**The European Union and the Russian Federation**

The EU and Russia recognise each other as key partners on the international scene and cooperate on a number of issues of mutual interest.

**Political relations**

The role of the Delegation involves reflecting upon political events, developments and trends within Russia, as well as between the EU and the Russian Federation, while at the same time supporting the EU-Russia political dialogue.

The Delegation thus monitors political life in the country, including issues relating to the areas of human rights, justice, freedom and security, and developments in Russia's foreign (and defence) policy.

Since 2014 the illegal annexation of Crimea and the conflict in Eastern Ukraine have seriously affected the bilateral political dialogue. As a result, some of the policy dialogues and mechanisms of cooperation are temporarily frozen, and sanctions directed at promoting a change in Russia's actions in Ukraine have been adopted. However, Russia remains a natural partner for the EU and a strategic player combating the regional and global challenges.

Russia is the EU's largest neighbour, which has always been reflected in extensive cooperation and exchange over the 25 years prior to the current crisis. Russia is a key player in the UN Security Council and, due to history, geographic proximity and cultural links, is one of the key players in Europe and its neighbourhood. Russia is also a major supplier of energy products to the EU and a large, dynamic market for EU goods and services, with considerable economic growth.

As members of the United Nations, the Organisation for Security and Cooperation in Europe (OSCE) and the Council of Europe, the EU and Russia are committed to upholding and respecting the fundamental values and principles of democracy, human rights, the rule of law and the market economy. These values underpin the EU-Russia relationship.

The current legal basis for EU-Russia relations is the Partnership and Cooperation Agreement (PCA) which came into force in 1997, initially for 10 years. Since 2007 it has been renewed annually. It established a political framework for regular consultation between the EU and Russia, based on the principles of respect for democracy and human rights, political and economic freedom, and commitment to international peace and security. Furthermore, the PCA is complemented by sectorial agreements covering a wide range of policy areas, including political dialogue, trade, science and
technology, education, energy and environment, transport, and prevention of illegal activities. Some of these dialogues and consultations have been suspended following the annexation of Crimea.

EU restrictive measures in response to crisis in Ukraine (update 2019)

International Cooperation

Modern day challenges can best be approached through a sense of joint responsibility and understanding. The EU works in close cooperation with international partners, including Russia. A broad range of foreign policy questions, including security, are best approached through a sense of mutual understanding and concern.

Both the EU and Russia have a long record of cooperation on issues of bilateral and international concern including climate change, migration, drugs trafficking, trafficking of human beings, organised crime, counter-terrorism, non-proliferation, the Middle East peace process, and protection of human rights.

Furthermore, the EU develops a range of informal operational contacts that allow for a detailed understanding of Russian priorities and policies on international issues, provide early warning of potential problems and support the coordination of policy planning.

Common spaces

Ongoing EU-Russia cooperation covers 4 policy areas — referred to as common spaces:

- economy & the environment;
- freedom, security & justice (all negotiations and high-level dialogues are suspended, except technical level meetings);
- external security;
- research & education, including cultural aspects.

Additional opportunities for EU-Russia dialogue include:

- Permanent Partnership Councils (PPCs): allowing Ministers responsible for various policy areas to meet as often as necessary.
- Partnership for Modernisation: focusing on economic and judicial reform alongside support to civil society. The facility complements EU human rights initiatives such as the European Instrument for Democracy and Human Rights (EIDHR) which provides support to victims of abuse, strengthens civil society and the rule of law, and seeks to ensure democratic election processes. It also fits well with successful regional cooperation across the areas of environment, transport, culture and health in the Northern Dimension Partnerships.

Economic relations

Since 1997 the Partnership and Cooperation Agreement has been the general framework of EU-Russia political and economic relations. One of the main objectives of this agreement is the promotion of
trade and investment as well as the development of harmonious economic relations between the EU and Russia. The Partnership and Cooperation Agreement was supposed to be upgraded through the negotiation of a New EU-Russia Agreement, providing a comprehensive framework for bilateral relations. The New Agreement should have built on the WTO rules and included stable, predictable and balanced rules for bilateral trade and investment relations. Negotiations started in 2008, but they were stopped in 2010 because no progress was made in the Trade and Investment part.

The EU is nonetheless by far Russia's main trading and investment partner, while Russia as the EU's fourth trade partner is also its largest oil, gas, uranium and coal supplier, important for the EU energy needs. This economic inter-dependence of supply, demand, investment and knowledge resulted in numerous joint commitments to maintain good economic relations with a specific focus on energy cooperation offering energy security and economic growth to both sides.

However, the illegal annexation of Crimea and the destabilization of Ukraine led to a revision of the EU-Russia relations, including the suspension of formal activities under the PCA as well as the formal suspension of negotiations on the New Agreement. Targeted restrictive measures against certain Russian entities and individuals, as well as measures aimed at trade and investment in Crimea, were also adopted in 2014 and prolonged ever since.

Trade between the two economies showed steep growth rates until mid-2008 when the trend was interrupted by the economic crisis and unilateral measures adopted by Russia which had a negative impact on the EU-Russia trade. Since 2010 mutual trade has resumed its growth, reaching record levels in 2012. In 2012 Russia joined the WTO further expanding opportunities for economic relations with the EU and other foreign partners. However, problems remain with the Russian implementation of the WTO commitments which has had an impact on further growth. Indeed, bilateral trade declined already in 2013 and it further went down in 2014 against the backdrop of economic difficulties in Russia and trade restrictions introduced by Russia on food imports. The strong depreciation of the RUR, the fall in global commodity prices and the protracted economic recession in Russia led to a further contraction in bilateral economic relations.

Trade relations

The EU is Russia's main trading and investment partner, while Russia is the EU's fourth trade partner. In 2015 EU exports to Russia totaled €73.9 billion, while EU imports from Russia amounted to €135.8 billion. The EU trade deficit with Russia was therefore €61.9 billion in 2015, and it is primarily the result of significant EU imports of energy products from Russia.

The internal economic difficulties in Russia, the strong depreciation of the RUR and the fall in global commodity prices have resulted in a drop in Russia's trade with nearly all partners: in 2015 -37% for trade with the EU, -28% for trade with China, -32% with Belarus, -26% with Turkey, -31% with Japan, -28% with the USA, -34% with South Korea. Russia, accounted by 10% of the EU's trade in 2012, currently accounts for less than 6% (and 4% of EU exports). Russia still remains an important trade partner for the EU.

The EU is by far the largest investor in Russia. The total stock of foreign direct investment in Russia originating from the EU approached €170 billion in 2014.

Following Russia's illegal annexation of Crimea in March 2014 and its role in the conflict in Eastern Ukraine, the EU imposed restrictive measures, including targeted economic measures, against Russia. In turn, Russia imposed restrictions on the import of agricultural and food products from the EU.
Energy

The Energy Union

The EU's energy policy, including towards such an important external partner as Russia, is based on the concept of Energy Union, which has as an objective to make energy more secure, affordable and sustainable. The EU's Energy Union strategy is made up of 5 closely related and mutually reinforcing dimensions:

- Security, solidarity and trust
- A fully-integrated internal energy market
- Energy efficiency
- Climate action - decarbonising the economy
- Research, innovation and competitiveness

The importance of the EU-Russia energy cooperation

Russia is the largest oil, gas, uranium and coal exporter to the EU. Likewise, the EU by far the largest trade partner of the Russian Federation. Based on this mutual interdependence and common interests in the energy sector, the EU and Russia developed an energy partnership and launched the EU-Russia Energy Dialogue in 2000.

The EU is ready to cooperate with Russia in further developing a number of market principles in the energy sector, such as: an energy efficiency and saving policy, investment facilitation and protection, the right of access to energy transport infrastructure, network operators’ independence from the natural monopoly producers, sector regulation, and reform of monopolies.

EU-Russia Energy Dialogue

To be noted that since 2014, and alongside with many other sectoral dialogues between the EU and Russia, discussions in the framework of the formal Energy Dialogue format have been suspended. However, regular dialogue continued to take place on an ad-hoc basis (as for example the trilateral gas talks between Russia, Ukraine and the EU aimed to insure an uninterrupted supply of gas to and through Ukraine, including after 2019).

The aim of the Energy Dialogue, as put in place in 2000, is to develop a long-term energy partnership between the EU and Russia. The Dialogue is focused on oil and natural gas, energy efficiency, cooperation in the interconnection of the European Union and Russia’s electricity grids, trade and enhancing the safe use of nuclear materials.

Russia and the EU both seek to ensure stable energy markets, and to secure reliable exports and imports. Both wish to see improved energy efficiency and a reduction in greenhouse gas emissions from energy production and use in their respective economies.

Against this background, the EU-Russia Energy Dialogue has identified a number of common and complementary interests for which concrete actions for the short and medium-term are implemented.

These areas include:

- Ensuring reliable energy supplies in the short and long-term future;
- Increasing energy efficiency;
- Securing long term investment;
- Opening up energy markets;
- Diversifying the range of imports and exports of energy products;
- Enhancing the technological base of the energy sector of the economy;
- Developing the legal basis for energy production and transport;
- Ensuring the physical security of transport networks;
- Alleviating the impacts of the economic and financial crisis on the energy sector.

The Dialogue also has an environmental aspect as it aims to reduce the impact energy infrastructure causes on the environment, to encourage the ongoing opening of energy markets, to facilitate the market penetration of more environmentally friendly technologies and energy resources, and to promote energy efficiency and energy saving.

**The Early Warning Mechanism**

The Early Warning Mechanism is one element of the EU-Russia Energy Dialogue. This Early Warning Mechanism constitutes an essential procedure whereby the parties inform each other of short- or long-term risks to the security of supply or demand. Contact persons on both sides have been designated and the Mechanism has already proven its effectiveness. The formal nature of the Mechanism, including its precise format, contents and organization are included in the Memorandum on the Early Warning Mechanism.

**Environment and climate change**

The environment and climate change are the areas of tremendous significance both to the European Union and Russia. Given long common land and sea borders, interconnected biosystems and shared risks, environmental problems can and should be addressed together. The need for joint action, together with the rest of international community, is even more pronounced in the area of climate change and global warming.

Russia boasts huge areas undisturbed by man and holds over 20% of the Earth's water resources and forests. But while Russia is home to unique natural resources, it also suffers from a number of environmental problems, some a legacy of the Soviet past, some brought about by more recent economic growth, with threats to biodiversity, deforestation and illegal logging, water, air and soil pollution ranking among the most serious ones. Given its geographical closeness, common land and sea borders, many of those issues are of common concern and should be tackled together.

With 5% of global greenhouse gases emissions, Russia is the world's fifth largest emitter country after China, the US, the EU and India. It has high levels of emission per capita and emission intensity of its economy. It is one of the largest producers of gas, oil and coal, with a poor record on energy efficiency, and is the world's largest forest country. Due to Russia's location as a neighbour of the EU, its climate policies, beyond a global impact, have also a direct impact on the EU due to the risk of carbon leakage and competition distortion in the trade of energy and goods.

The European Union cooperates with Russia on environmental and climate change issues in the framework of numerous international organisations, conventions and United Nations bodies and agencies. The United Nations Framework Convention on Climate Change (UNFCCC) is one example of international forum where the EU and Russia are actively collaborating actively in pursuing the global objective of preventing global warming and its catastrophic consequences for the humanity.
Bilaterally, the European Union and Russia have been co-operating on environmental questions since 1995. Over the past two decades, the EU has provided support for numerous projects aimed at improving environmental standards in Russia. Currently, the EU is channelling its support to the environment and climate action through its on-going partnerships' initiatives: the Cross-Border Cooperation (CBC) and the Northern Dimension (ND).

In the new round of CBC programmes 2014-2020 environment is one of the priority thematic objectives. Recently, five CBC land-border programmes with participation of Russia (Kolarctic, Karelia, South-East Finland-Russia, Estonia-Russia and Latvia-Russia) have been signed. These programmes worth more than €223.7 million are co-financed by the EU (€115.04 million), Russia (€57.5 million) and participating EU Member States (€51.2 million), and will be implemented in shared management with the MS. Moreover, in the framework of the Baltic Sea Region programme €8.8 million of EU funding has been allocated for projects covering Russia and Belarus.

The Northern Dimension Environmental Partnership (NDEP) is a multi-donor fund covering two windows of activities: environmental and nuclear. The overall pledged size Fund is €353,13m with the EU being the largest contributor, in total €84m. In the environmental window water and wastewater treatment and solid waste are among the largest sectors in the project portfolio. It also includes district heating rehabilitation (to reduce CO2 and black carbon emissions) and energy saving. NDEP operates in the North-West Russia and Northern Belarus. The objective of the NDEP's nuclear window is funding projects that will mitigate the legacy of the operation of nuclear-powered ships and submarines of Russia’s northern fleet, which are in different stages of decommissioning.

**Education**

Educational cooperation between Russia and the EU is guided by the principles of the Bologna Process of the Council of Europe which Russia is a full member of since 2003. Through this process, countries, institutions and stakeholders of the European area continuously adapt their higher education systems making them more compatible and strengthening their quality assurance mechanisms as part of the European Higher Education Area.

This Europe-wide framework for higher education allows individuals from participating countries to move freely between higher education institutions, jobs, business sectors and countries, making the learning experience more adaptable to changing labour market demands. Its main goal is to increase staff and students' mobility and to facilitate employability.

In this context, it is remarkable that over 1.4 million students from around the world come to Europe every year for higher education studies. With thousands of world-class universities, research centres and higher education institutions, Europe offers so much choice. There are opportunities of Bachelor’s Degree, Master’s Degree and PhD/Doctoral programmes and also short-term exchange programmes so that students can choose the experience that suits them best.

There are numerous opportunities for Russian individuals and institutions to benefit from the EU-Russia educational cooperation. To learn about what Erasmus+ has to offer for individual and organisations, click here.

Student and academic mobility programmes in Russia contribute to the reinforcement of people-to-people contact between Russia and the European Union. Russia remains among the leading non-EU participant countries in EU academic programmes.
Human rights dialogue

The EU is committed to the promotion of human rights and fundamental freedoms all over the world. The EU regards the full respect of human rights as vital to the long-term social and political stability of any country.

The EU is committed to promoting human rights and the rule of law in Russia in a sustained and constructive manner.

EU Annual Reports on Human Rights and Democratisation

The European Instrument for Democracy and Human Rights (EIDHR)

In many countries around the world non-governmental actors are working with dedication and bravery, often in difficult conditions, to help ensure the effective protection of human rights and the advancement of democracy. Support to such organisations is a priority for the European Union.

The European Initiative for Democracy and Human Rights was created by the European Parliament in 1994 to support both the activities of civil society working for human rights and democracy and the efforts of international organisations. It was renamed the European Instrument for Democracy and Human Rights (EIDHR) in December 2006.

The EIDHR has the following objectives:

1. support to human rights and human rights defenders in situations where they are most at risk;
2. support to other EU human rights priorities with main focus on protecting human dignity;
3. support to democracy;
4. support to EU Election Observation Missions;
5. support to international and regional human rights instruments and mechanisms.

What are EIDHR projects in Russia?

EIDHR projects in Russia are implemented by Russian and European non-governmental, non-profit-making organisations. The EU allocates between 100,000 and 1 million EUR to each project. Usually the grant beneficiary must part-finance at least 5% of the project costs from its own funds or from a grant awarded by another donor. Projects have the duration of between 12 and 36 months.

Since its launch in Russia in 1997, the EIDHR has supported over 390 projects.

How EIDHR projects are selected?

The projects are selected on the results of local, regional or global (worldwide) calls for proposals. The complete information of the calls is published on the following website of the European Commission. On this website anyone can find Guidelines for applicants for each EIDHR call for proposals. The Guidelines set out thematic priorities, specific modalities and other conditions of the calls. The
selection is based on objective and transparent criteria, which are also indicated in this document.

**Justice, freedom and security**

Cooperation between the EU and the Russian Federation in the field of Justice, Freedom and Security since the early 1990's has been a key component in the development of a strategic partnership. The EU focused on making progress in the implementation of the roadmap for the EU-Russia Common Space of Freedom, Security and Justice that was adopted in 2005. The Permanent Partnership Councils (PPCs) and Senior Official meetings (SOMs) on Justice, Freedom and Security have been established to set priorities and to monitor progress in its regular meetings. Following Russia's illegal annexation of Crimea, the EU suspended the PPCs and SOMs.

**Migration and asylum**

The EU and Russia have been aiming at further enhancing cooperation on migration and asylum. Therefore, in 2011 a specific EU-Russia Migration Dialogue was established to bring together experts to discuss issues related to international protection, irregular migration, migration and development, and legal migration.

**Border management**

The European Border and Coast Guard Agency (FRONTEX) has been cooperating on an operational basis with its Russian counterparts on the basis of a working arrangement established in 2006. This practical cooperation has focussed on risk analyses, training, research and developments related to border management, as well as possible joint operations under the aegis of FRONTEX.

**The fight against organised crime**

Significant steps have been taken in strengthening cooperation in the fight against organised crime:

- Europol and Russia cooperate on threat assessments based on their strategic agreement of 2003. Negotiations on an operational agreement were started in 2010 and were suspended following Russia's illegal annexation of Crimea,
- The European Union Agency for Law Enforcement Training (CEPOL) and the Russian Ministry of Interior concluded a protocol of intent in April 2008 to enhance training activities for law enforcement agencies. As of 2013 a Working Arrangement between CEPOL and the Federal State Public Training Institution of Higher Professional Education „Academy of Management of the Ministry of Internal Affairs of the Russian Federation” was concluded.
- The European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and the Federal Drug Control Service of the Russian Federation (FDCS of Russia, now the Ministry of Internal Affairs of the Russian Federation) signed a Memorandum of Understanding in 2007 to facilitate exchange of information. An annual EU-Russia expert meeting on drugs is ongoing.

The EU and Russia have also aimed at sign an agreement on the control of drug precursors which would strengthen administrative cooperation to prevent the diversion of drug precursors.

The fight against trafficking of human beings, money laundering and terrorist financing and cybercrime represent potential for a strengthened cooperation between the EU and Russia. The EU and Russia hold regular expert meetings on counter-terrorism.
Judicial cooperation in civil, criminal and commercial matters

Informal talks have been held between the EU and Russia on judicial cooperation in civil, criminal and commercial matters. Eurojust and Russia aim at further strengthening their cooperation. Negotiations on an operational agreement were started in 2009 and were suspended following Russia's illegal annexation of Crimea.

Science and technology

Legal and institutional framework

The legal framework for EU-Russia science and technology (S&T) cooperation is set by the following documents:

- Agreement on cooperation in science and technology between the European Community and the Russian Federation (2000);
- Agreement for cooperation between the European Atomic Energy Community and the Government of the Russian Federation in the field of nuclear safety (2001);
- Agreement for cooperation between the European Atomic Energy Community and the Government of the Russian Federation in the field of controlled nuclear fusion (2001);
- EU-Russia Partnership & Cooperation Agreement (chapter on science & technology - article 62).

Institutionally, S&T cooperation is coordinated by the Joint S&T Cooperation Committee and several EU-Russia thematic S&T working groups established under the Agreement on cooperation in science and technology.

Independent Experts Report on the Implementation of the EU-RU S&T Cooperation Agreement

EU Framework Programmes for Research

One of the most established forms of EU-Russia S&T cooperation is the participation of Russian scientists in the EU's Framework Programmes for Research and Technological Development, where Russia has traditionally been one of the most active and successful international cooperation partner countries. EU researchers, for their part, actively participate in Russia's research and development (R&D) programmes, such as Federal Targeted Programmes on R&D and the Russian 'mega-grants' programme to attract leading scientists to Russian universities and research institutes.

Since 2014, the EU's Framework Programme for Research and Innovation ‘Horizon 2020’ has been the main instrument of cooperation in the areas of research and innovation at the EU level. Horizon 2020 is the biggest EU's Research and Innovation programme ever, with a budget of nearly € 80 billion for seven years (2014 to 2020). It aims to foster innovation through collaboration, bringing together researchers, innovators and industry from the European Union and beyond. The programme is open to everyone from everywhere, including from Russia.

Russian scientists, universities, research organisations and enterprises are able to team up with their European partners to participate in projects under Horizon 2020 and make the best use of Europe’s excellent opportunities in research and innovation. Russian researchers and organisations are encouraged to participate in all actions of Horizon 2020 as consortium members and take part in the proposal submission to the European Commission.
To support Russian participation in Horizon 2020 actions and in view of the fact that participants from Russia are no longer automatically funded by the EU, the Ministry of Education and Science of the Russian Federation regularly publishes dedicated calls to offer funding support for Russian Horizon 2020 participants in accordance with its own call procedures (Russian Federal Programme (FTP) "R&D in Priority Areas of Development of the Russian S&T Complex 2014-2020"). Russian applicants to these calls will have to provide a document acknowledging their participation in the consortium of the joint Horizon 2020 proposal, submitted under the Horizon 2020 call.

The Ministry of Education and Science of the Russian Federation has established a functional mailbox horizon2020@mon.gov.ru to which enquiries about support available in Russia for participation in Horizon 2020 may be sent.

Depending on the nature of their proposed research, Russian participants of Horizon 2020 research and innovation projects are also encouraged to apply to the regular calls of the Russian Foundation for Basic Research and the Russian Science Foundation, which may be able to provide funding support in accordance with their own funding rules. In addition, the Russian Foundation for Assistance to Small Innovative Enterprises may be able to support the participation of small innovative Russian enterprises in Horizon 2020 projects on a case-by-case basis in accordance with its own funding rules.

More information about is available on the "Country page - Russia" of the Horizon 2020 participant portal

Enquiries concerning participation in Horizon 2020 may also be directed to the offices of the appointed Russian National Contact Points

- Horizon 2020 information kit, including a practical guide for researchers from Russia
- Horizon 2020 video - General overview
- Horizon 2020 video - How to apply?
- Horizon 2020 'Open to the World', an interview with Cristina Russo, Director of International Cooperation, DG Research and Innovation, European Commission

Global research infrastructures

Another key area of Russia-EU S&T cooperation involves the development of global research infrastructures, including the large-scale "mega-science" projects. Russia and the EU actively collaborate on a number of research infrastructure initiatives, for example the EU X-ray Free-Electron Laser (XFEL) and the Facility for Antiproton and Ion Research (FAIR); the International Thermonuclear Experimental Reactor (ITER); the European Organisation for Nuclear Research (CERN); and others.

Russia and the EU also collaborate within the framework of the Group of Senior Officials (GSO) on global research infrastructures.

Researchers' mobility

A number of important programmes are in place to facilitate researchers' mobility between the EU and Russia. At the EU level these are mainly the Marie Skłodowska-Curie Actions (under the EU's Framework Programme) and Erasmus+ programme*. These initiatives serve as an important tool of Russia's integration into the European Research Area and the European Higher Education Area.

* Since 2014, the previous TEMPUS and Erasmus Mundus programmes have become part of the integrated Erasmus+ programme
Technical and financial cooperation

Initially, the EU provided technical assistance to Russia in a great variety of spheres under the TACIS programme (1991-2006). During this period several successful projects were implemented and programmes such as Tempus (in the field of higher education cooperation) and Cross border Cooperation were launched.

The nature of EU-Russia cooperation changed following the end of TACIS. For already nearly a decade, available EU-funding for cooperation with Russia has been largely channelled to support ongoing policy dialogues in the framework of EU-Russia common spaces and the partnership for modernisation. Cooperation in the field of higher education and academic exchanges, cross border cooperation and northern dimension has also continued, parallel to this.

The EU is also providing support to civil society in Russia via the European Instrument for Democracy and Human Rights (EIDHR) and Civil Society Organisations (CSO) and also supports policy dialogues via the Partnership instrument.

See also

Export Helpdesk
Association of European Businesses in the Russian Federation (AEB)
Cross border cooperation
TAIEX instrument
Partnership Instrument
Horizon 2020
www.eeas.europa.eu

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n-federation_en