



**Assembly of Western European Union  
The Interparliamentary European Security and Defence Assembly**

**DOCUMENT A/1895**

**14 June 2005**

**FIFTY-FIRST SESSION**

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Security cooperation between the EU and its eastern neighbours

**REPORT**

submitted on behalf of the Political Committee  
by Jean-Pierre Masseret, Rapporteur (France, Socialist Group)  
and Abdülkadir Ateş, co-Rapporteur (Turkey, Socialist Group)

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*submitted on behalf of the Political Committee  
by Jean-Pierre Masseret, Rapporteur (France, Socialist Group)  
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#### DRAFT RECOMMENDATION

on security cooperation between the EU and its eastern neighbours

#### AMENDMENTS 1 - 3 AND SUB-AMENDMENTS

**RECOMMENDATION 760<sup>1</sup>*****on security cooperation between the EU and its eastern neighbours***

The Assembly,

- (i) Considering the importance that the EU attaches to promoting close cooperative relations with its eastern neighbours;
- (ii) Noting in particular the need to create the conditions for stronger cooperation on specific security issues;
- (iii) Stressing that the fight against corruption and mafia activities (drug trafficking, illegal immigration, trafficking in women, illegal adoption and criminal mercenaries) is a priority for the EU's eastern neighbours;
- (iv) Noting that many regional conflicts on the EU's borders are deliberately being fuelled by the mafia and their political connections;
- (v) Stressing the geostrategic and economic importance of Ukraine for the European Union and welcoming the positive political developments which have taken place in Ukraine following the December 2004 presidential elections;
- (vi) Aware of the extent of the economic and social reforms that need to be carried out in Ukraine and of the political issues at stake in the parliamentary elections of March 2006 and convinced that the reform process needs specific aid from the European Union that will have a practical effect on the social and democratic situation of the Ukrainian people;
- (vii) Noting with satisfaction the political resolve expressed by the new Ukrainian authorities to develop closer relations with the EU and NATO;
- (viii) Welcoming the signature of the EU/Ukraine Action Plan on 21 February 2005 and the additional measures adopted with a view to strengthening it;
- (ix) Concerned about the existence of as yet unresolved border conflicts between Ukraine and Russia and between Ukraine and Romania;
- (x) Considering the results of the recent parliamentary elections in Moldova and welcoming the political will of the Moldovan authorities to develop closer relations with the EU;
- (xi) Concerned about the conflict in Transdniestria which has been going on for more than twelve years and supporting the Moldovan authorities in their desire to broaden the format of the negotiations that are being conducted in order to resolve the conflict;
- (xii) Taking the view that Russia should make a supplementary effort to contribute to the settlement of the status of Transdniestria;
- (xiii) Welcoming the appointment in March 2005 of an EU Special Representative for Moldova and the desire expressed by the EU to contribute to a settlement of the conflict in Transdniestria;
- (xiv) Expressing the hope that the new Ukrainian authorities will cooperate actively in the efforts to resolve the conflict in Transdniestria, in particular by stepping up controls along the Moldovan-Ukrainian border;
- (xv) Concerned about the persistent unwillingness of the Belarus authorities to create the necessary conditions for democratic progress in that country;
- (xvi) Aware that the development of the EU's relations with Belarus will depend on the progress the authorities in that country make towards democratisation;
- (xvii) Considering the special relationship between Russia and Belarus, in particular in the area of defence;

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<sup>1</sup> Adopted by the Assembly on 14 June 2005 at the 3<sup>rd</sup> sitting on the basis of the amended draft recommendation.

(xviii) Stressing the need to deepen the strategic partnership between Russia and the European Union and welcoming the outcome of the 15<sup>th</sup> EU-Russia Summit of 10 May 2005 in Moscow, especially the agreement on a package of roadmaps for the creation of four common EU-Russia areas (the economy, security/freedom/justice, external security, research/education/culture);

(xix) Considering it indispensable to ensure quick and efficient implementation of the agreements concluded between the EU and Russia, in particular in the area of security;

(xx) Considering that differences in the assessment of democratic standards are also a potential source of dispute;

(xxi) Aware that those EU member states which are Russia's immediate neighbours, in particular Finland, Poland and the Baltic States, are particularly keen to see the development of a constructive common policy with regard to Russia;

(xxii) Stressing the importance of the mutual economic interests of Russia, the EU member states and the EU's eastern neighbours while recognising that they may have divergent security interests;

(xxiii) Recalling Assembly Recommendation 697 adopted unanimously on 4 December 2001, which urged the Council to "request the EU to further intensify dialogue and cooperation with Russia on political and security issues and in particular on developments in Belarus, Moldova and Ukraine where both have a common interest in security, stability and economic development";

(xxiv) Recalling also Assembly Recommendation 715 adopted unanimously on 3 December 2002, which urged the Council to "pursue its efforts to assist Ukraine, Belarus and Moldova in the process of political democratisation and the liberalisation of trade relations" and to "continue actively to strengthen the strategic partnership with Russia",

RECOMMENDS THAT THE COUNCIL REQUEST THE WEU COUNTRIES TO INVITE THE EU TO:

1. Take immediate steps to open up CFSP activities more broadly to Ukraine;
2. Strengthen dialogue with Ukraine with a view to evaluating its prospects of closer links with the EU;
3. Provide more support to the democratic movement in Belarus;
4. Offer Moldova the prospect of integration in the stabilisation and association process for south-eastern Europe;
5. Secure an undertaking from the parties involved in negotiations on the conflict in Transnistria to become more closely involved alongside the EU, in a broader negotiating framework, with a view to finding a definitive solution to the conflict;
6. Increase cooperation between the member states of the EU and its neighbours in the fight against organised crime, in particular by strengthening border controls and cross-border cooperation;
7. Engage in dialogue with Russia on the conditions for and principles of democracy as a key component of security.

## EXPLANATORY MEMORANDUM

*submitted by Jean-Pierre Masseret, Rapporteur (France, Socialist Group)  
and Abdülkadir Ateş, co-Rapporteur (Turkey, Socialist Group)*

### I. Introduction

1. Following EU enlargement and the recent political developments in Ukraine and Moldova, the question of security relations and cooperation between the EU and its eastern neighbours has become even more acute. Three countries are close neighbours of the EU to the east: Belarus, Ukraine and Moldova. This report will not deal with the region of the Caucasus on which the Assembly recently adopted a recommendation<sup>2</sup>.

2. In 2001 the Assembly produced a comprehensive report on new developments in Russia, Belarus and Ukraine<sup>3</sup>. In 2002 the Assembly also recommended that the Council “pursue its efforts to assist Ukraine, Belarus and Moldova in the process of political democratisation and the liberalisation of trade relations” and “continue actively to strengthen the strategic partnership with Russia”<sup>4</sup>.

3. The EU has launched a European Neighbourhood Policy (ENP) with regard to the countries of both eastern and southern Europe<sup>5</sup>. The European institutions have made provision for cooperation structures and financial support instruments. The EU has also defined a number of both general and specific objectives with regard to each of its close eastern neighbours, particularly in the area of security. It already plays a role in its close neighbourhood to the east, but could further increase its influence in the future.

4. For a clearer understanding of the facts and of national perceptions, the Rapporteurs visited Minsk and Kyiv, as well as Moscow and Warsaw, where they engaged in a series of talks with political personalities, representatives of civil society and foreign policy experts. These parliamentary fact-finding missions were conducted with the valuable and efficient assistance of the Embassies of France and Turkey (see Appendix). The information gathered is conducive to a better understanding of the security problems faced by Belarus, Ukraine and Moldova, with a view to identifying the possibilities for enhanced security cooperation between the EU and its close eastern neighbours. The visits were also helpful for understanding the perceptions and influence of certain neighbouring countries, Russia in particular, as regards those security issues. The Political Committee also held meetings in Helsinki and Riga from 11 to 14 April 2005.

5. The term “security” refers both to security in the military sense of the word and to a broader area embracing social and historical issues. It is those broader issues that are a potential source of political problems, or even conflict. Hence the solutions are not to be found in defence policy alone, whether at national or EU level.

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<sup>2</sup> See Assembly Document 1879 and Recommendation 751 adopted on 30 November 2004: “Stability and security in the South Caucasus” submitted on behalf of the Political Committee by Jean-Pierre Masseret (France, Socialist Group) and Marco Zacchera (Italy, Federated Group), Rapporteurs; [http://www.assembly-weu.org/en/documents/sessions\\_ordinaires/rpt/2004/1879.pdf](http://www.assembly-weu.org/en/documents/sessions_ordinaires/rpt/2004/1879.pdf)

<sup>3</sup> See Assembly Document 1761 and Recommendation 697 unanimously adopted on 4 December 2001: “New developments in Russia, Belarus and Ukraine” submitted on behalf of the Political Committee by Mike Hancock, Rapporteur (United Kingdom, Liberal Group); [http://www.assembly-weu.org/en/documents/sessions\\_ordinaires/rpt/2001/1761.pdf](http://www.assembly-weu.org/en/documents/sessions_ordinaires/rpt/2001/1761.pdf)

<sup>4</sup> See Assembly Document 1805 and Recommendation 715 adopted unanimously on 3 December 2001: “The enlargement of NATO and the EU – reply to the annual report of the Council”, submitted on behalf of the Political Committee by Marco Zacchera, Rapporteur (Italy, Federated Group); [http://www.assembly-weu.org/en/documents/sessions\\_ordinaires/rpt/2002/1805.pdf](http://www.assembly-weu.org/en/documents/sessions_ordinaires/rpt/2002/1805.pdf)

<sup>5</sup> See the Commission Communication to the European Parliament on “Wider Europe – Neighbourhood: a new Framework for Relations with our Eastern and Southern Neighbours”, Brussels 11 March 2003, COM(2003) 104 final, and the Commission Communication on the “European Neighbourhood Policy”, 12 May 2004, COM(2004) 373 final.

6. The WEU Assembly, a unique interparliamentary forum with competence for security and defence, provides the ideal platform for airing these issues that are so crucial to the future security of Europe. The Rapporteurs have endeavoured to describe the facts and to list real or potential risks. Above and beyond their description of the situation, they draw attention to the need to create the conditions for stability by reinforcing cooperation on specific and tangible security issues such as border conflicts, military cooperation and industrial partnerships and by taking a more flexible, intensive and open-minded approach based on dialogue.

## ***II. Global analysis of the situation***

7. Since 2004, the European Union has had new common borders with Belarus, Ukraine and Russia, and following Romania's accession in 2007, it will also share a border with Moldova.

8. There are two categories of security questions, depending on whether they concern "external" or "internal" security. The internal security problems raised by the countries themselves concerned border controls and illegal immigration. While not excessively worried about these issues, they often express the wish for better control over borders and for more means to be deployed to that end. There is also a need to encourage cross-border cooperation, following the examples of positive experience on the ground between neighbouring countries (especially between Belarus and the Baltic States or between Poland and Belarus). Ukraine, Moldova and Belarus are both "transit" countries (for drug trafficking and illegal immigration) and "source" countries (trafficking in women, illegal adoption, criminal mercenaries). Those phenomena can only be eradicated if there is cooperation between the "source" and "transit" countries and the "consumer" states in western Europe.

9. The situation in the EU's eastern neighbourhood directly affects the EU countries' security. The threats emanating from the east are manifold, including political and military conflicts, economic crises, cross-border crime, the drugs trade, illegal immigration, nuclear material and environmental threats. EU support is therefore absolutely indispensable for its member states and neighbours to the east. Many of the threats result from political instability, bad governance, poverty and the gap in the standard of living constituted by the EU's eastern border.

10. Most of the EU's southern and eastern neighbours have a nominal *per capita* GDP of less than 2 000 euros. Poverty and social exclusion have increased sharply in Russia, Ukraine, Moldova and Belarus over the past decade as a result of falling output and increased inequality in the distribution of income. Moldova is by far the poorest neighbouring country (378 euros *per capita*) and Ukraine the next most poor (861 euros), while Russia is ahead of both countries (2 415 euros).

11. As far as external security is concerned, the region remains a source of real or potential disputes. While everyone agrees that military conflict is unlikely, no-one is prepared to rule out that risk once and for all. Moreover, questions remain with regard to Russia's reactions in that area. Everyone refers to the desire to maintain friendly relations with their powerful neighbour, while remaining profoundly wary of it.

12. In order to guarantee their external security the countries of the region are seeking to participate in defence alliances. Apart from Belarus which is involved in a defence union with Russia, many countries to the east of the enlarged EU see NATO membership as their prime objective. While setting their sights on that main objective the countries concerned generally also are making "subsidiary" approaches towards the European Security and Defence Policy (ESDP).

13. This being the case, it is necessary to give thought to NATO's future and transformation. Will this military Alliance evolve into an increasingly political structure and, if so, is there a risk of it encroaching on the areas of competence of other organisations such as the OSCE or UN? Will the United States remain the dominant player within the Alliance? What view is taken by the EU's eastern neighbours wishing to apply for membership? What will be the role of the ESDP? These questions remain open.

14. Regarding real disputes, your Rapporteurs detected expectations of an enhanced role for the EU as a mediator, in particular with a view to resolving the conflict in Transdnistria. Is that possible? Will the EU member states and the main protagonists in the conflicts have the necessary political will?

On questions such as a maritime border disputes, in particular between Ukraine and Romania or between Ukraine and Russia, the first question is whether there is a genuine resolve among the parties to the conflict to resolve their differences.

15. What action can the EU take in order to improve the security of the neighbours to the east of its borders? Another question that needs to be asked concerns the “added value” that the EU has to offer in the area of security. Is there a common political will on the part of the EU member states to become involved in existing conflicts? What is the EU really prepared to offer in the long term to Ukraine, Moldova and Belarus? How do those countries themselves perceive the EU and how do they envisage security cooperation with it? The political situation and economic interests are as important as geo-strategic and historical factors for determining the specific security and defence policy of each of the EU’s eastern neighbours.

### *III. Ukraine*

16. A government-level agreement on long-range air transport to support Petersberg missions was signed by WEU and Ukraine on 30 June 1997 in Brussels. That agreement was, in principle, to be renewed by the EU.

17. In parallel, the WEU Assembly has built strong working links with Ukraine’s *Rada*. Delegations of Ukrainian parliamentary observers are regularly invited to plenary sessions. Pursuant to WEU Assembly Decision 26 of 22 October 2003, Ukraine was given permanent guest status. The Parliament of Ukraine may appoint a delegation of four representatives to the Assembly (two representatives and two substitutes). The delegation may regularly participate in the Assembly’s plenary sessions with the right to speak but without voting rights, and likewise in any colloquies and seminars organised by the Assembly. Two representatives of the delegation may attend meetings of the Political Committee, the Defence Committee, the Technological and Aerospace Committee and the Committee for Parliamentary and Public Relations, upon being invited by them to do so, and have the right to speak but not to vote.

18. The Ukrainian authorities have a very positive perception of their relations with WEU and its Assembly, which they feel have paved the way for cooperation with the European Union. It would be useful to examine the possibilities for stepping up Ukraine’s participation in Assembly activities, once it has been offered prospects for EU membership.

#### *1. Geostrategic position and political situation*

19. Ukraine occupies a geo-strategic position at the heart of Europe. It offers vast outlets to the Black Sea and is a key area for trade with western Europe, Russia and all the countries on the shores of the Caspian Sea, in particular in the field of energy transport (gas and oil).

20. According to the Ukrainian authorities, the “Euro-Atlantic” choice is a choice of civilisation. Ukraine perceives itself as the “advanced bastion of eastern Europe” and wishes to play a central role in guaranteeing Europe’s stability and security.

21. Ukraine gained independence following the dissolution of the USSR in 1991. Leonid Kuchma, who was elected President of the Republic in 1994 and re-elected in 1999, established a strengthened presidential regime. During the recent presidential election in December 2004, the opposition organised mass demonstrations in protest against massive electoral fraud and succeeded in obtaining fresh elections in which opposition candidate Viktor Yushchenko was elected President with 51.99% of the votes, compared with 44.2% for the outgoing Prime Minister Viktor Yanukovytsch. Yuliya Tymoshenko was appointed Prime Minister, Borys Tarassiuk, former Chairman of the Parliamentary Committee on European Integration and Leader of the Ukrainian Delegation to the WEU Assembly, became Foreign Affairs Minister, Anatolii Grytsenko was appointed Defence Minister and Petro Poroshenko became Secretary of the National Security and Defence Council of Ukraine (NSDCU).

22. Those elections clearly revealed the rift that exists between the east and west of the country on either side of the Dniepr River. The Russian-speaking minority (about 20% of the population) is concentrated in the east and south of the country, in particular around the Donbass coal basin (Donetsk

region) and Crimea. In the Russian-speaking areas, the majority of the population voted for the candidate who symbolised continuity and was supported by Russia. In Kyiv and the west of the country, the majority of voters supported Mr Yushchenko. The threat of secession brandished by a number of Russian-speaking political leaders in the east of the country during the electoral crisis was not put into effect. Most experts rule out a possible partitioning of the country. However, a number of decentralisation and regionalisation projects are under way.

23. During the political crisis President Putin made several visits to Ukraine to support Mr Yanukovych. The day after the second round he publicly congratulated the latter on his election victory, deeming the reservations expressed by western states to be inappropriate, and criticised Mr Yushchenko's call for a repeat of the second round. The European Parliament called for another second round and President Bush warned against all foreign interference in a future election. The High Representative for the CFSP, Javier Solana, the Polish President Aleksander Kwasniewski and the Lithuanian President Valdas Adamkus played a particularly useful role as mediators between the two political camps. On 1 December 2004, the WEU Assembly adopted Resolution 125 urgently calling for a review of electoral law and the election process. It urged all the parties involved to abstain from the use of force and to prevent any partition of Ukraine, and supported the efforts being made by the international community and in particular by Javier Solana, the WEU Secretary-General and EU High Representative for the CFSP. A number of observers from EU member states such as Poland and the Baltic States judged the EU's role during the political crisis in Ukraine in December 2004 to be too passive. They claim that Mr Solana adopted too low a profile in comparison with the active and committed efforts of the Polish and Lithuanian Presidents and the United States. Moreover, those eastern European observers take the view that the situation remains precarious and that the EU should make immediate and consistent efforts to assist Ukraine.

24. On 8 December 2004, the Ukrainian Parliament adopted an amendment to the Constitution allowing the transfer of certain powers from the President to the Parliament. During the electoral crisis, Mr Kuchma and Mr Yushchenko agreed on a compromise, with Mr Kuchma getting the opposition to agree to a reduction of the presidential powers, while Mr Yushchenko was able to obtain the deferred application of those measures. The precise date of entry into force of the constitutional reform remains a major political issue. There is talk of autumn 2005 or the beginning of 2006, in other words, shortly before the parliamentary elections scheduled for March 2006.

25. The citizens of Ukraine have high expectations and the new government has one year in which to prove itself and embark on a process of far-reaching structural, political, economic and social reform. Since 2003, Ukraine has once again had positive annual growth rates of about 9%. That economic growth is now accompanied by a clear change of government style and a new, clearly stated resolve to respect civil liberties and human rights. President Yushchenko has pledged in particular to shed full light on the disappearance of the independent journalist Georgiy Gongadze in 2000, in which President Kuchma is said to be implicated. The 2006 electoral deadline will be decisive for Ukraine's future and is shaping current policies, particularly in the area of security and defence.

## ***2. Security and defence policy***

### ***(a) Defence policy and armed forces reform***

26. Civilian control of the armed forces is among the country's priorities in the area of defence. The National Security and Defence Council of Ukraine (NSDCU) set up in 1992 had its role strengthened under President Kuchma. This body, which has figured in the Constitution since 1996, is composed of the President, the Defence, Foreign Affairs and Interior Ministers and the heads of the security and border-guard services. In wartime it would be the supreme body in charge of coordination of the military structures. In peacetime its task is to coordinate defence structures and define national strategy in the areas of both international and home security. It is responsible for export controls in the area of defence equipment. The ongoing constitutional reform makes provision for a reduction of the President's powers and an increase in those of the Prime Minister and Parliament. In future therefore, the NSDCU may find itself with an enhanced political role as a body in charge of monitoring the application of presidential security decisions by the relevant ministries.

27. In 2003, Ukraine spent 2.4% of its GNP – US\$ 843 million – on defence. Thanks to the improved economic situation the Government was able to increase the defence budget by 32% between 2003 and 2004. The Chairman of the Ukrainian Parliament's Security and Defence Committee underlined the fact that although Ukraine's armed forces are three times larger than those, for example, of Romania, they have only half the budget. He also stressed the importance of border controls and the difficulties his country faced in preventing trafficking and illegal immigration.

28. At the time of the break-up of the USSR Ukraine had more than a million soldiers and vast numbers of tanks, armoured vehicles, artillery pieces, aircraft and nuclear weapons. It has endeavoured to reduce that heavy legacy from the soviet era, which no longer corresponds to its security requirements. Troop and equipment numbers have been drastically scaled down, but those measures have not been followed up by the introduction of new defence equipment. The armed forces are currently 280 000 strong, and should be down to some 90 000 or 100 000 by 2015. In parallel there are plans to facilitate the return of soldiers to civilian life and to implement legislation giving social guarantees to retired servicemen. Moreover, the armed forces structure has changed. They were formerly composed of five forces: air force, army, navy, air defence and strategic missiles, but the latter category has now disappeared, while air defence has been merged with the air force, so that there are now only three: the air force, army and navy. Moreover, emphasis is placed on developing a rapid reaction capability and on moving towards professional armed forces. The deadline for the latter was initially 2015, but the date was brought forward to 2010 by the new President of the Republic, Mr Yushchenko. There are ambitions to increase a soldier's monthly salary from some US\$ 80 to about US\$ 200 for a contract soldier from the ranks, although some political representatives consider this to be financially unfeasible for the moment. Moreover it must be borne in mind that the aim of NATO membership and the application of NATO standards to Ukrainian defence equipment will also have a cost.

29. Ukraine is involved in multinational peacekeeping operations and in military cooperation with its neighbours, in particular Poland. In 1997, a joint Polish-Ukrainian battalion was set up for peacekeeping intervention. It was first deployed in 2000 as a contribution to the NATO force in Kosovo (KFOR) and involves some 250 Ukrainian soldiers. Ukraine also participates in EU police operations in Bosnia and Herzegovina (EUPM) and FYROM (EUPOL Proxima). Some 1 600 Ukrainian soldiers have also been serving in the International Coalition in Iraq since June 2003. Following a devastating explosion on 9 January 2005 in which eight men lost their lives, President Kuchma gave the order to prepare plans for the withdrawal of the Ukrainian troops from Iraq before the end of June 2005. That withdrawal is supported by the new President Mr Yushchenko, who announced at the beginning of March that the troops would be withdrawn in three phases between mid-March and mid-October 2005.

30. There are 184 storage depots for war-fighting equipment in Ukraine. The Ukrainian authorities themselves emphasise that the military equipment is dilapidated. More than two million tonnes of obsolete munitions remain to be recycled. This huge arsenal constitutes a threat, and indeed there have already been incidents. In February 2005, NATO granted 25 million euros in aid to Ukraine as part of a special Partnership for Peace trust fund project to help it eliminate its surplus stocks of munitions and small arms (at least 133 000 tonnes of munitions and 1.5 million small arms and light weapons). The project will be executed in four phases over 12 years. The United States has agreed to act as lead nation for the first phase of the project. The cost of the initial phase is estimated at 7 million euros over three years. In addition to the US, the United Kingdom and Norway have also pledged funding for this project.

31. Furthermore, strategic missiles have been dismantled, but the problem of recycling their solid fuel remains unsolved. The United States has assisted Ukraine with cutting up the missiles and extracting the fuel. However, it proposes to destroy the fuel by combustion, while the Ukrainian authorities wish to do it by dissolution.

32. The new Ukrainian authorities have opted for integration in the Euro-Atlantic structures. More than a military alliance, the Atlantic Alliance is perceived above all as symbolising a community of shared values founded on democracy and a market economy, like the EU. As Ukraine sees it, acceding

to one of the two organisations would quite naturally lead it to join the other, as in the case of the central European countries that have become both NATO and EU members. Ukraine perceives the two organisations as complementary.

*(b) Defence industry prospects*

33. Ukraine's defence industry plays an important role in its economy. Ukrainian firms develop and export a wide range of war-fighting equipment (planes, tanks, missiles, firearms, air defence equipment etc.) and have an excellent level of technological expertise. However, the military-industrial fabric of Ukraine is fragile and must contend with international competition. For example, attempts at cooperation between the aeronautics company Antonov and EADS ended in failure. Above and beyond the economic implications, that failure could have political consequences, for in order to survive, the Ukrainian defence giant must find other sales outlets and has no choice but to work with other industrial partners, including in Russia, (through a joint-venture that is 80% Russian-owned and 20% Ukrainian).

34. Ukraine has also agreed to supply certain industrial components for the air defence cooperation between Russia, Belarus and Kazakhstan. But there are also many sectors in which Ukrainian firms must compete with other CIS countries, for example, in the area of tanks and armoured combat vehicles. In the missile sector, in which Ukraine has huge capacities, Russia has chosen to no longer cooperate with Ukraine in order to preserve its strategic independence in this sensitive sector with nuclear implications. Overall, Russia is striving to become independent from its neighbours for the supply of defence equipment, particularly vis-à-vis those countries that aspire to throw off Russian influence and join NATO. Increasingly, therefore, Russia is making provision for the production of all weapons system components on its own territory.

35. Cooperation between eastern and western Europe can only develop in the future if the identified projects are systematically given strong political support and if companies, rather than reasoning in terms of technological competition, show a readiness to pool their markets.

*(c) Ukraine's position with regard to NATO and the ESDP*

36. Ukraine joined NATO's Partnership for Peace Programme in 1994. At the Madrid Summit on 8 and 9 July 1997, the heads of state and government signed the NATO-Ukraine Charter on a Distinctive Partnership. In response to Ukraine's aspirations for a closer relationship, the NATO-Ukraine Action Plan was adopted in Prague on 22 November 2002. It deals primarily with military cooperation, but 40% of its provisions also relate to matters concerning civil society and economic reform.

37. On 22 February 2005, President Yushchenko, during a visit to NATO, stated that he would like to see Ukraine integrated into the North Atlantic Alliance, and asked for Ukraine to be allowed to participate in NATO's *Membership Action Plan* (MAP). However, not all Alliance countries are prepared for the moment to invite Ukraine to join NATO.

38. Ukraine is also anxious to convince Russia that its membership of NATO would in no way constitute a threat to Russia, but that it would, on the contrary, be the best guarantee for Russia against such a threat. Russia's Foreign Affairs Minister Serguei Lavrov declared on 28 December 2004 that Russia would not have any objections to Ukraine's joining NATO. However neither Ukrainian nor Russian experts rule out the possibility, when the time comes, of Russia taking decisive action to slow down Ukraine's accession to NATO and even the EU, for instance in the form of political or economic reprisals (in the energy, sector, for example).

39. Another aspect is that Ukrainians' negative perception from the cold war era of NATO as a hostile military Alliance still lingers. Furthermore, the NATO operations in former Yugoslavia and, more recently, the international intervention in Iraq under US leadership were perceived by the people of Ukraine as an aggression. At the present time, therefore, only a minority of citizens would support Ukraine's accession to NATO (some 15% of the population). The Communist Party (20% of the seats in Parliament) and the Socialist Party (7%), which both remain influential political forces, are opposed to NATO membership. They favour a strategic partnership with the Alliance while maintaining their country's "non-aligned" status, and are critical of the American military bases that have been installed

in neighbouring countries such as Romania and Bulgaria. Among the public at large the negative perception of NATO would appear to be reversible in the medium term and the Ukrainian authorities are counting on acceding to the Alliance in five or six years' time, around 2010. Poland recalls the fact that Russia's strong opposition to its own accession to NATO in 1999 was replaced by a more conciliatory stance once it had actually joined, and that it was not an obstacle to the development of economic and trading relations between the two countries.

40. On 22 February, the Alliance heads of state and government welcomed the changes that had taken place in Ukraine, but were unable to reach a consensus on inviting it to join NATO's *Membership Action Plan* (MAP), a programme specially designed for countries aspiring to join the Atlantic Alliance. The nations in the North Atlantic Council differ not so much on the principle of Ukraine's joining as on the timeframe for bringing it closer to the Organisation. Poland in particular is in favour of extending an immediate invitation to Ukraine to participate in the MAP, in keeping with the wishes of the new Ukrainian government, while a number of western European states are in favour of a more cautious approach that takes account of NATO's still very negative image in the eyes of the people of Ukraine, so as not to jeopardise their support for the new government with a view to the important parliamentary elections scheduled for next year. The desire not to upset Russia is not mentioned publicly, but that too doubtless is also a reason for the stance adopted by a number of NATO countries. The Ukrainians for their part are aware that NATO is undergoing a process of military and political transformation and hope that the tensions that exist between some European states and the United States will not eventually undermine the Alliance.

41. Public opinion in Ukraine is much more favourable to EU membership. People are aware that they are lagging behind the EU economically and aspire to a similar standard of living. But the Ukrainian authorities foresee EU accession taking much longer than NATO membership. Indeed, the latter only requires reform in the single area of military capabilities, together with political agreement by the Alliance heads of state and government, while the former means implementing in stages a vast set of community *acquis*, and *in fine* will also require the unanimous political agreement of the 25 EU member states. The Ukrainian authorities therefore consider that NATO accession will require less time and effort than accession to the EU, a theory that is supported by the experience of the central European countries which joined NATO before they acceded to the EU.

42. Despite this perception of the timeframe for their accession to NATO and the EU, the Ukrainian authorities declare themselves to be fully supportive of the European Security and Defence Policy which they deem to be important for Ukraine, and in which they are prepared to participate more actively as of now. The EU headline goal defined at Helsinki with a view to setting up a some 60 000-strong rapid reaction force is of interest to Ukraine which feels that it is not kept sufficiently informed about recent ESDP developments. Ukraine's political representatives appreciate the quality of the information provided by the WEU Assembly in this area and the country's authorities have declared a readiness to cooperate more closely with the EU in the area of security. It would make sense therefore to open CFSP activities more widely to Ukraine. It would appear that Ukraine has already proposed a precise contribution to the headline goal. In the field of airlift, for example, the Ukrainians are in a position to offer tangible solutions to remedy the EU's shortfalls in this area, in particular pending the entry into service of the A 400 M transport aircraft.

### **3. Relations between Ukraine and Russia**

#### *(a) Energy issues and economic cooperation*

43. Ukraine depends for 85% of its energy requirements on foreign imports (mainly from Russia but also Turkmenistan). It is clearly in the interests of both Russia and Ukraine to coordinate their energy strategies in order to most effectively combine Russia's resources with Ukraine's energy transport capacities, particularly in the direction of western Europe. 80% of Russian gas exports to the EU are reported to transit via Ukraine.

44. As far as oil transport is concerned, the current Odessa-Brody (Ukraine) pipeline is to be extended in the future to reach the port of Gdansk, in Poland. For the moment no transit agreement has

been concluded with the countries of the Caucasus region and the pipeline is operating in the opposite direction, taking Russian oil from Odessa to Brody.

45. Russia is also endeavouring to circumvent Ukraine and Poland by means of a North Sea oil pipeline project. On 11 April in Hanover, Germany and Russia announced their agreement to build, by 2010, a north European gas pipeline under the Baltic Sea (from Vyborg next to Saint Petersburg to Greifswald north of Berlin) that will allow Russia to deliver gas directly to western Europe (in particular to Germany, Scandinavia and Great Britain) and sharply reduce Russia's dependence on its traditional transit routes through Ukraine and Belarus. This pipeline will give Russia direct access to the European gas market through an alternative route. It may also allow Russia to negotiate more advantageous transit costs with Belarus and Ukraine since they are dependent on Russia for most of their energy needs. Some observers, in particular from the Baltic States (also "circumvented" when the route of the gas pipeline was planned) warn western Europe of the dangers of being overly dependent on Russia for energy supplies.

46. There are fundamental security issues at stake for the exporting country Russia, the transit countries such as Ukraine, Belarus and Poland and for the EU consumer states. At the present time the EU imports 40% of its gas from Russia. Germany covers about a third of its oil and gas requirements from Russian imports. By 2030, the European Union might depend on Russia for 81% of its gas imports. Indeed, the European Security Strategy adopted in December 2003 notes that "Energy dependence is a special concern for Europe. Europe is the world's largest importer of oil and gas. Imports account for about 50% of energy consumption today. This will rise to 70% in 2030".

*(b) Border conflicts between Ukraine and Russia*

47. Since Ukraine's independence in 1991 there have been a number of conflicts of interest between Ukraine and Russia, in particular with regard to the status of Crimea (attached in 1954 to Ukraine, within the USSR) and control of the Black Sea Fleet.

48. On 31 May 1997, Russian President Boris Yeltsin and Ukrainian President Leonid Kuchma signed a Friendship and Cooperation Agreement Treaty under which they gave mutual recognition to each other's sovereignty and territorial integrity within the existing borders. They also signed an Intergovernmental Agreement on the status of the Black Sea Fleet stationed on Ukrainian territory and the criteria for dividing up the fleet (700 ships) between the two countries. The Russian Fleet is to keep naval bases in Sevastopol for 20 years but undertakes to pay Ukraine an annual rent for the period (of between US\$ 98 and 100 million) for the use of 80% of the port installations. In March 2005, Russia conducted a large-scale naval exercise and is reported to have entered Ukrainian territorial waters without requesting permission. Russia is reportedly also refusing to grant Ukrainian inspectors access to the Sevastopol naval base, contrary to the arrangements agreed in 1997. The Sevastopol fleet is obsolete, no new ships have been put into service for years. The Russians are in the process of adapting the port of Novorossisk with a view to stationing their fleet there again in a few years' time.

49. The Crimean Peninsula was also the subject of tough negotiations before Russia would acknowledge it as part of Ukraine. While an agreement on the drawing of the land borders was concluded on 28 January 2003, the problem of the delimitation of maritime borders (territorial waters in the Azov Sea and the Straits of Kerch) has not yet been totally resolved. There were incidents in autumn 2003. On 25 December 2003, the Russian and Ukrainian heads of state signed an agreement under which the Azov Sea would be considered as an internal sea common to both countries. The practical modalities for delimiting the borders remain to be defined, however. No agreement has been found for the Straits of Kerch, which commands access from the Azov Sea to the Black Sea or for the Island of Tuzla, for which an active process of separate negotiations is under way.

50. From the political and economic standpoint, Ukraine is involved in some of the activities of the Commonwealth of Independent States (CIS) but it has not signed the Organisation's General Charter and therefore does not feel bound by its ties with it. As regards the idea of a joint economic space with Russia, Ukraine, Belarus and Kazakhstan, an agreement was signed on 19 September 2003 but the new Ukrainian authorities, anxious not to damage Ukraine's prospects for economic integration with the EU, are taking a cautious stance.

51. Some Ukrainian representatives took the view that it would be a good idea for Ukraine and Georgia to take the initiative of reactivating GUUAM, a regional grouping for political and economic cooperation bringing together Azerbaijan, Georgia and Moldova. In spite of the persistent conflicts in Georgia (South Ossetia and Abkhazia), Georgia has the ambition of becoming a key player for the region's stability. Georgian President Mikhail Saakashvili, elected in January 2004, and Ukrainian President Viktor Yushchenko, elected in December 2004, both initiators of a peaceful revolution in their respective countries, are friends. Following the Moldovan elections on 6 March 2005, the two also made friendly approaches to President Voronin. Perhaps the combined resolve of the three leaders will make it possible to reactivate cooperation within GUUAM. Russia has always perceived the efforts of that body to be an attempt on the part of the initiating states to circumvent the CIS and Russia.

#### ***4. Relations with the other neighbouring countries***

##### *(a) Relations between Ukraine and Belarus*

52. A Ukraine-Belarus border treaty signed in 1997 was ratified by Ukraine the same year, while Minsk has made ratification contingent upon the repayment of Ukrainian debts to Belarus. Belarus says that Ukraine should pay it more than US\$ 100 million, while Ukraine admits to owing no more than US\$ 50 million.

##### *(b) Relations between Ukraine and Romania*

53. Some Ukrainian experts consider that Romania has major ambitions in the Black Sea and that once it has become a member of the EU it will adopt a more determined policy to defend its interests in the region. Both Romania and Ukraine take part in the naval cooperation within "Blackseafor" that brings together various countries bordering on the Black Sea, but there are several disputes between the two that are straining relations.

54. For years, Ukraine and Romania have been quarrelling over the sovereignty of Snake Island. Prospecting activities are under way to determine the wealth of the region's oil reserves, further fuelling the border dispute. The two countries have not been able to agree either on their maritime borders (delimitation of the continental shelf and exclusive economic zones in the Black Sea). In September 2004, Romania filed a complaint with the International Court of Justice in The Hague. The construction by Ukraine of a canal at the mouth of the Danube has also caused tension with Romania which is concerned about the environmental and economic consequences (in particular competition with the Romanian port of Constanza).

55. The new Ukrainian and Romanian Presidents Viktor Yushchenko and Traian Basescu, both elected in 2004, will perhaps be able to give new impetus to friendly bilateral negotiations on border disputes. However it remains to be seen whether the two countries will have the necessary common political will to resolve those differences and whether the EU will be able to make a constructive contribution to promoting solutions that are acceptable both to Romania, soon to be a member of the EU, and Ukraine, whose cooperation with the EU is in the process of being redefined and strengthened.

#### ***5. Prospects for Ukraine-EU cooperation***

56. Ukraine's newly elected President of the Republic declared that "Ten years ago the desire of the Ukrainians to be a part of the European space brought our country to the Council of Europe (...) the Orange Revolution is the nationwide confirmation of that intention (...) my objective is to see Ukraine in the European Union"<sup>6</sup>.

57. Since 1991, the EU has contributed more than a billion euros to assist the transition to democracy and a market economy. A Partnership and Cooperation Agreement between Ukraine, the European Communities and its member countries was signed in 1994 and came into force on 1 March

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<sup>6</sup> Address by Viktor Yushchenko, President of Ukraine, 25 January 2005, during the first part of the ordinary session of the Parliamentary Assembly of the Council of Europe, Strasbourg, 24-28 January 2005, [www.coe.int](http://www.coe.int).

1998. That Agreement provides the framework for political dialogue and economic relations between the EU and Ukraine. On 11 December 1999, the European Council adopted its EU Common Strategy on Ukraine with a view to supporting political and economic transition. In December 2002, the Copenhagen European Council reaffirmed the importance of a European Neighbourhood Policy (ENP) and in June 2003 the Thessaloniki European Council agreed to the Commission's proposals for a new framework for relations with the EU's eastern and southern neighbours. In June 2004, the Brussels European Council welcomed further Commission proposals for stepping up dialogue with those neighbours and launched the ENP. On 9 December 2004, in the framework of that policy, action plans were launched for a number of states including Ukraine. Provision was made for new mechanisms and increased funding to support the neighbouring countries in the period 2007-2013. On 21 February 2005, the EU/Ukraine Action Plan was signed. Further measures designed to strengthen that Plan proposed on 24 January by CFSP High Representative Javier Solana and External Relations Commissioner Benita Ferrero-Waldner were also approved.

58. The Action Plan was the fruit of a compromise between Ukraine's expectations of the EU and what the latter was able to offer for the moment. The new Ukrainian Government wanted, but did not obtain, a clear affirmation of Ukraine's EU accession prospects. It also wanted a new EU/Ukraine action plan but for the time being secured only "additional measures", most of which merely clarify already existing arrangements, which came as a disappointment to Ukraine. However it did achieve some tangible results: first of all, a precise deadline (2008) for the conclusion of a new bilateral agreement following the expiry of the current partnership and cooperation agreement. Secondly, Ukraine will benefit from 50% of the envelope of additional loans planned by the European Investment Bank to Russia and the CIS countries, to the tune of 250 million euros. Furthermore, Ukraine hopes in the near future to obtain the status of market economy country and to join the World Trade Organisation by the end of 2005, and finally, to rapidly set up a free trade area with the EU. The feasibility study on the creation of such an area is to be speeded up. Ukraine would also like a simplified visa system with EU states. The latter have declared their readiness to facilitate the obtaining of visas, while at the same time stressing the need for a readmission agreement.

59. In the area of security, the way in which the conflict in Transdnistria is managed will be a test case for EU/Ukraine relations. One of the ten additional measures to the Action Plan concerns foreign and security policy. The EU could invite Ukraine to align its position on that expressed by the Twenty-five on international political issues. Cooperation in the area of crisis management could also be further developed. The EU could also offer to cooperate with Ukraine on finding a solution to the Transdnistria conflict in Moldova.

60. The principle of EU membership for Ukraine is rarely contested. It is undeniably a "European" state in both geographic and cultural terms. The process of transition to democracy, provided it continues, will show that Ukraine shares the democratic values of the EU states. For those reasons, many foreign policy experts take the view that Ukraine could join the EU in around 2015. However, political opinions still diverge among those who advocate a cautious approach to Ukrainian expectations and those in favour of immediately sending strong signals of political rapprochement between Ukraine and the EU. Hence there is still no official timetable for Ukraine's accession to the EU. The Ukrainians realise that only the swift and effective implementation of the Action Plan will pave the way, as of 2008, to a growing involvement with the EU which might ultimately lead to accession.

61. The strong political will for change shown by the new Ukrainian authorities calls for an appropriate response from the EU. The EU/Ukraine Action Plan is a step forward, but not a crucial one. There is a need to move away from the traditional position, which was to refuse even to contemplate Ukraine having better relations with the EU than Russia itself. Given the real progress in Ukraine the insistence on parallel relations with the two states should be dropped. The Community *acquis* could also be treated, rather than as a monolithic whole, as a series of areas in which Ukraine

could derive immediate benefit from any progress made, even though it may continue to lag behind in others<sup>7</sup>.

#### **IV. Moldova**

##### **1. Political situation**

62. Moldova, landlocked between Romania and Ukraine, has a population composed two thirds of ethnic Moldovans, and for the rest of Ukrainian, Russian and Gagauz minorities. *Per capita* GNP is the lowest in Europe and the conflict concerning the separatist region of Transdniestria is a major factor of instability in the country.

63. Following its election victory in February 2001 Moldova's Communist Party formed a government and the party leader, Vladimir Voronin, was elected President in April 2001. Initially in favour of a close alliance with Russia, President Voronin's political position has evolved into one of clearly stated firm support for closer relations with the EU. The most recent parliamentary elections were held on 6 March 2005 and generally complied with OSCE standards. The Communist Party won fewer votes than in the previous elections but nevertheless took the lead (46.1%), followed by the Moldovan Electoral Bloc *Moldova Democrata* (28.41%) and the Christian Democratic Party (9.7%). Turnout was 63.7%. On 19 April 2005, a new government was formed under Prime Minister Vasile Tarlev, who has held this post since 2001.

64. The World Bank classifies Moldova as a low-income country (370 euros *per capita*). Since 2002 some 40% of the Moldovan population has been living below the poverty line. The Moldovan economy is highly dependent on the rest of the former Soviet Union for energy and raw materials and the country has been hard hit by the current rises in the price of oil (which it imports from Romania and Russia) and gas (from Russia). Moreover, the Moldovan economy relies heavily on the remittances it receives from work migrants abroad, especially in Russia and CIS region, but also from Europe. The breakdown in trade following the break-up of the Soviet Union had serious economic and social repercussions. Moldova's transition to a market economy was marked by a particularly deep and prolonged recession partly due to the Transdniestrian problem, which split the country's political and economic area in two. Economic growth recovered in 2000 and continued at a high level in 2004 (6.5%, as compared with 6.3% in 2003), but production is still less than half of what it was in 1989. The increase in revenue is due above all to an increase in currency transfers (estimated at a billion dollars in 2004) from the 700 000 Moldovans (a third of the working population) working abroad. Moldova's public finance management is constrained by a large debt. The United States is the biggest donor to Moldova (from 1998 to 2001: 220 million euros), closely followed by the European Bank for Reconstruction and Development (EBRD). At the end of 2000, the EBRD had invested some 178 million euros in support of economic development projects.

65. The European Security Strategy adopted in December 2003 states that "violent or frozen conflicts, which also persist on our borders, threaten regional stability. They destroy human lives and social and physical infrastructures; they threaten minorities, fundamental freedoms and human rights. Conflict can lead to (...) state failure; it provides opportunities for organised crime. (...) The most practical way to tackle the often elusive new threats will sometimes be to deal with the older problems of regional conflict". This analysis is particularly relevant for the conflict in Transdniestria.

##### **2. The problem of the separatist region of Transdniestria**

66. The region of Transdniestria, whose capital is Tiraspol, has a population of 700 000 inhabitants (about 40% Moldovan, 28% Ukrainian and 23% Russian). Paramilitary forces took control of Moldovan public institutions in the dissident region in 1991. Armed conflict broke out between the government and the separatist region in 1992. The fighting got worse, reaching a climax during the June 1992 battle on the right bank of the Dniestr. The former USSR's 14<sup>th</sup> army fought alongside the Transdniestrian paramilitary forces. Some 1 000 people lost their lives in this conflict. On 21 July 1992 the Moldovan and Russian Presidents signed a ceasefire agreement establishing a demilitarised

<sup>7</sup> See, in particular "La révolution orange: un défi pour l'Ukraine, la Russie et l'Europe" by James Sherr, *Politique Etrangère*: 1/2005, pp. 9-20, IFRI, Paris.

security zone on either side of the Dniestr River and a tripartite peacekeeping force (involving Russian, Moldovan and Transdnestrian forces). Since then, contrary to the wishes of the Moldovan authorities, the Russian command has used the Russian Army forces who were already stationed in Transdnestria to monitor the settlement. The ongoing presence of Russian troops has been a stumbling block in all attempts at peace talks.

67. Transdnestria's self-proclaimed President, Igor Smirnov, has been in power since 1991. Transdnestria contains most of Moldova's industrial infrastructure, but its potential is limited by its international isolation. The secessionist republic has its own currency, constitution, parliament, flag and anthem. The customs services, media and most lucrative businesses are controlled by relatives and friends of Mr Smirnov. The region is plagued by corruption, organised crime and smuggling. There is a huge military arsenal there dating from the soviet era and criminal groups engage in arms trafficking and money laundering.

68. Even taking into account the political issues and problems of identity at stake in this conflict, it may seem surprising that it has lasted thirteen years despite ongoing efforts to negotiate. It would seem that it is in the interests of the mafia and their political connections for this conflict to continue since it provides a base for the cross-border criminal activities involving the business communities on either side of the Moldovan-Ukrainian border. In 2003 the EU and US introduced a *visa ban* against leading members of the regime for a period of one year, on the grounds that they were obstructing progress towards a political settlement of the conflict. The EU renewed the ban in February 2004.

69. Deadlock over the region's status persists. The OSCE is attempting to exert a constructive and moderating influence with a view to resolving the conflict. Despite the signing of an agreement on the withdrawal of Russian forces in 1994 (which has not been ratified by the Russian Duma) and commitments made by Russia during the 1999 OSCE Summit in Istanbul, there are still around 1 700 Russian soldiers in the region, as well as a significant amount of Russian equipment and munitions. Furthermore, a large number (some 80 000) of Transdnestrians are reported to have acquired Russian nationality.

70. On 23 March 2005, the EU appointed Adriaan Jacobovits de Szeged (Netherlands) to the newly created post of EU Special Representative for Moldova. With a budget of 278 000 euros for 2005, his mandate is to contribute (in coordination with the OSCE) to finding a settlement to the conflict in Transdnestria, closely monitor the political situation in the country and promote stability and cooperation in the region. The EU seems to be prepared to work actively towards finding a settlement to the conflict in Transdnestria, indeed some diplomats are even referring to a possible EU military presence there, possibly in cooperation with Russia. However, up until now Russia and the EU have not been defending the same interests. Russia has always advocated a solution in the form of a federal state, while both the EU and Ukraine favour a unitary state as does President Voronin, who rejected the Russian proposal (the so-called Kozak Plan of November 2003, named after Russian emissary Dmitri Kozak who is close to President Putin). Several provisions in the Kozak Plan were unacceptable to the Moldovan authorities, in particular the creation of a federal state with the possibility of secession of two components of the federation, Transdnestria and Gagauzia, and the requirement that all laws must be approved by a second chamber over 50% of whose members should be representatives of those two federal regions. The proposal in Russia's plan that Russian be adopted as the second national language gave rise to protests among the Moldovan population. It also indirectly made provision for Russian troops to remain in Transdnestria at least until 2020. At the same time Moscow rejected Moldova's suggestion that a multinational peacekeeping force be deployed under the auspices of the OSCE. Until now Russia has perceived the EU's efforts to be competing with its own and contrary to its interests. However, some EU diplomats are now suggesting that an EU Action Plan be drawn up and implemented in cooperation with Russia.

71. Active involvement by the new Ukrainian government, particularly as regards border controls, might also be instrumental in bringing about developments in Transdnestria. Indeed, in spite of protocols signed in January 2004 making provision for the creation of common border posts, Mr Kuchma's regime showed little inclination to take action to step up controls along that part of its borders. On 1 March 2005, President Voronin made an official visit to Kyiv where he met President

Yushchenko and Prime Minister Tymoshenko. A joint declaration was issued on cooperation between Moldova and Ukraine. It is the ambition of both countries to join the EU and closer ties between Ukraine and the EU are likely to be conducive to closer relations between Moldova and the EU. Both countries have undertaken to strengthen controls along their shared border and have put a joint proposal to the EU for that purpose. Ukraine now supports the Moldovan proposal for the EU and US to be involved in the negotiations on Transdniestria.

72. Since November 2003 the Moldovan authorities have been insisting on the need to change the five-sided format of the multilateral negotiations (involving Moldova, Transdniestria, Russia, Ukraine and the OSCE) which they consider for the moment to be dominated by Russia and blocked by the consensus rule. They take the view that the situation in Transdniestria will be favourably affected by political changes in Ukraine and Romania, which is why Moldova would like to cooperate actively with the new Ukrainian government and if possible bring other players into the negotiations, first and foremost the EU, but also Romania and the United States. Active involvement by the EU, alongside the other parties and mediators in the conflict, would undoubtedly offer the best chances for bringing about a final settlement.

73. The crucial point is Russia's attitude to the conflict. Although present as a mediator, it is also and above all a key player in this conflict. Russia's economic, political and military support is essential to the survival of the separatist regime. During the OSCE's Istanbul Summit on 18 and 19 November 1999, Russia pledged to withdraw its troops from the region before the end of 2002. Although the OSCE Council of Ministers agreed in Oporto on 6 and 7 December 2002 to push back the deadline to 31 December 2003, all that was withdrawn during that period was Russia's heavy conventional weaponry. Moscow now seems little inclined to evacuate its remaining units, which it wishes to be considered as "peacekeeping troops", claiming that they are particularly necessary in order to guard the stocks of light arms and munitions which it has still not been able to destroy or send back to Russia due to obstruction from the self-proclaimed republic. The OSCE Council of Ministers meeting in Maastricht on 1 and 2 December 2003 deplored the lack of progress in the negotiations and recalled that the Treaty on Conventional Forces in Europe (CFE) could only be ratified once Russia had acquitted itself of its obligation to withdraw its forces from Moldova and Georgia<sup>8</sup>. Russia, though very keen to see the CFE Treaty ratified, refuses to establish a link between the two issues.

74. On 1 June 2004 President Voronin came up with a new proposal for a "multilateral compromise" involving Russia, Romania, Ukraine, the EU and the United States, with a view to finding a federal solution to the Transdniestrian conflict while maintaining the country's territorial integrity and sovereignty. This text was rejected by Moscow. Any change to the format of negotiations must be approved by all the current mediators. On 10 June 2004 Mr Voronin also called for an international mission under OSCE auspices and with the support of the EU to monitor the Transdniestrian sector of the Moldova-Ukraine border. No progress in the negotiations was reported at the OSCE Council of Ministers' meeting in Sofia on 6 and 7 December 2004. The problem of "frozen conflicts", which includes the Transdniestrian conflict, was also on the agenda of the recent regional summit of GUUAM, of which Moldova currently holds the Presidency, on 22 April 2005. The Lithuanian and Romanian Presidents and a US emissary attended the meetings as observers. President Yushchenko announced a Ukrainian proposal for settling the Transdniestrian problem but no document was signed in this connection.

75. The recent political changes in Ukraine are no doubt unlikely to persuade Russia to reduce its influence in Transdniestria. Some experts take the view that the Russian authorities might on the contrary find it to their advantage to maintain a military presence in the west of Ukraine (in Transdniestria) as well as in the south (on the territory of Ukraine itself, with the Russian fleet still stationed at Sevastopol), in addition to their traditional influence in the east, in Ukraine's Russian-speaking regions. What incentive could be given to Russia as part of an overall "package" that would

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<sup>8</sup> On 2 March 2005, Georgian President Mikhail Saakashvili went to Chisinau where the two countries signed two joint declarations in which they affirmed their common objective of completing the process of joining Europe and condemned foreign interference in their respective separatist territories.

make it in its interests to withdraw its troops? That is the crucial question, which for the moment remains unanswered.

### ***3. Defence policy***

76. In 2003, Moldova spent US\$ 9.5 million or 0.4% of its GDP, on defence. Its armed forces are some 7 500 strong. On 30 October 1992 Moldova ratified the CFE Treaty, but Moldova, like a number of other OSCE states (in particular the United States and the EU states) refuses to ratify the 1999 Agreement on Adaptation of the CFE Treaty until Russia withdraws its forces from Moldova and Georgia in compliance with the pledge it made within the OSCE framework in 1999. In October 1994 Moldova agreed to the provisions of the Non-Proliferation Treaty (NPT) (it does not possess nuclear, biological or chemical weapons). On 3 September 1997 it signed the Mine Ban Treaty, and ratified it on 8 September 2000. The treaty entered into force on 1 March 1999. Moldova completed the destruction of its stockpile of 12 892 antipersonnel mines way ahead of the March 2005 deadline. It was assisted by the NATO Maintenance and Supply Agency (NAMSA) under a NATO Partnership for Peace programme. From September 2003 to March 2004 a mine-clearing team from the Moldovan National Army participated in demining operations in Iraq.

77. The major concern is Russian munitions (estimated at 42 000 tonnes before 2003), equipment and troops stationed in Transdnistria. In accordance with Russia's commitment at the OSCE Istanbul summit in 1999, withdrawal was to be completed by the end of 2002. At the OSCE Ministerial meeting in Oporto this deadline was extended until the end of 2003. After good progress in the first half of 2003 (some 35% of all munitions left Transdnistria), withdrawal continued at an insufficient pace overall and Russia did not meet the deadline. The EU continues to stress its expectations that Russia withdraw munitions and troops without further delay.

78. As regards relations with NATO, Moldova signed the Partnership for Peace (PfP) Framework Document on 16 March 1994. Within the PfP programme, Moldova participates in the Planning and Review Process (PARP).

### ***4. Relations between the EU and Moldova***

79. Relations between the EU and Moldova are based on the Partnership and Cooperation Agreement (PCA) signed in 1994, which entered into force in 1998. Since 1991 TACIS has been one of the leading technical assistance programmes supporting the transition process in Moldova. TACIS has allocated around 130 million euros for the period 1991-2003 in the form of National Action Programmes (AP) and Regional and Cross-Border Cooperation (CBC) Programmes. The EU's main objectives are to foster respect for democratic principles and human rights, as well as Moldova's transition towards a market economy. There is also a strong emphasis on the transformation of the agricultural sector and transport, to support the country's necessary transition to a market economy. The EU also supports specific programmes in the field of justice and home affairs. The cross-border programme mainly concerns Moldova's western border. The EU provides assistance for the modernisation of border crossings, economic development and environment issues in border regions. The budget foreseen for Moldova is 10 million euros over the period 2004-2006. For the period beyond 2006, the Commission is examining the possibilities of creating a new Neighbourhood Instrument to act on both sides of the EU's external border.

80. The Partnership and Cooperation Agreement remains the basis for cooperation between the EU and Moldova. An Action Plan was launched in December 2004 to further strengthen that cooperation. This is a political document setting out the strategic objectives of cooperation between the EU and Moldova, which is to take place over a period of three years. The European Commission is also to establish its delegation in Chisinau at the end of May or beginning of June 2005.

81. With regard to the ESDP, the Moldovan authorities hope that the EU will take up the issue of the Transdnistrian conflict as an action area that could also be used to "test" the effectiveness of the ESDP, much like the EU actions in the former Yugoslav Republic of Macedonia.

82. It would make sense as of now to include Moldova in the stabilisation and association process that the EU is planning for the countries of south-eastern Europe. This would give Moldova long-term prospects for joining the EU once it has fulfilled the accession criteria.

## ***V. Belarus***

### ***1. Geostrategic position and political situation***

83. Located between Poland and Russia and bordering on the Baltic States to the north and Ukraine to the south, Belarus has a central geographic position in Europe, enabling it in particular to play an important role in energy transport between Russia and the EU states. The Belarus regime has been isolated by the European institutions because of serious violations of civil liberties and human rights. Confronted with major problems of economic transition, the country has nevertheless enjoyed strong economic growth for several years. President Lukashenko's regime sees itself as the custodian of the "acquis of the soviet era" and favours close political and economic relations with Russia.

84. President Lukashenko, who was democratically elected in 1994, modified the Constitution by referendum on 24 November 1996 to install an authoritarian presidential regime with no real separation of powers. He was re-elected in September 2001 with 75.6% of the vote following elections held in conditions criticised by the OSCE. President Lukashenko will complete his second term in 2006. Theoretically it should be his last, given that no more than two consecutive mandates are currently allowed under the Constitution. However, a referendum held on 17 October 2004 voted to abolish the restriction on the presidential term of office. According to western observers the referendum, held at the same time as the parliamentary elections, did not comply with international standards of freedom, fairness and transparency.

85. The situation as regards civil liberties has consistently deteriorated since then. Furthermore, in 1999 and 2000, four well-known opponents of the regime (MM Zakharenko, Gontchar, Krassovsky and Zavadsky) disappeared in circumstances that have still not been elucidated. In November 2004 the EU Council adopted a joint position concerning visa restrictions for Belarus officials known to have engaged in harassment of political opponents, journalists and intellectuals. The US State Department imposed the same travel restrictions as the EU. In December 2004, following the dubious conditions in which the elections and referendum had been held, the EU tightened up the visa restrictions to include people directly responsible for electoral fraud and repressive measures against the peaceful demonstrations organised during the electoral campaign. The EU also publicly criticised the trial of political opponent Mikhail Marinich who was sentenced to five years in prison.

86. There is unlikely to be a change of political leadership in the near future because President Lukashenko has total control over his country's political institutions and economic resources and refuses to put up with any political opposition. Some sociologists consider that the regime may last by playing on the fears of the population with regard to radical political, economic and social change, while other observers do not rule out the possibility of the regime being destabilised, or even in the long run of Mr Lukashenko being toppled by a revolution.

### ***2. The Union between Belarus and Russia***

87. Since his election in 1994, President Lukashenko has engaged the country in a process of strengthening ties with Russia. Integration is well advanced in the areas of trade (customs union) and defence.

88. In December 1999, the two countries signed a Treaty of Union making provision to pursue the adoption of a Constitutional Act and the creation of an Economic and Monetary Union. However, the plans for union between Russia and Belarus have run up against a number of difficulties. In 2002, Russia rejected the principle of a Union "on an equal footing" desired by Belarus. The two countries are having trouble agreeing what aspects should take priority. Belarus gives priority to a political construction that would serve the ambitions of its President (for the moment no follow-up has been given to the draft Constitutional Act drawn up in 2003) Russia is interested above all in projects that serve its economic and strategic interests (adoption of the rouble as a common currency, acquisition by Gazprom of Belarusian gas pipelines, opening up the capital of Belarusian companies to Russian

investors). Disputes about gas supplies periodically flare up between the two countries (shift away from the domestic price for Russian gas sales to Belarus towards the price that applies to all other CIS states) and led, for example, to gas supplies to Belarus being cut off for 24 hours in February 2004. Clearly, then, the dialogue is not an easy one.

89. The Union with the Russian Federation also has a security component. There are plans for regional groupings of troops and joint manoeuvres are organised on a regular basis. Troop command and deployment in times of peace and war are governed by the “Concept of a common defence policy for Belarus and Russia”, a Military Cooperation Treaty between the two countries and an Agreement on regional security in the military area.

90. Furthermore, Belarus and Russia decided in 2005 to set up a joint regional air defence system under a single command and are also envisaging the creation of a regional missile defence system, likewise under a single command.

### ***3. Security and defence policy***

91. After proclaiming its independence in 1991, Belarus found itself with a legacy of some 240 000 troops and a huge, soviet-style arsenal (nuclear missiles, heavy weaponry, combat aircraft, armoured vehicles etc.), parts of which were obsolete or falling into disrepair for lack of recent acquisitions and financial resources. It therefore embarked on a process of extensive armed forces reform (cutting troop numbers by half, restructuring forces, creating three mobile brigades and a military academy). In application of the 1992 Treaty on Conventional Forces in Europe (CFE) Belarus eliminated 1 800 tanks, 1 500 armoured vehicles and 130 combat planes. In 1999, it also signed the Agreement on Adaptation of the CFE Treaty.

92. When Belarus gained independence in December 1991, there were 81 road-mobile SS-25s on its territory, stationed in three missile bases, and a number of tactical nuclear weapons. In May 1992, Belarus signed the Lisbon Protocol to the Treaty on the Non-Proliferation of Nuclear Weapons and agreed to destroy or turn all strategic nuclear warheads on its territory over to Russia. The process of transferring tactical warheads was completed in May 1992, and the last strategic warheads and associated missiles were sent to Russia in November 1996.

93. In 2003 the defence budget of Belarus was US\$ 170 million, which is insufficient for the modernisation of its armed forces. Its aim is to further reduce expenditure by reducing troop numbers. In 2000, the armed forces comprised just over 100 000 men, including 80 000 conscripts. The resulting savings will be used as a priority to improve the conscript soldiers’ living conditions, modernise equipment and procure new equipment. The government has also endeavoured to “tidy up” its legislation, in particular by adopting laws on defence reform, the concept of territorial defence and the deployment of forces abroad.

94. At the beginning of 2001 it was decided to launch a study on measures to reform the armed forces. A “concept for the structure of the armed forces until 2010” was drawn up on the basis of an analysis of military activities. That concept was the basis for a “programme to improve the reform of the armed forces of Belarus for the period 2001-2005”, which in turn gave rise to a “plan for the structure of the armed forces until 2006”. The following major steps were decided: improvement of the command system; improvement of armed forces structures; formation of special forces; improvement of training and military equipment (in particular modernisation of the Mi 24 helicopters and Mig 29 aircraft); social support for military personnel and their families. In the operational area it was decided to strengthen air defence, aircraft, ballistic, intelligence and communications capabilities. Furthermore, as regards relations with NATO, Belarus has been involved in the Partnership for Peace Programme since 1995.

95. The army is being modernised (rationalisation of command structures, reorganisation of the various army corps, enhanced role for special mobile forces and tactical formations on the model of the “battlegroup”, reduction of troops numbers: no more than 65 000 including 50 000 by the end of 2005). The air force now includes both aviation and air defence forces. Furthermore, the recruitment system has been improved upon, with the introduction of a more flexible system of national service, the possibility of voluntary service on a contract basis and the creation of a pool of reservists

composed of specialists. In parallel, work continues on dismantling air bases and closing little-used barracks.

96. Belarus' defence industry has expertise in the area of armed forces management systems (command and control), electronics, optics (sights, thermal cameras) and in the space sector, as well as in mobile platform-based missile systems. Belarusian industry is also involved in retrofitting Mig 29 and Sukhoi 27 aircraft, air defence systems, tanks and military vehicles.

97. Among its neighbouring countries Belarus is not seen as posing a short-term security threat and in spite of the absence of a high-level political dialogue, practical cooperation with Minsk is quite good. The neighbouring countries are, however, worried about the consolidation of the Union between Russia and Belarus, particularly in the area of defence (joint manoeuvres and air defence systems). Moreover, a number of western diplomats underline the genuine "nuisance capacity" of this "totalitarian regime based on a political mafia right on the EU's doorstep".

#### ***4. Belarus' relations with the European institutions***

98. In 1997, to mark its disapproval of the increasingly authoritarian drift of the Belarus regime since 1996, the European Union defined a restrictive framework for its relations with Belarus: contacts at ministerial level with the Belarusian authorities would only be possible via the Presidency or Troika; ratification of the Partnership and Cooperation Agreement signed in 1995 was suspended; all assistance would go exclusively to directly supporting the democratisation process or to humanitarian projects.

99. The EU's relations with Belarus will continue to depend on the progress made towards democratisation and reform. In May 2004 the EU Commission submitted a proposal on relations with Belarus within the global framework of the European Neighbourhood Policy (ENP). The document setting out the ENP strategy notes that given the present circumstances in Belarus it cannot be granted the full benefit of the advantages offered by that policy. Belarus is nevertheless already eligible for the EU neighbourhood programmes and could in principle benefit from the new European Neighbourhood Instrument (ENI).

100. Belarus' relations with other European organisations are also difficult. A critical dialogue is being pursued to the extent possible. In 1997 the Parliamentary Assembly of the Council of Europe suspended the special guest status granted to the Belarusian Parliament in 1992. Belarus is today the only European state not to be a member of that Organisation.

101. As far as the WEU Assembly is concerned, Belarusian parliamentary representatives are from time to time invited to its plenary sessions where they may voice their concerns on security and defence matters. This was the case in June and December 2004, for example.

102. Following the expulsion of members of the OSCE Assistance and Monitoring Group (AMG) that had been in Minsk since 1998, fourteen EU member states began as of November 2002 applying visa restrictions to eight high-ranking Belarusian officials (including the President). The measures were lifted in March 2003 following the return of an OSCE office to Minsk, and in the light of the more constructive relations that the Belarusian authorities had established with this new mission on the ground. The OSCE office's mandate has already been renewed twice and remains valid until the end of 2005.

103. It will doubtless be difficult for Russia and the European institutions to agree on a common stance with regard to the Belarusian authorities, given the different, and in some cases, conflicting interests of Russia and the EU. Although relations with the President of Belarus are sometimes difficult, Russia is in favour of the present regime remaining in place in order to defend its economic interests in the country, given that a new president might be less favourable to Russia than Mr Lukashenko. The European institutions apply a policy of isolation and "critical dialogue" with regard to the Belarusian regime and would like, as a priority, to push forward the process of democratisation in Belarus.

## ***VI. Russian perceptions and influence***

104. Russia's neighbours do not fear a military threat from Russia, but they do perceive in the short, medium and long term a risk of political and economic destabilisation that could have negative repercussions for the surrounding countries.

105. The political system in Russia is stable for the moment, but it is based on personalities, rather than institutions, which are being dismantled both at regional and national level. Furthermore, Russia's political authorities are trying to extend their influence over the economic sector and there is no guarantee that this control over the business world will not be put to political use. Although President Putin will not be a candidate in the 2008 presidential elections (since a third mandate, in theory, is not possible), political destabilisation could follow in the wake of a wave of social discontent. Furthermore the situation in Chechnya, far from stabilising, is getting worse. The crisis has spilled over to regions close to the Czech Republic in the northern Caucasus and Russia. These are no longer acts of terrorism, but armed attacks in neighbouring Republics. Since 1999 Russia has pursued the same policy based on the use of force, refusing all outside intervention, putting in power pro-Russian authorities which are not representative of the local population and disseminating propaganda announcing the end of the war and a phase of "peaceful stabilisation".

106. The Russian economy has shown strong growth for several years. In 2004, economic growth was of the order of 7%. As a major oil producer Russia is benefiting from the current rises in oil prices. However, its economy is fragile and in need of radical structural reform in order to reduce its dependency on energy prices. Yet no in-depth reform is being conducted, quite the contrary. It looks as though president Putin is endeavouring to re-establish tight political control over the country's energy reserves. The trial of the Russian businessman Mikhail Khodorkovski led to Russia's leading oil company Yukos being dismantled and taken over by the State. Moreover, the Russian authorities are increasingly reticent about foreign investments in the energy, aeronautics and telecommunications sectors.

107. Population and health trends in Russia also give little cause for optimism in the long term. The population decline continues (Russia now has 143.5 million inhabitants, compared with 148 million in 1994). A striking example is the reported average age of 55 for workers in the military-industrial complex. Russian experts conclude that from the point of view of foreign policy and national security, the modernisation of the educational system is as important as, if not more significant than, reform of the armed forces<sup>9</sup>.

### ***1. The impact of Russian policy on the security of its close western neighbours***

108. Russia is playing an increasingly weighty role in economic exchanges with its close neighbours both to the west and south. Russia seems, then, to be exerting influence in its "near abroad" in a way that is new and perhaps more effective than during the Soviet era when relations were based essentially on political control and military might.

109. The Commonwealth of Independent States (CIS) was set up at Russia's initiative. It provides a framework for broad-based cooperation among most of the countries of the former Soviet Union in a range of areas (economic, political, cultural, security etc.). There are several hundred legal agreements in which states may choose to participate, headed by a Framework Agreement/Charter. On 8 December 1991, the Agreement instituting the CIS was signed in Minsk by Belarus, Russia and Ukraine. On 21 December 1991, a protocol to that Agreement, (also known as the Alma Ata Declaration) was signed by Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Uzbekistan, Tajikistan, Turkmenistan, Ukraine and Russia. In December 1993, Georgia joined the CIS. On 22 January 1993, the CIS Charter, encouraging the development and strengthening of relations between the different countries was opened for signature by the participating countries. Ukraine, for example, did not sign. In September 1993, an Agreement on Economic Union was also signed. The CIS is composed of numerous bodies, the main ones being the Council of the Heads of

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<sup>9</sup> See "What Russia sees", *Chaillot Paper* No. 74, collective work edited by Dov Lynch, January 2005, page 30, EU Institute for Security Studies Paris.

State, the Council of the Heads of Government, the Council of Foreign Ministers, the Council of Defence Ministers, the Council of Commanders-in-Chief of Frontier Troops, the Interparliamentary Assembly and Economic Council. Of the some hundred drafts that were submitted for ratification, only a few have become legally binding agreements, in particular, the CIS Charter, the Treaty on Economic Union and the Treaty on Collective Security.

110. The CIS Treaty on Collective Security was signed on 15 May 1992 in Tashkent by Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. Azerbaijan, Georgia and Belarus signed up to the Treaty in 1993. The other CIS member states – Moldova, Turkmenistan and Ukraine – did not sign the document. The Treaty came into force on 20 April 1994. On 2 April 1999, the Presidents of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan signed a Protocol extending the Treaty for a further five-year period. The Protocol also makes provision for automatic renewal of the Treaty for subsequent five-year periods. However, Azerbaijan, Georgia and Uzbekistan, which did not sign the Protocol, withdrew from the Treaty, which, as a consequence, now currently involves only six states (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan) out of the original nine.

111. The signatory states are not entitled to join military alliances or other groupings of states, and neither may they participate in any action directed against one of their co-signatories. An attack against one signatory state is perceived as an aggression against all parties to the Treaty.

112. The Collective Security Council is the supreme political body. It comprises heads of states and the Commander-in-Chief of the joint CIS armed forces and is chaired by each President in turn. The Council coordinates joint activities and is responsible for the decision to use armed forces for the purpose of repelling aggression. A Council of Defence Ministers and a Council of Foreign Ministers of the signatory countries are the supreme consultative bodies of the Collective Security Council. A Committee of National Security Council Secretaries was also established in May 2000 with the essential task of coordinating specific operations against international terrorism. In May 2001, it was decided to establish collective rapid deployment forces within the framework of the Collective Security Treaty. These forces are called on mostly to maintain peace and stability, as well as to fight terrorism in Central Asia. Forces under a CIS mandate are present in Abkhazia and Moldova, for example. Furthermore, a Convention on anti-terrorist activities was signed, a plan of work adopted and an anti-terrorist centre set up in Bishkek.

113. The CIS will doubtless continue to exist as an institutional structure for organising cooperation between Russia and its close neighbours. However, most independent experts agree that the CIS has produced scant tangible results and do not foresee its role and effectiveness being strengthened in the future. In spite of the numerous agreements that have been concluded in the CIS framework, particularly in the area of security, Russia feels isolated and sees itself as the only guarantor of its security. That sense of isolation seems to be increasing. For Russia the prospect of closing its military bases in Ukraine and Georgia and its withdrawal from Moldova constitute a weakening of its defence capabilities.

114. Some CIS countries are also involved in another cooperation project, GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova). Russia is absent from that political and economic cooperation structure set up in 1997 with the aim, in particular, of enhancing regional security and combating terrorism, organised crime and drug trafficking. Uzbekistan suspended its participation in 2002 due to the scant results achieved, and indeed it is true that so far GUUAM's activities have not been very extensive for want of means and political will. The states concerned are confronted with numerous internal political and economic problems and have not been able to give priority to regional cooperation. However, Georgia, Ukraine and Moldova have proposed reactivating that cooperation, a move which Russia would certainly view with suspicion. However, most experts are as pessimistic about GUUAM's chances of reinforcing its role as they are about strengthening the CIS.

115. Russia considers the Caspian Sea and Black Sea regions as strategic for its security. The United States also takes a close strategic interest in the Caucasus region close to Iran and Afghanistan. The Russians are concerned that a US military presence in the region, in the form of assistance with troop training and the modernisation of military installations, in particular in Georgia, Uzbekistan, and

Kyrgyzstan, will lead to a loss of Russian influence in the region. Russia is also irritated by the desire expressed by Georgia in particular for closer relations with the Euro-Atlantic area.

116. Major economic and energy interests are at stake for Russia, the United States and the EU countries. With steeply rising oil prices both the Europeans and Americans are seeking to diversify their sources and to secure supplies from non-Middle Eastern countries with large reserves, in Africa and above all Central Asia. To ensure access to the Caspian Sea region which has major reserves of hydrocarbons, several transport projects are under way, including a Baku-Tbilissi-Ceyhan oil pipeline (1 760 km long) to link up oilfields in Azerbaijan, via Georgia, with the Turkish port of Ceyhan, on the Mediterranean. It is due to come on stream in the second half of 2005. That pipeline (US\$ 4 billion) will only be profitable if it is also used to transport oil from Kazakhstan, but given the latter's plans with China, this looks uncertain. On 12 April, Bulgaria, Greece and Russia also signed an agreement to build by 2008 a 330 km oil pipeline from the Black Sea to the North Aegean, linking the ports of Burgas (Bulgaria) and Alexandroupolis (Greece).

117. Turkey is well placed to play an important role in stabilising the Black Sea and Caspian Sea area. It also has a strong economic presence in the Caucasus, as well as in Ukraine, Moldova, Russia and Belarus. It has, for example, taken an initiative on naval cooperation in the Black Sea known as "Blackseafor". The Agreement on the establishment of this Black Sea Naval Cooperation Task Group was signed in Istanbul in 2001 by Bulgaria, Georgia, Romania, the Russian Federation, Turkey and Ukraine. Its aim is to contribute to the further strengthening of friendship and mutual confidence among the Black Sea littoral states by enhancing cooperation and interoperability among the naval forces. Its activities essentially involve joint exercises, search and rescue operations, humanitarian assistance operations; mine countermeasures, environmental protection measures and goodwill visits. Nevertheless, some experts take the view that these confidence-building measures remain too marginal in light of the strongly diverging interests of the Black Sea littoral countries.

118. Russia also attaches strategic importance to the Baltic Sea. It viewed the accession of Estonia, Latvia and Lithuania to NATO and the EU with displeasure. The status of the Russian enclave of Kaliningrad has considerably strained relations between Lithuania and Russia. Furthermore, Russia has for years been putting off signing border treaties with Estonia and Latvia. Finally, for Russia the issue of the treatment of the Russian minorities (which make up over 20% of the total population of the Baltic States) is a recurring theme.

119. In the area of defence, NATO's installation of an air defence system in the Baltic States is perceived by Russia as a threat. Since 2004, Lithuania, Latvia and Estonia have been coordinating their air defence through the BALTNET network in preparation for their integration in the NATO integrated extended air defence system NATINEADS. Air surveillance is conducted using four allied F-16 combat aircraft and radar installations on various sites in the Baltic States. Russia is critical of those operational arrangements and of the radar in particular whose range necessarily extends over part of its territory.

120. Russia is also concerned about the installation of NATO radar structures in Poland and the possibility of US missile defence facilities being installed there on a bilateral basis. Poland for its part is critical of Russia's refusal to allow the modernisation of Mi 25 helicopters on Polish territory. It underlines that the most important NATO facility in Poland is the Joint Training Centre at Bydgoszcz. President Kwasniewski of Poland takes a moderate stance with regard to Russia, which nevertheless was extremely critical of his involvement in the political crisis in Ukraine last December. In spite of those political tensions, Poland remains Russia's most important economic partner in Central and eastern Europe. Trade between them amounted to US\$ 7 billion in 2004 and could reach 9 billion this year.

121. Poland wishes to act as a "bridge" between Russia and the EU, which does not always suit the EU which prefers to act on its own without necessarily having to go through an intermediary. Poland's eastern policy is based on three pillars: dropping all territorial claims vis-à-vis the eastern neighbours, supporting the independence and the political and economic modernisation of the countries separating it from Russia and promoting the integration of those countries in the West, through NATO and EU eastwards enlargement. In that context Poland attaches importance to the development of an active and

ambitious common policy, in particular with regard to Russia and in the area of the ESDP. In practice Poland is conducting an active policy of military cooperation at regional and European level. In November 2004 it announced that it would be the main contributor to an EU battlegroup formed with Germany, Slovakia, Latvia and Lithuania that should be operational by 2009. The Polish-Ukrainian Brigade stationed at Rzeszów and the Polish-Lithuanian Brigade at Orzysz could in future be merged into a three-nation corps. Regarding regional cooperation, meetings of the heads of the Russian, Polish, Ukrainian and Belarusian National Security Bureaus take place periodically.

122. Generally speaking, the impact of Russian policy on the security of its close western neighbours is due not only to Russia's present, but also past actions. For the EU's eastern neighbours, not all past accounts have been settled, as shown by the tension between Russia and the Baltic States concerning the commemoration of the 60<sup>th</sup> anniversary of the end of the second world war<sup>10</sup> or between Russia and Poland with regard to the question of recognition of the Katyn massacres and the dramatic consequences of the Ribbentrop-Molotov pact. History weighs heavily on security perceptions in the present and on Russia's relations with its neighbours.

## **2. Russia and European security**

123. After the fall of the Berlin wall in 1989, Russia faced the collapse of the USSR in 1991, the former Central European satellite countries' and the Baltic States' accession to NATO in 1999 and 2004, and the opening-up of Euro-Atlantic structures to the countries of eastern Europe and the Caucasus, notably through the Partnership for Peace within the framework of NATO. A vast country straddling Europe and Asia, Russia was also worried about China's continuing expansion (both economic and demographic) in Siberia. All these developments have combined to produce in Russia an almost unbearable sense of "loss" and isolation.

124. Moreover, Russia still has the reflexes of a "great power" which cause it to distrust alliances that might restrict its freedom of action. Russia has no plans to join NATO or the EU. Paradoxically, it is more optimistic about its relations with the Atlantic Alliance, with which it has managed to enter into dialogue on an equal footing, than with the European Union, which would impose numerous complex requirements on Russia without offering comparable political and economic advantages in return.

125. When the Warsaw Pact was dissolved, Russia hoped that the Atlantic Alliance would also be wound up. But, on the contrary, NATO expanded. So Russia had to resign itself to accepting this *de facto* situation. Today, Russia no longer regards the Atlantic Alliance as a military threat. Russia has gradually developed a relationship with NATO which appears to have reached maturity. Russia appears to be quite content with the dialogue on equal terms that Russia and NATO have managed to establish since 2002. It leaves it entirely free to plan and organise its national defence as it sees fit, since it clearly precludes any collective defence commitment. It does however allow effective cooperation between Russia and the Alliance countries in specific fields such as anti-terrorist activities or military exercises. It has been agreed, in particular, that Russia (and, in principle, Ukraine too) should participate in *Active Endeavour*, the forthcoming NATO operation for surveillance of the Mediterranean for possible terrorist activities (exchanges of letters are under way). According to some Russian political authorities, however, cooperation on non-proliferation and the fight against terrorism is still too theoretical.

126. On the contrary, Russia's perception of its relationship with the EU is that it is too "confused" and "complicated". This generates a strong sense of frustration. While there is no immediate prospect of accession to the EU, Russia considers that the terms imposed by the EU for strengthening its partnership with Russia bear no relation to the benefits Russia could hope to enjoy as a result. It has difficulty in accepting that the same terms should apply to it as to the other partner countries. Russia is also highly critical of the very idea of a European Neighbourhood Policy. It does not really see how the same process of rapprochement can apply to countries and regions as diverse as the EU neighbours

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<sup>10</sup> Although for Russia 9 May is exclusively the anniversary of the victory over Nazism, for the Baltic States above all it marks the beginning of their annexation by the USSR, which they equate with military occupation, political repression, mass deportations and large-scale and lasting economic recession.

in the east and those situated south of the Mediterranean<sup>11</sup>. It may well be right about this. It is also critical of the cumbersome and complex machinery of cooperation projects such as the TACIS programme (although Russia has received 2.6 billion euros in technical aid under the programme since 1991).

127. The Chairman of the Duma Foreign Affairs Committee, Konstantin Kosachev, considers that Russia has not yet made up its mind about the “European option”. Relationships based on conditions work well for countries that want to join the EU and have some prospect of doing so. But this type of relationship is inappropriate for countries, particularly major world powers like China and the United States, that are not going to join the EU. According to Mr Kosachev, Russia falls into neither category, hence its irritation at the EU’s demands, its unwillingness to take any steps to strengthen the relationship, and its reputation in the EU of being an “enfant terrible”. The political solution Mr Kosachev proposes is that Russia should be invited to enter into negotiations with a view to acceding to the EU. This would have the “excellent and sensible result” of requiring Russia to have a genuine debate on the “European option”. According to him, Russia regards itself as a great world power and is seeking at all costs to guard against the humiliation of applying to join the EU and being turned down.

128. Some diplomats think it not improbable that Russia’s openly critical stance with regard to its relations with the EU are in fact part of a strategy aimed at obtaining more concessions from its EU interlocutors in the ongoing renegotiation of EU/Russia relations. Indeed, although the EU rules out all prospects of Russian membership, it is taking action to strengthen its existing cooperation with Russia.

129. In June 1994, the EU and Russia concluded a Partnership and Cooperation Agreement (PCA) which came into force on 1 December 1997. The EU also adopted Common Strategy on Russia in June 1999. Political dialogue with Russia takes place in various meetings, in particular in the Troika format (Presidency, CFSP High Representative and Commission). Two EU-Russia summits take place each year. At the Saint Petersburg Summit in May 2003 it was decided to strengthen the existing Cooperation Council by transforming it into the EU-Russia Permanent Partnership Council (PPC). At the 15<sup>th</sup> EU-Russia Summit of 10 May 2005 in Moscow, the EU Presidency and Russia reached agreement on a balanced “package” of roadmaps for the four common areas (the economy, security/freedom/justice, external security, research/education/culture) that are to provide a structure for EU-Russia relations within the Partnership and Cooperation Agreement. Roadmaps were drawn up setting out objectives to be attained in each of those common areas over the next few years. External security was the area which posed the biggest problem. Russia refused the concept of a “common neighbourhood” proposed by the EU with a view to endeavouring together to resolve the political problems existing in countries like Moldova and Georgia. It expressed a preference for action to be taken through the bilateral instruments and channels which each party has with the relevant countries.

130. In the area of security policy Russia and the EU share a number of strategic interests, but there are also some points on which their strategic interests diverge. The two partners face two common threats in particular: the proliferation of weapons of mass destruction and terrorism. However, their interests diverge on several other issues pertaining to security in the broad sense. Concerning Russia’s territorial integrity, tensions persist between the EU and Russia on the question of the Kaliningrad enclave.

131. Kaliningrad is a region under Russia sovereignty that is sandwiched between Poland and Lithuania. It covers an area of 15 000 km<sup>2</sup> and has a population of 948 000, some 80% of whom are Russian. Since 1991, when the Baltic States joined the EU and Belarus achieved independence, Kaliningrad has been cut off from mainland Russia some 500 kilometres away. Although the armed forces stationed there were reduced from 200 000 in 1991 to 18 000 in 2000, Kaliningrad remains a key component of Russia’s military presence in the Baltic region. It is the only Baltic Sea port which does not freeze up in winter and most of Russia’s Baltic Sea fleet is still stationed there. However, the fleet is two thirds smaller than it was during the soviet era. The accession of Poland and Lithuania to

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<sup>11</sup> The European Neighbourhood Policy (ENP) covers both the new independent eastern countries (Ukraine, Moldova, Belarus), Russia, Southern Caucasus (Armenia, Azerbaijan, Georgia) and the Southern Mediterranean countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria, Tunisia).

the European Union in 2004 has made the *oblast* a Russian enclave within the EU. On 11 November 2002, the EU and Russia reached agreement on a set of measures to facilitate transit between the region of Kaliningrad and the rest of Russia. However, this has not solved all the problems. The economic and social situation has continued to deteriorate in comparison to that of its Baltic and Polish neighbours, providing a breeding-ground for the development of organised crime and smuggling. The standard of living in Kaliningrad is reported as being below the average in Russia and 30% of its inhabitants are living below the poverty line. The enclave has one of the highest rates of HIV infection in the whole of Europe. There are also major risks of pollution in this region which is still highly militarised. Some Baltic observers claim that Russia is not making any effort to invest the funds provided by the EU with a view to improving the economic, health and social situation (50 million euros from 1991 to 2003, and as much again for the period 2004 to 2006). They consider that this might be a deliberate strategy aimed at giving Russia leverage in its later negotiations with the EU on other issues.

132. Regarding NATO enlargement, the European members of the Alliance do not share Russia's perceptions with regard, for example, to the matter of air defence in the Baltic States. The two parties also up until now have had different interests with regard to the conflict in Transdniestria, with Russia preferring to maintain a military presence and the EU in favour of Moldova's territorial integrity. More broadly speaking, as regards security of energy supplies, it is in the interest of the EU states as consumers of raw materials for energy to buy oil and gas cheaply as possible, while Russia as a major producer wants to sell its oil and gas at the highest possible prices. In the social area, Russia perceives the brain drain of its young intellectuals towards western Europe and the United States as a threat to its security.

133. Concerning the ESDP, Russia considers the EU decision-making process to be too closed to its outside partners, who are only invited to join an operation once the decision has been taken among the EU member states. The Russians criticise the fact that they cannot bring any influence to bear earlier on in the EU decision-making process.

134. As regards peacekeeping, Russia has withdrawn all its troops from the Balkans. In practice all its operational troops are mobilised as a priority for Chechnya, making it difficult for Russia to participate in other military operations. Specific cooperation projects have nevertheless been set up in the operational area. Russia cooperates for example with the EU Satellite Centre in Torrejón, Spain. Armaments cooperation projects could also be developed if there was the political will to do so, in particular in the aerospace sector and the more controversial area of missile defence.

135. The Partnership and Cooperation Agreement concluded between the EU and Russia for a period of ten years is due to expire in 2007. The Russian authorities have already announced that they do not wish to renew the Agreement as it stands. The EU must therefore give thought to the type of agreement it could conclude with Russia. In particular it should identify those parts of the current Agreement that remain relevant and could be incorporated in a future new agreement, as well as making new proposals. It will also be necessary to ensure that the roadmaps adopted for the four "common spaces" are effectively implemented.

136. With regard to the OSCE, Russia was recently very critical of the Organisation which it accuses of placing too much stress on democratic reform and humanitarian issues to the detriment of security questions. It also claimed that the Organisation was focusing too selectively on the Balkans region and the former USSR countries and that it was applying double standards. Russia blocked the adoption of the OSCE's 2005 budget, calling for a better balance among its three areas of activity (humanitarian, security and economic). The EU states (which account for 70% of the OSCE budget) are prepared to adjust the balance, provided that the humanitarian dimension is preserved. The EU stresses in particular the quality of the election-monitoring work that is done by the OSCE (to be continued).

137. The 19 November 1990 Treaty on Conventional Forces in Europe (CFE) set ceilings on five categories of Treaty Limited Equipment – battle tanks, armoured combat vehicles, artillery pieces of at least 100 mm calibre, combat planes and attack helicopters – in a zone extending from the Atlantic Ocean to the Urals. On 19 November 1999, an Agreement on Adaptation of the CFE Treaty was adopted to take into account the emergence of new states following the break-up of the Soviet Union.

The 1999 Final Act of the Conference of States Party to the CFE Treaty together with its annexes makes provision for binding political arrangements concerning the northern Caucasus and Central and eastern Europe and the withdrawal of armed forces from foreign territory. Russia attaches great importance to the new NATO member states signing of the adapted CFE Treaty. The Baltic States have announced their readiness to sign up to the CFE Treaty, but that will only be possible once all the signatory states have ratified the Agreement on Adaptation of the Treaty. This matter has become a bone of contention between Russia and the NATO states. The latter are calling for the prior withdrawal of the Russian troops from Moldova and Georgia, in compliance with the Istanbul Agreements adopted at the OSCE Summit on 18 and 19 November 1999, while Moscow refuses to establish any link between those troop withdrawals and ratification of the adapted CFE Treaty.

138. Generally speaking, Russia feels excluded from the important security decisions that concern it directly and takes the view that it is constantly being presented with a *fait accompli*. Poland, the Baltic States and now Ukraine and Moldova are calling for a friendly dialogue with their big neighbour, but remain very wary of Russia. It would make sense to open channels of dialogue with Russia, both at bilateral level and in the EU framework. As a priority there should be a dialogue on the conditions for democracy, a key component of security. Differences of appreciation in the area of democracy are a potential source of conflict. Without calling into question the universal nature of the major democratic principles, it has to be accepted that the application of democratic standards can only be a gradual process and must take on board cultural factors.

### ***VII. Conclusions***

139. There is general agreement that armed conflict at the eastern borders of the European Union is unlikely, although there may be incidents, in particular in Transdnistria. The main security risks reside with the potentially destabilising effects within the EU's eastern neighbours of the transition process, as well as with organised crime and the fact of the latter's being hand in glove with certain political figures. Many people we talked to take the view that the speedy dismantling of the post-Soviet model (Georgia, Ukraine, Kyrgyzstan) could also enhance security on the EU's eastern borders provided that the Union adopts an active common policy to support the process of rapprochement with its eastern neighbours.

140. Russia is a key player in the region's security. Its neighbours make no bones about their concerns regarding possible internal developments there and the risks of political, economic and social destabilisation resulting from a drift towards authoritarianism, the inadequacy of economic reforms, excessive energy dependency and the Chechen crisis. In the present situation the "Russian danger" does not appear to be of a military nature. Russia will bring its influence to bear through a stronger economic presence in politically fragile states. Some political figures dissociate themselves from these fears and take the view that President Putin is capable of accepting "decolonialisation" provided that Russia keeps a strong economic hand on the tiller in three key countries at least: Kazakhstan, Ukraine and Belarus.

141. Central European countries that are EU members, especially Poland and the Baltic States, and the EU's eastern neighbours, particularly Ukraine and Moldova, are very keen to see the EU develop active, direct, ambitious and uncompromising policies with regard to Russia.

142. Russia for its part deplors the absence of a "real dialogue" and the EU's failure to take on board Moscow's concerns in its attempt to build a relationship with Russia on its own terms. The Russian authorities are however optimistic about the possibility of founding cooperation based on democracy and market economy.

143. In 2003 the European Security Strategy already underlined that "It is not in our interest that enlargement should create new dividing lines in Europe. We need to extend the benefits of economic and political cooperation to our neighbours in the east while tackling political problems there. (...) The best protection for our security is a world of well-governed democratic states. (...) Trade and development policies can be powerful tools for promoting reform."

144. It would seem that the European Union is blessed with the ability to induct others – something between the power to attract and to absorb – which makes it the most effective instrument for peaceful

regime-change through cooperation that modern history has known. These are qualities that have in the past led to the gradual and peaceful integration of western Europe. They are now making possible integration of the countries of Central Europe and will in future no doubt mean that eastern European countries can also join the European fold, to the greater security of the continent of Europe. And yet, if it is to have an effective role in security matters, the EU must waste no more time in arriving at a clear definition of how it views those countries. Whatever the case may be, the EU's contribution to economic and democratic development will not, on its own, be enough to create the conditions for security and stability as long the social problems linked in particular with the distribution of wealth and proper application of the rules of competition are not dealt with in parallel.

## **APPENDIX**

### ***Programme of the fact-finding missions to Belarus, Ukraine, Russia and Poland for Jean-Pierre Masseret, Rapporteur (France, Socialist Group) and Abdülkadir Ateş, co-Rapporteur (Turkey, Socialist Group)***

*The Rapporteurs wish to thank the authorities of the four countries they visited and the Ambassadors of France and Turkey who organised their meetings and discussions:  
H.E. Mr Stéphane Chmielewsky, Ambassador of France to Belarus, H.E. Mr Philippe de Suremain, Ambassador of France to Ukraine, H.E. Mr Pierre Ménat, Ambassador of France to Poland and  
H.E. Ms Binur Fertekliġil, Ambassador of Turkey to Belarus, H.E. Mr Ali Bilge Cankorel, Ambassador of Turkey to Ukraine, H.E. Mr Kurtulus Taşkent, Ambassador of Turkey to Russia,  
H.E. Mr Ecvet Tezcan, Ambassador of Turkey to Poland.*

#### ***Belarus***

*1 March 2005*

Meeting with representatives of the National Assembly  
Meeting with the Head of the International Security Directorate, Ministry of Foreign Affairs, Mr Alexander Baïchorov  
Meeting with the Minister for Defence, Mr. Leonid Maltsev  
Meeting with the Head of the Belarusian Delegation to the WEU Assembly, Chairman of the Standing Committee on Foreign Affairs and National Security of the Council of the Republic, Mr Nikolai Cherginets  
Meetings with representatives of civil society

#### ***Ukraine***

*2 March 2005*

Meeting with the Deputy Secretary of the National Security and Defence Council of Ukraine, Mr PyrozHKov  
Meeting with the Deputy Foreign Minister, Mr Shamshur  
Meeting with the Head of the National Security and Defence Committee, Mr Kryuchkov

*3 March 2005*

Meeting with the Acting Chairman of the Committee for European Integration, Mr Zarubinskiy  
Meeting with the Deputy Minister for Defence, Mr Polyakov

#### ***Russia***

*4 March 2005*

Meeting with the Director of the Konrad Adenauer Fund, Mr Andrey Zagorsky  
Meeting with Mr Nikolay Uspensky, Counsellor at the Russian Federation Security Council  
Meeting with the Head of the Foreign Relations Committee of the State Duma, Mr Konstantin Kosachev

***Poland***

*29 March 2005*

Meeting with the Chief of National Security Bureau, Deputy Minister Mr Balachowicz  
Meeting with the Under-Secretary of State in the Ministry of Defence, Mr Maciej Gorski

*30 March 2005*

Meeting with experts of the Institute of Eastern Studies  
Meeting with the Under-Secretary of State in the Ministry of Defence, Mr Piotr Switalski  
Meeting with the Chairman of the Defence Committee of the Sejm, Mr Janas and with the Vice-Chairman of the Foreign Affairs Committee of the Sejm, Mr Iwinski  
Lunch hosted by the Chairman of the Polish Delegation to the WEU Assembly, Mr Lorenz  
Meeting with the Chairman of the Senate Defence Committee, Mr Pietrzak and with the Chairman of the Senate Foreign Affairs Committee, Mr Kulak  
Meeting with the Russian Ambassador to Poland, H.E. Mr Afanassievski

***Moldova***

*5 April 2005*

Meeting with the Moldovan Ambassador to France, H.E. Mr Andrei Neguta

**DRAFT RECOMMENDATION**

***on security cooperation between the EU and its eastern neighbours***

The Assembly,

- (i) Considering the importance that the EU attaches to promoting close cooperative relations with its eastern neighbours;
- (ii) Noting in particular the need to create the conditions for stronger cooperation on specific security issues;
- (iii) Stressing that the fight against corruption and mafia activities (drug trafficking, illegal immigration, trafficking in women, illegal adoption and criminal mercenaries) is a priority for the EU's eastern neighbours;
- (iv) Noting that many regional conflicts on the EU's borders are deliberately being fuelled by the mafia and their political connections;
- (v) Stressing the geostrategic and economic importance of Ukraine for the European Union and welcoming the positive political developments which have taken place in Ukraine following the December 2004 presidential elections;
- (vi) Aware of the extent of the economic and social reforms that need to be carried out in Ukraine and of the political issues at stake in the parliamentary elections of March 2006;
- (vii) Noting with satisfaction the political resolve expressed by the new Ukrainian authorities to develop closer relations with the EU and NATO;
- (viii) Welcoming the signature of the EU/Ukraine Action Plan on 21 February 2005 and the additional measures adopted with a view to strengthening it;
- (ix) Concerned about the existence of as yet unresolved border conflicts between Ukraine and Russia and between Ukraine and Romania;
- (x) Considering the results of the recent parliamentary elections in Moldova and welcoming the political will of the Moldovan authorities to develop closer relations with the EU;
- (xi) Concerned about the conflict in Transdniestria which has been going on for more than twelve years and supporting the Moldovan authorities in their desire to broaden the format of the negotiations that are being conducted in order to resolve the conflict;
- (xii) Taking the view that Russia should make a supplementary effort to contribute to the settlement of the status of Transdniestria;
- (xiii) Welcoming the appointment in March 2005 of an EU Special Representative for Moldova and the desire expressed by the EU to contribute to a settlement of the conflict in Transdniestria;
- (xiv) Expressing the hope that the new Ukrainian authorities will cooperate actively in the efforts to resolve the conflict in Transdniestria, in particular by stepping up controls along the Moldovan-Ukrainian border;
- (xv) Concerned about the persistent unwillingness of the Belarus authorities to create the necessary conditions for democratic progress in that country;
- (xvi) Aware that the development of the EU's relations with Belarus will depend on the progress the authorities in that country make towards democratisation;
- (xvii) Considering the special relationship between Russia and Belarus, in particular in the area of defence;
- (xviii) Stressing the need to deepen the strategic partnership between Russia and the European Union and welcoming the outcome of the 15<sup>th</sup> EU-Russia Summit of 10 May 2005 in Moscow, especially the

agreement on a package of roadmaps for the creation of four common EU-Russia areas (the economy, security/freedom/justice, external security, research/education/culture);

(xix) Considering it indispensable to ensure quick and efficient implementation of the agreements concluded between the EU and Russia, in particular in the area of security;

(xx) Considering that differences in the assessment of democratic standards are also a potential source of dispute;

(xxi) Aware that those EU member states which are Russia's immediate neighbours, in particular Finland, Poland and the Baltic States, are particularly keen to see the development of a constructive common policy with regard to Russia;

(xxii) Stressing the importance of the mutual economic interests of Russia, the EU member states and the EU's eastern neighbours while recognising that they may have divergent security interests;

(xxiii) Recalling Assembly Recommendation 697 adopted unanimously on 4 December 2001, which urged the Council to "request the EU to further intensify dialogue and cooperation with Russia on political and security issues and in particular on developments in Belarus, Moldova and Ukraine where both have a common interest in security, stability and economic development";

(xxiv) Recalling also Assembly Recommendation 715 adopted unanimously on 3 December 2002, which urged the Council to "pursue its efforts to assist Ukraine, Belarus and Moldova in the process of political democratisation and the liberalisation of trade relations" and to "continue actively to strengthen the strategic partnership with Russia",

RECOMMENDS THAT THE COUNCIL REQUEST THE WEU COUNTRIES TO INVITE THE EU TO:

1. Take immediate steps to open up CFSP activities more broadly to Ukraine;
2. Strengthen dialogue with Ukraine with a view to evaluating its prospects of closer links with the EU;
3. Offer Moldova the prospect of integration in the stabilisation and association process for south-eastern Europe;
4. Secure an undertaking from the parties involved in negotiations on the conflict in Transnistria to become more closely involved alongside the EU, in a broader negotiating framework, with a view to finding a definitive solution to the conflict;
5. Increase cooperation between the member states of the EU and its neighbours in the fight against organised crime, in particular by strengthening border controls and cross-border cooperation;
6. Engage in dialogue with Russia on the conditions for and principles of democracy as a key component of security.

*Amendments 1 – 3 and sub-amendments*<sup>12</sup>

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**AMENDMENT 1**

*tabled by Klaus Werner Jonas (Germany, Socialist Group)*

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1. At the end of recital *vi* of the preamble to the draft recommendation, add the words:

“and convinced that the reform process needs active foreign assistance that has practical effect on the daily lives of the Ukrainian people;”

*Signed: Jonas*

**SUB-AMENDMENT TO AMENDMENT 1**

*tabled by Jean-Pierre Masseret, Rapporteur (France, Socialist Group)*

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In Amendment 1, delete the words “needs active foreign assistance that has practical effect on the daily lives of the Ukrainian people” and insert:

“needs specific aid from the European Union that will have a practical effect on the social and democratic situation of the Ukrainian people;”

*Signed: Massaret*

**AMENDMENT 2**

*tabled by Klaus Werner Jonas (Germany, Socialist Group)*

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2. After paragraph 2 of the draft recommendation proper, add the following new paragraph:

“Provide more support to the democratic movement and the development of civil society in Belarus;”

*Signed: Jonas*

**SUB-AMENDMENT TO AMENDMENT 2**

*tabled by Jean-Pierre Masseret, Rapporteur (France, Socialist Group)*

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In Amendment 2, delete the words “and the development of civil society”

*Signed: Massaret*

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<sup>12</sup> See 3<sup>rd</sup> sitting, 14 June 2005 (Amendments 1 and 2 adopted as amended. Amendment 3 rejected).

**AMENDMENT 3**

*tabled by Klaus Werner Jonas (Germany, Socialist Group)*

3. After paragraph 6 of the draft recommendation proper, add the following new paragraph:  
“Step up its contribution to attempts at conflict resolution in the Caucasus and to the economic and social reconstruction in the region.”

*Signed: Jonas*



