of such visa, next time you will have the possibility to claim the right to obtain actual long term visa.

Most importantly, **the documents you submit should clearly demonstrate your need for regular, multiple visits to EU Member States**, preferably to the country you apply to.
If the invitation serves as the confirmation of the purpose of the visit, it should clearly and distinctly state:

- Your affiliation to one of the specific categories stipulated in the VFA with the reference to the relevant paragraph of Article 5;
- The necessity for multiple trips determined by the affiliation to the relevant category;
- Time limits: for example, if you apply for a visa valid for one year, the invitation (or other basic supporting document) should list approximate dates of the trips during the whole year.

Sample of the invitation for the visa requested to the whole year 2010:
*As Mr. (Ms) ..... is a **researcher** taking part in joint research project, he (she) requires regular **travels** to .... (Name of the country or countries of the Schengen zone). We plan to*

*conduct **working meetings** (conferences, seminars, etc) in terms of this scientific project **in January, June and December 2010**. Taking into account the above mentioned facts on the basis of paragraph 2.c. of Article 5 of the Agreement on the Facilitation of the Issuance of Visas between European Community and Ukraine we kindly ask you to issue a multi entry Schengen visa **valid for one year for the period from January 1st to December 31st**, 2010 for Mr. (Mrs) ...*

As your foreign partners (and not you) compose the invitation, and they may not be aware about all the possibilities of visa practice conducted by their country, you should primarily address them with the request to include those statements into the invitation which will allow making effective use of the preferences stipulated in the Agreement and will be most efficient for your visa application (the example is given above).

Another reasoning document may include the contract or cooperation agreement signed between your organization and partner institutions in EU Member States. Such agreement should include all the details stated above testifying to your right to preferences stipulated in the Agreement. Besides, the list of persons involved into such cooperation stating their positions and international passport data should be provided. **Cooperation agreement, especially if it is signed by well known and renowned organizations, significantly increases changes for positive results – obtaining long term visas.**

Please, pay attention to the fact that while submitting documents for long term visa you should have medical insurance covering 90 days (maximum «period of stay») over the validity of Schengen visa (the number of days can be less if you do not apply for maximum stay).

While processing documents for multi entry visas the Consulates also pay thorough attention to financial support during your travels. The line testifying that the host party will cover transport and accommodation expenditures should be clearly stated in the invitation and/or in the cooperation agreement. In other case you need to have significant amount on your current banking account (not a deposit one!) – the amount may vary but it should be no less than 50 euro per day.

In some cases the certificate from authorized professional organizations (professional unions, associations) is necessary. For example, only professional association of trucking companies can confirm the need for a truck driver to apply for a long term visa.

The same situation concerns the journalists; however the practice during the first year of Agreement implementation provoked numerous complaints about artificial incitement to join archaic Union of journalists of Ukraine as it issues relevant IDs. Having understood that such regulation is artificial, Consulate of Germany lifted obligatory requirements for journalists to provide certificates from professional associations.

Finally, one important technical issue. When you fill in the application form in order to apply for a long term visa, in the «period of stay» line in sections From... – To...you should **specify the whole period of visa validity you apply for rather than the term of the first journey.** The example listed above will read «From 01.01.2010»... «To 31.12.2010».

Long term visa has not yet become a massive phenomenon in the Consulates of Schengen States, however, their number is slightly increasing. According to the data of our public monitoring, conducted in 2008 - 2011 only every sixth multiple entry visa is valid for more than 6 months. In most cases the success of the application for a long term visa depends on the quality level of supporting documents.

CHAPTER 7

CRITICAL ANALYSES, ACHIEVEMENTS AND SHORTCOMINGS, CONCERNING THE ROLE OF CIVIL SOCIETY IN THE PROCESS OF THE NECESSARY REFORMS IN UKRAINE AND IN DEVELOPING EU-UKRAINE COOPERATION

European perspective of Ukraine is to a great extent connected with the necessity of creating European mentality and a decent standard of living in Ukrainian state. This process is as important as the goal itself and promotes the development of a clear European strategy at the state and social levels. The actual implementation of European values and standards in Ukraine is more important than formal framework for relations with the EU. The key position in this matter should be taken by civil society and its active position.

It is important to note that in developed democracies civil society acts as an equal partner of state in addressing socio-economic, humanitarian and political objectives by providing quality and efficient social services, the organization of citizens for meeting their interests without additional financial or administrative costs to the state, distribution of charity and providing targeted operational charity assistance, non-political representation and promotion of interests of different groups among the citizens and in communication with other political actors, involvement in decision-making and thus ensuring more effective decisions with regard to the interests of different social groups, public control over government and fight against corruption.

In Ukraine the formation of civil society and definition of its role in the democratic process is still ongoing with regard to the fact that before this issue was not given sufficient attention by the state. According to evaluation of the experts of the National Institute for Strategic Studies, indicators of civil society development in Ukraine during the period of independence gradually improved and in recent years did not show positive dynamics, but retained some stability at the achieved level. They are better than in other former Soviet countries, but significantly lag behind that of the Baltic and Visegrad countries (Policy Paper «On Status of Civil Society in Ukraine»).

At the present stage of state-building development of civil society as a guarantee of democratic development of Ukraine is defined as one of the areas of domestic policy in accordance with the Law of Ukraine «On the Foundations of Domestic and Foreign Policy» of July 1, 2010. State policy in the formation of civil society organizations has to foster increasing their interaction with public authorities, the introduction of public control over authorities, regular consultations with the public. Also there is a crutial need to continue reform of the legal environment for the institutional development of civil society by introducing standards provided by the Recommendations of the Committee of Ministers of the Council of Europe to the member-states on the legal status of NGOs in Europe and implementing of Ukraine's commitments under international treaties on human rights.

Analyzing the state of civil society in Ukraine through quantitative indicators of the growth of NGOs in Ukraine, their organizational capacity and financial stability, legal and political environment in which they operate, the development of independent trade unions, the level of participation of the interests groups in the political process, international non-governmental organization Freedom House reached the conclusion that the assessment of civil society development in Ukraine has improved from 4.75 points in 1998 to 3 points in 2005 and 2.75 points in 2006- 2011. (Evaluation of different areas of democratic development of transition countries is made using a scale from 7 points – «the worst» to 1 point – «the best») (Nations in Transit 2011). It should be stressed that in comparison with other areas of internal reform Ukraine demonstrated the most considerable achievements in the development of civil society.

According to USAID (USAID NGO sustainability Index) referred to in research «On Status of Civil Society in Ukraine» the state of civil society in Ukraine is estimated at 3.5 points (on a scale from 1 to 7, where the consolidation threshold is at point 3). The weakest components of the sustainability of NGOs is financial viability (4.2 points) and public perception (3.8 points), and the strongest - advocacy (2.8 points) and provision of services (3.3 points). Significantly, in terms of advocacy NGOs have even crossed the threshold of a consolidated democracy. However, according to a general estimation of foreign experts, civil society in Ukraine is characterized as transitional and unconsolidated, that is the one that has not reached the level of developed democracies and retains the risk of returning to a less developed state.

Regarding civil society organizations engaged in disseminating information on European processes and promoting a positive attitude towards the EU and Ukraine's integration it

should be specified that in recent years number and activities of NGOs has increased significantly. Civil society and civil society organizations are important tools for realization of the principles and values of the European Union, including the initiative of Eastern Partnership. Within its framework the European Commission proposed to support the further development of civil society and, in particular, to establish Civil Society Forum of the Eastern Partnership in Ukraine to promote the establishment of contacts between NGOs and their dialogue with the authorities.

The first meeting of the Forum was held in Brussels on 16-17 November 2009 and was attended by 220 civil society organizations: 30 from Ukraine, 21 from Azerbaijan, 21 from Armenia, 27 from Belarus, 22 from Georgia, 20 from Republic of Moldova, 47 from the EU member-states, 5 from third countries, 27 from international organizations and networks. In November 2010 in Berlin there was held the second Civil Society Forum of the Eastern Partnership attended by 230 civil organizations from the EU member-states, the Eastern Partnership countries, third countries. As a result of the Forum, there were prepared draft recommendations where much attention was paid to the role of civil society organizations in the field of public information on relations with the EU. Also it was decided to consider civil society organizations as the institutional partner of the EU, its member-states and Eastern Partnership states in planning, implementation, monitoring and program development of multilateral cooperation.

The consortium of think tanks such as the Ukrainian Center for Independent Political Research, Institute for Economic Research and Policy Consulting, Center for Political and Legal Reforms supported by the European Program of the International Reneissance Foundation and in cooperation with the Public Expert Council within Ukrainian part of the Committee on cooperation between Ukraine and the EU for 2010-2011 was realizing the project «Implementation of the EU-Ukraine Association Agenda: expert opinion». Public monitoring was aimed at distinguishing the main problems and challenges that arise in the implementation of the priorities of the EU-Ukraine Association Agenda.

The most active organizations combine their efforts and supported by international funds and organizations created the following all-Ukrainian associations: Ukrainian Association of European Studies (www.europa.org.ua), Network of pro-European organizations of Ukraine, Ukrainian Network of European clubs, «Youth in Action» Representatives Network.

Ukrainian Association of European Studies was created in 2006 at the initiative of members of several international seminars and conferences on European Studies, held in 2005-2006 with the support of the European Program of the International Renaissance Foundation. It is an academic association of scholars of the European Union and European Studies tutors in higher educational institutions of Ukraine.

Creation of a network of pro-European organizations of Ukraine was proclaimed on May 19, 2006 by the participants of the First All-Ukrainian forum of pro-European organizations. Participants of the founding forum and the Network founders were 40 organizations that have decided to establish a Network of pro-European organizations on the basis of the adopted Charter. According to the approved Charter, the purpose of the Network is to consolidate the efforts of NGOs, whose activities are directed at promoting European values, information about European/Euro-Atlantic integration, the introduction of European standards of public life, experience exchange and cooperation at the international, state, regional and local levels to implement Ukraine's European choice.

For most NGOs the main tasks are:

- informing and raising awareness of citizens on European and Euro-Atlantic integration;
- promoting human rights of citizens of Ukraine for public expression of their views on Ukraine's integration into European/Euro-Atlantic structures and legal protection of citizens of Ukraine who are engaged in international activities related to European/Euro-Atlantic integration of Ukraine;
- implementation of training, education, information and research programs aimed at enhancing European/Euro-Atlantic integration of Ukraine;
- cooperation with state agencies in implementing national projects and bodies of local self-government for the joint implementation of local pro-European initiatives;
- promotion of transparency and accountability of government through a system of independent public monitoring, public expert support of European/Euro-Atlantic integration of Ukraine at the national and regional levels;
- promotion of European studies development at universities and secondary schools and distribution of European educational programs at all levels of education of Ukraine;
- creation of a European space of cooperation in youth policy development, based on informal learning;

- activation of social pro-European movement in Ukraine, international cooperation between civil society organizations in Ukraine and European countries.

There are also European Information Centers almost in all major cities of Ukraine (www.ukrcei.org). Today, the network consists of 24 European Information Centers, which operate in regional scientific universal libraries in Vinnitsa, Dnepropetrovsk, Donetsk, Zhytomyr, Ivano-Frankivsk, Kirovohrad, Luhansk, Lutsk, Lviv, Mykolayiv, Odesa, Poltava, Rivne, Sumy, Ternopil, Uzhgorod, Kharkiv, Kherson, Khmelnytsky, Cherkasy, Chernivtsi, Chernihiv, Sevastopol and Simferopol.

Centers provide access to all interested people (students, teachers, journalists, businessmen, etc.) to information resources and electronic databases of materials on the functioning of the EU institutions and other European organizations, economic, political, educational and cultural processes in Europe, study opportunities, participation in scientific, youth and other programs of the EU, European and Euro-Atlantic integration of Ukraine and many other issues. There are consultants who assist visitors in finding information. Also the Centers regularly conduct educational and information activities aimed at popularization of knowledge on European and Euro-Atlantic integration of Ukraine: press conferences, round tables, lectures, seminars, workshops, discussions, informative and entertaining events for young people, thematic exhibitions and more.

In order to ensure a stable and efficient operation of Centers throughout Ukraine, exchange of experience and information resources, they united into the All-Ukrainian network of European Information Centers. The network is open to the participation of other civil organizations, libraries, higher educational establishments etc.

Such organizations as the European Program of the International Renaissance Foundation, Network Program «East-East: Partnership Beyond Borders» and the Portal of pro-European civil society in Ukraine (www.eu.prostir.ua) are instrumental in coordinating efforts of NGOs and CSOs, the dissemination of information and news on European integration and international projects to promote European integration of Ukraine. According to Ukrainian experts, the year 2011 was characterized by stabilization of the positive trends of institutional development of civil society (Policy Paper «On Status of Civil Society in Ukraine») There increased the number of officially registered associations, although the dynamics of this

growth slowed to a certain extent. According to State Statistics Service of Ukraine, as of early 2012 there were registered (including international, national, local organizations, their centers, subsidiaries and separate units) 71,767 NGOs (in the beginning of 2011 there were 67,696 of them), 27,834 trade unions and their associations (in 2011 - 26,340), 13,475 charity organizations (in 2011 - 12,860), 13,872 condominiums (in 2011 - 11,956) and 1,306 bodies of citizens' self-organization (in 2011 – 1,210) (Indicators of the Unified State Register of Enterprises and Organizations of Ukraine). Characteristically, the trend of the gradual growth of the number of officially registered associations is being manifested at the NGOs with national and international status, as well as at the local level. It is essential that the indicated trend is typical for all regions of Ukraine. However, not all registered civil society organizations in Ukraine are active and permanent, or at all actually existing.

Concerning the activities area, civil activity in its organized forms is directed at creating health and sports associations, professional associations, youth organizations, organizations of veterans and persons with disabilities, educational, cultural and educational organizations. Correlation between the sectors of civil society organizations and dynamics of their quantitative growth in recent years (as evidenced by analysis of relevant statistical data) does not undergo significant fluctuations and remains relatively stable. An important feature of civil society development is the activization of social and corporate organizations and movements (professional industry organizations, organizations of veterans, the liquidators of the Chernobyl accident, entrepreneurs and other organized groups that have a goal of improving living conditions). Corporate social movements opposed to organizations are set up very quickly and very quickly break down after they reach the goal. Trend specific to 2010 on socio-economic factors of public activity has acquired even greater urgency in 2011, but based on a larger social basis. Public actions had mostly protest dimensions and were a response to the narrowing of social guarantees provided by the state. Actios of «Chernobyl» and «Afghans» organizations widely held in many cities of Ukraine had the most intense character.

Among the key factors in the protests this time there were slow dynamics of growth of socio-economic indicators of Ukraine, unsatisfactory situation with social protection of citizens and their financial situation, which creates a sense of uncertainty and frustration from the authorities, unpopular reforms initiated by power.

It should be noted that during their creation and activities CSOs face a number of obstacles that can be generalized as follows.

1. Imperfect domestic legislation. Currently, the development and involvement of civil society in democratization processes is regulated by the following laws:

- Concept of facilitation of the development of civil society by the executive power of November 21, 2007;
- Laws of Ukraine «On Public Associations», «On the Social Dialogue in Ukraine», «On local self-government in Ukraine», «On information», «On Trade Unions, Their Rights and Guarantees of Activity», «On Youth and Children's Civil Organizations», «On the employers' organizations», «On the bodies of self-organizations of population», «On Professional Production Workers and Production Unions», «On Charity and Charity Organizations», «On volunteering», «On Freedom of Conscience and Religious Organizations», «On social services», «On the Principles of State Regulatory Policy in Economic Activity»;
- Law of Ukraine of January 13, 2011 «On Access to Public Information», amended Law of Ukraine «On information» and Decree of the Cabinet of Ministers of Ukraine «On approval of Promotion of public examination of executive power» of November 5, 2008;
- Regulations of the Cabinet of Ministers of Ukraine «On ensuring public participation in the formulation and implementation of national policy» of November 3, 2010;
- Regulation of the Cabinet of Ministers of Ukraine «Order of announcing the competition to identify programs (projects, measures) developed by NGOs and production unions, for execution (implementation) of which financial support is provided» of October 12, 2011.

To date adoption of several laws suggests expanding the legal framework for cooperation between public authorities and civil society. However, in most areas interaction between government and CSOs did not acquire a systemic nature of the practice of executive power. Implementation of internal and external

Ukraine's commitments to create a favorable legal environment for civil society development can not be considered satisfactory and legal environment for institutional development of civil society remains unfavorable and restrictive because of the following factors:

- procedure of registration of civic organizations is much complicated;

- the existence of a significant tax pressure that does not stimulate the activity of public and charity organizations;
- low financial viability of CSOs which are denied the right to directly engage in commercial activity;
- low level of cooperation between public authorities and civil society[1];
- lack of access to financial support from public budgets, and limited access of CSOs to the provision of social services at the expense of budgetary costs;
- inefficient use of mechanisms of participation of civil society in formulating and implementing public policy.

2. One of the main problems of civil society in Ukraine is extralow level of social capital, manifested in particular in the distrust of citizens in government, social institutions and political parties. Attitude to CSOs is not an exception and, as a consequence, citizens' participation in their activities is low. Thus, according to sociological surveys, the number of citizens who do not trust public organizations for a long time steadily exceeds the number of people who trust them. According to the average indicator during the last two years, based on sociological research of the Razumkov Center, on the whole 28.4% of Ukraine's population trust public organizations, while only 3.4% of the population trust completely, 25.2% - rather trust. 53.3% of the population do not trust civil organizations, while 21.7% do not trust completely, and 31.58 - rather do not trust (Do you trust civil organizations).

However, one should also acknowledge the positive trend of gradual increase in the share of citizens who realize the importance of civil associations and believe that NGOs are undoubtedly necessary for their country. The percentage of these citizens increased from 63% in 2010 to 76% in 2011. (Policy Paper «On Status of Civil Society in Ukraine»)

Thus, a comprehensive approach to development of civil society in Ukraine is made through the approval of Strategy of state policy to promote civil society in Ukraine. Given the

[1] In this respect it is worth to mention the following. Ukraine is in the process of elaboration of tools and practices of cooperation in this field, approximation to European standards, specific commitments. Recently there was adopted a number of documents aimed at improving efficiency of interaction between public authorities and CSOs, but it is early to talk about some achievements. Currently there are the following tools and forms of interactions: public consultations, participation in joint bodies (community councils), joint working groups (from representatives of executive authorities, legislature power, local self-government); information requests and appeals to MPs, government bodies, participation in public hearings, public expertise, participation in policy implementation through competition of social projects (so-called social order).

problems identified above, the goal of state policy on civil society is to create a favorable environment, including legal and administrative, for the further development of civil society and the realization and protection of rights and freedoms of person and citizen.

The problem of establishing relationships with the citizens of the state becomes increasingly relevant in the agenda of state policy in Ukraine. This implies, firstly, acceptable conditions (political, administrative, organizational, financial) for operation of CSOs, and secondly, joint efforts of state institutions and SCOs to solve urgent problems. Model of interaction of state institutions and SCOs has to provide for the rights and interests of different social groups and implementation of effective public policy, given the need to balance the interests of national, group and individual levels. The process of the civil sector gradually taking over the social and other functions overloading state institutions is an objective one. Against the backdrop of limited state financial resources potential of civil and private sectors is not properly used and requires stimulation. Therefore, the work of public authorities should be focused on a regime of assistance for activities of SCOs, starting with the issue of registration, active use of consultation mechanisms to their involvement to perform social tasks.

So, without essential changes in the political system it is difficult to expect effective interaction, confidence of civil society and the citizens. Among the priorities there are improvement and consolidation of practices of systematic participation of the CSOs in the cycle of forming public policy, decentralization and delegation of duties of executive powers to the «third sector» (with the introduction of appropriate tools to monitor the implementation of such duties).

An important problem that hinders the growth of the efficiency of virtually all forms of local democracy is a deliberate removal of civil society actors from participation in community governance by local self-government. The most common measure officials of executive bodies and local authorities resort to, is to limit the information openness of draft decisions, results of their work, as well as data on account of public opinion in their activities.

Even in regions where democratic traditions in local development planning and common solution of issues of local importance are prevailing, there are areas “closed” to the public, namely, urban activities, management of land and communal resources of communities, raising tariffs for housing and communal services, coordination of using costs of local budgets.

Imperfect legislation significantly inhibits the formation of the positive experience of using various forms of citizens' participation in developing and implementing local policies.

Therefore, in order to promote effective civil society in Ukraine, established and operating on European principles, policy must be directed toward the following tasks:

- improving the legal framework and implementation of standards provided by the recommendations of the Committee of Ministers of the Council of Europe to member-states on legal status and simplification of administrative procedures for the establishment, registration and activities of civil society in accordance with European standards of non-governmental organizations in Europe;
- efficient implementations of Ukrainian obligations in accordance with international treaties on human rights and decisions of the European Court of Human Rights;
- ensuring proper implementation of legislation to involve civil society in the interaction with public authorities at national and local levels;
- improving resource support - financial, material, personnel, of the authorities responsible for interaction with the society, and upgrading training, level of expertise, institutional capacity, responsibility of CSOs and state authorities, as well as legal, political and civic culture of the population.

In order to foster reforms in Ukraine the EU should work not only with Ukrainian authorities, but also with civil society which can provide necessary internal impetus if it becomes aware of its direct interest in these reforms. According to Ukrainian experts, the most relevant approach for the EU to the cooperation concerning civil society would be:

- to facilitate the transparent allocation of the technical aid and its smooth distribution; to upgrade the level of the expertise provided;
- to ensure that the funds provided are allocated to concrete NGO or private companies rather than to Ministries and other governmental institutions;
- to let the partner-countries develop the list of priorities by themselves;
- to provide for post-project monitoring. The general recommendation is to work out a clear strategy, to make this cooperation more well-structured and functional.

Active involvement of the EU in realization of all aforementioned would be an efficient mobilizing framework for Ukrainian civil society to implement the positive European

experience (BRIDGE Statement on the improvement of cooperation of civil society with the government of Ukraine).

An important way to strengthen the impact of the EU on the reform process in Ukraine can also be popularization of the benefits of EU integration in a simple and understandable way for different audiences of the country. If society is aware of the benefits of Europeanization, it will become more demanding to the political elite. In this way the EU can stimulate pressure on the government from within - by supporting pro-European domestic actors, promoting the consolidation of reform-oriented actors, improving the information environment in the country. Thus, the European Union should strengthen preventive measures to Ukraine's political elite and at the same time facilitate the creation of new guidelines for civil society activities.

Ukrainian society is also directly interested in the success of European integration, taking into account that this will contribute to overcoming the financial crisis in Ukraine, economic reforms needed to modernize our country, improvement of the quality of life and further development of relations in such priority areas as energy, transport, environment, visa dialogue, etc., where the adaptation of legislation of Ukraine to the EU norms and standards takes place.

CHAPTER 8

COOPERATION OF UKRAININA AUTHORITIES IN PEACEFUL SOLUTION OF THE TRANSNISTRIA CONFLICT

Issues of regional security as a priority for cooperation between Ukraine and the European Union.

The EU is actively developing security cooperation and defines the global and regional dimensions of its participation in the security field by improving legal and institutional framework. For the first time the threats to the security of European countries were defined at the official level in the European Security Strategy adopted in 2003. Among the most important threats there were listed terrorism, proliferation of weapons of mass destruction and their means of delivery, conflicts, failed countries, organized crime etc. Reference to these threats suggests that EU leaders are aware of linkage between military and non-military threats and of their mutual influence in the modern world. Moreover, now the first frontier of defense is no longer perceived to be at national borders - this line is often much further. One of the main security problems for the EU is to contribute to the resolution of regional conflicts, to promote good governance of the failed states and to facilitate the spread of democracy as one of the most effective ways to combat organized crime.

The European Union has considered Balkans and Transnistria among the potential sources of threats because of their geographic proximity to the borders of united Europe. Conflict in Transnistria affects the interests of the enlarged EU, creating a zone of instability on its borders and promoting flows of illegal migration and smuggling. However, notwithstanding the reference to the unresolved conflicts as one of the key threats in the European Security Strategy, the EU policy concerning Transnistrian conflict has intensified only since 2005, when Romania received a prospect to become a full member of the European Union in 2007.

The EU's stance is based on the territorial integrity of Moldova and a democratic development of a single state. For a long time the basic tools that the European Union used to influence developments in the Transnistrian region has been technical aid in the framework of the assistance and cooperation programs with neighboring countries through the European Neighbourhood Policy, and later in the framework of the Eastern Partnership; inclusion of Transnistrian problem into Action Plans concluded with Ukraine and Moldova; appointment

of a Special EU Representative; organization of special tripartite consultations; use of economic instruments; as well as assistance to the Moldova-Ukrainian border management and attempts to transform a domestic political, economic and social situation in Moldova to the attractive alternative for residents of the Left Bank.

All of the Brussels' actions are based on the principle of long-term measures to improve the political situation, to control the reform process which makes EU contribution into the settlement process detached and very moderate, and this does not meet the interests of either the EU or the conflicting parties. First, EU enlargement and now the direct neighborhood of Moldova, as well as the desire of Moldova in the future to become EU member brought the Brussels' attention to the Transnistrian conflict. Second, under pressure from external and internal factors (in first turn, the transformation of Russian approaches to European security, Georgian-Russian war in 2008, foreign policy activization of the EU leading member-states - Germany, France, ENP inefficiencies in security issues), the EU is changing its attitude to its own status in the settlement of the Transnistrian conflict. In October 2010 the European Parliament adopted resolution on the need to strengthen the EU role which will facilitate the search for solutions, strengthening confidence building measures and support to the joint projects in Chisinau and Tiraspol. In early 2011 the European Commission adopted two strategic documents - the EU Strategy for the Black Sea Region and a new version of the European Neighbourhood Policy, which is based on the model of «enlargement-light» and «more for more» concept (Leonard M. 2011). The adoption of new documents, including the EU Strategy for the Danube region, indicates not only increasing interest to the region, but also intentions of Brussels to strengthen its influence on regional processes.

Ukraine's position on Transnistrian problem in early 1990s was directed at the localization of conflict. This approach was due to the influence of internal factors. For example, the Ukrainian expert V. Pintsak states that the presence of separatist tendencies in Autonomous Republic of Crimea forced the republican authorities to respond to similar events in neighboring countries, particularly, in the Republic of Moldova with a certain caution, trying to avoid a dangerous precedent. An additional factor was a situation with Ukrainian regions of South Bessarabia and Northern Bukovina, whose historical belonging was disputed by some radical political forces in Romania. So, in the international arena Ukraine advocated adherence to international principles of inviolability of state's territorial integrity.

Official position of Ukraine on the Transnistrian settlement was fixed in Agreement on good neighborhood, friendship and cooperation between Ukraine and Moldova in October 1992. In particular, it stated that «states will develop their neighborly and cooperative relations as friendly states, adhere to the principles of sovereign equality, non-use of force or threat of force, inviolability of borders, territorial integrity, peaceful settlement of conflicts, non-interference in internal affairs, cooperation and fulfillment of international obligations».

Due to the termination of armed confrontation and deepening economic crisis Kyiv almost had not participated in the settlement of Transnistrian conflict till 1996. Relative stabilization of economy and ethnic situation in Crimea, normalization of relations with Romania and strengthening of pro-Russian sentiments in the unrecognized Transnistrian republic contributed to the intensification of Ukrainian peacekeeping efforts. By the initiative of President of Ukraine the post of Plenipotentiary Representative of President of Ukraine in the negotiations on political settlement of the Transnistrian conflict in Moldova was officially introduced (Ukraine in the modern geopolitical space. 2002, 143-144). Kyiv also signed Joint Declaration on the fastest political resolution of the Transnistrian conflict on January 19, 1996, Memorandum «On the grounds of normalization of relations between Moldova and Transnistria» on May 8, 1997, initiated the Moldovan-Transnistrian meetings on neutral Ukrainian territory (Pintsak V. 2009) .

One of the important, but unfulfilled results of Ukrainian politics was the agreement reached by the representatives of all parties - Republic of Moldova, Transnistria, Ukraine, Russia and OSCE mission in Moldova during the first large-scale meeting in Odessa in March 1998. Documents signed in Odessa envisage the reduction of the number of united peace-making forces in security zone up to 500 military, reduction of the number of stationary control checkpoints and border posts in order to weaken the confrontation in security zone and the creation of favorable regime for movement of people, goods and services; there were reached the agreements on the status of Ukrainian peacekeepers and military observers in the Joint control commission (Ukraine in the modern geopolitical space. 2002, 145-146).

It is important to emphasize that both Moldova and Transnistria called for Ukraine's involvement into the settlement as a country which, in their opinion, was not biased and had no geostrategic interests in the region. At the same time, from the very beginning Ukraine's status as a guarantor of the settlement of the Transnistrian conflict was more formal than real. This is due to several factors:

- Russia has considerable leverage over the process and did not want the presence of the Ukrainian factor in the settlement.
- Ukraine had no clear idea how to overcome the root causes of the conflict and no plans for settlement which would be favorably accepted by Moldovan and Transnistrian sides.
- Paradoxically, neither Chisinau, nor Tiraspol regarded Kyiv as an important partner in the process of conflict resolution. Both sides sought to use Ukraine to implement their own agendas and pressure on other actors. Very often the RM and Transnistria used the lever of Ukrainian citizens living on both sides of Dniester.

In late 2004 with a new political force coming to power in Ukraine which positioned itself as a bearer of democratic values in the former Soviet Union and spoke from the position of security guarantor in Eastern Europe there started a new stage in Ukrainian politics to resolve the Transnistrian conflict. Settlement of the Moldovan-Transnistrian conflict was seen as a key area of a new foreign policy. New vision of the peaceful resolution of this issue was articulated by Ukraine in the «Declaration on the initiative of Ukraine to resolve the Transnistrian conflict» at the GUAM Summit on April 22, 2005, which later was called «Seven Steps» or «Yushchenko Plan». The provisions of the document contained a comprehensive mechanism of settlement, which was based on the democratization of the region by holding democratic elections, and thus the transformation of Transnistria in a legitimate subject of negotiations process. Further step had to be the involvement of democratically elected MPs of Transnistrian Moldovan Republic into the clarification and modifying the law on the status of Transnistria, which was to be finally adopted by the parliament of the country and the regional representative body of Transnistria. Thus, the main problem of the settlement of Transnistrian conflict - problem of status of the region during the negotiation process and in shaping the future «common state» - had to be solved.

Other proposals were later supplemented by Ukrainian, Moldovan and Romanian experts, as stated in the report entitled «Trilateral plan of the solution of the Transnistrian problem». Basic steps to conflict resolution were identified as follows:

1. Choice of the resolution of the Transnistrian conflict in accordance with general norms of international law, has to be based on the principles of state sovereignty and territorial integrity of Republic of Moldova. It is also not possible to come back to the exacerbation of conflict.

2. Selection of settlement options has to consider measures that will lead to enhanced internal perception and status of the Republic of Moldova as a recognized state within its borders, strengthen the unity of the state and its ability to solve fundamental problems of society.
3. The model of solution must support public authorities in expanding the power of the central administrative bodies at local level to the Eastern bank of Dniester, thus, establishing its territorial integrity.
4. The solution should be developed taking into account the preferred form of local and regional administration, the subsidiarity principles. Development of autonomy (local or regional) should take into account the preferences of residents of the Eastern bank which are to be freely expressed and qualified (according to the law of the RM). The form of autonomy should get the international recognition and be designed in a manner that provides for the establishment of horizontal relations at all levels in the Republic of Moldova, and implemented in accordance with European principles of local autonomy, which should not harm the integrity of the state, the existence and functioning of central government throughout the territory.
5. Transnistrian problem should be solved within the framework of the European Security Strategy for the Republic of Moldova. However, the security of the Republic of Moldova should not depend on its geopolitical environment, especially in its relationship with other actors of international relations.
6. The solution must be based on existing documents which implementation was not fulfilled.
7. No external solution should be imposed on the Republic of Moldova against the interests of its citizens and the principles of sovereignty.

In June 2005 the Moldovan parliament has considered Yushchenko proposals on the resolution of the situation and generally approved it. President of Moldova I. Voronin said at the Parliament session that the Ukrainian plan was the most adjusted and the most promising document on the negotiation table ever. At the same time he noted that the most important element of solution is the demilitarization of Transnistria and withdrawal of Russian troops from the region.

However, the MPs themselves subjected its shortcomings to harsh criticism for the inconsistency of democracy in the country and the principles of security and taking it into account, added a package of 3 resolutions. The democratization of Transnistria, according to the Moldovan Parliament, had to include the elimination of political police and the Ministry

for State Security - actually pro-Moscow militarized structure, free cooperation of Moldovan political parties, Moldovan and international media with Transnistrian colleagues and development of civil society. In addition, MPs considered it necessary for all the candidates at Transnistrian elections to have Moldovan citizenship, and argued for demilitarization of Transnistria, including the withdrawal of Russian peacekeeping troops from its territory and stop illegal cross-border trade.

In its turn, the illegitimate leadership of Transnistria was allegedly positive about «Yushchenko plan» and evaluated it as an important step in negotiations process, and most of its ideas - as having something in common with the initiatives and positions of Transnistria. In particular, the TMR endorsed the idea of monitoring if its firms which can produce military goods and was ready to assist in short-term monitoring by the Ukrainian and Russian missions on the Ukrainian-Moldovan border, including its Transnistrian segment.

On the other hand, some experts emphasized that Ukrainian plan forced Tiraspol to make a choice - to insist on the implementation of the scenario of Moldova federalization with the possibilities to come out of its membership, as offered by «Kozak plan» (thereby spoiling even informal relationship with the new Ukrainian leadership), or to agree to the Ukrainian variant which included democratization and pluralization of life in the country and, accordingly, could undermine the position of permanent leader of TMR Igor Smirnov.

No wonder, that seemingly choosing Ukrainian plan, Tiraspol lead the negotiations virtually to a standstill in 2006, thereby proving incapacity of Ukraine as an effective mediator. The situation was complicated by Ukraine's ban to export Transnistrian goods without registration at the Moldovan customs since March 1, 2006. Tiraspol perceived these actions as a blockade to undermine the Transnistrian industry. Categorical positions of Tiraspol were intensified by the fact of unconditional support by Russia, active information campaign aimed at discrediting Ukraine as a mediator and guarantor of the Transnistrian interests in settlement process and the fact that the introduction of new customs regime by Ukraine significantly weakened the possibility of smuggling from the territory of Transnistria.

Conflicting parties were able to resume dialogue only in April 2008, when President of Moldova Igor Voronin and TMR leader Igor Smirnov met for the first time after seven years of break. However, this meeting did not produce a significant breakthrough in the settlement

of the conflict. For a long time Ukraine has made efforts to resume negotiations process during working meetings in Odessa and Kyiv. Only Russian and European pressure on both sides led to a thaw in the negotiations and the conflicting parties met in June 2011 in Moscow to hold consultations on resuming the negotiations. Since then there were held meetings in Moscow and Vilnius, as well as in Dublin and Vienna in 2012, which were more formal and became a basis for the declaration of intentions of the conflicting parties to resume the settlement of contradictions.

Recently, there increased the risk that Ukraine will finally lose its positions of an active participant in the negotiations process and will be used either by Moldovan side to realize the European resolution project, or by the Russian side to promote Russian interests. In foreign policy dimension Ukraine's participation in the settlement of the Transnistrian conflict is a challenge to Kyiv in terms of its efforts to effectively participate in preventing or resolving such conflicts in other states, individually or using multilateral mechanisms and institutions. Also this will lead to inability to continue to defend Ukraine's interests in the region, protect the rights and freedoms of about 100 thousand Ukrainian citizens in Transnistria and about 200 thousand ethnic Ukrainians in Moldova and to facilitate the activities of Ukrainian business structures in the RM and TMR.

Active cooperation with Moldova and Transnistria was one of the key positions of Ukrainian politics in the process of settlement. As noted earlier, Ukraine has been acting as a base for meetings and consultations between Chisinau and Tiraspol. At the same time, potential of cooperation with the TMR is not fully used. For realization of Ukrainian politics there were not used civil and business sectors present in the TMR. With their help there could be formed a new approach to the position of Transnistria and to the future of TMR during the negotiations.

Ukrainian official position about the territorial integrity of Moldova fully meets the interests of Chisinau, and this became the basis for cooperation between the two countries. Similarity of interests in certain areas allowed to achieve important results. For example, at the joint request of the presidents of Ukraine and the RM to the European Union there was opened the EU Border Assistance Mission to Ukraine and Moldova which makes a significant contribution to one of the key aspects of the conflict resolution - control over the security on

the Ukrainian-Moldovan border, including the Transnistrian part, combating smuggling and illegal trade etc.

But in general, Kyiv was forced to be an instrument of Chisinau which is trying to put pressure on the administration of Tiraspol to resolve the conflict for their own interests. Additionally, cooperation is complicated by lasting unresolved problems of bilateral Ukrainian-Moldovan relations which include political, economic and regional components. These are, for example, the dependence of Odessa region of Ukraine on supply of electricity from the Moldavian hydrapowerstation, the issue of exploitation of the Dniester hydrapowerstation and the recognition of property rights around the Dniester hydroelectric, incomplete demarcation of the Ukrainian-Moldovan border and absence of agreement on the state border regime between Moldova and Romania, prolonged suspension of direct rail and road connection which linked Ukraine with Moldova and South-Eastern Europe, Moldova delaying ratification of the agreement on cooperation in the field of national minorities (Yanukovych and Azarov differed in their assessment of relations with Moldova). Also this is due to the unreliability of RM as a partner in the process of settlement, resulting in the inconsistent behavior of Chisinau during the implementation of specific steps to combat illegal activities and unification of rules (the situation with the introduction of new customs regulations, the fight against corruption in customs and border-management authorities, the requirement to Ukraine to ban entry of vehicles with Transnistrian numbers on the territory of Ukraine, etc.). Thus, complex bilateral relations influence the state of cooperation between Ukraine and Moldova in the process of settlement of the Transnistrian conflict.

The draft of new military doctrine of Ukraine proposed in April 2011 states that the potential threat to Ukrainian security is an armed conflict on its borders and Ukraine's involvement in an armed confrontation between two countries. So the Transnistrian conflict is a potential factor that affects the security, creates strategic instability at the borders and threatens the interests of ethnic Ukrainians and Ukrainian citizens of Moldova and Transnistria. The territory of Transnistria remains a source of illegal migrants and smuggling. Most of these movements are directed to Ukraine and through Ukraine, and that increases the criminality of adjacent regions of our country and harms national interests of Ukraine.

This issue acquires particular importance in the context of European integration of Ukraine and its efforts to expand cooperation with the European Union in conflict management and

crisis-prevention. It should be stressed that cooperation between Ukraine and EU in the Transnistrian conflict is developing in the context of European integration of our country. One of the main directions is the involvement of Ukraine into the European security and defense policy, which is regulated by the Agreement between the European Union and Ukraine establishing a framework for the participation of Ukraine in the European Union crisis management operations (ratified by Law N 137-VI (137-17) from 6.3.2008). Eastern Partnership, developed in the framework of the ENP, provides opportunities of cooperation between Ukraine and the EU in some important areas of security (such as combating illegal migration, participation in peacekeeping operations, settlement of regional conflicts, etc.). Today Ukraine is a member of peacekeeping operations, counter piracy mission «Atalanta», our country is involved in the conflict resolution in Transnistria. However, the opportunities of this cooperation for Ukraine are insufficient (Jaworska G. 2012).

Analyzing the results of cooperation between Ukraine and EU on regional development and settlement of the Transnistrian issue two of the most successful ones should be focused on.

First, the success of the EU Border Assistance Mission to Ukraine and Moldova, which has repeatedly prolonged the term of its mandate. At the beginning of its work EUBAM concentrated its attention and directed its efforts at joint activities with Moldova and Ukraine towards the harmonization of standards and procedures for border management according to European standards, the promotion of the professional training of Moldovan and Ukrainian customs and border guards at operational level, and improvement of coordination between these services and other law-enforcement agencies and support of cross-border cooperation. However, while studying the information materials of EUBAM one can trace the evolution of goals and objectives of this body. Currently EUBAM is directed at improving the general capacity of border and customs control, opportunities of Ukraine and Moldova in their fight against organized crime at the border, as well as a closer approximation of standards of law enforcement bodies and bodies working at the border with the EU standards, to encourage Moldova and Ukraine in carrying out their responsibilities under the ENP Action Plans and Partnership and Cooperation Agreements. There was defined a fundamentally new direction of the activities such as a contribution to the peaceful settlement of the Transnistrian conflict (Policy Paper 2011).

In May 2010 Moldova was concerned with the possibility of suspension of the EU Border Assistance Mission to Moldova and Ukraine because of what they considered as a negative attitude of Ukrainian leadership to the work of this Mission, which is due to the influence of the position of RF.

Weak economy of Moldova could not offer an alternative to Transnistria with its industrial potential. But the economic foundation of independence in recent years has considerably changed, not least due to two EU initiatives. The success of the Mission of the EU Border Assistance, which supported the new customs regime for Moldova and impeded smuggling in the Transnistrian section of the border, significantly reduced the benefits of Transnistrian authorities. The EU decision to grant trade preferences to Moldova by canceling tariffs for 12,000 Moldovan products and creating new conditions for economic cooperation to a certain extent facilitated integration of Moldova and Transnistria, as Transnistrian enterprises wanted to benefit from this. Today in fact 95% of the Transnistrian companies have Moldovan registration to use these advantages.

Second, one of the important consequences of cooperation between Ukraine and the EU is the latest developments regarding the demarcation of the Ukrainian-Moldovan border after signing Law on the delimitation and demarcation of borders of Odessa-Reni highway in June 2011. On January 29, 2010 Minister of Foreign Affairs of Ukraine P. Poroshenko and Prime Minister of the Republic of Moldova established the first intermediate boundary sign on the central part of the Ukrainian-Moldovan border near the village of Velyka Kisnytsya of Yampilsky district of Vinnitsa region. At the press conference P. Poroshenko expressed the hope that demarcation of the Transnistrian section of Ukrainian-Moldovan border would be completed soon. However, according to his words, such a process normally takes about two years. «452 km of the central part of our sector is not demarcated yet. But within the framework of Eastern Partnership there will be a joint project of construction of the central sector of the Ukrainian-Moldovan border. We have already agreed on this. This will be one of the first projects of Eastern Partnership», stated Poroshenko (Poroshenko hopes to complete demarcation of the Transdniestrian section of Ukrainian-Moldovan border at the nearest future). It should be noted that, according to experts, Moldova fulfilled its obligations under the pressure from the EU and the US who stressed that such a move on the part of Moldova would contribute to strengthening of regional security and confirm the inclinations of Chisinau for a peaceful and mutually beneficial resolution of conflict.

Further cooperation between Ukraine and the EU in resolution of the Transnistrian conflict is derived from common interests and reciprocal security risks: the threat of humanitarian catastrophe in Transnistria, the loss from inefficient cross-border cooperation programs (such as in the Euroregion «Dniester») and the development of transport connection in the context of functioning of the European transport corridors № 7 and № 9.

The main common feature of the EU and Ukraine in the resolution of Transnistrian conflict is that both actors are positively perceived by the conflicting parties and considered to be relatively neutral mediators. The EU looks as an acceptable peacemaker, the only relatively "honest broker" who should take a proactive stance, a stable and predictable partner who is able to impart stability and economic prosperity.
Ukraine is also perceived by Chisinau and Tiraspol as a peaceful and impartial partner who is not only interested in regional stability but also has a good understanding of regional issues and ways of solution to existing conflicts. In addition, the position of the EU and Ukraine coincide as for methods of conflict resolution, making them the best tandem for joint peace initiatives. (Shelest H. 2008). Long-standing and successful activities of EUBAM is an example of successful interaction between the parties in strengthening regional security. So, taking into account experience between the EU and Ukraine, in case of political will there should be taken joint steps in the transformation of peacekeeping forces into peace-building forces consisting primarily not from military who serve as a symbol of tension and threats, but civil and police forces.

Another factor contributing to the strengthening of the EU-Ukraine tandem in the settlement of the Transnistrian conflict is the possibility of «freezing» the Mezenbergh process by Russia and retreat to the previous policy in the new format, which Moldovan experts defined as a «Transnistrization» of Republic of Moldova, aimed at saving the opportunities to advance their own plans for settlement.

In the context of election of new leaders in the PMR and Moldova in late 2011 - early 2012 the following should be noted. Newly elected president of the unrecognized TMR E. Shevchuk announced intentions to move by «small steps» towards a settlement of the Transnistrian-Moldovan contradictions. On the one hand, this approach contributed to activization of the working groups that have to deal with practical problems and concentrate

on issues which are very important for economic and humanitarian spheres of Transnistria. Renewed cooperation in the framework of special groups is viewed by the leader of Tiraspol as a platform for discussing more complex issues of further coexistence.

Having come to power after I. Smirnov, E. Shevchuk also expressed a desire to conduct an audit of all signed but non-executed agreements. Newly elected President of the Republic of Moldova stated that settlement should be realized in accordance with adopted multilateral agreements.

Moldova is actively moving towards European integration, having started the first round of negotiations with the EU on free trade zone in March 2012. E. Shevchuk expressed willingness to send representatives from Transnistria to observe the negotiations stressing that «trade is one of the engines of economy, that is why it is strategically important for the region to establish cooperation with new consumers of the products of Transnistrian enterprises, to reach the levels that demonstrate industrial and agricultural potential of Transnistria» (Transnistria wants to send observers).

Ukraine, in accordance with bilateral agreements on coordination of European integration, which the parties reached during the Summit on February 2, 2012, can serve as a more experienced partner of Chisinau and as a representative of the Transnistrian economic interests during negotiations (Ukraine and Moldova).

Conclusions and recommendations

Transnistrian issue is one of the weakest chains of regional security system. The presence and complexity of this issue lead to increased social and economic risks and increase the threats of other types of military and non-military security issues: environmental, migration, technogeneous etc.

Increased interest from the European Union to the Black Sea-Caspian region and the expansion of transport, trade, energy, communications and other projects leads to the change of status of the region and the conflict itself. From now on Transnistrian conflict and potential risks that accompany it have become part of the all-European processes.

So, one should expect increasing diplomatic and political contacts that will be used to resolve conflict with one main objective - to ensure the security and stability of regional development against the backdrop of European integration processes. Today the mediators, especially the EU and Ukraine who act from moderate and impartial positions face a problem to push the parties to compromise and joint action for the confidence-building measures and transformation of mentality.

Ukraine has lost the initiative in settling the Transnistrian issue after 2006. But given the importance of this issue for regional status and image of Ukraine as a reliable and effective European partner, it is necessary to strengthen its influence by internal and external resources. Thus, consistent implementation of the recommendations would be directed at support of people-to-people contacts and the erosion of the existing segregation at socio-economic level. This will lay the grounds for uniting the two parts not at the political level but at the level of unity based on coexistence. And this will also strengthen the impact of Ukraine in the region, in conflict resolution and ensuring security and regional development.

An important focus here would be the intensification of relations with the EU. Such areas to strengthen cooperation in the triangle Ukraine-Moldova-EU should be considered:

1. To consider the feasibility of development of new formats of peacekeeping forces in the TMR with the participation of international community, especially the EU and the OSCE. For example, to consider the following suggestions and offer them for consideration at a special meeting in the format «5 +2»:
    - to form an international peacekeeping force under the mandate of the OSCE and incorporate the Ukrainian military observers and parts of the present Russian troops to them;
    - to offer the introduction of Civilian Mission of the OSCE or the EU within ESDP for surveillance over the activities of Russian peacekeeping troops.
    - to offer to the EU to set up a joint Ukrainian-European peacekeeping mission in the conflict territory for cooperation on non-military security issues (transport and transit security, energy security, migration, illegal trade), based on the Agreement between the European Union and Ukraine on the framework of the participation of Ukraine in the European Union crisis management operations.
2. To conduct negotiations with the EU concerning the involvement of a broader range of participants in the international and regional organizations to ensure the security and

sustainable development of the region, transport and information infrastructure, reduce social pressure and overcome the consequences of the existence of the Transnistrian conflict, particularly in the framework of the BSEC.

3. To promote cooperation between political parties and nongovernmental organizations from Ukraine, Moldova, Transnistria and the EU to transform the information field and the perceptions of the public sector, offering an alternative to pro-Russian propaganda information campaigns.
4. To consider the opportunities for the expansion of business contacts and economic ties between the two countries and European participants.
5. To strengthen the provisions on the settlement of the Transnistrian conflict in Action Plans between the EU, Ukraine and Moldova, particularly in areas of strengthening economic ties between Moldova and Transnistria, implementing joint economic, social and humanitarian projects. An important step by the EU, which will be undoubtedly supported by Ukraine as a guarantor and mediator, will be the guarantees given to the public and the leadership of Transnistria as for the respect of their interests and rights, especially in the context of anti-Romanian sentiments at the left bank.

CHAPTER 9

BRIDGE CONCLUSIONS, PROPOSALS AND RECOMMENDATIONS FOR IMPROVING THE RELATIONS BETWEEN UKRAINE AND EU

For over twenty years, Ukraine is trying to get closer to membership in the European Union, which should be a sign of the Ukraine's return to Europe, recognition of its European identity and becoming an integral part of a new system of European relations. However, for the successful promotion of the Ukrainian state in the EU should have a systemic transformation of the political system and national economy, as well as to conduct reforms in all spheres of public life. Cooperation with the united Europe favored comprehensive practical tools, consistent and effective use of which is seen as a base of stable development and implementation of European standards in order to improve the quality of life in Ukraine and bringing it closer to the level of other European countries. Among the most important tools are the Agreement on Partnership and Cooperation Agreement, the European Neighbourhood Policy, the Action Plan Ukraine-EU, Eastern Partnership, Association Agenda, as well as a number of programs of technical assistance from the EU.

However, political instability, slow implementation of structural reforms in Ukraine, as well as strong pressure from external factors, especially from the Russia's side, had a negative influence on the effective promotion of Ukraine's integration with the EU. Several times the EU-Ukraine relations were on the verge of freezing because of serious internal problems with the adherence of fundamental principles of democratic development - human rights, freedom of speech, the effectiveness of reforms. On the other hand, Kiev is also criticized the approach from Brussels about the prospects and methods of integration of Ukraine into the European Union.

As you know, Ukraine refuses to act as passive executor of the EU requirements and offers its own conditions to promote relationship. In 2010 the EU often heard message of what the forms and instruments of convergence offered by Brussels, are important for Ukraine and could give it significant advantages so it has an interest in their implementation. Kyiv, for its part, stressed that it ill determine the pace and methods of integration to the EU by itself. The parties put forward different requirements: the EU wants Ukraine to make the commitment and timing of reforms, Ukraine - the obligations of EU support as a prerequisite for their

implementation and evidence of readiness to move to larger forms of convergence in the near future. Sometimes this leads to a political dissonance and conceptual uncertainties that partly offset by the political will of the parties to move forward as well as by awareness of the fact that there is no other realistic alternative.

As for the internal development of Ukraine, the level of bilateral dialogue has not only remained the focal point of its agenda, but also became the object of increased attention from European institutions. On the one hand it is quite logical and justified because of internal change - a key condition for integration to the EU. On the other - the inconsistency and ambiguity of internal political processes in Ukraine sometimes leads to the review the previously formed and steady-stated basic European values and their implementation in Ukraine.

Among the various aspects of the internal development of Ukraine the most important in its dialogue with the EU are the three groups of issues:

- firstly, the question of the proper quality of governance related to capacity of the political system in general and the functioning of the Ukrainian administrative system in particular,
- secondly, the regulation practical priority areas of public life, especially the economy and energy,
- thirdly, the issue of guaranteeing basic democratic rights and freedoms.

Before Yanukovich administration's time the EU officials have made the main focus on the issues of first and second groups. Europeans have believed that the implementation of reforms in Ukraine is hampered by an acute political competition within the main powers, caused by insufficient balance between the constitutional mechanism of separation of powers and the weakness of the administrative system.

With the formation of a new government and a pro-governmental parliamentary majority the primary obstacles to reform were allegedly removed. That is why Brussels begins to stimulate new Ukrainian leadership to the implementation of urgent reforms in the most problematic levels of regulation of the economy, noting along with the need to further improve the constitutional order, but without making primary focus on this. Return to the Constitution of 1996, changing the electoral law and the specificity of elections to local authorities along with other exciting displays in public authorities led to a further update on the first and third

groups. However, this does not mean that they have become the determining factor, able to set the overall dynamics of the relationship.

The EU sees the primary task to establish effective and transparent rules regulating economic processes in Ukraine in accordance with EU norms and standards and the establishment of an effective administrative system, while factors related to the immediate political situation in the country and guarantee democratic freedoms considered important, but additional in the process to produce general line in relations with Ukraine. The Ukrainian government is trying to develop their tactics in dealing with the European institutions in accordance with this hierarchy of priorities, which is selective and superficial Europeanization: the presentation of large-scale initiatives to reform in areas that are priorities for the EU (often without immediate implementation), which could neutralize controversial status in other areas of relations. In response, Brussels is trying to influence by the Ukrainian authorities on the one hand, putting pressure towards speeding up the pace and scope of systemic reforms in the country and on the other - giving in its opinion serious incentives by additional funds, the possibility of obtaining new loans or the prospects of transition to a higher level of interaction. But at the same the EU policy towards Ukraine is hardly consistent: at this stage, the EU has few levers and incentives to encourage the Ukrainian authorities to such a reform, moreover, EU Member States - and the EU institutions are difficult to develop such mechanisms that have shaped to increase motivation of the Eastern Europe to conduct internal reforms and at the same time meet their own pragmatic interests of the community members. Therefore, dialogue on internal development, which, by design, has become the driving force of «soft integration» of the Eastern European states, primarily Ukraine, to the European integration association; do not correspond to that function yet through the logic of their political bargaining.

At the level of stimulation of internal reforms there is a need to recognize that order and directions of the reforms outlined as in the basic documents of cooperation between Ukraine - EU in recent years (Action Plan under the ENP, Association Agenda) and documents in the current dialogue («matrix Fule») and not become nationwide program of modernization of the country, as some European leaders had hoped. Sometimes this situation is associated with a lack of sufficiently effective incentives from the European Union, but its main root is caused by the nature of domestic political processes in Ukraine and especially management decisions of the Ukrainian state.

Today, relations between Ukraine and the EU are once again in a very difficult situation, as S. Fule has mentioned – «at the crucial point» through the trials of former political leaders, which were seen as a struggle with the opposition in Europe. At the same time, the parties are not ready to abandon cooperation and stress out its importance for all participants. Particular attention is paid now to the future signing of a fundamentally new document between Ukraine and the EU - Association Agreement, which, according to the expectations of the parties, should be the most effective instrument of the EU influence on the internal transformation of Ukraine. On the other hand, this document will become a real strategy of cooperation only if the Ukrainian government uses it as a priority national program of action.

In this context, we should pay attention to the fact that the specificity of political life in Ukraine leads to dominance of internal level factors in decision-making, among which European integration appears quite arbitrary. The EU is not an influential member of internal debate in Ukraine, has no self-evident in the positioning of media space and is not an active actor of the economic system. Moreover, the scope and activities, which Brussels emphasize, not always meet the priority of Ukrainian reforms. Under these conditions, any external impetuses remain in the background and not have the desired transformative effect. There are two ways a difference can be achieved: first, transforming the EU into an active actor in Ukrainian domestic politics, and secondly, changing the nature and specifics of Ukrainian politics as such.

In this context, Ukraine faces a number of important tasks in relations with the European Union in the near future:

1) on the bilateral level - finally fix the basic parameters of political relationship, offer their own vision of the nature, components and specific content of political association with the EU, identify areas and ways and tools to strengthen their own involvement in European integration processes and decision-making on priority issues; develop their own ideas about how to develop relations with the EU - Ukraine after the Association Agreement;

2) at the level of domestic support - set the necessary set of means to get the EU support to internal reforms in Ukraine, strengthen the importance of European integration as a factor in the adoption of internal decisions, review the tactics of «selective Europeanization» toward systemic implementation of necessary reforms and convergence of European integration community;

3) on the geopolitical level - to promote and build on existing and new formats of political dialogue, effective mechanisms to coordinate political strategies for issues of common interest; as close as possible to join the process of elaboration of the new instruments of the European Neighbourhood Policy, to encourage the EU to establish effective instruments for regulation common European processes with attraction of all leading actors.

So, taking into consideration all mentioned challenges and the importance to promote Ukraine to the EU, primarily to the public, the parties have to continue a constructive dialogue based on the following recommendations of experts.

Recommendations for Ukraine, the Ukrainian authorities:

In political dimension:

- the European perspective of Ukraine is linked to the necessity to build European mentality and decent level of life within the country;
- to elaborate a clear European strategy and to enhance the legislative basis of the European integration;
- to fulfill the obligations undertaken by the Association Agreement;
- to establish a more efficient mechanism of European integration with the creation of the system involving the coordination body and respective departments of the central bodies of executive power;
- to work out and implement the National Program of the implementation of the Association Agreement, to adopt the system of the monitoring of its implementation;
- to adhere to the European instruments on of regional and local authorities and to implement all undertaken international obligations of Ukraine in the context of harmonization of political and public administration;
- to put successful structural reforms at all levels and spheres of state-building into effect;
- to create appropriate conditions for solving socioeconomic differences by regional development in Ukraine, the decentralization of administrative and fiscal relations, improvement of regional economic structure;
- to enhance legislative basis for the functioning of efficient local and regional self-government, to clear-cut competencies and responsibilities, and to ensure adequate instruments and financial resources for achieving of these goals, e.g. to use a screening mechanism;

- to propagate the benefits of local democracy and self-government for the amelioration of living conditions of population, to raise public awareness on this issue by adopting adequate policies and instruments for their realisation, and to ensure the support of activities of civil society organizations and institutions within the local self-government;
- to avoid the extreme politicisation of the local self-government functioning and decision making in particular;
- to ensure the democratic and transparent execution of local self-government among other through the functioning of assemblies, councils and by direct participation of people in referenda, public hearings and similar forms of democratic engagement;
- to expand the links with the states of Central and Eastern Europe in the issue of exchange of the European integration experience and monitoring the process of reform that demonstrate readiness to defend our interests in the governing bodies of the European Union is an important key to effective modernization of Ukraine in all spheres of public and social life;
- to develop the image of Ukraine as an integral part of Europe and its European identity through the information campaign.

In the field of cross-border cooperation, issues of freedom, security and visa liberalization, enhancing of civil society etc.

- to increase the regional component of the EU-Ukraine cooperation, stimulating self-organization of the population;
- to provide local and regional communities with legal possibilities to take part independently in cross-border cooperation and to ensure that local and regional communities can without obstacles use the EU funds for realisation of projects that are important for the life of population;
- to improve the existent courses and introduce new programs of civic education on all levels of education with the aim to educate children as citizens who are aware that democracy is a corner stone of stable and prosperous societies and of their human rights and freedoms as well;
- to adopt adequate programmes for training of people who are involved in the functioning of local communities with the aim to improve their knowledge, skills and capacity concerning exercising competences, effective organisation and decision making in one democratic local community;

- to enhance the visa liberalization process focusing on security of documents (adoption of adequate legal framework that would establish clear and transparent procedures of personalization, production, storage and delivery of ICAO-compliant identity documents; introduction of biometric technologies into identity documents on the basis of strict adherence to the EU standards of personal data protection; creation and maintenance of the functioning system for international information exchange (primarily with the EU Member States) concerning the stolen, lost and forged identity documents).
- in the field of migration policy to adopt measures for implementation of the existing programme on State Border Development till 2015, including a legal framework for cooperation of Border Guard Service with other agencies involved in border management; to establish a mechanism for the monitoring of migration flows, and defining a regularly updated migration profile;
- in the field of public order and security to adopt a comprehensive strategy to fight organized crime, a law on anticorruption legislation and a law on establishment of a single and independent anti-corruption agency, as well as a national strategy for the prevention and fighting of money laundering and financing of terrorism;
- to offer to the EU and Moldova a new approach to the Transnistria settlement through the enhancing social and economic contacts and carrying into practice joint programmes and projects;
- to offer to the EU to set up a joint Ukrainian-Moldavian-European peace-building mission or to consider other format of international non-military peace-building mission at the conflict territory for cooperation on soft security issues (transport and transit security, energy security, migration, illegal trade)to form
- in the sphere of fundamental rights to adopt a comprehensive anti-discrimination legislation, to ratify relevant UN and Council of Europe instruments in the fight against discrimination; to ensure the effective implementation of ECHR decisions;
- to encourage the civil society to monitor the implementation of the Action Plan on Visa Liberalization;
- to promote people-to-people contacts with the EU, to implement legislation and internal procedures to encourage the activity of volunteer service;
- to ensure the creation of the single educational space with the EU by strengthening the potential of the Ukrainian educational establishments, to increase the demand for the preparation of the high-level specialists;

to the EU institutions

- do not freeze contacts with Ukraine under the anti-democratic practice of Ukrainian political leader;
- to concentrate the dialogue not only with politicians but to pay more heed to civil society, to expand the contacts with non-government organizations and to promote their active role in the European integration of Ukraine;
- the EU is invited to consider the following proposals to enhance the civil society of Ukraine:

- to facilitate the transparent allocation of the technical aid and its smooth distribution;
- to ensure that the funds provided are allocated to concrete NGO or private companies rather than to Ministries and other governmental institutions;
- to let the partner-countries develop the list of priorities by themselves;
- to provide for post-project monitoring.
- to make this cooperation more well-structured and functional.

- to assist the efforts of Ukraine to build a transparent model of governance, provide relevant programs and projects for the civil society bodies in order to influence state agents – to contribute to the popularization of European ideas, contribute to consequent institutionalization of integration, uniting the efforts of all parties concerned;
- to increase the regional component of the EU-Ukraine cooperation and to encourage role of regions in European integrations as the interregional and regional cooperation is a main target of ENP and EP;
- to include the needs of local and regional communities in Ukraine as the genuine expression of democracy in these countries into the revised ENP and Eastern Partnership in particular, to elaborate adequate instruments for its realisation and to provide in the financial period 2014-2020 substantial means for the achievement of these goals;
- to elaborate in this framework the opportunities – similar to those emanating from the functioning of European structural funds - for local and regional communities in Partner countries for developing economic, environmental, infrastructural and similar projects, aimed at achieving sustainable development and improving the life of the population;
- to improve the mechanisms for transparent and accountable functioning of the existing structure aimed at developing cross-border cooperation along the EU external frontiers and

to provide adequate financial sources for efficient realisation of this cooperation; to strengthen the regional component of the EU-Ukraine cooperation;

- to elaborate ways and means for providing training of people involved in different bodies of local and regional democracy (through TAIEX and similar programmes) on democratic and efficient functioning of local and regional self-government;
- to continue with the endeavours for diminishing the negative consequences of the Schengen border regime management and of the existing visa system, which is a serious obstacle for the people to people programmes and for the development of cross-border cooperation in particular;
- to ensure the equal position of regional and local communities from the ENP and EP partner countries respectively in the managing and decision making in the Euroregions along the EU external border and to adopt adequate measures and invest efforts for enforcing peaceful resolution of disputes, in accordance with the potential of existing EU-rules on mediation in disputes, which is a pre-condition for successful development of cross-border cooperation;
- to include in the instruments of cross-border cooperation elements which will develop the ethnic identity of national minorities living on both sides of the border and thus mitigating their problems, eliminating the historical reminiscences and creating an atmosphere of friendship among neighbouring nations;
- to include in the EU Tempus, Erasmus Mundus, Jean Monnet, Marie Curie, Leonardo da Vinci and research programs priorities that are important for education and training of people and for researching issues related to the development of ENP and EP respectively and CBC in particular;
- to create and support the joint business info networks and institutions of innovation economy, which would serve for exchange of information, realisation of common business ideas and transfer of knowledge;
- to support the creation of cross-border networks and associations of local and regional authorities and NGOs as well of the EU and EP countries
- to ensure the internal harmonization of the Visa Code in a practice, to make the necessary legislative changes and additional regulations in order to overcome the lack of necessary regulatory norms which concern using of multiple and long term Schengen visas;
- for the European Commission to cooperate with the independent experts on the migration issues to review the understanding of migration challenges from Ukraine;

- to encourage the activity of civil society organizations in EU member-states to attract attention to the deficiencies of the Visa Code;
- to support the Ukrainian non-governmental organizations and associations, to support the contacts between the civil society organizations with local authorities in the context of European integration policy as well as their cooperation with the NGO in the EU member-states;
- to facilitate the access of civil society to European programs and the procedure of allocation of the technical aid to concrete NGOs or private companies; to take into consideration the priorities of local organizations in the implementation of regional projects.
- to put a larger emphasis on the issue of minorities' protection in the framework of negotiations on accession agreement on the EU side;
- to strengthen the provisions on the settlement of the Transnistrian conflict in Action Plans between the EU, Ukraine and Moldova, particularly in areas of strengthening economic ties between Moldova and Transnistria, implementing joint economic, social and humanitarian projects. An important step by the EU, which will be undoubtedly supported by Ukraine as a guarantor and mediator, will be the guarantees given to the public and the leadership of Transnistria as for the respect of their interests and rights, especially in the context of anti-Romanian sentiments at the left bank.
- to support the direct contacts between Moldova and Transnistria in conflict resolution, to support the realization of common economic projects concerning infrastructure, communication systems etc., to encourage Romania to finish the demarcation of state border with Moldova, to provide for the gradual internationalization of the peace-building forces in Transnistria.

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