

EUROPEAN PARLIAMENT

EU-RUSSIA PARLIAMENTARY COOPERATION COMMITTEE

WORKING GROUP

18 – 20 April 2005

FINNISH BORDER REGION AND MOSCOW

DRAFT

SUMMARY RECORD

Camiel EURLINGS, Chairman

10 May 2005
EUR/SP/EV/cs

The EU-Russia PCC organised a working group to the Finnish-Russian border and to Moscow, Russia. The delegation spent the first day visiting the border facilities of both Finland and the Russian Federation, whereas the next 2 days included meetings with the Russian State authorities, EC Delegation representatives, and NGOs in Moscow.

The Parliament's delegation was led by Mr Camiel EURLINGS (EPP-ED, NL), the Chairperson of the EU-Russia PCC, and consisted altogether of 10 Members of the European Parliament.

Please see the programme and the participants' list in the enclosures.

Sunday, 17 April 2005

The Working Group started with a briefing and working dinner hosted by the Chairperson at the restaurant ROYAL of the Hotel Crowne Plaza in Helsinki.

The dinner was opened by Mr Reino PAASILINNA, 1st Vice-Chair of the delegation (PES, FI), who passed after a short introduction the floor to Mrs Ritva VILJANEN, the Secretary of State of the Finnish Ministry of the Interior. The Minister shared with the MEPs the Finnish experience of border management, including a short overview of the management of the Finnish-Russian border and the ongoing Finnish border reform. Mrs VILJANEN pointed out that the Finnish Border Agency, which employs 3,000 people, is one of the biggest public organisations in Finland. She talked also of immigration, which in her words is not a major problem in Finland. According to her, 110,000 foreigners live in Finland presently and the majority of them originate from Russia. The Minister stressed that the situation on the Eastern border is good and only some hundred (usually ca 100) illegal immigrants enter per year. She said that human trafficking is a new experience for the Finnish government and it is being investigated.

She also spoke of a new law in the parliament designed to give more powers to the border agency. The Minister pointed out that since Finland joined the EU, the majority of the border staff had been moved to work on the extremely long (more than 13,000 km) Russian border.

The replacement of all staff with professional staff on the Finnish border and the reducing of the more than 90 border points by 75 % were also planned. The traffic between Finland and Russia has dramatically grown and, thus, the Finns are seeking to improve their logistics and make the remaining crossing points more efficient, with a view to open them for 24 h. Co-operation with Russia is in her words excellent, especially regarding visas.

Answering to the MEPs, Mrs VILJANEN said that there were usually no queues for civilians at the Russian borders, but the lorries had often to stand in lines, which in extreme cases, such as before holidays, could be 20 km long.

The Minister finished by saying that border co-operation would be a priority issue for the Finnish presidency in the second half of 2006, with a focus on keeping good relations with Russia.

Monday, 18 April 2005

On Monday morning, the Parliament's delegation moved to the Finnish-Russian border to meet the Finnish and Russian border authorities.

The meeting with Finnish Customs Authorities and the Border Guards took place in an X-ray & scan facility for trucks at the Vaalimaa border crossing point.

Mr Tomi KIVILAAKSO, the representative of the Finnish Customs authorities gave the MEPs an introduction to the biggest border crossing point on the Finnish-Russian border. He gave some basic facts concerning the border, such as the number of people crossing the border last year (over 6 million) and lorries crossing every 24 hours (more than 2000), and proceeded to give an overview of the mission and main tasks of the Finnish customs, such as guaranteeing the smooth flow of the traffic, streamlining and simplifying customs formalities, combat of customs crime.

He named as the main challenges for enforcement crime investigation, intelligence work and strengthening obedience to law, where problems result from the important gap in income, standards of living and prices (accounts for 2/3 of problems). Problems can be divided as follows:

For the Finnish side: smuggling from Russia to Finland (alcohol, cigarettes, medicines, drugs to a lesser extent), counterfeit products from Russia.

For the Russian side: mainly a large scale of customs duty frauds, tax evasion, forged documents, overtaking customs clearance, etc.

He underlined the close co-operation with the Russian colleagues and expressed high hopes regarding the new Russian Customs Code, which entered into force last year, in terms of the future facilitation of the customs procedures. He also mentioned the parties' new electronic data exchange co-operation project - the Green Channel.

Mr Pasi KOSTAMOVARA, the District Commander of the Border Guards of the Southeast Finland Frontier Guard informed the MEPs of the basic facts of their work. They are responsible for 227 km of the common Russian-Finnish border: 10 border guard stations, 6 international border-crossing points of which Vaalimaa is the biggest, Nuijamaa the second biggest and Imatra the third biggest. The Frontier Guard has 736 staff (1.4.2005) and well-trained dogs (97) to trace illegal immigrants. In his words there is a long tradition of close co-operation with Russian colleagues.

Co-operation with Russia is based on 3 interstate agreements:

Border Regulation Agreement – highest level (1960);

Crime Prevention Agreement (1993);

Agreement on Border Crossing Points (1994).

Mr KOSTAMOVARA assured that there are no problems between the respective border guard authorities but he pointed out one Finnish concern. The Finns are building a new border-crossing point in Nuijamaa as of 2004. This presupposes a new road on the Russian side of 3

km. A state agreement between Finland and Russia foresaw the completion of the road by the end of 2005, but nothing has happened so far, according to the District Commander.

In a response to a question by Mr Vassily LIKHACHEV, a Russian Federation Council Member, Mr KOSTAMOVAARA explained that there were 7 illegal immigration cases revealed last year from Russia in this area. 11 people were involved and 3 of them Russians. According to the Finn, 1,000 people are refused entry in a year, mostly because of a suspect of dishonest living in Finland. Most of the people, who have been refused entry, are Russians.

General KUDRYATSEV of the Russian Customs responded to the MEPs questions on the implementation of the new Customs Code. He said that the Code changed the whole strategy of the customs. All customs are now organising controls selectively and the subject of the control is chosen based on risk analysis. This means less formalities and more effectiveness and also shorter time for law-obedient companies. The standard time for one transport unit is 25 minute and within the new Green Channel system the expected clearance time would be 5-10 minutes.

The Finnish Border Police was not represented and MR KIVILAAKSO explained their work.

Meeting at the Russian border station

After short inspection of the Russian-Finnish border, the delegation crossed the border into the Russian Federation territory, where General KUDRYATSEV gave an introduction to the work on the Russian side of the border.

According to him, there are many different specialised services present and operate at the station, including phytosanitary, transport, veterinary and other services. After the new Customs Code entered into force, many work principles had to be changed. Three main tasks were put forward: 1) to support foreign trade of the Russian Federation; 2) effective border control based on risk analysis; 3) bringing some profits to the state budget. They use contemporary technology aimed at these three tasks. There are no special customary practices at this station. He stressed close co-operation with Finnish colleagues on checkpoints. According to the General, they have regular problems with false certificates for goods. The companies use one certificate on the Finnish side and another one in Russia. This is why Russia supports pre-declaration of goods. This previous exchange of info would help to shorten the time spent at the checkpoint. Another way to fasten is to change over to electronical technology. Hereby, he referred to the Green Channel project as a good example of international co-operation.

The General answered to the MEPs that the support to the foreign trade means that the customs should not to put an extra burden to companies and should also help loyal customers. Most of the ideas of the Customs Code are similar to European ones, according to him. He also said that there is continuous co-operation with partnering countries, and a very special co-operation link with the Finnish colleagues. Mr Vassily LIKHACHEV proposes to use the visit of the PCC to Kaliningrad to compare the co-operation on the Lithuanian-Russian border and here.

Regarding problems of corruption because of salary differences, the General answered that there are problems and that they are taking steps to deal with it. There are several ways, one of these introduced by the new Customs Code is to create special control systems for internal security. Electronic declaration also helps to overcome corruption, he added.

Colonel KRYLOV, Chief of the special border guard point Vybor gave an introduction to his work. According to the Colonel, 147 illegal migrants were arrested at the border last year. Most of the defectors, who had tried to cross the border were non-Russian (Chinese, CIS citizens, etc). Only ca 2 % of these defectors were citizens of Russia.

He mentioned specifically regarding the EU that Russian border guards have problems with the identification documents, because there are many differences regarding special technical characteristics, hidden identifications, etc. He suggested that a specialised database for the travel documents/passports would be created. He brought the Schengen visa imprint as an example, where there are many kinds of imprints in use in the Member States. He argued that sometimes the quality of the visa imprint in the passport is not good and the Russian border guards have to stop people. In conclusion, he explained that the Russians would like more EU harmonisation regarding identification documents in terms of graphic differences, imprints, etc.

Visit of the City of Kouvola

The MEPs visited Kouvola, an active transit city. Mr Aimo AHTI, the Mayor gave a presentation at the City Hall on key figures of Russian-Finnish transit.

The delegation also visited a logistics center in Kouvola's cargo container terminal serving the Transsiberian train connection.

Later in the evening, a press conference with the MEPs at the Europe House (Helsinki) and a working dinner with the presentation on border problems of the Finnish industries at the EU-Russian border took place. The dinner was hosted by the Finnish Forestry Industries, and gave the opportunity to hear the views of Finnish Industries and in particular of the Finnish Trucking Companies Association on border issues.

Tuesday, 19 April 2005

On Tuesday morning, the MEPs left Helsinki for Moscow, Russia.

Meeting with Human Rights NGOs at the European Commission Residence

Ms Ludmilla ALEKSEEVA (Chairwoman of the Moscow Helsinki Group) described the situation regarding social and civil rights in Russia. According to her, the situation is very bad and has been deteriorating since the election of the new Duma and the re-election of Mr PUTIN. There is a real offensive by the authorities of totalitarian nature targeting social and civil rights and all groups of population, according to the Chairwoman.

Regarding social rights, she pointed out that the reforms are certainly needed but painful. Public health facilities and education are under severe pressure, while the State wants to get rid of its social obligations (e.g. no obligation anymore to provide housing for orphans, once they become adults).

Regarding civil rights, she claimed that the new election law only guarantees United Russia a majority and only a few parties will be represented in the Duma. According to her, new mechanisms are being put in place to prevent parties to take seats in the Duma. There are also stricter rules on referenda and the right to organise public meetings, rallies, etc. The rules on the registration of NGOs have become stricter and it will also be much more difficult to fund NGOs

from abroad. On the top of that, new rules are being established, which affect the separation of powers (e.g. nomination of public prosecutor).

Ms Tatiana KASATKINA (Executive Director of the Human Rights Centre „Memorial“) gave a detailed description of the situation in Chechnya. She argued that Chechnya seems to be the place in Russia, where all bad things come together. Crimes are not discovered (discovery rate of 3-5 %) and the proceedings on criminal cases take a long time. Judiciary and prosecution are not operational in Chechnya. She stressed the importance of the 6 cases won before the European Court of Justice in Strasbourg. According to her, 80 % of all cases, where prosecution takes place are the cases, which were submitted to Strasbourg. However, the people involved in these cases are often in danger. Regarding abductions, she said that they do not covering the full territory (only 30 %?) and that the situation has not ameliorated. There are quite clearly abductions taking place beyond the borders of Chechnya (e.g. Northern Ossetia, Dagestan). Regarding the military, she argued that the soldiers learn to act in Chechnya with impunity and continue to commit similar acts in Russia once they are transferred to other parts of the Russian Federation. The situation at the border with Northern Ossetia is very difficult. She advised the MEPs to not believe the Russians, when they tell them that the conflict is resolved. The humanitarian assistance needs according to her estimations stricter controls as many of the goods disappear. She pointed out that without the international pressure the situation will worsen and argued that the international community should understand that the situation endangers the whole Caucasus. She also stressed that the situation in Chechnya creates grounds for terrorism. According to Mrs KASATKINA, the persecution of Moslems increases especially there, where they live compactly (e.g. Tatarstan, Astragan). Under the slogan of the fight against terrorism, mass arrests are taking place.

Ms Natalia TAUBINA (Head of the Foundation „Public Verdict“) provided an analytic report on the situation of justice and law enforcement in Russia. She concluded that the overall picture was said (please see the enclosed report).

Mr Sergey LUKASHEVSKY, Director of the Centre „Demos“, an organisation offering information support for NGOs talked of the situation of democracy and human rights. He claimed that democratic public institutions are losing their name of democratic institutions. If before they had been in different states (usually bad and worse), then now they do not function at all any more. He stated that the Duma adopts laws, but the executive branch is controlling the majority party and uses all legal and illegal means to preserve this majority. Thus, a normal discussion of laws is practically impossible. He brought the law on benefits in kind as an example, where presidential administration and the government sent the prepared law to the Duma and the opposition had opportunity neither to submit amendments nor to get them passed. The same applies in his words to the judiciary. He argued that they used to say before that reform is needed and there was a serious problem of corruption. Now, judiciary is totally subordinated to the authority and functions like a repressive authority. In his words the Yukos and Khodorkovsky cases show that the courts follow Kremlin's orders.

The law enforcement agencies are important for Russia and especially important for the situation in Chechnya. They have not been reformed since the Soviet time and continue to be constant source of violations. There is no adequate system of control, neither on federal or individual organisation level. Some positive results were achieved since 1990s but only regarding the execution of sentences. According to Mr LUKASHEVSKY, in the case of police or militia and Federal Security Bureau there is no system of controlling their human rights

violations. Federal authorities seem to be more concerned with the strengthening of federal power in Russia and do not want radical reforms.

The situation is similar in Chechnya. The authorities do not hesitate to use force to fight separatism. In response to the Demo's specific accusations regarding human rights cases, they would not do anything or would undertake steps, which are not effective. They refuse to get engaged in any bilateral negotiations. Hereby, the Director said that he is not trying to allege that there is no dialogue btw federal authorities and the NGOs, because they do interact with authorities and the ombudsman. He concluded that on the whole, there is no hope that there will be serious dialogue to reform the system of federal agencies, which are the source of human rights violations. The authorities fear opposition and support the NGOs, who would prevent a "Orange Revolution" in Russia. In his words it is not a problem that such organisations are set up but that they are often xenophobic and aggressive. Demos fears that if federal authorities ever fear threat of the opposition they turn to control mass media channels and start a massive campaign of xenophobia.

In a response to the question by MEPs on the situation of xenophobia in Russia, Mr LUKASHEVSKY said that xenophobia in Russia has two aspects:

1) Xenophobia towards people, i.e. vis-à-vis certain ethnic groups. It is cleared out by the integration process and the absence of the state policy. Xenophobia caused by the conflict in Chechnya and Russia fighting terrorism. We continue to listen to official statements that terrorism has no nationality. Only federal programme to develop tolerance in Russia was closed down last year, however. Many local newspapers claim that Russia is fighting the Chechen people, though official statement is that of terrorism;

2) Xenophobia towards anything foreign, coming from outside sometimes referred to as diluting national identity. Often the governments would avail this aspect to fight wars, revolutions, to define political parties, which are not to their liking.

Ms KASATKINA added that xenophobia is a big problem in Russia and is a consequence of the Chechen policy. Xenophobia is extended to all Caucasian people and non-Russians. She commented also in a response to a question that tortures are practised by law enforcement agencies. Since 1992 they have been working in Chechnya and can say that tortures, which are used in Chechnya, are also used elsewhere in Russia. There are places of illegal detention in Chechnya and evidence of situation that people have tried to pay to get their family members out. They have created legal advisory offices in Chechnya and try to support people's cases. However, it is difficult to defend people, because lawyers are reluctant to take their cases, because five lawyers have already been abducted in Chechnya, who decided to take their cases.

Regarding the effects of submitting the cases to the European Court of Justice, she said that they are trying to use this machinery to make it national machinery of defence. The other side of it is that the claimants are threatened, some are dead, and some abducted. Thus, addressing the European court can mean threat to life.

Ms TAUBINA commented on the question on public awareness regarding human rights and democracy. Her experience shows that people do not have a clear-cut vision. She argued that there are many reasons for this, mainly media, who qualify anything as human rights. She also spoke of the human rights problems in the law enforcement system. The NGO had in the past pointed out cases of torture in the detentiary system. The problem had been recognised at the

federal level and corrective measures were introduced. However, the problem of tortures at the investigation stage is still serious and has not been recognised by the authorities. The evidence of that is that at the end of the last year, the Duma did not approve amendments to the criminal code, which would have criminalised tortures.

Briefing with the EU Ambassadors at the EC Residence

Following the meeting with the NGOs, the MEPs met for a short briefing with Mr Marc FRANCO, the Head of the EC Delegation, and Mr Stephen WORSDWORTH, Chargé d'affaires from the Embassy of Great Britain and Northern Ireland.

Mr FRANCO gave a short overview of the political and economic evolution of Russia, as well as the current state of the EU-Russia relations.

Regarding the economy, he mentioned the growth rate of 7 % and the fairly reasonable macroeconomic policy. He said that the economy is fairly stable, growing and doing well. Below surface there are, however, many negative elements. Russia is very dependent on natural resources (gas, oil) and investment rate has been decreasing over the last year. Consumption is going up, new money coming in is imported. There is no problem of trade balance. Foreign direct investment is not very high, as the investors are reluctant to come because of the problems with political interference and corruption.

On the political side, the human rights situation reflects the political feeling in Russia. Civil society is vibrant, vivid and getting stronger. Government is getting away with lot but groups are being set up and are active. They are fairly small, isolated and not good at lobbying, but they exist. Their request to the EU is to keep human rights issues on the agenda in the discussions with Russia. They need a little bit of financial support to get them going and also political support in the international dialogue. The Council of Europe plays a big role here. The Gil-Robles report on human rights is good, also Mr PUTIN called it critically constructive. It doesn't go as far as the NGOs would go, but Russians seem to accept it. After the events in Ukraine, Mr PUTIN seems to have understood that the CIS does not work. Instructions have been given to underlings to make the negotiations on Four Spaces to work. In the negotiation over the Four Spaces, the question of the dimension of the Siberian overflight charges sticks out but all the rest is negotiable. In his words, roadmaps do provide an area for working together with Russians, even in the political area. On the political side, in the Second Space all wording has been sorted out. Regarding the Third Space, recent visits of Mr SOLANA and Ms FERRERO-WALDNER have shown that the format is not important, whereas the substance is. In his words, Russians are more open and willing to engage than four months before and there is a general kind of feeling of common interest & co-operation.

Mr FRANCO added that the Lukin report¹ on human rights is also quite balanced. He stressed that for an average Russian, it is most important to try to survive and have a job.

Mr WORSDWORTH gave a brief response to the presentations by the NGOs. He said that although he is instinctively wary of Russia, the pictures painted by the NGOs were very one-sided. 15-20 years ago they would not be briefing a group of MEPs but would have been in prison. Russia is in his words like Eastern Europe but has more difficulties to find its way out of the mess. On the background of it is the collapse of the Soviet Union, sense of humiliation and

¹ Chairman Eurlings later that day had the occasion to meet with Mr Vladimir Lukin, Human Rights' Ombudsman of the Russian Federation

search for the identity, i.e. what is Russia. Main TV channels are indeed rubbish, but there are many printed media, cable TV, the free Internet - in a word lot of information. There is no sense of urgency for people to want democracy. People want according to him prosperity and stability. Most of them have enough of it now - they can travel, talk to friends without being afraid to or to be locked up.

Meeting at the Ministry of Foreign Affairs

The MEPs proceeded to the meeting at the Ministry of Foreign Affairs, where they were welcomed by Mr Vladimir CHIZOV, the Deputy Minister for Foreign Affairs.

Mr CHIZOV gave the MEPs an overview of the current issues in the relations with the EU from the side of the executive branch. He stressed that the EU is a major strategic partner in both trade and economy. He added that this is also increasingly true in the political field, particularly regarding the CFSP. He said that he does not overdramatise the situation regarding the Partnership and Co-operation Agreement (PCA). He stressed that it was signed 11 years ago and could not envisage the new venues of co-operation, because in 1994 even the bravest minds of the EP could not envisage the creation of ESDP, for example. The Deputy Minister stressed that Russia and EU have established a system of structuralised co-operation and a fairly developed system of political dialogue.

Recent enlargement of the EU was not only a challenge for the EU but also for the RF for a number of reasons:

- 1) All the new countries are major traditional trading partners for Russia (at least 51 % of foreign trade with the EU 25, used to be around 35 % with EU 15), with the exception of Malta;
- 2) Tariffs, quotas;
- 3) Transit to Kaliningrad.

Regarding the monitoring of the implementation of the agreements signed in Luxembourg in April 2004, the Deputy Minister said that Russia does not consider it a total success. There are some open issues both in economic questions as well as transit in Kaliningrad, also the Russian-speaking minority in Estonia and Latvia. Facing the May Summit, Russia is trying to agree on road maps, called Joint Action Plans on Four Common Spaces. Mr CHIZOV stressed that those documents are not an end of the story but a beginning leading to integration. He maintained that there are a number of open issues that have to be agreed before 10 May. Russia wants to have them ready, but not at all costs, the Deputy Minister stressed. He referred to difficulties on the side of the EU, because clearance has to be obtained from 25 Member States. He also referred to the so-called 2007 factor, as a number of events will coincide this year: 1) Russian parliamentary elections; 2) the PCA will expire and a follow-up has to be thought of 3) another enlargement of the EU is to be anticipated; 4) Russia expects to have become member of the WTO by then. The Deputy Minister concluded that increased activity in the co-operation and level of interest towards the EU is evident not only public authorities in Russia but also in the business and scientific community. Thereby, he highlighted the need to expand the number of the Russian experts on the EU. In May, inauguration of a Russian European college will take place. This will be a facility, which would educate EU experts in Russia.

Mr CHIZOV answered to a number of questions by the MEPs. Firstly, he spoke of the question of visa freedom, Russia's long-term goal. He maintained that Russia does not intend to seek the opening of the borders similar to the Schengen area. He referred to list of A and B countries established by the Member states of the EU, and Russian citizens being on list B. He added that

the question of readmission is a major element of the broad picture. Russia does not have problems with readmission of Russian citizens, but with third country nationals. Not all Russian neighbours are enthusiastic about signing readmission with Russia. Russia is currently conducting negotiations with 27 countries and is close to concluding an agreement with Kazakhstan, which border is longer than former Soviet-Chinese border. He added that agreements have to be conducted also with China and other countries. Russia does not want to become a camp for third country nationals returned from the EU.

On neighbourhood policy (ENP), he said that Russia is not a new European neighbour but a European State, being to see Russia on the same list with the countries of Middle East & Africa. He argued that Russia would have preferred to be subject of a special policy and a special set of financial instruments. This not being the case, Russia does not mind the ENP financial instrument. At the same time he believes that Russia deserves to be treated on a self-standing basis. The ENP countries should be treated as partners, not objects of international law, he added. Otherwise, the historical mistakes can be repeated. Regarding frozen conflicts, he stressed that there are established negotiating formulas. They may not have produced full success but are results of tense negotiations, which is the only way. He stressed that looking forward to 2007, something has to be done with PCA. Mechanical prolongation would not be a favoured option on either side.

As a response to the concerns expressed by the MEPs on the situation of the Mari minority in Russia, the Deputy Minister said that the proportion of Mari people beaten up does not exceed the number of Russian people beaten up in Russia, as the law and order situation in Russia is not easy. At the same time he expressed, quite serious concerns over the situation of the Russian-speaking minorities in the Baltic countries. He said that two countries continue to apply non-citizen category to former Russian subjects living in their country. They have passports of different colour and require Schengen visa for travel in the EU. In Latvia, the Russian speakers cannot participate in local elections. The recommendations of the UN, OSCE and Council of Europe should be applied by these countries.

Regarding the issue of the signing of the border treaty with Latvia, Mr CHIZOV said that the signing is not a problem, as the Treaty has been negotiated. There was a proposal from Mr PUTIN to Ms VIKE-FREIBERGA to sign it on 10 May. When both sides are ready, it will be signed, but ratifying won't be easy. Russia has proposed to Latvia and Estonia to agree on a political declaration on the principles of relations much along the line of the one with Lithuania, with whom issues have been solved aside some technical issues.

On the issue of Belarus, the Deputy Minister marked that the fact that the EU is refraining from an official relationship with Belarus is wrong. Isolating a country won't do good for any country. Russia is in the process of establishing a Union with Belarus. Regarding Ukraine, he said that Russia takes note of the declarations coming from the Ukrainian governments, both old and the new.

On the new Kaliningrad legislation discussed in the Duma, he said that there is an idea to establish a special economic zone on the territory as a pilot project, which is aimed at promoting business between Kaliningrad and neighbouring countries. It would include some tax benefits, also for joint ventures.

The MEPs participated in the reception hosted by the European Commission at the Residence in the evening, meeting there i.a; with Mr. Yastrzhembskiy, the Presidential Advisor for European Affairs.

Wednesday, 20 April 2005

On Wednesday morning, the EP delegation met the Federal Assembly delegation to the PCC, visited the visitors' gallery of the Duma and met Mr MEDVEDEVIM, the Chairperson of the Committee for Economic Affairs at the State Duma.

Meeting with the Federal Assembly Delegation

The EP delegation was greeted by Mr MOROZOV. The Chairperson stressed the extremely positive European co-operation and anticipated the future meetings. Mr EURLINGS said the words of thanks on the behalf of the EP delegation to the Russian counterparts.

Regarding the future agenda, the following points were agreed:

- 1) The Bureau meeting will take place in October in Brussels and possibly Maastricht;
- 2) The 2nd Working Group to Kaliningrad was agreed to take place on 13 and 14 September 2005. Mr MOROZOV proposed to visit at that occasion also the Baltic States in order to look at the problems;
- 3) The 8th PCC meeting was agreed to take place in Strasbourg on

Mr PAASILINNA reported on the visit to the Schengen border. Also Mr BELOUSOV shared his experiences of the visit with the delegation. Mr LIKACHEV pointed to Russian concerns regarding the signing of the readmission agreement.

Mr LIKACHEV informed the delegations that if roadmaps are not agreed on 10 May, there will be a political declaration adopted.

He suggested areas, where the PCC could improve the work:

- Development of a declaration on interparliamentary co-operation;
- 2007 factor: intensified co-operation, permanent representatives in Moscow of the EP and of the Duma in Brussels;
- Development of a specific action plan monitoring of the four road maps.

Mr KELAM proposed to organise a Working Group visit to a place of a national minority in Russia.

Mr MOROZOV described the reform of the constitution and of the political system in Russia, referring to 3 key components:

- 1) New procedure for the election of the administrative heads, which has already been adopted. The President gets information on two potential candidates and submits one of them for the consideration to the local parliament;
- 2) New level of influence of civil society institutions in decision making processes by creating a Civic Chamber as consultative body in legislation;
- 3) Reform of election of the members of the State Duma. Will be passed in the Duma on Friday. In May, the president will sign it. This law will reduce the number parties represented in parliament. Any party should have at least met a 50,000 members

requirement (used to be 10,000). The election party lists should contribute to the setting up of the bigger influential parties, from the view of the president, who proposed the draft law.

Mr MOROZOV expressed hopes that by the next meeting of the PCC, all these laws have been put in place.

Meeting with the Committee for Economic Affairs

Mr MEDVEDEVIM, chairperson of the Economic Affairs Committee, gave an overview of the economic situation in Russia. He stressed that the Committee wants to achieve proper development, not only reap profits on the world's oil prices. He said that the government had failed to identify the course which would be clear for the society and the lack of clarity led to the situation, where business is not neither of the present nor the future, the Government still discussing a mid-term strategy (until 2008).

He mentioned some important elements for Russian economy:

- 1) Work in the area of tariffs and pricing. The government does not have an objective approach for pricing and tariffs for some monopolies, such as metallurgical monopolies (internal costs remain the same). Mistakes in pricing have led to over 5% inflation a month. Unfortunately the government is proposing nothing new to curb inflation, it proposes surplus budget to pay off Russian debts. Russian market is very monopolised. Negative effects of doubled pricing prevent new investors from entering the market. The Committee wants to propose a new document to strengthen competition;
- 2) Communal services and living conditions of the population are still unsatisfactory. The Committee tries to create legal measures to solve this issue. He pointed out there are many unnecessary benefits in Russia while 20 % of people live below the minimum income level. A new law on concessions is being discussed, which will hopefully help to move away from monopolies;
- 3) Multitude of other economic problems, but one of them is Kaliningrad oblast. If Kaliningrad does not develop economically and infrastructure is not built, social issues won't be solved.

As a conclusion, he expressed hopes that the EU will show understanding for Russian problems and the roadmaps for the Four Spaces will be signed.

The Working Group finished with a lunch at the Duma.

Annex 1

Delegation to the EU-Russia Parliamentary Cooperation Committee

WORKING GROUP

Russian-Finnish Border Region (via Helsinki) and Moscow

18 - 20 April 2005

DRAFT PROGRAMME

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Sunday, 17 April 2005

Individual Arrival of Members and staff of the Delegation in Helsinki

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- 18.00 Meeting Bureau/Secretariat at hotel
- 20.00 Briefing and Working Dinner hosted by the Chairman
with State Secretary of Ministry of the Interior, Mrs Ritva Viljanen

venue:
Restaurant ROYAL at Hotel **CROWNE PLAZA**
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Monday, 18 April 2005

- 08.00 Departure by Bus
- 10.30 Vaalimaa: EU External Border with Russian Federation
- 11.00- Presentations by
- Finnish Customs Authorities
- Finnish Border Police
- Finnish Border Guards
venue: Truck Control Facilities
- 12.30 Visit of border facilities of Russian Federation
- 14.00 Farmhouse Lunch
hosted by Finnish Customs Authorities
- 15.00 Departure by bus back to Helsinki
- 16.00 Visit of City of Kouvola
EU-Russian Cargo Logistic Facilities
- 18.30 Press Conference
venue: EUROPE House (Eurooppa-talo), Pohjoisesplanadi 31, 2nd floor
☎ +358-9-6220450
- 20.00 Working Dinner with presentations "Border problems of European Industries at EU-Russian Border", hosted by Finnish Forestry Industries
venue: Snellmaninkatu 13, Tel. 13261

Tuesday, 19 April 2005

- 07.00 Departure to the airport (by individual taxis/airportbus)
- 09.25 Flight to Moscow (SU 436/AY 153)
- 12.05 Arrival at Sheremetyevo airport and transfer to

Hotel Royal Meridien **NATIONAL**
15/1, bld. 1 u. Mokhovaya, Moscow 125009
☎ +7-095-258.70.00, Fax: +7-095-258.71.00
- 14.00 Meeting with NGOs
venue: European Commission Residence, Bolshaya Polyanka 11/14,
☎ +7-095-935.7663

- 15.15 Briefing with Mr FRANCO, Head of EC Delegation, Mr Claude MOLINARO, Chargé d'affaires a.i., Embassy of Luxembourg, and Mr Stephen WORDSWORTH, Chargé d'affaires a.i., Embassy of Great Britain & Northern Ireland
venue: European Commission Residence, Bolshaya Polyanka 11/14,
 ☎ +7-095-935.7663
- 17.00 Meeting with Deputy Minister for Foreign Affairs, Mr Vladimir A. CHIZHOV
venue: Smolenskaya-Sennaya, 32/34
- 20.00 Reception hosted by European Commission
venue: European Commission Residence, Bolshaya Polyanka 11/14

Wednesday, 20 April 2005

- 08.00 Check-out and Departure
- 09.00- Meeting with Federal Assembly Delegation to the PCC
 11.00 *venue:* State Duma
- 11.00- Meeting with Chairman of Committee for Tourism, Mr MEDVEDEVIM.
 12.00 *venue:* State Duma
- 12.00- Lunch at State Duma
 13.30

Transfer to airports

Domodedovo *)

- 16.10 Departure to Brussels direct (SN 2836)
 17.45 Arrival in Brussels

Sheremetyevo *)

- 19.10 Departure to Brussels via Frankfurt (LH 3187)
 22.05 Arrival in Brussels
- 21.15 Departure to Brussels direct (SU 231)
 22.55 Arrival in Brussels
- 21.10 Departure

*) please note that the SN flight is departing from Domodedovo airport, most other airlines are leaving from Sheremetyevo (Lufthansa, Aeroflot, Finnair ...)

Annex 2

EUROPEAN PARLIAMENT

EU-RUSSIA PARLIAMENTARY COOPERATION COMMITTEE

WORKING GROUP TO THE FINNISH BORDER REGION & MOSCOW

18 – 20 April 2005

LIST OF PARTICIPANTS

Members:

Mr Camiel EURLINGS <i>Chairman</i>	PPE-DE, Netherland	Foreign Affairs
Mr Reino PAASILINNA <i>1st Vice-Chair</i>	PSE, Finland	Industry, Research & Energy
Mr Esko SEPPÄNEN <i>2nd Vice-Chair</i>	GUE/NGL, Finland	Budgets
Mr Giulietto CHIESA *)	ALDE, Italy	International Trade
Ms Anna E. FOTYGA	UEN, Poland	Foreign Affairs
Mr Tunne KELAM	PPE-DE, Estonia	Foreign Affairs
Ms Barbara KUDRYCKA	PPE-DE, Poland	Civil Liberties
Mr Justas V. PALECKIS	PSE, Lithuania	Foreign Affairs
Mr Bart STAES *)	Verts/ALE, Belgium	Budgetary Control
Mr Csaba S. TABAJDI	PSE, Hungary	Foreign Affairs

*) Moscow only

Secretariat of the delegation:

Mr Stefan PFITZNER, Administrator responsible
Ms Elina VIILUP, Administrator
Ms Claudia SIEGISMUND, Administrative Assistant

European Commission:

Mr Thomas FRELLESEN, Commission Delegation Moscow, Head of Political Section

Secretariat of the political groups:

Mr Lukasz DZIEKONSKI, Group of the PPE-DE
Mr Robert VAN DE WATER, Group of PSE

Interpreters:

Mr Mikhail FARAFONOV
Mr Nikolai ZAITSEV

Abbreviations :

EPP-ED	European People's Party/European Democrats	Verts/ALE	Greens/European Free Alliance
PSE	Party of European Socialists	GUE/NGL	European United Left/Nordic Green Left ID
ALDE	Alliance of Liberal and Democrats for Europe	Independence/Democratic Group	
		UEN	Union for Europe of the Nations Group

Annex 3

RUSSIAN PARTICIPANTS

State Duma

Mr MOROZOV, Co-Chairman

Mr Alexander BELOUSOV, Deputy Chair, Duma

Mr Yuri SAVELYEV, Member

Mr Vladimir ZHDANOV, Councillor

Federation Council

Mr Gennady GORBUNOV, Deputy Chair

Mr Vassily LIKHACHEV, Member

Mr Gennady OLEJNIK, Member

Mr Erik BUGULOV, Member

Mr Maxim TOKAREV, Councillor

Parliamentarians from St Petersburg (present at Finnish-Russian Border only)

Mr Vatanyar YAGIA, Legislative Assembly

Mr Serguei TERECHKOVSKI, Legislative Assembly