

Eastern Partnership from the Russian Perspective

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Introduction

Although Russia is not an addressee of the Eastern Partnership (EaP), neither the Russian government nor the political class expect to see any direct benefits flow from this policy framework of the EU. At the very least, the eventual (and rather indirect) benefits are predicted to be outweighed by the expected negative consequences of a predominantly geopolitical nature.

The introduction of the EaP has raised a number of critical questions in Moscow. The objectives of this policy, if successful, are expected to cause significant disadvantages for the Russian Federation. Complication of integration between the Russian Federation and the EaP countries is considered the most important of them. This is because the EaP is perceived as being a hindrance to closer cooperation between those countries and the Russian Federation: indeed, some in Moscow see the EaP as designed to undermine such cooperation altogether.

The following new promises of the EaP are discerned as particularly problematic from the Russian perspective:

- ▶ The upgraded ambition of the EaP to offer Eastern neighbors an *association* with the EU, instead of an enhanced partnership and cooperation framework (albeit defined in rather vague terms), is seen as aiming at and eventually leading towards a progressive *disassociation* of those countries from the Russian Federation.
- ▶ The objective of developing *free trade* between the EaP countries and the EU is seen as capable of coming into conflict, at some point in time, with the objective of the Russian policy of establishing free trade or, even further, achieving economic community with the countries of the region. This in particular is seen as incompatible with the provisions and objectives of the agreements establishing a Union State of Belarus and the Russian Federation, and the provisions of the trilateral agreement between Belarus, Kazakhstan, and the Russian

Federation aimed at establishing a customs union, to be followed by deeper integration. In more general terms, developing free trade between the EU and its Eastern neighbors is seen as leading towards establishing *new obstacles for commerce* between the Russian Federation and those countries.

- ▶ The proposition to include regulation of energy cooperation in the association agreements with the Eastern partners, and particularly the prospect of a rapid conclusion of negotiations about the membership of Ukraine and Moldova in the *Energy Community*, and the desire on the part of the EU to promote the *full integration of the energy market of Ukraine into the EU energy market*, are seen as potentially not only altering, but fundamentally *undermining the existing political and legal frameworks of Russo-Ukrainian and, to a lesser extent, Russo-Moldovan cooperation* in the energy sector.
- ▶ The specific objective of the *modernization of Ukraine's natural gas and oil transportation network* with the assistance of the EU has become a point of particular controversy in the Russian Federation after the endorsement of a European Commission/Ukrainian memorandum of understanding to that effect earlier in 2009. The objective to conclude a common declaration of the European Commission and Belarus about energy as the basis for further development of cooperation in the energy sector, pending more details about its particular aims and provisions, has the potential to become a no less controversial issue between the EU and Russia, in that it runs contrary to the objectives of Gazprom – the Russian gas monopoly – on the Belarusian energy market.
- ▶ The alignment of the *technical standards* of the Eastern partners with those of the EU, even in selected areas, if not matched by a similar harmonization of technical standards between the Russian Federation and the EU, is expected to further complicate practical cooperation and closer integration between Russia and the relevant EaP states, and to stimulate progressive disintegration of those states from the Russian Federation.
- ▶ Although the EaP's promise of greater *mobility* (not least of the increased mobility of employees) remains ambiguous, the prospective liberalization of the visa policy, and the freer movement of people between the EU and its Eastern neighbors is seen as bearing a danger, in a longer run, that could *complicate the free movement* of people between the Russian Federation and the EU's partner states, with an

effect similar to the one which occurred after the gradual introduction of the visa requirement by the Central European countries ahead of their accession to the EU.

It is important to note, however, that these disadvantages are not deemed likely to arise in the immediate future. Most of them are expected to occur only if the goals of the EaP are pursued consistently and successfully. The latter, however, is not taken for granted in the Russian Federation.¹ Against this background, the critique of the EaP framework that has been publicly expressed by Russian officials should rather be understood as an early warning heralding that the full implementation of the ambition of the EaP may eventually result in a conflict of interest with the Russian Federation, and that the EU is expected to observe and respect Russia's relevant interests and its demand for an integration and security space of its own to the west and to the south of Russian borders.

The Multilateralism of the EaP

Moscow is generally skeptical towards the idea of multilateralism suggested by the EU. For such is not expected to produce any significant convergence, either within the group of Eastern neighbors or between this group and the EU. Should this expectation prove wrong, however, and should the multilateral dimension of the EaP reveal progress, this would significantly increase rather than decrease the concerns raised in Moscow.

However, there are many reasons why few people in Moscow would expect the multilateral approach of the EU to be effective.

First, the group of Eastern neighbors is very heterogeneous in political and economic terms, as are the regulatory frameworks that have evolved over the past twenty years. As a result, the underlying interests, aspirations, and ambitions extended towards cooperation with the EU

1. The Russian Foreign Minister Sergei Lavrov, speaking in the Council of Federation (Senate) of Russia on May 13, 2010, while remaining critical of the eventual impact of the Eastern Partnership, moderated the debate by pointing out that the program had shown little practical result so far. See, for example, »Rossiya vidit v evropeyskoy programme »vostochnogo partnerstva« ugrozu svoim »integratsionnym narabotkam« v ramkakh SNG« (*Russia perceives the European »Eastern Partnership« program as a threat to its »integrationist frameworks« within the CIS*), in *Omega Media Group*, 14.03.2010.

(and the Russian Federation) by the individual countries of the group diverge more than they converge. This does not exclude, however, that at least some members of the group may show interest in implementing common projects with the EU in a few selected areas, such as infrastructural development or energy cooperation. Their agendas in relations with the EU, however, differ significantly, for a number of reasons explained below. This is why the common denominator of their interest as extended to the EU is deemed to be rather low. Thus, the progress in the multilateral framework of cooperation with the EU is expected to remain limited no matter what the scope of the agenda of the multilateral dialogues is. The reasons limiting the results of launching various multilateral thematic platforms with the EU include the following:

- ▶ The political regimes in the countries of the Eastern neighborhood of the EU have evolved in very different ways over the past 20 years and range from highly authoritarian (Belarus and Azerbaijan) to more pluralistic countries which, however, still reveal multiple deficits (as recently manifested in Armenia and Georgia, or the weaknesses manifested in Moldova or Ukraine). Since developments in those countries are predominantly shaped by domestic rather than external political dynamics, there is little common ground to bring them together on the basis of democracy, rule of law, and good governance.
- ▶ For all sorts of reasons, the EaP countries have followed different paths of economic development and modernization. They range from (a) some energy poor countries, such as Belarus or Ukraine, seeking to capitalize on the inherited industrial basis, through (b) those expanding their export potential, such as the energy-rich Azerbaijan, which largely represents a rent seeking economy, to (c) those muddling through with their largely rural, very low-income economies (represented by Armenia, Georgia, and Moldova) which lack either a developed industrial basis or any notable natural resources that can generate significant export revenues. Those differences shape both the often diverging interests of the individual EaP countries, as well as their different, but in general low capacity to cope with the challenges of convergence with the EU.
- ▶ For both these reasons, the individual countries in the Eastern neighborhood exhibit varying, although in general low interest in aligning their regulatory frameworks with the *acquis* of the EU, as well as different priorities with regard to the individual sectors of cooperation.

The six EaP countries represent a very fragmented group of countries whose ability to develop a viable framework for regional cooperation should not be taken for granted. The EaP framework addresses two different regions revealing rather limited potential and desire for regional cooperation – Eastern Europe (Belarus, Moldova, Ukraine) and the Southern Caucasus (Armenia, Azerbaijan, Georgia). All previous attempts at developing closer cross-regional cooperation (particularly within the GUAM – Georgia, Ukraine, Armenia and Moldova – framework) revealed little room for closer economic, regulatory, or even infrastructural cooperation. Thus, cooperation remained limited to political consultation based on declared common interests (integration into Euro–Atlantic security institutions and developing energy cooperation – both in order to make the members of the GUAM less dependent on Russia politically and economically).

Neither of the attempts became a success story or stimulated mutual trade among the participants in the framework. Nor did such attempts, at any point in time, include Armenia or Belarus, both of which maintained closer economic, political, and security relations with the Russian Federation. There is little reason to believe that the EaP is likely to change this pattern any time soon.

Previous attempts at developing or encouraging regional cooperation within any of the two regions also failed to yield success. Nonetheless, in Eastern Europe, Ukraine has developed as a crucial economic partner for Moldova and a very important one for Belarus. In the Southern Caucasus, while the beginning of the operation of the South Caucasian pipelines (Baku-Ceyhan and Baku-Erzurum) to deliver Azerbaijani Caspian oil and gas to Europe has boosted cooperation between Azerbaijan, Georgia, and Turkey, this has not resulted in establishing viable regional frameworks going beyond the common projects, despite multiple initiatives to that effect. The structural reasons for this are multiple and reach substantially beyond the political grievances that can be observed among individual EaP countries.

It is not only the close economic and political affiliation of Belarus with the Russian Federation or the conflict between Armenia and Azerbaijan over the Armenian exclave Nagorno-Karabakh, or the blockade of Armenia by Azerbaijan and Turkey that have made enhanced regional cooperation among Eastern European or South Caucasian nations difficult if not impossible, but also the structural features of their economies. The failure to develop free trade between Ukraine and

Moldova on the basis of a bilateral agreement signed early in the 1990s is probably the best example of the problem. As a result, the external economic cooperation of the countries concerned is largely reduced to their growing trade with the EU and the still important role played by the Russian Federation (see Table 1).

Table 1:

Trade of the Eastern Neighbors with the EU, Russia, Ukraine, and Azerbaijan (2009; percentage of total external trade)

	<i>EU</i>		<i>Russia</i>		<i>Ukraine</i>		<i>Azerbaijan</i>	
	<i>Import</i>	<i>Export</i>	<i>Import</i>	<i>Export</i>	<i>Import</i>	<i>Export</i>	<i>Import</i>	<i>Export</i>
<i>Armenia</i>	30.7*	54.2*	19.2*	19.7*	7.1*	2.1*	0	0
<i>Azerbaijan</i>	28.4*	56.5*	18.8*	1.2*	7.9*	0.4*	–	–
<i>Belarus</i>	22.9	43.6	58.5	31.5	4.5	8.0	0.02	0.6
<i>Georgia</i>	29.9	20.9	6.6	1.9	9.6	7.4	8.6	14.4
<i>Moldova</i>	44.8*	51.5*	12.2	18.6	14.9	2.8	0.1*	0.5*
<i>Ukraine</i>	33.8	23.6	29.1	21.4	–	–	0.6	1.4

Note: * data for 2008.

Source: Calculated on the basis of national statistics.

As previous attempts to encourage regional cooperation (including that with the Russian Federation) have largely failed over the past ten years, it is not obvious why the EU is supposed to be capable of making a difference in the region.

While being skeptical about the eventual success of EU-sponsored regional cooperation in Eastern Europe and the Southern Caucasus, Moscow specifically underlines that no attempt at regional cooperation in this part of Europe is possible if it does not involve the Russian Federation, which is in the unique position of geographically and economically binding together all six countries concerned.

Should regional cooperation evolve with the participation of Russia, however, it is expected to happen not within a specific framework of cooperation with the EU, but rather within the frameworks that have been promoted by the Russian Federation – if not within the Commonwealth of Independent States (CIS), then within the smaller frameworks, such as the Eurasian Economic Community (of which Belarus is a member

state while Armenia, Moldova and Ukraine enjoy observer status), or the trilateral Customs Union developed by Moscow with Kazakhstan and Belarus. The Russia-sponsored regional cooperation projects, however, are very distinct from the EaP's approach and are largely incompatible with the latter politically, or as far as the suggested regulatory foundation is concerned.

For that reason, Moscow proceeds on the basis of understanding that any attempt to organize a regional group which excludes the Russian Federation is not only doomed to failure, but is going to run contrary to the interests of Russia (and that of the relevant countries). In the context of the EaP, the particular concerns expressed with regard to the initiative to develop a multilateral development partnership avenue imply that it may turn into some sort of support for the GUAM group (eventually to enlarge and to include Armenia and Belarus). Since the latter is seen as an explicitly anti-Russian US-sponsored organization, concerns are raised that the EU may seek to further strengthen anti-Russian resentment in the common neighborhood by introducing the multilateral EaP framework.

The Four Thematic Platforms

For the reasons laid out above, most experts in Moscow believe that the suggested thematic platforms are excessive and should best be abolished, rather than extended to further areas. Moscow does not yet see the multilateral dimension of the EaP as an acute challenge. However, it has voiced its skepticism with regard to the suggested framework. Although the Russian Federation is supposed to be able to take part in the meetings of the respective platforms on a case-by-case basis upon invitation (as Turkey does) pending the development of the relevant modalities, it has not yet shown any interest whatsoever in doing so and has remained very reserved even before the draft terms of reference for the work of the platforms were designed.

Ignoring the multilateral dimension of the EaP, however, is not the sole option being considered in Moscow. Developing a more cooperative approach in order to prevent further divergence of the two parallel avenues of EU policy – that of developing the EaP and building a partnership with Russia – is part of the deliberations both in Moscow as well as between Moscow and some of the countries concerned. The Russian Federation is keeping the door open for eventual participation in selected

projects of the EaP on a case-by-case basis, provided those meet the interest of Russia and do not challenge its integration projects with neighbor countries.²

However, this policy option is not seen through the prism of »joining« the EaP frameworks, but rather through that of developing an overarching framework for cooperation. The February 2010 foreign policy review submitted by the Foreign Ministry at the request of President Medvedev³ reveals a different setting as preferred in Moscow. It suggests initiating a dialogue between the EU and the CIS in order to develop trilateral (Russia–CIS–EU) cooperative projects. The more recent openness towards importing EU technical regulations not only into Russia, but also for application in the integration framework in the former Soviet Union and particularly within the recently (2009–2010) developed Customs Union with Belarus and Kazakhstan, opens the door for closer cooperation with EaP projects at least as far as technical standards and regulations are concerned.

Deep and Comprehensive Free Trade Area

Russia officially does not object to the negotiation of an enhanced trade regime between the EU and the EaP countries. However, it sees a potential conflict in the pursuit of the free trade objective with the goal of Russian policy to establish free trade or even an economic community with the countries of the region. For that reason, the official Russian policy suggests that, while negotiating the relevant trade regimes, *the EaP countries shall not be forced by the EU to make a choice between free trade with the EU or with Russia*. It was against this background that the Russian authorities publicly expressed criticism of a statement by the former External Relations Commissioner Benita Ferrero-Waldner (back

2. See »Rossiya ne toropitsya v »Vostochnoye partnerstvo«« (*Russia is not rushing to join the Eastern Partnership*), in *Rosbalt*, 25.11.2009; <http://www.rosbalt.ru/2009/11/25/691765.html> (accessed October 21, 2010).
3. »Programma effektivnogo ispol'zovaniuya na sistemnoy osnove vneshnepoliticheskikh faktorov v tseykakh dolgosrochnogo razvitiya Rossiyskoy Federatsii« (*Program for effective utilization, on a systemic basis, of foreign policy tools for the purposes of a long term development of the Russian Federation*), in *Russky Newsweek*, 11.05.2010; <http://www.runewsweek.ru/country/34184/> (accessed October 21, 2010). The document is considered authentic and, allegedly, was deliberately leaked to the press.

in 2007), who excluded the possibility of Ukraine being a party to free trade agreements with the EU and the Russian Federation at once.

Designing cooperation with the Eastern European and South Caucasian states, the EU is supposed to respect the integration projects involving those states and Russia. In particular, the EU is not supposed to seek to undermine the Russian integration policy towards the Soviet successor states. The concept of integration in this case can be interpreted either in a broad way, including the CIS of eleven states, or narrowly, including such projects as the Union State of Belarus and Russia, the Eurasian economic community (which includes one country from the shared neighborhood – Belarus) or the Single Economic Space (an agreement was signed in 2003 by Russia, Kazakhstan, Belarus, and Ukraine, but has been reduced to a trilateral endeavor pursued by Russia, Kazakhstan, and Belarus).

Whether this criterion has, at any time, been discussed between the Russian Federation and the EU or not, and whether there has been any sort of tacit or explicit agreement on the issue between them or not,⁴ Moscow proceeds on the basis of the understanding that the EU has never raised explicit objections concerning the claims mentioned above. Now, when the EaP appears to go a step beyond that understanding, Moscow would remind Brussels that its strategy should remain in conformity »with the previous agreement between Russia and the EU to avoid any collision between integration processes evolving under the aegis of the EU and in the post-Soviet space.«⁵

This potential »competition« between the EU and the Russian Federation for the »integration« of the EaP countries, however, appears to be reduced to a single country in the region, Belarus. This case does not seem likely to produce any acute collision of the policies of the EU and the Russian Federation in the immediate future.

4. The Russian authorities sometimes refer in this context to the »Road Map for the Common Space on External Security« agreed with the EU in Moscow in 2005, although the text of the Road Map is not as explicit on the issue as many in Moscow believe: »The EU and Russia recognize that processes of regional cooperation and integration in which they participate and which are based on the sovereign decisions of States, play an important role in strengthening security and stability. They agree to actively promote them in a mutually beneficial manner, through close result-oriented EU–Russia collaboration and dialogue, thereby contributing effectively to creating a greater Europe without dividing lines and based on common values.«

5. Foreign Minister Lavrov at a joint press conference with Polish Foreign Minister Sikorski in Moscow on May 6, 2009.

The necessary precondition for negotiating a free trade arrangement with the EU for the Eastern Partners is accession to the World Trade Organization (WTO). Until the Russian Federation accedes to the WTO, and this for the time being seems to have been postponed indefinitely, no finalized free trade arrangement is possible between Russia and its neighbors who already have acceded to the WTO.

Four out of the six EaP countries – Armenia, Georgia, Moldova, and Ukraine – are already members of the WTO. Indeed, using this pretext, Moldova was the first country in the group to launch formal consultations with the EU with a view to establishing a free trade regime earlier in this decade – even before the European Neighbourhood Policy (ENP) framework was designed and introduced.

In that sense, no practical collision of the policies of Russia and the EU in this region is likely to occur. The four countries are unable to negotiate any free trade arrangement with the Russian Federation as long as the latter has not acceded to the WTO, while they can do so with the EU. On the other hand, Belarus will be unable to negotiate free trade with the EU as long as it is not party to the WTO, while it can do so with the Russian Federation. Azerbaijan is essentially in the same position although, in contrast to Belarus, it has not evinced any intention of engaging in free trade negotiations with Russia and largely relies on its energy exports to Europe.

However, while no practical collision between EU and Russian trade policies in their common neighborhood is likely to occur soon, the feeling of entering into competition with the EU for common neighbors is likely to grow among the Russian political class should the consultations on free trade between the EU and selected Eastern Partners progress over time. Such a feeling would grow for the simple reason that establishing free trade with the relevant countries would essentially deprive the Russian Federation of a similar option in the future (unless Moscow also accedes to the WTO and establishes a free trade area with the EU) and is expected to increase, or at least to cement the trade obstacles that occur between Russia and the relevant EaP countries.

Energy Issues

With Russia being a major supplier of energy to the EU, the security of supply and demand, including the means of preventing disruption

of transit, remain at the center of the energy security dialogue between the Russian Federation and the EU. Regarding security of supply and demand, in 2008 Russia confirmed at a meeting of the Permanent Partnership Council its preparedness to provide increased quantities of gas to the EU (200–220 billion cubic meters), whereas the EU provided information on increasing demand.

After a disruption of the oil supply via Belarus in early 2007, Russia and the EU agreed to set up an informal energy early-warning system and consultation mechanism in order to ensure timely identification of potential problems and decrease the risks of issues with energy demand or supply including transit. The terms of reference were signed in March 2007 with the aim of improving communication between the respective administrations. Russia and the EU also considered the possibility of associating transit countries with the early-warning mechanism.

However, despite the fact that, in December 2008, Moscow provided the EU with a warning of the forthcoming recurrent New Year gas conflict between Russia and Ukraine, it did not prevent a major disruption of the gas supply to Europe in January 2009.

The Russian Federation remains the single most important supplier of energy to the Eastern European countries Belarus, Moldova, and Ukraine. This involves not only the supply of gas, but also of oil and, in the case of Ukraine, of nuclear fuel. Those countries remain closely interconnected with the Russian Federation as far as electricity transmission is concerned. Indeed, they largely remain part of the integrated grid with Russia.

At the same time, all those countries remain the most important avenues for the transit of Russian gas and, to some extent, of oil exported to Europe. Indeed, should the Russian gas supply through Ukraine and Belarus be disrupted simultaneously for a lengthier period of time, this would result in the almost total collapse of Russian exports.

This situation has long been a source of ongoing conflict between Russia and Ukraine and Belarus. The dispute over the cost of Russian gas and of transit has been continuously encumbered and complicated by disputes over the desire of Gazprom to take control of transit pipelines and the distribution networks within the transit countries. Only Moldova and Armenia, among the EaP countries, have so far turned their gas distribution networks over to Gazprom.

The landscape of energy cooperation and disputes in the Caucasus differs from that in Eastern Europe. Since 2007, Azerbaijan and Georgia

have abandoned further import of gas from the Russian Federation, switching to gas from the Azerbaijani gas fields in the Caspian Sea. In 2009, Azerbaijan signed an agreement with Russia which foresees a small but symbolic amount of its gas being exported to Russia (500 million cubic meters a year, beginning from 2010, subject to further expansion).

Armenia, in turn, remains dependent on the supply from Russia. While much of the gas supply by now has been redirected via Iran in order to avoid the crucial dependence on the transit route via Georgia, the Russian Federation continues to operate the Armenian nuclear power plant constructed back in the Soviet era.

All three South Caucasian states remain largely integrated into the Russian grid. A significant part of the Georgian energy sector, including electricity generation, was purchased by Russian operators earlier in this decade, while the energy sector of Armenia (including distribution networks) is almost entirely owned by the Russian operators.

Visa Liberalization

There is no official Russian policy on visa facilitation or the prospective introduction of a visa-free regime between the EU and its Eastern neighbors. Those issues are, however, very much in the focus of the cooperation and dialogue between the Russian Federation and the EU. Thus, there are several aspects of the EU's EaP policy which indirectly, rather than directly, are relevant to Russian policy towards both the EU and the EaP countries.

First, Moscow proceeds on the basis of an understanding that the negotiation of visa facilitation agreements and the discussion of an eventual visa-free regime will *not affect, complicate, or slow down the similar negotiations between the Russian Federation and the EU.*

On June 1, 2007, the *agreements on Visa Facilitation and Readmission* between the Russian Federation and the EU entered into force.⁶ The implementation and interpretation of both agreements is monitored by and discussed within the relevant Joint Monitoring Committees meeting in regular intervals. The EU is represented in the Committees by

6. These agreements cover the visa regime between Russia and the Member States of the Schengen area. Similar agreements are under negotiation with the EU nations that are not members of the Schengen agreement, including the UK and Denmark.

the Commission assisted by the Member States. In June 2008, common implementing guidelines for the Visa Facilitation Agreement were agreed by the Joint Committee.

On April 23–24, 2007, the EU–Russia Permanent Partnership Council on Justice and Home Affairs agreed on the definition of the procedure to examine the conditions for *visa-free travel as a long-term prospect*. The first senior officials’ meeting of the *EU–Russia visa dialogue* took place on September 27, 2007 in Moscow, followed by the first experts’ meeting on document security, including biometrics, on December 12–13, 2007. In 2008, the visa dialogue was extended to issues of illegal migration, including readmission (Block 2, February 28–29, 2008) and public order and security (Block 3, April 8–9, 2008).

The dialogue is expected to be lengthy and encompass the modalities for achieving a long-term goal rather than to produce any immediate results beyond better implementation of the Visa Facilitation Agreement.

Second, although Moscow, for the time being, is well ahead of the EaP countries in discussing visa facilitation and pursuing visa dialogue with the EU, Moscow would not expect the EU to grant any of the Eastern partners a more liberal visa regime as compared to the one enjoyed by Russian citizens. Nor would it expect the EaP states to negotiate a visa-free regime faster than Moscow does. Although the issue is not seen as being so acute as to currently bother decision-makers, generally the liberalization of travel conditions between the EU, on the one hand, and the Russian Federation as well as the EaP countries on the other is expected to be at least a parallel process in order to exclude any discrimination against Russian citizens travelling to the EU.

Third, should the EaP implementation result, in the longer run, in a significant liberalization of travel for the citizens of all or some of the EaP countries, the relevant arrangements should avoid establishing new dividing lines by complicating the free movement of people between the Russian Federation and the EaP states. Ultimately, an eventual abolition of the visa requirement for the citizens of the latter should by no means result in the introduction of the visa requirement for the Russian citizens travelling to Eastern Europe or the Southern Caucasus,⁷ similar to the gradual introduction of the visa requirement by the Central European countries ahead of their accession to the EU.

7. For the time being, visas are required only for travel between Russia and Georgia.

The Inclusion of Russia

The Russian Federation does not seek any formal involvement in the EaP's framework. First, having not been involved in the process of designing it (apart from some consultations prior to August 2008), Russia does not regard itself as an owner or a stakeholder of the EaP. Second, after some initial consultations at the early stages of the ENP's development, Russia learned that its leverage over the practical implementation of the ENP/EaP was small and not appreciated by a number of the EaP countries.

As a result, Moscow distanced itself from any practical work on the EaP and remained hesitant even as regards the possibility of accepting eventual invitations to participate in the work of the thematic tables on a case-by-case basis. As indicated above, this tough stand has been easing somewhat since the end of 2009.

At the same time, Moscow is not only open to, but urges the EU to develop cooperative projects to include the EU, the EaP countries, and the Russian Federation – thus transcending the geographic borders of the EaP framework. However, decisions on such projects are expected to be taken outside the formal EaP framework and to be negotiated among the relevant participants.

Moscow expects the EU to respect Russian interests as repeatedly communicated to the EU:

- ▶ the implementation of the EaP should not undermine Russia-sponsored economic integration with the countries of the common neighborhood;
- ▶ it should not call into question the existing formats of protracted conflict resolution, including the peace-keeping arrangements and negotiating formats;
- ▶ it should not confront the EaP countries with the dilemma of choosing between Russia and the EU.

The most immediate consequences of following these principles would imply that the EU:

- ▶ does not seek a more active role in protracted conflict management in the EaP countries, does not challenge Russia's central role in dealing with them, and remains predominantly a status-quo oriented actor in the region;
- ▶ does not seek to integrate the EaP countries into the European energy community, but rather to integrate them into the energy partnership regime to be negotiated with the Russian Federation.

Frozen Conflicts

Until the war in Georgia in August 2008, the general Russian policy towards the resolution of protracted conflicts in Transnistria (Republic of Moldova), Abkhazia and South Ossetia (Georgia) and Nagorno-Karabakh (Azerbaijan) was based on the principle that those conflicts were to be handled within the political frameworks established in the 1990s and ensuring, in most cases, the central role of the Russian Federation. This principle was applied to both of the peace-keeping operations wherever applicable (Moldova and Georgia on the basis of agreements of 1992 and 1994), and the political frameworks established to address pending issues of conflict resolution, including confidence-building, return of refugees, and economic reconstruction, as well as the definition of the status of the respective breakaway entities in each of the countries concerned.

Any involvement of the EU in conflict resolution in the common neighborhood was supposed not to challenge or alter those Russia-led peacekeeping operations or negotiating formats. This demand did not exclude cooperation between Russia and the EU. However, the modalities of such cooperation were not supposed to challenge the key role played by Moscow.

This general background was largely transformed after the war in Georgia in 2008. As a result of the war, the former peace-keeping and negotiation formats collapsed. The new ones exist only in rudimentary form. The OSCE and the UN monitoring missions in Georgia have been terminated, while the EU stepped in by sending an EU monitoring mission (EUMM)⁸ which is supposed to guarantee that military force is not used again.⁹

Until the 2008 Georgia war, the EU's role in crisis management and protracted conflicts resolution in the EaP countries was rather indirect. The maintenance of the status quo appeared to be its preferred option, although the EU is involved in conflict resolution in one way or another in all four conflict areas. Since early in this decade, it has been one of the official facilitators of the negotiations on conflict resolution in Transnistria along with the Russian Federation, Ukraine, and the US. It was

8. The EUMM program operates under the CFSP (Common Foreign and Security Policy) of the EU.

9. At least, this is how the EUMM mission is defined in the second Medvedev-Sarkozy agreement of September 2008.

involved in handling the conflict in South Ossetia primarily by addressing the issues of economic reconstruction. Through its member states, it was represented in the Group of Friends of the UN Secretary General dealing with the conflict in Abkhazia and in the co-chairmanship of the OSCE Minsk group (Russia, the US, and France) which mediates in the conflict over Nagorno-Karabakh.

Since the introduction of the ENP, Special Representatives have been appointed to address the conflicts in the South Caucasus and in Transnistria. However, their practical role was reduced to following the situation, maintaining close communications with all parties to the conflict, and providing feedback for the decisions considered within the European Security and Defence Policy (ESDP) framework. In 2004, the EU considered the option of launching an ESDP mission in Moldova but dropped it. Thus, at no moment until the 2008 Georgia war did the EU challenge Russia's role in protracted conflict management in the shared neighborhood.

This situation first started changing, however, when Germany, in the summer of 2008, undertook an attempt to mediate in the Georgian-Abkhazian conflict in close consultation with the Friends of the UN Secretary General and within the EU. It further changed particularly after the 2008 war in Georgia when the EU Presidency (France) engaged in political crisis management. After the war and the termination of the OSCE and UN missions, the EU remained the single multilateral organization with a relevant field mission in the conflict areas in Georgia, and a key broker in the Geneva talks. Thus the war in Georgia has dragged the EU into hesitantly assuming a greater role in protracted conflict management in Georgia.

The Moscow assessment of the EU's role in Georgia remains ambivalent. On the one hand, it includes appreciation of the active engagement of the French Presidency in 2008 which helped Russia to limit the immediate damage caused by the conflict and, in the aftermath, to reduce longer term political fallout in relations with the EU.

While the EU is increasingly regarded as an important and potentially helpful partner in handling the new situation in Georgia, there is a clear recognition of the fact that the shorter- and longer-term objectives pursued by the EU and the Russian Federation as regards conflict resolution in Georgia are difficult to reconcile.

Russian policy on Georgia since August 2008 has been predominantly aimed at consolidating the new status quo, which includes the consolidation

and protection (militarily, economically, and diplomatically) of statehood in Abkhazia and South Ossetia without expecting broader international recognition of their independence to come any time soon. At least as long as Mikhael Saakashvili remains in office as President of Georgia (until 2013), reciprocal hostility is likely to remain the main feature of the Russo–Georgian relationship. This will keep the aim of regime change in Georgia on the agenda of Russian policy.

Both issues, the new status quo and the rejection of the legitimacy of the Saakashvili regime, as well as the external support given to Tbilisi after the war (not least in the form of rearming the Georgian forces) form the major axes for implicit or latent controversy between the Russian Federation and the Western powers, not excluding the EU, or rather some of its member states.

Seeking to reduce the impact of the war in Georgia and particularly that of the recognition of Abkhazia's and South Ossetia's independence on other protracted conflicts, Moscow saw itself pressed to send a clear message that it would not accept unilaterally proclaimed or militarily enforced independence either in Transnistria or in Nagorno-Karabakh. In both cases, it obviously gives preference to maintaining the status quo rather than to revising it. Moscow made this clear by calling on the Transnistrian authorities not to follow the example of Abkhazia and South Ossetia. While until recently this task was seen as being relatively easy, the change of government in Moldova in 2009 may produce some irritation in Moscow as regards not only what role the new government in Chisinau would want the EU to play in the management of the conflict, but first and foremost, whether the EU would consider upgrading its role in response to the eventual appeals of the Moldovan government.

The status quo also remains the preferred policy of the Russian Federation on Nagorno-Karabakh, although Moscow sees itself under increasing pressure from the new dynamics in the Southern Caucasus which have developed since the war in Georgia. This includes the more active policy of Turkey in the region, a gradual and fragile rapprochement between Turkey and Armenia, as well as a cautious rapprochement between Russia and Azerbaijan.

The bottom line of Russian policy towards the management of the Transnistrian and Karabakh conflicts remains that of ensuring that Moscow is not pushed out of its key role, and that the existing diplomatic mechanisms for addressing those conflicts are neither challenged nor altered.

The Question of EU Membership for EaP Countries

The issue of whether or not the Eastern partners of the EU will be granted a membership option, which several countries desire, is politically critical for the Russian Federation. Should this option be granted them, the challenges for relations between the EU and the Russian Federation arising in their common neighborhood and briefly reviewed above would multiply, transforming the latent conflict of interest into an acute one – and one which would be no less intense than the controversy over NATO's eastward enlargement.

In this context, the discussion within the EU of the ultimate goals of the EaP, and the lack of consensus on that issue, is carefully followed in Moscow. The reluctance of the EU to grant a membership option to its Eastern neighbors is acknowledged and appreciated by the Russian Federation.

This leaves room for the expectation that Russia and the EU can yet reach a common understanding on maintaining the status quo (which would imply an explicit denial of the membership option to any of the Eastern neighbors of the EU), or at least on observing an ambiguous *modus vivendi* (which would imply that no decision by the EU to offer the membership option to any of its Eastern neighbors is taken in either the medium or long term) within their common neighborhood. Such a mutual understanding is supposed to help keep conflicts of interest at the periphery of the Russo–EU agenda.

Moscow proceeds on the basis of the expectation that the upgraded ambition of the EaP, for various reasons and not least because of the greater differentiation of the ambition, expectations, and policies of the Eastern neighbors towards the EU, is unlikely to fully materialize. In this context, the Russian political class does not see any reason to believe that there is a danger that the EaP will grow further and lead to the opening of doors for the accession of any of the Eastern partners to the EU.

However, even the slightly upgraded ambition of the EaP, as compared to the initial promise of the ENP, has increased suspicion in the Russian Federation as regards the ultimate objectives pursued by the EU and/or its member states in Eastern Europe and the Southern Caucasus. For many in Moscow, the EaP heralds the growing intention of the EU, or at least of some of its member states, to extend its influence further into the East by means of soft power even without (yet) officially further enlarging eastwards. This alleged desire is often seen as a herald of the dawning

competition between the Russian Federation and the EU for a sphere of influence in Eastern Europe and the Southern Caucasus. In this context, the EU is no longer seen by everyone as an explicit status quo power in the former Soviet Union space, but rather as an increasingly revisionist actor and thus as a challenge to Russian policy towards its neighbor states.

The Russian Response to the EaP

There was no explicit link between a series of activities carried out by the Russian Federation in the common neighborhood with the EU, but it is fair to assume that some of them can be understood as an attempt by Moscow to consolidate its influence in the region and to develop a viable alternative to the EaP.

This is most obviously the case with a surprising u-turn on the part of Moscow which, in June 2009, decided to accelerate the finalization of a Customs Union with Belarus and Kazakhstan, to become effective from July 2010. It did so at the price of the long-desired accession to the WTO which, in 2009, appeared (although not for the first time), within close reach. The reconsideration of this decision and a search for an avenue which would allow the Russian Federation to obtain both goals without delay is still in progress, although (in the summer of 2010) Moscow returned to the WTO working group.

Similarly, the swift rapprochement with Ukraine after the 2010 presidential elections produced the impression that Moscow was seeking to regain what it believed it had lost under the former government in Kiev and what it deemed it had lost to the EU in the course of the implementation of the EaP. An impressive advance in granting Kiev a significant 30 percent discount on Russian gas prices in exchange for not only the extended deployment of the Russian Black Sea fleet in the harbor of Sebastopol (both the cost and the practical utility of that decision are often questioned in Russia), but also, in the expectation of rapid rapprochement in the energy sector (including gas and nuclear power) and in other areas of cooperation, not excluding the accession of Ukraine to the Customs Union which was vociferously debated in January and February of 2010.

Whether this expectation will materialize remains to be seen. At the very least, Kiev remained hesitant to meet further demands by Moscow and, instead, reconfirmed that it wanted to see deliberate progress in

developing closer association and free trade with the EU, as well as to finalize the visa facilitation agreement.

Conclusion

Based on the experience of the implementation of the individual action plans elaborated within the ENP framework, the limited domestic capacity of the EaP countries to absorb the *acquis* and technical assistance from the EU, as well as the lack of cohesion within the EU as regards the ultimate ends of the EaP, and the limited scope of funding the relevant projects within that framework, the Eastern Partnership is not expected to grow into an effective tool for integrating the participating countries with the EU any time soon.

Seeing itself in emerging competition with the EU in the common neighborhood, the Russian Government and/or political class show no interest in making the EaP, as it is presently formulated, more effective. They rather expect (and remind) the Europeans not to cross the red lines Moscow has laid down.

However, the issue of appropriate cooperation between Russia, the EU, and the EaP countries remains on the agenda.

In May 2010, Belarus suggested that the EaP framework could be further opened up in order to associate Russia and Kazakhstan along with the EFTA countries, such as Iceland, Norway, Switzerland, and Liechtenstein.¹⁰

At a Ministerial meeting of the countries participating in the EaP on May 24, 2010 which took place in the Polish city of Sopot, the Polish Foreign Minister Radoslaw Sikorski offered another form of affiliation by establishing a group of friends of the EaP which could be joined by Russia, the US, Canada, Japan, Norway, and other countries outside the framework.

Other proposals are being put forward. One of them is to found an overarching regional forum to include both the EU, Russia, and the EaP countries and to be designed as a sort of Public-Private Partnership

10. »Belarus predlagaet vkllychit' Rossiyu i Kazakhstan v »Vostochnoye partnerstvo« (Belarus suggests including Russia and Kazakhstan in the »Eastern partnership«), in *Belorusskiy partisan*, 29.05.2010; <http://www.belaruspartisan.org/bp-forte/?-page=100&backPage=19&news=62536&newsPage=0> (accessed October 21, 2010).

initiative.¹¹ Its main purpose would be to help to converge the EU-Russia dialogues and EaP project to the maximum possible extent in order to produce as many synergies between the two avenues of cooperation as possible.

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11. For this see Fischer, Sabine and Andrei Zagorski (2010), »Russia, the EU and their Neighbours: Partners in Modernization,« in *Partnership with Russia in Europe: New Challenges for the EU-Russia-Partnership*. 8th Meeting of the Working Group, Brussels, April 12–14, 2010. Berlin: Friedrich-Ebert-Stiftung, 18–19.