

**PROGRESS REPORT  
AGREED BY THE COORDINATORS OF  
THE EU-RUSSIA PARTNERSHIP FOR MODERNISATION  
FOR INFORMATION TO THE EU-RUSSIA SUMMIT  
OF 9-10 JUNE 2011**

The EU-Russia Summit in Rostov-on-Don of 1 June 2010 launched the EU-Russia Partnership for Modernisation through the adoption of a Joint Declaration. A work plan was approved by the coordinators on 7 December 2010 as an informal rolling working tool. This progress report describes and takes stock of the work undertaken and gives examples of concrete practical activities and projects implemented so far.

The dialogues under the EU-Russia Common Spaces have met on the various areas listed in the Joint Declaration and developed under the work plan. In addition, work has been undertaken by the private sector through the EU-Russia Roundtable of Industrialists (IRT) which has been coordinating private sector input so far and by International Financial Institutions such as the EIB and EBRD. Russia signed bilateral modernisation partnerships with fifteen EU Member States, with several more under preparation.

The coordinators met twice, most recently jointly with representatives of the different sectoral dialogues on 11 May 2011 in Moscow to take stock of progress and discuss priorities for the near future. Both coordinators are pleased that a number of concrete results can be noted six months after the work plan was agreed.

In the priority area of expanding opportunities for investment in key sectors driving growth and innovation, numerous projects involving companies from the EU and Russia are underway and/or planned in a range of industrial and technological sectors, energy efficiency and energy saving, and transport. The practical experience of investors should help policy makers to identify concrete measures needed to create an enabling environment leading to additional opportunities for investment and trade.

In the area of energy including energy efficiency, both sides have engaged in a substantial dialogue on a roadmap on our energy cooperation for the period until 2050. Concrete cooperation results have been achieved in the areas of energy efficiency statistics and indicators, dialogue with industry, facilitation of energy efficiency investments and cooperation between regions. A project on energy efficiency in northwestern Russia is being implemented within the Northern Dimension Environmental Partnership (NDEP), which was invited by the Second Northern Dimension Ministerial meeting (Oslo, November 2, 2010) to develop further measures to promote energy efficiency and use of renewable energy

In the area of promoting a low-carbon and resource efficient economy, both sides agreed to increase the exchange of experiences in the regulation of industrial activities, for example in the area of integrated permitting based on best available techniques. A major conference with the private sector on waste-reduction as a business opportunity is planned. The Russian component of a shared environmental information system was launched. A seminar to review the experiences of the application of the Espoo Convention to the Nord Stream project towards other transboundary projects was held. In the area of forestry, exchanges through a forest fire expert group and scientific cooperation on remote sensing are planned. Discussions on an EU-Russia voluntary partnership agreement on timber certification continued.

The dialogue on public health held its first meeting in February 2011 and a work programme has been agreed, focusing on clinical trials for pharmaceuticals, on the fight against counterfeit medicines, and on communicable diseases.

In the priority area of facilitating and liberalizing trade in the global economy and enhancing and deepening bilateral trade and economic relations, both sides underline their desire for Russia's WTO accession in 2011, and Russia's accession to the OECD within the established multilateral accession processes. A trade and investment dialogue will meet for the first time in the second half of 2011 with the aim of discussing outstanding problems. Within the strategic framework for customs cooperation, an early warning mechanism to prevent border congestion is being finalized, there is agreement to intensify cooperation on risk management and fraud prevention, and the establishment of fast lanes for compliant operators is being discussed.

The partners had an exchange of experience in support of small and medium-sized enterprises (SME). The coordinators stressed the importance of promoting SMEs and involving their representatives in the dialogues. In the area of technical regulations and standards seven technical regulations<sup>1</sup> were agreed where alignment of Russian and EU regulations can be achieved within one year; a broader list, where alignment can be achieved by end-2012, is still under discussion. An exchange of experience on enforcement of intellectual property rights was agreed, as well as the facilitation of closer cooperation of the European Patent Office and the Office for Harmonisation in the Internal Market with Rospatent, including on issues related to trademark and industrial design legislation.

Coordinators welcome the very good cooperation in the priority area of enhancing cooperation in innovation and research and development, including space and nuclear research, in particular the increased active role of Russia in EU Framework Programmes and of EU researchers in Russian Federal Task programmes. In the dialogue on space cooperation a global navigation satellite systems cooperation agreement (Galileo and Glonass) is being negotiated, the first launch of Soyuz from Europe's Spaceport is expected in autumn 2011, and a project on emergency response to traffic accidents between the European eCall and the Russian ERA-GLONASS is being prepared.

The business community plays an active part. In particular, the IRT has carried out a number of seminars devoted to the various sectors of innovative activity. The coordinators will also associate representative organizations of SMEs to further work under the Partnership.

Coordinators welcome ongoing work for a project on the consequences of industrial restructuring in mono-cities.

In the priority area of the rule of law, strengthening the legal environment, improving investment and the social climate, a project with the Council of Europe to support the setting up in Russia of an appeal system for criminal and civil court cases has started. There is agreement to increase efforts and activities in this area. A study visit of the Russian Lawyers Association to EU institutions took place at the beginning of 2011, helping strengthening contacts among the EU institutions and the Russian legal professions. Coordinators note progress on the ratification in Russia of the 1980 Hague Child Abduction Convention and the 1996 Hague Child protection Convention. Coordinators stress the significance of conclusion of an operational agreement between Russia and Europol and a cooperation agreement between Russia and Eurojust. The parties underline the importance to make progress on data protection and will plan a TAIEX seminar on this issue. Coordinators also agreed to introduce new activities in the area of anti-corruption.

<sup>1</sup> Safety of electrical equipment, safety of toys, safety of packaging, safety of pyrotechnical products, safety of machinery, electromagnetic compatibility, construction products.

In the priority area of promoting people-to-people contacts and enhancing dialogue with civil society, it was agreed to continue existing higher education cooperation and youth exchange programmes. The coordinators welcome the contribution of civil society of the EU and Russia to the development of the Partnership and note the importance of intensifying joint work on projects and activities that facilitate dialogue with the civil society. They welcome in particular the founding of an independent EU-Russia Civil Society Forum in March 2011, and the activities planned for the near future by the European Economic and Social Committee and the Public Chamber of the Russian Federation, as well as the recent launch of the think tank DER: Dialogue-Europe-Russia. Coordinators look forward to increased exchanges with these fora.


Coordinators welcome the progress made by Senior Officials of Russia and the EU to agree on an exhaustive list of Common Steps towards Visa-Free Short-Term Travel of Russian and EU citizens, the implementation of which will open the possibility to engage in negotiations on an EU-Russia visa waiver agreement.

Recognizing the importance of financial support for private or public sector modernization projects under the Partnership, coordinators welcome the signing of a memorandum of understanding between Vnesheconombank and EBRD. A similar memorandum between Vnesheconombank and the European Investment Bank is under preparation. Jointly, the banks will provide close to EUR 2 billion worth of credits.

Overall, the coordinators note with satisfaction the acceleration of cooperation based on the Common Spaces and for mutual benefit, and look forward to further joint work.

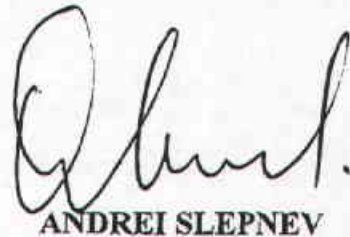
The coordinators will continue to keep EU and Russian leaders informed about progress and results achieved.

Done on 09 June 2011 in duplicate, each in Russian and English languages.



**GUNNAR WIEGAND**

Director  
European External Action Service  
European Union



**ANDREI SLEPNEV**

Deputy Minister  
Ministry of Economic Development  
Russian Federation