EU-RUSSIA SUMMIT

(BRUSSELS, 15 December 2011)

The European Union and Russia are not only neighbours, but also strategic partners.

At the upcoming summit, the EU will be represented by Herman Van Rompuy, President of the European Council, and by José Manuel Barroso, President of the European Commission. Catherine Ashton, High Representative of the Union for Foreign Affairs and Security Policy, will also take part. Russia will be represented by Dmitry Medvedev, President of Russia. Foreign Minister Sergey Lavrov will also participate.

The summit will take place over two days, beginning with an informal dinner on 14 December and continuing with a plenary session on the morning of 15 December, followed by a working lunch and a press conference.

The parties are expected to discuss the following issues:

- the global economy and global governance issues;
- EU-Russia relations;
- regional and international issues, including the developments in North Africa, the Middle East Iran and the Southern Caucasus.

The summit will welcome Russia's WTO accession, which is due to be formally approved at the WTO ministerial conference the following day. In this context, leaders will also welcome agreements reached on Siberian overflight charges. Concerning the overflight royalties for routes to Asian destinations, a political agreement has been reached on their phasing out. As of 2014, all charges shall be cost-related and be paid to the responsible authorities.

In addition, leaders will take concrete steps to facilitate the mobility of citizens: The summit will launch the implementation of common steps towards visa-free short-term travel for Russian and European citizens: It is a list of actions for both the EU and the Russian Federation to implement in preparation for visa-free travel for short-term stays. These concern document security, for example the introduction of biometric passports; combating illegal immigration and border management; public order, security and judicial cooperation, including the fight against transnational organized crime, terrorism and corruption.
The Summit will welcome good progress made in negotiations on an upgraded visa facilitation agreement, which we expect to finalize in January: This renegotiated version of an agreement dating from 2007 will enlarge the categories of citizens that can benefit and bring it in line with the EU Visa Code.

The summit will also welcome the extension of the local border traffic regulation for citizens of Kaliningrad: This means that citizens from the entire oblast of Kaliningrad as well as a specific border area on the Polish side can benefit from visa-free travel to one another. Previously, this facility did not apply to the entire Kaliningrad region.

**A growing economic relationship**

Economic ties between Russia and the EU have grown substantially over the last years. Russia remains the EU’s third most important trading partner in goods (after the US and China), with 87 billion EUR in exports to Russia (6.4% of all EU exports, 4th place after US, China, Switzerland) and 158 billion EUR in imports in 2010 (10.5% of all EU imports, 3rd place after China and US, mostly natural resources). The EU is thus by far the largest market for Russian goods.

In 2010, both imports and exports rose by approximately 32% compared to 2009, after having been hit by the global economic crisis. Russia’s total account surplus rose by 47% compared to 2009 and reached $ 79 billion in 2010.

More specifically, Russia is the EU’s most important single supplier of energy products, accounting for over 23% of the EU consumption of gas and 30% of its total crude oil consumption. In turn, Russia’s economy remains highly dependent on the export of energy raw materials, with the EU as its most important destination. In 2010 63% of Russia’s exports consisted of crude oil, oil products and natural gas. The EU accounts for 88% of Russia's total oil exports, 70% of its gas exports and 50% of its coal exports.

**Financial cooperation**

Financial cooperation with Russia began in the early 1990s, under the TACIS program, which has in the meantime been replaced by the European Neighbourhood and Partnership Instrument. To help smooth Russia’s transition, a whole range of sectors were supported. Since 1991, a total of around €2.8 billion of assistance was provided through the European Commission. A number of TACIS projects are still being implemented until 2013.

Given the significant recent improvements in the Russian Federation’s fiscal position, the need for large volumes of financial assistance has declined. In fact, Russia herself has become a donor. Financial cooperation is now specifically targeted to meet the objectives defined in the road-maps to the EU-Russia Common Spaces. Cooperation is now carried out on the principle of co-financing by the EU and Russia. Most notably, Russia is co-financing Cross Border Cooperation programmes. Emphasis is on higher education cooperation, with Erasmus Mundus and Tempus supporting mobility of students and teaching staff.
Furthermore, funding for Russia also came from the **Nuclear Safety** Instrument (€500 million since 1991) and a number of other thematic programs. The European **Democracy and Human Rights** Instrument (EIDHR) financed 14 human rights projects in Russia in 2010 for nearly €2 million, and the **Institution Building** Partnership Programme supported 16 projects with NGOs for a total of €5 million.

**EU-Russia relations - background**

The legal basis for EU relations with Russia is the Partnership and Cooperation Agreement (PCA) which came into force on 1 December 1997 for an initial duration of 10 years, and which has been automatically extended beyond 2007 on an annual basis. It sets the principal common objectives, establishes the institutional framework for bilateral contacts, and calls for activities and dialogue in a number of areas.

The EU is currently working with Russia on a new agreement to replace the PCA. Both the EU and Russia have experienced many political, economic and social changes since the entry into force of the PCA in 1997. The new agreement must reflect these changes as well as the new challenges linked to the globalised world in which we are living.

Since 2005 the EU and Russia have held regular, six-monthly human rights consultations. They have provided for a substantial dialogue on human rights issues in Russia and the EU and on EU-Russian cooperation on human rights issues in international fora.

The EU has raised with Russia issues including the human rights situation in Chechnya and the North Caucasus; freedom of expression and assembly, including freedom of the media; the situation of civil society in Russia, notably in light of the laws on NGOs and extremist activities; the functioning of the judiciary and its independence; the observation of human rights standards by law enforcement officials; racism and xenophobia; legislation relating to elections. For its part the Russian side raises matters of concern to it in developments inside the EU.

At the St. Petersburg summit in May 2003, the EU and Russia agreed to reinforce their cooperation by creating four "common spaces":

- the Common Economic Space aiming to make the EU and Russia’s economies more compatible to help boost investment and trade;

- the Common Space on Freedom, Security and Justice covering justice, home affairs, the rule of law and human rights;

- the Common Space on External Security aiming to enhance cooperation on foreign policy and security issues; and

- the Common Space on Research, Education and Culture aiming to promote scientific, educational and cultural cooperation.