

Rendez-vous with Eastern Europe

The EU has now set the calendar for multiple top level political meetings to review progress of the European Neighbourhood Policy (ENP) and Eastern Partnership (EaP): an EaP ministerial this November, an ENP ministerial in February 2011 to conclude the policy review currently underway, and an EaP summit in Budapest in May 2011 to which the forthcoming Hungarian rotating Presidency attaches high importance. With all these political pre-commitments now made, officials should be at work out on the 'deliverables' for these important events.

But it is not evident that they will have much of real note to report. It is quite likely that no new association agreements will be signed, because that is conditioned on concluding deep and comprehensive free trade agreements (DCFTA) which are nowhere yet in prospect; there will be no real breakthrough on visa liberalization since this is framed as a long-term matter (which usually means at least 5 years), and no major results to report from the multilateral sectoral platforms of the EaP, etc. As of now one might expect bland declaratory conclusions along the lines "there has been a lot of progress, but much remains to be done".

What should be done? The EU for its part should rethink its posture on both the free trade and visa issues, which are the two key areas where something could be done promptly, and which would mean something tangible for the partner states.

On the economic side the DCFTA proposition is the flagship initiative. But the flagship is not moving. The negotiations with Ukraine that have been going on for two years seem to be stuck. Negotiations with Georgia have not even begun, being stuck over a set of pre-conditions posed by the EU. Regarding Ukraine there may be problems on both sides. It is far from clear whether the new leadership, which includes several oligarchs in high government positions, actually wants a free trade deal, or whether it prefers a mix of considerable protection and minimum transparency in its trade policies. The Ukrainian side for its part complains that the EU will not offer agricultural market access commensurate with the liberalisation it would have to accept on industrial goods. But the Georgian case is quite different: this country has already done free trade unilaterally with the whole of the world, and merely asks the EU to reciprocate. To which it receives advice to engage in a lot of EU 'acquis' compliance first, going way beyond the requirements for exporting to the EU. An example is EU food safety standards which would be extremely expensive to apply to the whole of the Georgian economy. On the

other hand Georgian exporters of fruit, vegetables and wine can work on getting certification of their export production lines without applying the whole EU acquis to the whole of the agri-food sector. The Commission's DG Trade is implicitly treating the Eastern partners as if they were accession candidates, while the Council of Foreign Ministers is unwilling to offer membership perspectives. The EU institutions seem to have forgotten already the painful experiences of the new member states – "we would never have applied many of the EU's regulations without it being part of the accession package politically and financially". The concept of 'Deep and Comprehensive Free Trade' should be reconsidered and adapted to the circumstances of the Eastern partners, bearing in mind also that the Mediterranean partners got free trade without this Deep and Comprehensive addition. It is all looking like a delaying tactic: make the conditions so severe that they will not agree, and so leave them in indefinite limbo. A better idea would be to have as an optional template a Basic Free Trade Agreement (BFTA) for the time being, starting soon. The degree of mandatory EU acquis compliance would be limited to that strictly required for trade; to go further would be an option that would receive EU encouragement and assistance, but not an obligation or pre-condition. Otherwise no policy movement will mean no free trade deliverables.

The visa liberalisation issue has become a matter of dialogue over 'long-term road maps', which means nothing to the people of Eastern Europe for the time being, and so no deliverables here either. Apparently France is even trying to block the opening of these dialogues for Moldova and Ukraine. But there could be possibilities for substantial short-run progress. One idea advocated by the EU-Russia Industrial Round Table (for Russia, but this is equally relevant for the Eastern partners) is that anyone who has had a short-term visa twice should be virtually automatically granted a five or ten year multi-entry visa (the US does ten year visas). The point is that the individual who has had two short-term visas will have been interviewed twice, and would have shown evidence of having correctly applied the rules (no overstays). The so-called visa facilitation of recent years has failed to deliver perceptible benefits, and certainly not overturned the negative impact of the new EU member states having to introduce visas. The good news technically is that December 2010 will see the entry into operation of the much delayed Schengen visa data base, which means that consulates everywhere will be able to access the visa history of applicants on-line.

Table of Contents

Eastern Partners	3
EU conclusions on Eastern Partnership	3
Ukrainian President on Constitutional changes	4
EUHR Ashton and EC Füle on Ukraine	5
Interview with Ukraine PM Azarov on EU-Ukraine relations.....	5
EU conclusions on Moldova	5
EU conclusions on Belarus	6
Russia	7
Russia President on tension in relations with Belarus.....	7
French-German-Russian talks in Deauville	8
Georgia MFA on Russian troop withdrawal	9
EUHR Ashton on Russian troop withdrawal	10
Central Asia	10
EU conclusions on Uzbekistan	10
Southern Neighbours	10
EU-Lybia Migration Cooperation Agenda.....	10
EU agrees on «advanced status» for Jordan.....	12
Middle East	12
EUHR Ashton on visit to Middle East.....	12
Israel PM speech in Knesset	12
Western Balkans	14
EU conclusions on Bosnia and Herzegovina.....	14
EU conclusions on Serbia	14
Press Freedom	15
Press Freedom Index 2010	15
EU-Asia	16
ASEM Brussels Declaration	16
EU-China summit.....	16
EU-Korea summit.....	16
EEAS	17
EU conclusions on the EEAS	17
Energy	17
EC: «Energy Challenges of the next ten years.....	17
Gazprom on future of its business in Europe.....	17
CEPS Publications	19
The Political Future of Afghanistan.....	19
The EU's diplomatic debacle at the UN	19

In addition the border posts of Schengen countries already have on-line access to the Schengen Information System which identifies individuals who are on the visa black list. These technical facilities assure that the consulates issuing multi-entry visas have the means to check against people who may have abused the short-term visa rules. How about a deliverable here for May 2011?

Both these two examples belong to the same policy paradigm currently being practiced by the EU: devise long, long processes of conditionality, and defer to beyond the horizon concrete benefits. This is a travesty of what the close partnership with our nearest neighbours is meant to be about. Unless there is some sharp rethinking and policy movement in the EU institutions, requiring also movement in the mandates they receive from the member states, there will be no deliverables for Budapest in May of next year that anyone will notice. The survey of opinion about the ENP and EaP that we published last month showed that the majority of experts considered that this policy has had little or no impact. Is it going to remain that way?

Earlier this week I attended a conference in Bratislava organised by the Slovak Foreign Policy Association, which was devoted to the search for a renewed momentum to the Eastern Partnership in view of the political rendez-vous mentioned above. The conference was attended by many key foreign policy officials and think tank experts. While the above conclusions are entirely mine, I heard nothing to undermine the broad thrust of the arguments here presented.

Michael Emerson
CEPS Senior Research Fellow

EU Conclusions on the Eastern Partnership

EU Foreign Affairs Council

Brussels, 25 October 2010. [Link](#)

[Extracts]

3. It is now important for the dynamics of the process to be maintained so that further tangible results can be made. The second Eastern Partnership Summit in Budapest in May 2011 will provide an opportunity to take stock of progress made and give guidance for the future.

4. The Council recalls that the active engagement of the partner countries and their commitment to shared values and principles, including democracy, the rule of law and respect for human rights and good governance are essential to take the process forward and to make the negotiation and the subsequent implementation of ambitious future Association Agreements a success. The EU is committed to assisting the partner countries in this regard.

5. The Council underlines that progress on the bilateral track of the Eastern Partnership, on the basis of the own merits of each of the partner countries, remains essential. This includes the upgrading of bilateral contractual relations, and, in this context, developing Comprehensive Institution-Building with each of the partners, as well as promoting the mobility of citizens in a well managed and secure environment, and strengthening energy security. In the same context, the EU will continue to pursue the establishment of Deep and Comprehensive Free Trade Areas with Eastern partners once they have met the necessary conditions.

6. The Council notes the progress made so far in negotiations with Ukraine on a future Association Agreement, including the establishment of a Deep and Comprehensive Free Trade Area, and encourages further efforts on both sides so that the negotiations can be finalised soon. Negotiations with the Republic of Moldova on a future Association Agreement have made very good progress since they were launched in January this year. Furthermore, the accession of Ukraine and the Republic of Moldova to the Energy Community offers a concrete perspective for the integration of both countries in the EU's internal energy market on the basis of alignment with the relevant *acquis*. As for future Association Agreements with Armenia, Azerbaijan and Georgia, the Council welcomes the launch of negotiations in July and hopes that these will progress swiftly. The extent of Belarus' participation in the bilateral track of the Eastern Partnership continues to depend on internal political developments in Belarus. The EU will therefore continue to follow the situation pertaining to democracy and human rights in Belarus.

7. The Council reiterates the importance it attaches to people-to-people contacts as a means to promote mutual understanding, as well as business, civil society and cultural ties. Recalling the Stockholm Programme and the Joint Declaration of the Prague Summit, the Council reiterates its commitment to promote mobility of citizens of the Eastern partner countries through visa facilitation and readmission agreements, and once these are successfully concluded and implemented, to take gradual steps towards full visa liberalisation as a long term goal for

individual partner countries on a case-by-case basis provided that conditions for well-managed and secure mobility are in place.

8. With regard to Ukraine, the EU-Ukraine visa dialogue examining the conditions for visa free travel as a long-term goal should now enter a fully operational phase on the basis of an action plan setting out all technical conditions to be met by Ukraine before the possible establishment of a visa-free travel regime. The action plan will be "two phased" and will be tailored to Ukraine's current progress. It will contain two tiers of benchmarks: preliminary benchmarks concerning the policy framework (legislation and planning), which in turn will pave the way for meeting more specific benchmarks, covering effective and sustainable implementation of relevant measures including concrete results on the ground. Moreover, the effective implementation of visa facilitation and readmission agreements will remain of particular importance.

Through the Council, EU Member States will be fully associated in the different steps of the process, including by being consulted on the draft action plan and both sets of benchmarks. The draft action plan will take into account the expert analysis produced during the exploratory phase of the visa dialogue and will be accompanied by an initial assessment of the impact of possible future visa liberalisation. The Council will also be kept informed through Commission reports on the fulfilment of the first set of benchmarks, in view of taking a decision to initiate an assessment of the second set of more specific benchmarks. Furthermore, Member State experts will participate in the monitoring missions conducted by the Commission services and in regular consultations in relevant Council Working Groups.

The Council underlines that there will be no automaticity in this process and progress in the fulfilment of benchmarks will be closely examined and decided upon by the Commission and the Council.

9. The Council notes that this approach could serve as a model for other Eastern Partnership countries bearing in mind the specificity and progress of each country.

10. The Council reiterates the importance of people-to-people contacts and welcomes the opening in June 2010 of the visa dialogue examining the conditions for visa-free travel of citizens of the Republic of Moldova to the EU as a long-term goal. On the basis of the exploratory phase of the dialogue, the Council underlines the achievements made so far, the existing challenges and the importance of further reform efforts by the Republic of Moldova, and invites the Commission to prepare a draft action plan, in line with the approach set out in paragraphs eight and nine of these Conclusions, setting out all the conditions to be met by the Republic of Moldova before the possible establishment of a visa-free travel regime, with a view to the visa dialogue entering a fully operational phase as soon as appropriate. Through the Council, EU Member States will be fully associated in the different steps of the process, including by being consulted on the draft action plan and both sets of benchmarks. The effective implementation of the readmission agreement will remain important in this context

11. In this way, in working towards a possible future visa free travel regime, the EU will seek to provide incentives for reforms in the JLS domain and promote conditions for secure and well-managed mobility using a country-specific approach, while at the same time ensuring regional coherence in the approach adopted towards visa liberalisation with the Eastern Partnership countries and also Russia.

12. In this context, in accordance with the Stockholm Programme and the Joint Declaration of the Prague Eastern Partnership Summit, the Council has invited the Commission to develop before the end of 2010 a plan on how to take cooperation with the Eastern Partnership countries forward in the area of Justice, Freedom and Security. This plan should also list the gradual steps towards visa liberalisation as a long-term goal for individual Eastern partner countries on a case-by-case basis, as well as describe the conditions for well-managed and secure mobility.

13. The Council reiterates its concern that unresolved conflicts in the Eastern neighbourhood continue to hamper not only the economic and political development of the partner countries, but also regional cooperation and the stability of the European continent. The EU remains committed to support the agreed negotiating formats and processes aimed at a peaceful and lasting settlement of conflicts in the region, and calls on the parties to fully commit themselves to these processes.

14. The Council notes with satisfaction the progress made in implementation of the multilateral track of the Eastern Partnership as a vehicle for promoting cooperation, open dialogue, and the exchange of experience and best practices, thus serving the objectives of the Eastern Partnership. The four thematic platforms have adopted Work Programmes for 2010-11 and have established a number of Panels. Several Flagship initiatives have also been set up. The Council looks forward to the further implementation of concrete regional activities and projects agreed, in particular in the framework of the European Neighbourhood and Partnership Instrument (ENPI). The Council supports the further involvement of civil society in the work of the multilateral track of the Eastern Partnership through the Civil Society Forum. The Council also underlines the opportunities offered by the multilateral track for building trust and promoting cooperation among the partner countries, and with the EU and its Member States. The Council recalls the importance of the partner countries continuing to make full use of the multilateral track to this end.

15. The Council recalls that third countries are eligible for participation on a case-by-case basis in concrete projects, activities and meetings of thematic platforms, where it contributes to the objectives of particular activities and the general objectives of the Eastern Partnership.

16. The Council looks forward to the Eastern Partnership Ministerial meeting to be held in Brussels in November 2010, which will provide an opportunity to take stock of the implementation of the Eastern Partnership. It will also allow the EU and the partner countries to discuss the further implementation of the Eastern Partnership with a view to supporting further reforms and strengthening and deepening the relations between the EU and the partner countries on the basis of common values.

Related Document:

- Speech by EC for Enlargement and ENP Füle on the European Neighbourhood Policy. [View here.](#)

Address of Ukrainian President Yanukovich on changes to the Constitution

Kyiv, 1 October 2010. [Link](#)

My dear fellow citizens!

The Constitutional Court of Ukraine repealed the alterations to the Constitution, which were made in 2004.

Thus we returned to the Main Law, under which Ukraine had lived since 1996.

We returned to the Constitution, which was acknowledged as the best by the European and other countries all over the world.

This Constitution empowered Ukraine to develop as an independent state, set invariable course for democracy and supremacy of law, protection of human rights and freedoms. The decision of the Constitutional Court is not sudden for the people.

Ukraine and the society are fed up of living in the conditions that dictated the alterations to the Constitution of 2004.

These changes were made hastily, for the sake of political momentum. They caused permanent conflicts in power.

As a result, we see economic downfall and poverty of people, considerable decline of our country's position on the international arena.

Today the Constitutional Court has repealed the alterations of 2004.

As a guarantor of the Constitution, I will obey this decision as any other.

All our further moves on improving the Constitution will be effective, systematic and transparent.

A new reform of the political system is an integral part of the course for reforms and will become a great step towards nationwide consensus.

I support an idea of referendum, as well as an idea of the National Constitutional Assembly as a mechanism for efficient consolidation on the way of political reforms.

It is a legitimate way we will move ahead.

I would like to reiterate that there is no alternative to reforms, to the course for changes and improvement of the citizens' life.

I believe that democratic choice is irrevocable. I believe in freedom and justice in our state, in the prospects of the Ukrainian democratic republic.

We should make Ukraine a strong, modern, competitive state, and I anticipate public support in this important and very responsible matter.

Related Document:

- Yulia Tymoshenko: October 1 marks the end of Ukraine's democracy and beginning of dictatorship. [View here.](#)

EUHR Ashton and EC for Enlargement and ENP Füle on Ukraine

Brussels, 20 October 2010. [Link](#)

We are pleased to have this opportunity to make a statement on the current situation in Ukraine. These remarks are made in the light of three important upcoming events: The EU-Ukraine Ministerial meeting which will take place in Brussels on 26 October; the local elections which will take place on 31st October and the 14th EU-Ukraine Summit which will be held in Brussels on 22nd November.

In recent years Ukraine has enjoyed a high level of political freedoms. Successive elections have been recognized internationally as having been conducted in accordance with international standards.

Ukraine has developed a dynamic and diverse civil society and media environment. And there have been consistent improvements across the board in respect for human rights. This is a significant legacy of the Orange Revolution.

As a consequence of these developments, and of the commitment of successive governments to the path of closer ties with the EU, relations between the EU and Ukraine have acquired considerable momentum. This is reflected most clearly in the ambitious and far-reaching EU-Ukraine Association Agreement which we are currently negotiating and which aims at achieving the twin goals of political association and economic integration with the EU.

President Yanukovich's government has undertaken a number of important economic reforms in recent months which should be commended. These include the adoption of a Public Procurement Law which should play an important role in the fight against corruption and in increasing competitiveness.

The adoption of a gas sector reform law, which paves the way for Ukraine's imminent accession to the Energy Community, as well as the Agreement it recently reached with the IMF for a Standby Agreement are also critical steps in securing macro-financial stability, transparency and a return to growth. These reforms go in the right direction and must be sustained.

The Ukrainian government has also managed to achieve a level of stability which has eluded Ukraine's political establishment in recent years. This is an important and necessary development in ensuring effective governance of the country.

Nonetheless, we are concerned at consistent and wide-spread reports of deterioration in respect for fundamental freedoms and democratic principles in Ukraine. Particularly worrying are complaints related to freedom of the media, freedom of assembly and freedom of association. Respect of these fundamental values is essential. They are the best guarantors of individual freedoms. They ensure a genuine competition of ideas. They are an essential component of truly open, innovative, and competitive societies.

On 1 October, the Ukrainian Constitutional Court handed down a judgment which overturned constitutional changes made after the 2004 Orange Revolution. This decision only increases the need for Ukraine to achieve wider constitutional

reform through an inclusive constitutional reform process, and very much takes up a key theme of your resolution of 25 February this year. Such a process should seek to establish an effective and lasting constitutional system of checks and balances in accordance with European standards.

For the European Union and our Member States respect for human rights, democratic principles and the rule of law are fundamental principles that bind us together. They are principles that cannot be compromised - so too for our relations with key partners such as Ukraine. The pace and depth of our rapprochement with Ukraine will be determined by full respect for these values.

Related Documents:

- [Speech by EC for Enlargement and ENP Füle: "Ukraine and the World".](#) [View here.](#)

- [Speech by EC for Enlargement and ENP Füle: "Ukraine: From Crisis to Growth".](#) [View here.](#)

- [Interview with Ukrainian PM Azarov on EU-Ukraine relations.](#) [View here.](#)

EU conclusions on Moldova

EU Foreign Affairs Council

Brussels, 25 October 2010. [Link](#)

1. The Council acknowledges the European aspirations of the Republic of Moldova and welcomes its efforts towards political association and economic integration with the European Union. It underlines the very positive dynamics in EU-Republic of Moldova relations during the last year as well as the active contribution of the Republic of Moldova to it.

2. The Council welcomes interest and active participation of the Republic of Moldova in the Eastern Partnership. It expresses satisfaction that negotiations on the future EU-Republic of Moldova Association Agreement are making very good progress. The Council also welcomes the ratification of the Rome statute of the International Criminal Court by the Republic of Moldova.

3. The Council welcomes the achievements of the Republic of Moldova as reflected in the Commission's Progress Report of May 2010, which highlighted the country's efforts to effectively implement structural reforms, based on a government programme fully aligned with the objectives of the EU-Republic of Moldova Action Plan. The Council looks forward to the Republic of Moldova continuing to address important challenges such as strengthening democracy and the rule of law, improving the investment climate, pursuing EU approximation in all areas of the EU-Republic of Moldova Action Plan, fighting corruption and organised crime, and tackling the problem of poverty. The Council stresses the EU's readiness to continue to deepen its relationship with the Republic of Moldova and to provide appropriate technical and financial assistance to support reform efforts.

4. The Council re-affirms the EU's readiness to continue to support the Republic of Moldova, including with macro-

financial assistance and high-level advice to the government. Substantial macro-financial assistance - EUR 90 million in the form of grants - will start being delivered to the state budget of the Republic of Moldova in the coming weeks.

5. The Council notes also that the Commission will deliver soon to the government of the Republic of Moldova its key recommendations in view of preparing the country for a deep and comprehensive free trade area. This will provide companies of the Republic of Moldova substantially improved access to the EU market, following the existing Autonomous Trade Preferences granted by the EU. This will also help to create an attractive investment climate for EU companies in the Republic of Moldova. The Council invites the Commission to prepare directives for a deep and comprehensive free trade area to be negotiated as an integral part of the Association Agreement. Such negotiations will start as soon as the necessary conditions are met.

6. The Council reiterates the importance of people-to-people contacts and welcomes the opening in June 2010 of the visa dialogue examining the conditions for visa-free travel of citizens of the Republic of Moldova to the EU as a long-term goal. On the basis of the exploratory phase of the dialogue, the Council underlines the achievements made so far, the existing challenges and the importance of further reform efforts by the Republic of Moldova, and invites the Commission to prepare a draft action plan, in line with the approach set out in paragraphs eight and nine of the Council Conclusions on the Eastern Partnership of 25 October 2010, setting out all the conditions to be met by the Republic of Moldova before the possible establishment of a visa-free travel regime, with a view to the visa dialogue entering a fully operational phase as soon as appropriate. Through the Council, EU Member States will be fully associated in the different steps of the process, including by being consulted on the draft action plan and both sets of benchmarks. The effective implementation of the readmission agreement will remain important in this context.

7. The Council notes that the Republic of Moldova has taken important steps during the past year in consolidating democracy. In this regard, the conduct of the constitutional referendum of 5 September in line with democratic standards was an encouraging sign. It is important that the parliamentary elections announced for 28 November take the country further forward on this path and fully meet international standards for free and fair elections.

8. The Council also welcomes the policy of constructive engagement of the Republic of Moldova in the Transnistria settlement efforts, including through the support of the Republic of Moldova to confidence-building measures. The Council underlines the continued efforts of the EU to contribute to a sustainable settlement of the Transnistria conflict, based on the principles of sovereignty and territorial integrity of the Republic of Moldova. It re-affirms the EU's call for a resumption of official settlement talks in the 5+2 format as early as possible.

EU conclusions on Belarus

EU Foreign Affairs Council
Brussels, 25 October 2010. [Link](#)

1. The Council reiterates the importance of the EU's critical engagement policy towards Belarus and notes the continuation of high-level EU-Belarus political dialogue, the intensified technical cooperation and participation of Belarus in the Eastern Partnership, as ways of building mutual understanding and creating opportunities to address issues of concern. Recognising the importance of enhanced people-to-people contacts and recalling the Council Conclusions of 17 November 2009, the Council looks forward to receiving Commission proposals for the negotiating directives for visa facilitation and readmission agreements with Belarus.

2. The Council reaffirms its readiness to deepen its relations with Belarus depending on developments in Belarus towards democracy, human rights and the rule of law as well as its readiness to assist the country in attaining these objectives. Subject to progress in Belarus in these areas, it stands ready to take steps towards upgrading contractual relations with Belarus. The Council will continue its discussions on a joint interim plan to set the priorities for reforms, inspired by the Action Plans developed in the framework of the European Neighbourhood Policy, to be implemented with Belarus. The EU could consider providing macro-financial assistance to Belarus, should the necessary preconditions be met, including the conclusion of a new program with the IMF.

3. Nevertheless, the Council remains concerned over the democracy and human rights situation in Belarus. It deeply regrets the lack of progress in the areas expressed in its previous conclusions, including the need for further reforms of the Electoral Code, the freedom of expression and of the media, the freedom of assembly and association. The Council looks forward to further rounds of Human Rights dialogue. Recalling the European Union's firm opposition to the death penalty, the Council deplores the execution of two Belarusian citizens carried out in March 2010, regrets the recent death sentences in Belarus and continues to urge Belarus to introduce a moratorium on the use of death penalty with a view to its abolition.

4. In the light of this situation, the Council is not able to lift the restrictive measures in place against certain officials of Belarus and therefore decides to extend them until 31 October 2011. However, in order to encourage progress in the areas identified by the EU, the Council decides at the same time to extend the suspension of the application of the travel restrictions until the same date. At the end of that period, the Council will review the restrictive measures in the light of the situation in Belarus. The Council may decide to reapply or lift travel restrictions at any time, in light of actions by the Belarusian authorities in the sphere of democracy and human rights.

5. The EU will continue to provide support to Belarus' civil society in order to promote the development of a pluralistic and democratic environment in Belarus.

6. The Council takes note of the announcement that presidential elections in Belarus will take place on 19 December 2010. It calls on the Belarusian authorities to ensure that the

elections are conducted in line with international norms and standards for democratic elections and Belarus' commitments in the OSCE and the UN. The Council welcomes the decision by the Belarusian authorities to invite an OSCE/ODIHR-led international election observation mission and invites the Belarusian authorities to fully cooperate with the OSCE-ODIHR. It also urges the responsible Belarusian authorities to fully implement the recommendations repeatedly made by the OSCE/ODIHR. The EU will closely monitor the developments and assess the situation after the elections. Clear and visible progress in the conduct of the elections would give new impetus to the European Union's engagement policy towards Belarus.

Russian President Medvedev on «tension» in relations with Belarus

Blog of Dmitry Medvedev, 3 October 2010. [Link](#)

Today I want to talk about what is happening in the relationship with our closest ally: Belarus. I want to address both the Russian and Belarusian people. After all, we are all citizens of the Union State.

It is my deep conviction that our country has always treated and will continue to treat the Belarusian people as our closest neighbour. We are united by centuries-old history, shared culture, common joys and common sorrows. We will always remember that our nations - and I always want to say "our single nation" - have suffered huge losses during the Great Patriotic War. Together we survived terrible hardships of the collectivisation, famine and repressions.

Now Russia and Belarus are partners in the Union State. Both of our countries are also actively involved in the creation of the Customs Union, in the development of the EurAsEC, CSTO and the Commonwealth of Independent States. We intend to fully expand our cooperation with Belarus within the framework of these organisations. We will continue to consistently develop modern forms of economic interaction in full accordance with international practice of relations between such close allies as our countries.

Proceeding from this, we have always helped the people of Belarus. In fact, since the collapse of the Soviet Union almost 20 years ago, the volumes of this support, whatever they say, have been huge. Only this year our help to Belarus in the form of favourable oil supply terms amounted to almost two billion dollars. There are comparable subsidies in the supply of Russian gas to Belarus. We do all this because we firmly believe that our nations are inextricably linked.

It is therefore particularly surprising that the Belarusian leadership has recently adopted an anti-Russian rhetoric. The election campaign there is built entirely on anti-Russian slogans, hysterical accusations of Russia's unwillingness to support the Belarusian people and the Belarusian economy, and curses addressed at the Russian leadership. What we can discern behind all this is a clear desire to cause discord between the states and, accordingly, the nations.

The inclination to create an image of an external enemy in the public consciousness has always distinguished the Belarusian leadership. In the past this role was assigned to the United States, Europe and the West in general. Now Russia has been declared one of the main enemies.

In his comments, President Lukashenko goes far beyond not only diplomatic protocol but also basic human decency. However, this was nothing new to me. I remember my surprise when during our first bilateral meeting, instead of concentrating on Russian-Belarusian ties, he expounded in great detail and in a highly negatively vein on my predecessors as presidents of Russia, Boris Yeltsin and Vladimir Putin. I had to remind my colleague at the time that we had entirely different issues on our agenda.

Mr Lukashenko demonstrated this original understanding of our partnerships in the issue of Belarus' recognition of South Ossetia and Abkhazia as independent members of the international community. I have said repeatedly: it is a sovereign right of each state to recognise the two new nations or not to recognize them. We never exerted any pressure on anybody in this issue even though it was an important matter for us.

The President of Belarus declared his readiness to do so in the presence of his colleagues, five presidents of other states. To be perfectly open, there is a corresponding entry in the minutes of a CSTO meeting. Later this issue became a permanent instrument of political bargaining.

But Russia does not sell out its principles. Such conduct is dishonest, and partners do not behave like this. And, of course, we will bear this in mind when building relations with the current President of Belarus.

A flood of accusations and abuse has been directed against Russia and its leadership. Mr Lukashenko's entire election campaign is based on that. He is concerned about a great number of issues: restoring order in our economic relations, the communication of Russian media with the Belarusian opposition, and even the fate of some of our high-ranking officials, retired and dismissed.

The President of Belarus should concern himself with his country's internal problems, including, finally, the investigation of numerous cases of disappearances. Russia, like other countries, is not indifferent to that.

Of course, this is not what defines the relations between nations and individuals. I am certain of this as President of the Russian Federation. I am also sure that this senseless period of tension is certain to come to an end.

I would just like to say this openly: Russia is ready to develop allied relations with Belarus. Moreover, no matter who leads Russia and Belarus, our peoples will forever be fraternal. We want our citizens not to live in fear, but in an atmosphere of freedom, democracy and justice. And we are ready to pursue this together with our Belarusian friends.

French-German-Russian talks in Deauville

Joint News Conference

Deauville, 19 October 2010. [Link](#)

PRESIDENT OF FRANCE NICOLAS SARKOZY:

Yesterday, during the working dinner, and today, the Chancellor, the Russian President and I discussed subjects of interest to Europe and Russia, and examined a range of issues on the international agenda. We are certain that Russia, Germany and France share common positions in many respects.

Mr Medvedev is pursuing a decisive modernisation policy, and we must help Russia in this. We will work hand-in-hand with Russia, cooperating in various areas in a spirit of friendship and trust. As for the matter of abolishing visas, which is so important for Russia, this will be a step-by-step process, but the issue will be resolved. We share similar views on economic matters, in which we are interlinked in sectors such as raw materials, for example, on technology exchange, trade, and on security issues, where we face the same threats.

We discussed the Middle East and Iran, on which Mr Medvedev has taken a very bold and useful position. Of course, with France due to take the presidency in the G20 next year, we also (Ms Merkel, Mr Medvedev and myself) discussed the various issues that will be on the agenda for the G20 summit in 2011. We will not talk at length about this today, because it is still early, still only 2010, but we do have a common desire to see France, Russia and Germany move forward together.

[...]

PRESIDENT OF RUSSIA DMITRY MEDVEDEV:

The issue of European security architecture, as I said, was also in the spotlight. We believe that there is a lot of work to do in the future. There are a number of ideas, including the Russian proposal of European Security Treaty. Our colleagues are prepared to continue considering this proposal.

We talked about cooperation between Russia and NATO. That was an important discussion, informative and useful. I would like to announce that I will take part in the Russia-NATO summit, which will be held on November 20 in Lisbon. I believe it will help us find the right compromises and in general to deepen the dialogue between the Russian Federation and the North Atlantic Alliance.

We reviewed the Partnership for Modernisation, we talked about visa-free travel and the whole range of Russia-EU issues because France and Germany are our major EU partners, and it is very important for us to coordinate efforts with these states.

[...]

FEDERAL CHANCELLOR OF GERMANY ANGELA MERKEL:

We discussed upcoming international meetings. I was very pleased to hear Russian President Dmitry Medvedev announce that he will attend the NATO summit in Lisbon. This is good news because we need to put relations between Russia and NATO on a rational track. After all, we face some of the same threats in the world today.

[...]

We also discussed the OSCE summit in Astana, which should demonstrate that we continue to move forward in resolving security issues, above all in the area of security organisations bringing together Russia and the EU. We outlined our initial positions on this matter during the meeting just now, and in this respect Germany, France and Russia share the same view, namely that we need to work step by step to build a security system that will enable us to respond to conflicts.

[...]

QUESTION: President Sarkozy, you have just said that you discussed the issue of visa-free travel between Russia and the EU. It is well known, however, that certain countries have adopted a rather reserved stand on this issue, to put it mildly. What specifically did you discuss and did you reach any agreements here, in Deauville? Can it be expected that during the EU-Russia summit on December 7 in Brussels this issue will be completely taken off the agenda and we will be able to talk about visa-free travel? This question is to Mr President and to Madam Federal Chancellor. Thank you.

NICOLAS SARKOZY: Listen, we meet to discuss common issues. Angela Merkel and I realise how important the visa issue is for our Russian friends. This is obvious, and no one is saying that this issue is off limits for discussion. Germany and France see Russia as a friendly country, but we need to first bring our positions closer together.

We agreed that we will work step by step towards abolishing visas. Mr Medvedev has also made some commitments, including with regard to the Energy Charter, in order to reach the goal of full abolition of visas as soon as possible. Our discussions will enable us to make good progress in bilateral and trilateral format. There is no need to dramatise the situation. We are all making an effort to understand each other's problems. The main thing for our three countries is that we are moving forward and moving fast. I think that in 10-15 years – this is the future we should be looking at – we will be able to establish a common economic space between the European Union and Russia with freedom of enterprise, visa-free travel, and a common security concept.

[...]

ANGELA MERKEL: On the issue of visas, our position is that we know this is an important issue for Russia and we think that we need to work towards it step by step. Germany has already simplified the rules regarding short-term visas, and in the next stage we could discuss multi-year visas. We said today that these steps should be clearly outlined and examined, and we need to move forward, but this cannot happen overnight. I realize that Russia does not want this issue to be put on the back burner and hopes that we will make strenuous efforts to sort out the matters that have not been settled yet.

DMITRY MEDVEDEV: I think I should also say a few words on this subject since it concerns Russia. Opinions on visa-free travel are mostly clear, they are what they are, they are pragmatic and based on the domestic political reality prevailing in each country.

Everyone understands that visas should be abolished and everyone understands that it cannot be done simply by an act of will, by pushing the issue. Therefore, we agreed on two things in relation to our three countries. We understand that there must be a process, we just need to gauge the scope of this process, and we understand that this process should have its own roadmap. We will continue our efforts on the basis of these two premises. The next round of consultation will, of course, take place with the participation of all parties. I believe that it could be done as part of our work with the European Commission in the course of our visit to Brussels. We will also continue these efforts with other states and at other venues.

A few words about anti-ballistic missiles. I didn't have a chance to speak about it before, but in general, we are concerned about this issue and we discussed it yesterday. We heard what is being said to us about the idea of Russia joining the global anti-missile defence system. This issue has also been proposed for the agenda of our relations with NATO. Currently we are considering the idea of this proposal but I think that NATO needs to understand for itself the terms on which it sees Russia joining the system, what this will achieve, in what way such an agreement could be reached and how to continue our efforts. We will be able to give our answer regarding the way to move forward on the idea of a European missile defence system only on the basis of assessing this proposal.

QUESTION: This question is for the Russian President. Rapprochement with NATO and the EU was always based on the assumption that Russia will show goodwill in resolving the frozen conflicts. It was good to hear that you are making your contribution to these efforts. To give a couple of examples, Transdnier. When will Russia withdraw its troops from Moldova and Georgia?

DMITRY MEDVEDEV: I think we have the potential to resolve a wide range of conflicts, including frozen ones. You mentioned Transdnier. We discussed this issue yesterday as we traditionally discuss it during our meetings with Ms Merkel. I believe that we can achieve good results here, but only if all the parties involved in the conflict adopt a constructive position, and that is where intermediaries can help, those who can influence the situation. I have had the opportunity to gather the Moldovan authorities and the Transdnierian leadership in Moscow, and in principle they can be encouraged to make constructive efforts.

It is another issue that today Moldova is in a state of uncertainty ahead of elections, and of course, these processes can be resumed only when the negotiating parties are in place. And a negotiating party consists of people who have the authority. Therefore, I believe that we have a good chance to resume the process immediately after the elections and to achieve a result. Russia will contribute to this.

But I would like to point out that of course the success does not depend solely on Russia. The success of these efforts depends without doubt on the position of Moldova, the position of Transdnier, the position of Romania, and the position of the European Union, all the parties involved.

[...]

NICOLAS SARKOZY:

Of course we discussed the problem of the frozen conflicts with Mr Medvedev. We spoke about Georgia. As you know, I reached an agreement with Mr Medvedev in 2008. This was not an easy task. I already said to him that the withdrawal of troops from Perevi was a very important step and represented significant progress. I thanked him for this, as I have thanked him in the past, and will continue to do so. I think that diplomacy should triumph over force. I think that it is essential too to reflect on returning prisoners of war.

At the same time, Georgia also should make a commitment not to use force. It would be good if our Russian friends agreed to the presence of European observers on these territories. We are working on this, but this is a lengthy process and we should not expect to find a solution to such a complex and tragic situation in just a few weeks.

We talked about everything in an atmosphere of trust, and I think we have achieved some positive results for everyone. Of course these conflicts must be settled not through confrontation and military force, but through diplomacy, discussion, mutual respect and understanding of each other's problems. This is the way to solve conflicts. I am absolutely convinced of this.

Georgian MFA on Russian troop withdrawal from occupied village of Perevi
Statement by the Georgian MFA
Tbilisi, 18 October 2010. [Link](#)

On 18 October, 2010 the Russian Federation withdrew its armed forces from the occupied village of Sachkhere district - Perevi. The Ministry of the Foreign Affairs of Georgia views such action as a step made in the right direction. The de-occupation of each village is of outmost importance for Georgia and especially for the population residing in those villages. However, it should be emphasized that the withdrawal of Russian occupational forces from Perevi is just a miniscule step in comparison with commitments envisaged by the ceasefire agreement of 12 August 2008 which Russia still has to comply with.

The Ministry of the Foreign Affairs of Georgia would like to once again remind the international community that Russia continues to brutally violate the ceasefire agreement of 12 August 2008. The Russian Federation still occupies 20% of the territory of Georgia, where several military bases and more than ten thousand Russian troops continue to be stationed. The facts of human rights violations still occur in the occupied regions; hundreds of thousand refugees and internally displaced persons lack the possibility of safe and dignified return to the places of their residence. Moreover, the Russian Federation still blocks the international presence on the ground, including the EUMM.

The Georgian side once again calls upon Russia to respect the principles of International Law, comply with all provisions of the six-point ceasefire agreement and fully de-occupy the

Georgian regions of Abkhazia and the Tskhinvali region/South Ossetia.

EUHR Ashton on removal of Russian checkpoint from the village of Perevi in Georgia
Brussels, 18 October 2010. [Link](#)

I welcome the removal of the Russian checkpoint in Perevi, Georgia, as announced at the 13th round of Geneva International Discussions on 14 October, and see it as a positive development on the ground. I look forward to further progress towards the full implementation of the EU-brokered Six Point Agreement of 12 August 2008 and its Implementing Measures of 8 September 2008.

Monitors from the EU Monitoring Mission (EUMM) have confirmed that the Russian checkpoint was dismantled on 18 October. EUMM has been liaising with Russian and Georgian authorities to ensure that the withdrawal is carried out in an orderly and peaceful manner.

The EU remains fully committed to a peaceful resolution of the conflict. I call on all parties to make real efforts towards further normalisation on the ground and to continue engaging in dialogue as the only means to address the consequences of the conflict, including the humanitarian situation.

EU conclusions on Uzbekistan
EU Foreign Affairs Council
Brussels, 25 October 2010. [Link](#)

1. The Council has assessed the situation in Uzbekistan in the area of human rights, respect for democratic principles and the rule of law as well as the state of EU-Uzbekistan cooperation. The Council considers that substantial progress is still needed in order for the EU's relationship with Uzbekistan to reach its full potential.

2. The Council appreciates the constructive approach taken by the Uzbek authorities in response to the humanitarian crisis, which resulted from the spate of ethnic violence in southern Kyrgyzstan in June. The Council encourages Uzbekistan to foster good neighbourly relations with Kyrgyzstan and other countries in the region, in particular by developing cross-border cooperation and people-to-people contacts, and thus contribute to the overall stability of Central Asia.

3. The Council welcomes the constructive cooperation between the EU and Uzbekistan in a number of areas, such as the Rule of Law Initiative, border management, education, environment and energy, including in the framework of the EU Strategy for Central Asia. In this context, the Council looks forward to progress on opening an EU Delegation in Tashkent which would allow for enhanced dialogue and contribute to strengthening cooperation.

4. The Council takes note of efforts made by the Uzbek authorities to address some of the serious shortcomings as regards the human rights situation in Uzbekistan, in particular,

through enhanced cooperation with the EU, UN agencies, the OSCE and other international organisations in a number of key areas such as criminal justice reform, the fight against human trafficking, human rights education and prison reform. The Council welcomes the release of Mr. Sanjar Umarov, the encouraging cooperation by the Uzbek authorities with the EU on concrete projects in the field of judiciary reform, as well as their expressed interest in developing cooperation to combat torture.

5. The Council, however, remains seriously concerned by the overall situation regarding human rights, democratisation and the rule of law in Uzbekistan and by the lack of substantial progress in the areas of concern outlined in the Council conclusions of October 2009. The Council calls on the Uzbek authorities to urgently undertake effective measures to make progress in those fields, in particular by releasing all imprisoned human rights defenders and prisoners of conscience, allowing unimpeded operation of non-governmental organisations in the country, cooperating fully with all relevant UN Special Rapporteurs, guaranteeing freedom of speech and the media, proceeding with practical implementation of conventions against child labour and by fully aligning its election processes with international standards. The Council reiterates the EU's readiness to assist the Uzbek authorities in these efforts and to share EU experience, particularly through the EU-Uzbekistan human rights dialogue.

6. The Council recalls the willingness of the EU to strengthen relations with Uzbekistan in a comprehensive manner, as set out in previous Council conclusions, and underlines that the depth and quality of the cooperation and dialogue at all levels continue to depend on Uzbek reforms and progress in the areas mentioned above. The Council will continue to follow the situation in Uzbekistan closely."

EC and Libya agree a Migration Cooperation agenda
EU press release
Brussels, 5 October 2010. [Link](#)

The visit to Tripoli (Libya) on 4 and 5 October by Cecilia Malmström, European Commissioner for Home Affairs, and Štefan Füle, European Commissioner for Enlargement and European Neighbourhood policy was the culmination of increased dialogue and part of the new momentum in EU – Libya relations, marked by several positive developments in 2010:

Good progress in the negotiations of the bilateral 'Framework Agreement', which will establish a very first official and legal relationship between the EU and Libya and open up many areas for working together.

Increased financial support for Libya's reforms amounting to a total of EUR 60 million for the period 2011-2013. These funds will help improve Libya's health sector, support economic development and in particular Libya's small and medium enterprises, and assist the Libyan administration in its modernisation efforts.

Opening an EU Office in Tripoli, that should become operational before the end of the year, as a demonstration

of EU's commitment to establishing a long-term relationship with Libya.

Agreement with Libya to develop our cooperation on migration-related issues.

In the framework of the visit an agreement on a migration cooperation agenda was signed yesterday evening in Tripoli by Commissioner Malmström, Commissioner Füle, M. Moussa Koussa, the Secretary of General People's Committee for Foreign Liaison and International Cooperation, and M. Yunis Al-Obeidi, the Secretary of General People's Committee for Public Security. This is a Cooperation agenda between the European Commission and Libya, including concrete steps on border surveillance system, mobility-related issues, smuggling and trafficking in human beings, and dialogue on refugees and international protection.

[...]

The EU and Libya also discussed the establishment of an informal group of senior officials that would oversee the implementation of the list of possible initiatives in the field of migration cooperation. The proposed initiatives will be implemented through a variety of means, ranging from the sharing of experience and best practices, as well as financing of actions, including the acquisition of equipment in accordance with applicable rules.

Both sides agreed on the following initiatives for possible further dialogue and cooperation.

1. Regional and Pan african dialogue and cooperation

Increasing joint efforts in the development of African countries of origin of migration. This would build on the serious and substantial efforts of Libya and the European Union as major donors to African countries. In this context, the EU and Libya will continue to address root causes of migration in the countries of origin of migrants travelling through Libya and creating viable alternatives to migration in these countries.

The EU and Libya will support awareness campaigns to take place in main countries of origin of migrants transiting through North Africa and Libya specifically to alert migrants to the dangers of irregular migration.

Libya and the EU will work together in the implementation of the "Declaration of Tripoli on Migration and Development" of 2006, and the EU-Africa Migration, Mobility and Employment Partnership adopted in Lisbon in 2007.

Libya and the EU will increase dialogue and exchange information regarding the issue of smuggling of human beings and related illicit traffics reaching Libya from other countries and the EU from Libya.

Libya and the EU will also establish an informal consultative group that will exchange information on development policies benefitting Africa, and possibly also to identify development projects in sub Saharan Africa. This group will be composed by the Libyan administration, by the representatives of the European Commission and of the EU member States which are willing to participate.

2. Mobility

The European Commission and EU Member States will explore further the possible actions to be taken, at administrative and other levels, including in the context of the local Schengen cooperation, in view of simplifying the granting of short-stays (single and multiple-entry) visas to Libyan citizens. Discussion will also start on the possibility for the abolition of entry and exit visa requirement for EU citizens entering or leaving the Libyan territory and other requirements limiting circulation, including the need of translating the passport into Arabic.

Carrying out seminars and exchanging information in order to improve mutual knowledge with regard to respective legislations, procedures and practices of the Libyan visa policy and of the EU common visa policy, including in relation to the VIS roll-out.

3. Ensuring effective management of migratory flows

Supporting the development in Libya of a more efficient system to manage labour migration. This could be done by allowing to maximise the skills of the migrants already present in the country and of the newcomers.

Enhancing the capacities of Libyan authorities, Libyan NGOs and international organisations, to properly launch and implement search and rescue operations aimed at saving lives of migrants in the desert or on high seas and to provide them with the necessary humanitarian assistance.

Providing decent treatment, reception and assistance - in line with international standards - to irregular migrants intercepted or readmitted or to be returned by Libyan authorities, or stranded in Libya, with focus on migrants belonging to vulnerable categories (like unaccompanied minors, victims of trafficking; pregnant women, and families with small children). This could build on the activities already carried out in Libya by the local authorities, international organisations and NGOs.

Offering assisted voluntary return home to irregular migrants intercepted or readmitted or to be returned by Libyan authorities, or stranded in Libya or in the countries of origin, as well as offer support for their social and professional reintegration.

Enhancing the capacity to address smuggling and trafficking in human beings, with reference in particular to the two respective protocols of the 2000 UN Convention on the Trans-national organised Crime, and in view of reinforcing the capabilities of law enforcement officials in charge of the implementation of this legislation, by taking also into the account the Ouagadougou Action Plan to combat Trafficking in Human Beings.

4. Border management

Carrying out a gap-analysis on the current functioning modalities of the Libyan border and immigration services, aimed at reinforcing the capacity of the latter to prevent the irregular migration flows from entering Libya from its Southern borders.

Strengthening cooperation between Libya and the neighbouring and other transit and origin countries, in the border surveillance and in the prevention of attempts of irregular migrants and smugglers to violate Libyan borders,

through promoting joint patrolling, intelligence sharing, the development of joint training, the facilitation of working contacts and the establishment of dedicated communication channels aimed at transmitting early warnings and sensible data.

Supporting the development of Libyan patrolling, search and rescue capacities in its territorial waters and at high sea. Delimiting the search and rescue region for which it Libya is responsible, pursuant to the SAR Convention it has ratified.

Establishment of an integrated surveillance system along the Libyan land borders, with focus on the areas prone to irregular migration flows, in line with the Memorandum of Understanding agreed between Libya and the European Commission on 23 July 2007.

Exploring concrete possibilities of cooperation between Libyan police, border, migration authorities and agencies and those of the EU Member States as regards the return and readmission of irregular migrants.

5. International Protection

Supporting Libya in its efforts aimed at establishing a protection system able to deal with asylum seekers and refugees in line with international standards and in good cooperation with the competent international organisation, in particular through providing advice on the development of a legislation in line with the 1969 African Union Convention Governing the Specific Aspects of Refugee Problems in Africa as well as providing training, technical assistance and equipment in view of promoting the development of administrative structures and human resources, able to properly act in line with this legislation

Assisting Libyan authorities in screening migrants in order to identify those in need of international protection and in addressing the burden represented both by the recognized refugees and the unsuccessful asylum seekers, and which would consist in resettling some of the recognized refugees towards EU Member States, in supporting the voluntary return of some of the unsuccessful asylum seekers back to their origin country, as well as in enhancing the reception capacities offered in Libya to asylum seekers and refugees.

Related Documents:

- EU agrees to grant Jordan "advanced status" partnership. [View here.](#)
- EU-Egypt co-operation programmes for the period 2009-13. [View here.](#)

EUHR Ashton on visit to Middle East

Brussels, 1 October 2010. [Link](#)

I am pleased to be here in Jerusalem. I came here directly from the United States to express my personal commitment and that of the European Union and its 27 Member States to the continuation of the peace talks – talks that should lead to a viable two state solution within one year.

Yesterday and today I have had a positive and constructive dialogue with President Abbas, Prime Minister Netanyahu, Prime Minister Fayyad and Senator Mitchell.

Those of us engaged in the process have been very concerned that the ending of the moratorium puts at risk the possibility of long term peace. I have urged Israel to continue the moratorium in order to allow the talks more time to make progress. I regret that so far they have chosen not to.

I also came to discuss with the Palestinian Authority the work they are doing to build the machinery for statehood. All of us who are supporting this – the EU is the biggest donor and partner – are very encouraged to see the progress that is being made.

We wish PM Fayyad every success in his work. Palestinian statehood is critical for any peaceful, workable and lasting solution. Political and financial support from the international community is essential. I urge those who have made financial commitments to deliver on their promises.

Gaza is never far from my mind, having visited twice this year, and I continue to call for the crossings to be opened to enable trade – especially the chance for businesses to export. My discussions with the Palestinian Authority have also focused on how we can support exports to allow the people of Gaza to gain a greater stake in their economy and their future.

These are the elements of the future – strong economies, security, and investment – and they need to be nurtured. But nurtured in the context of serious ongoing talks which lead to a solution on all final status issues. We will continue to offer whatever support we can so the talks continue and a comprehensive and sustainable solution is found, with the state of Israel and the state of Palestine living side by side in peace and security.

Israeli PM Netanyahu's speech at the opening of the Knesset winter session

Israeli MFA press release

Tel Aviv, 11 October 2010. [Link](#)

[Extract]

I believe that under the right conditions, the establishment of a Palestinian state could bring about peace, but if it is done in an irresponsible manner, the establishment of a Palestinian state could also be the cause for a worsening of the conflict and an increase in terror.

In order for the compromise to lead to peace and not war, it must be accompanied by two fundamental components: recognition, and security arrangements.

When I say recognition, I mean Palestinian recognition of Israel as the nation-state of the Jewish people. This is not just stubbornness. This is the root of the conflict and therefore a central foundation for resolving it.

For 100 years, the Palestinians have taught entire generations to believe that there is no Jewish people, that this land is their homeland alone.

The refusal to recognize the rights of the Jewish people and its historic connection to its land is the root of the conflict, and without dealing with it, there will be no end to the conflict.

As to security, any peace agreement between the Palestinians and us must be based on strong security arrangements in the field. We left Lebanon and Gaza without such security arrangements, and we suffered thousands of rockets fired at the Negev and the Galilee.

I am not willing to make do with peace on paper. The citizens of Israel are also not willing to make do with that.

UN Security Council Resolution 1701 from the end of the Second Lebanon War, withdrawal from the Philadelphi Route after the Disengagement, the positioning of international forces in the North and the South – none of these things prevented the firing of thousands of missiles at Israel, and the smuggling of tens of thousands of additional missiles by Iran into hostile territory surrounding us.

I will not allow Iranian missiles to be positioned 500 meters from Kfar Saba, or scant kilometers from Ben-Gurion Airport.

We live in a small country – very small. Our small dimensions pose existential security problems – problems that are unique to Israel. We must not take these security problems too lightly, and we must not allow ourselves to be tempted by the illusion that a peace agreement, in and of itself, will resolve them.

We once had peaceful, normal relations, relations which included exchanges of delegations, contact between leaders, trade relations, especially of petroleum, with an important country. That country is called Iran.

We also had wonderful, friendly relations with another country, with military cooperation, with full diplomatic relations, with visits by heads of state, with 400,000 Israeli visitors to that country. That country is called Turkey.

I still hope that we can rehabilitate and restore those relations, which have deteriorated against our will. Things have changed in Iran and, unfortunately, in other places as well, almost overnight, and no one can promise us that, despite our desire, a similar thing won't happen after the establishment of a peace agreement with the Palestinians.

Therefore we must insist on strong security arrangements in the field, with determination and without fear, in order to ensure that the peace will be upheld in practice, and also in order to defend our existence in the unfortunate but possible case that the peace is violated.

Peace and security are interwoven, and they are the principles which guide me. I firmly insist on the need for both of them, and I see that an understanding of our security needs has finally begun to penetrate international debate, beyond general statements. I speak of our specific needs. I believe, Members of Knesset, that if we stand together on this front, united around these principles, I am convinced it will help us achieve

a peace agreement. I believe that the unity surrounding these principles, which are so basic, so important and so real, can greatly advance our ability to achieve a peace agreement.

Although the Palestinians did not answer my call to begin direct negotiations for over a year, we took action.

We removed hundreds of roadblocks and checkpoints. We encouraged impressive growth in the Palestinian economy – impressive by any standards, especially given the fact that at the same time the entire world was mired in recession and economic crisis.

And as you know, we also suspended new construction in the Jewish settlements for ten months. We did so with a heavy heart. We knew that this step would weigh heavily on our brothers and sisters, good and loyal Israeli citizens, taxpayers, who serve in the reserves, law-abiding citizens. As the U.S. Secretary of State, Hillary Clinton, stated, it was an unprecedented move that no other government in Israel had taken before.

But we said we would do it and we did it. We enforced the moratorium with determination and without compromise. For ten months.

Unfortunately, the Palestinians wasted those ten months as well.

Now they demand that we continue the moratorium as a condition to continuing the talks. I hope they are not doing so to avoid making the real decisions necessary for a peace agreement.

Because they too will have to make difficult decisions. I don't belittle that. I know what kind of decisions we will have to make, but I also know what kind of decisions they will have to make. The only way to reach a peace agreement is to try, through direct talks, to bridge the gaps and make decisions.

However, as Prime Minister of Israel, I am committed and want to advance towards an agreement, one that will bring an end to the conflict and achieve peace between us and our Palestinian neighbors.

I know, Members of Knesset, that one can argue a great deal as to the path to achieving peace – but there is no argument that we will not achieve peace if we don't try.

During the past several weeks, I have explored every path to ensuring the continuation of the talks. I asked myself – what could convince the government and, more so, the citizens of Israel, that the Palestinians are truly ready to live with us in peace? What would show that there has been a genuine change on the Palestinian side – something that would demonstrate to us, the majority of the public, that they are not only demanding concessions by Israel, not only issuing dictates, but that they are ready to take a meaningful step towards us.

There is one thing. I transmitted the message through quiet channels during the past month, and I am now saying it here, publicly: If the Palestinian leadership will unequivocally say to its people that it recognizes Israel as the nation-state of the

Jewish people, I will be ready to convene my government and ask for another suspension of construction for a fixed period.

Because the Palestinians expect us to recognize the Palestinian state as their nation-state, we can expect them to recognize the Jewish state as our nation-state. I am not insisting that this recognition serve as a precondition for talks. We will continue the negotiations in any event, without any conditions.

However, there is no doubt that such a move by the Palestinian Authority would serve as a trust-building step, one that would open up a new horizon of hope and trust among broad sections of the Israeli public who, in light of the events of the past decade, have lost their confidence in the Palestinian's desire to end the conflict.

Unfortunately, so far the Palestinians have not answered this call, and the United States is attempting other means to ensure that the talks take place. The United States has made various suggestions, and we are seriously and responsibly considering them, in accordance with Israel's national interests, first and foremost security.

EU conclusions on Bosnia & Herzegovina

EU Foreign Affairs Council
Brussels, 25 October 2010. [Link](#)

1. The Council welcomed the increased turnout and the orderly conduct of the 3 October elections in Bosnia and Herzegovina, which, according to the preliminary assessment of the OSCE/ODIHR and their International Election Observation Mission, were generally in line with international standards.
2. The EU reiterated its unequivocal commitment to the European perspective of Bosnia and Herzegovina. It also reaffirmed its unequivocal commitment to the territorial integrity of Bosnia and Herzegovina as a sovereign and united country.
3. Fifteen years after the signature of the Dayton-Paris Peace Agreements, Bosnia and Herzegovina's citizens deserve a qualitative step forward of their country on the path towards European integration.
4. The political leaders need now to engage constructively in a political dialogue and form new governments that will have the EU agenda at the heart of their programme.
5. The political leaders have the prime responsibility to achieve concrete and tangible progress, including on the road towards EU integration, in a spirit of compromise and collective constructive action, while refraining from divisive rhetoric and actions that would harm the interests of citizens of Bosnia and Herzegovina. Bosnia and Herzegovina has already shown that it is able to deliver on commitments when the political will is there. The EU stands ready to offer its support for the urgently needed reforms, including through its future reinforced presence. Bosnia and Herzegovina cannot afford to lose more time.

6. Reiterating its support to the objective of visa liberalisation on the basis of fulfilment of all benchmarks and recalling the European Parliament's vote on this issue on 7 October, the Council underlined its intention to take a decision on 8 November.

7. Recalling its Conclusions of 25 January on Operation ALTHEA, the Council confirmed the EU's commitment to a continuing executive military role to support Bosnia and Herzegovina's efforts to maintain the safe and secure environment, under a renewed UN mandate; and, building on Althea's achievements, to the continuing provision of non-executive capacity-building and training support in order to contribute to strengthening local ownership and capacity. The Council agreed to keep the operation under regular review, including on the basis of the situation on the ground."

Related Document:

EP resolution on visa-free travel for Albania and Bosnia and Herzegovina. [View here.](#)

EU conclusions on Serbia

EU General Affairs Council
Brussels, 25 October 2010. [Link](#)

1. On 22 December 2009, President Mr Boris Tadic presented the application of the Republic of Serbia for membership of the European Union. The Council decided to implement the procedure laid down in Article 49 of the Treaty on the European Union. Accordingly, the Commission is invited to submit its opinion.
2. Recalling the renewed consensus on enlargement as expressed in the conclusions of the European Council of 14/15 December 2006, the Council reaffirms that the future of the Western Balkans lies in the European Union. It reiterates that each country's progress towards the European Union depends on its individual efforts to comply with the Copenhagen criteria and the conditionality of the Stabilisation and Association Process.
3. The Council reiterates that a constructive approach towards regional cooperation is essential. The Council also calls for progress in the process of dialogue between Belgrade and Pristina, under the facilitation of the EU and its High Representative for Foreign Affairs and Security Policy, welcomed in the United Nations General Assembly resolution of 9 September 2010 as a factor for peace, security and stability in the region.
4. The Council recalls that Serbia's full cooperation with ICTY is already required by the Stabilisation and Association Agreement, as well as by the Interim Agreement. In line with the political criteria of Copenhagen full cooperation with ICTY is an essential condition for membership of the EU. In the context of Serbia's application for membership of the European Union on 22 December 2009, the EU underlines that at each stage of Serbia's path towards EU accession, following the decision referred to in paragraph 1, further steps will be taken

when the Council unanimously decides that full co-operation with the ICTY exists or continues to exist. In this context, the Council will closely monitor the progress reports by the Office of the Prosecutor. The EU and its Member States recall their readiness to assist Serbia in this respect.

5. The Council calls upon Serbia to implement recommendations presented by the ICTY Office of the Prosecutor to the United Nations Security Council in June 2010 concerning Serbia's support in ongoing trials and appeals and Serbia's assistance in the key matter of the arrest of the two remaining fugitives, Ratko Mladic and Goran Hadzic, which would be the most convincing proof of Serbia's efforts and cooperation with the ICTY.

Press Freedom Index 2010
Reporters Without Borders
October 2010. [Link](#)

[Extract]

Europe Area

Central Asia, Turkey and the Ukraine cause concern, while the European model weakens.

The Balkan Peninsula is still a concern and has recorded major changes. Montenegro (-27), Macedonia (-34), Serbia (-23) and Kosovo (-17) constitute the most substantial losses. Although the legislative reforms required for accession to the EU have been adopted in most Balkan countries, their implementation is still in the embryonic – if not non-existent – stage. Control of the public and private media by the calculated use of institutional advertising budgets and the collusion between political and judicial circles is making the work of journalists increasingly difficult. In a precarious situation, caught in a vice between the violence of ultranationalist groups and authorities who have not yet rid themselves of old reflexes from the Communist era, an increasing portion of journalists are settling for a calculated self-censorship or a mercenary journalism which pays better, but gradually ruins the profession's credibility. Blighted by mafioso activities which, every year, strengthen their financial stranglehold on the media sector, independent publications are waging an ongoing battle which deserves more sustained attention from European neighbours.

At Europe's doors, Turkey and Ukraine are experiencing historically low rankings, the former (138th) being separated from Russia's position (140th) only by Ethiopia (139th). These declines can be explained, as far as Turkey is concerned, by the frenzied proliferation of lawsuits, incarcerations, and court sentencing targeting journalists. Among them, there are many media outlets and professionals which are either Kurd or are covering the Kurd issue. Ukraine is paying the price of the multiple press freedom violations which have broadsided the country since February 2010 and Viktor Yanukovich's election as Head of State. These violations initially met with indifference by the local authorities. Worse still, censorship has signaled its return, particularly in the audiovisual sector, and serious conflicts of interest are menacing Ukraine's media pluralism.

Russia now occupies a position (140th) more like it had in previous years, with the exception of 2009, which was marred by the murder of several journalists and human rights activists. Nonetheless, the country has recorded no improvement. The system remains as tightly controlled as ever, and impunity reigns unchallenged in cases of violence against journalists. Central Asia's prospects are dismal. In addition to Turkmenistan, which – in the 176th place – is still one of the worst governments in the world in terms of freedom (only the state-owned media is tolerated there and even that is often "purged"), Kazakhstan (162nd) and Kyrgyzstan (159th) are ranked dangerously close to Uzbekistan, holding steady in the 163rd position. Almaty has gained notoriety through repeated attacks on the rights of the media and journalists in the very year in which he presides over the Organisation for Security and Co-operation in Europe (OSCE), when the country is bound to be subjected to particularly close scrutiny. Despite repeated calls for remedying problems of all kinds which are hampering media activity, authorities have not deemed it necessary to do so, nor to release Ramazan Eserguepov, detained in prison for political reasons. Kazakhstan's neighbouring country, Kyrgyzstan joined this descent into the depths of the Index, to the discredit of April's change of power and June's inter-ethnic conflicts. As for Uzbekistan, the core of independent journalists who refuse to give up is now in the judicial authorities' line of fire. Documentary film-makers, like trusted journalists, have also been victims of the regime's paranoia. All of these developments have only been met with indifference on the part of the European States, too concerned about energy security to protest scandalous practices which violate every international commitment made by Central Asian governments.

Lastly, the situation is dreary and stable in Belarus, torn between two allegiances – one to Moscow and the other to the EU – and caught up in a delicate balancing act between these two powers. The regime makes no concession to civil society and continues, as the December presidential elections approach, to put pressure on the country's few remaining independent media outlets.

Middle East & North Africa

Confirmed downward trends

Morocco's drop (-8 places) reflects the authorities' tension over issues relating to press freedom, evident since early 2009. The sentencing of a journalist to one year in prison without possibility of parole (he will serve eight months), the arbitrary closing down of a newspaper, the financial ruin of another newspaper, orchestrated by the authorities, etc. – all practices which explain Morocco's fall in the Index rankings.

Tunisia's score was (-10), falling in position from 154th to 164rd (Tunisia had already lost 9 places between 2008 and 2009). The country is continuing to drop into the Index's lower rankings because of its policy of systematic repression enforced by government leaders in Tunis against any person who expresses an idea contrary to that of the regime. The passage of the Amendment to Article 61B of the Penal Code is especially troubling in that it tends to criminalise any contact with foreign organisations which might ultimately harm Tunisia's economic interests.

There is an identical situation in Syria (-8) and Yemen (-3), where press freedom is fast shrinking away. Arbitrary detentions are still routine, as is the use of torture. For its part, Iran held its position at the bottom of the Index. The crackdown on journalists and netizens which occurred just after the disputed re-election of Mahmoud Ahmadinejad in June 2009 only strengthened in 2010.

Only a relative improvement in some countries

At first glance, the 2010 index's higher score as compared to that of 2009 seems to translate into gains. However, it is important to emphasise how troubling the situation had been in 2009. In that regard, 2010 actually spells out a return to the pre-existing equilibrium, with no sign of significant progress in these countries.

Such is the case of Israel (extra-territorial) which "won" 18 places in the index, passing from the 150th to the 132nd place. The year 2010 was not exempt from press freedom violations on the part of the Israeli Army, as evidenced by the cases of foreign journalists arrested on the flotilla in May 2010, or the Palestinian journalists who are regularly targeted by Tsahal soldiers' bullets. Or the skirmish in South Lebanon last August, during which a Lebanese journalist was killed. However, 2010 is incommensurate with 2009, in the early days of which «Operation Cast Lead» took place: six journalists died, two of them while doing their jobs, and at least three buildings sheltering media professionals were targeted by gunfire.

The Palestinian Territories had similar results, rising 11 places in the 2010 index (now 150th instead of 161st). The violations committed in the year just ended are simply "less serious" than in 2009, even if the journalists and media professionals are still paying the price for the open hostility between the Hamas and the Fatah.

In Algeria, the number of legal proceedings instituted against journalists has noticeably declined, which explains its gain of 8 places in the Index. Between 2008 and 2009, the country had dropped 20 places due to the increased number of legal proceedings.

ASEM Brussels Declaration: «Towards more effective global economic governance»

8th Asia-Europe Meeting

Brussels, 5 October 2010. [Link](#)

[Extract]

We, the Heads of State and of Government of Asia and Europe, the President of the European Commission and the Secretary General of ASEAN, meeting in Brussels on 4-5 October 2010 under the Chairmanship of the President of the European Council Herman Van Rompuy, having discussed the current economic and financial situation, declare as follows :

8. In view of the strong growth in dynamic emerging markets and developing countries, we express support for the implementation of the IMF quota reform, by the G-20 Summit of November this year, to adequately reflect the relative

weight and responsibilities of the IMF members in the world economy. As decided at the October 2009 meeting of the International Monetary and Financial Committee in Istanbul, we reaffirm that IMF quota shares must be shifted to dynamic emerging markets and developing countries by at least 5% from overrepresented to underrepresented countries using the current quota formula as the basis to work from, while protecting the voting power of the poorest countries. We recognize that, in parallel, wider governance issues should be addressed. These include an open, transparent and merit-based process for the appointment of heads and senior leadership of international institutions, Fund Governor's involvement in the strategic oversight of the IMF, staff diversity at senior and midlevel positions, voting modalities, and a representative and inclusive size of the IMF's Executive Board. We look forward to a constructive dialogue between Ministers and Governors at the upcoming Annual Meetings of the IMF and World Bank.

9. We welcome the decision by the Development Committee of the World Bank on the World Bank's voice reform, which will increase the voting power of developing and transition countries by 4.59 % compared to 2008 and look forward to its timely approval by the Board of Governors. We underline our commitment to continue moving over time towards equitable voting power distribution, while protecting the smallest poor countries, on the basis of a dynamic formula which primarily reflects countries' evolving economic weight and the World Bank's development mission.

10. We call specifically for actions that encourage more sustainable models of development, benefit developing countries and reduce poverty. We believe that these should include market access, cross-border investments, international assistance, actions on debts and technology transfers. In this regard, we welcome the initiative announced by the G-20 to focus on economic growth in developing countries, narrowing the development gap and reducing poverty, and its stated intention to elaborate a development agenda and multiyear action plans.

Related Documents:

- EU-China Summit - Joint Press Communiqué.

[View here.](#)

- Chinese PM Wen Jiabao address: "Towards Greater Asia-Europe Cooperation". [View here.](#)

- EU-Republic of Korea Summit - Joint Press Communiqué.

[View here.](#)

EU conclusions on the EEAS

EU General Affairs Council

Brussels, 25 October 2010. [Link](#)

The Council approved draft financial and staff regulations applicable to the European External Action Service, as agreed with the European Parliament at a meeting on 14 October and approved by the Parliament on 20 October.

It will adopt the two regulations without further discussion at a forthcoming Council session, once the texts have been finalised.

The two texts are the last of the legal acts necessary for making operational the European External Action Service, one of the most significant changes introduced by the Treaty of Lisbon, which entered into force last December.

High Representative Catherine Ashton announced the appointment of Pierre Vimont as Executive Secretary General and David O'Sullivan as Chief Operating Officer of the EEAS.

Aimed at making the EU's external action more coherent and efficient, the EEAS will assist the High Representative in fulfilling her mandate. It will work in cooperation with the diplomatic services of the member states and comprise officials from relevant departments of the General Secretariat of the Council and of the Commission, as well as staff seconded from the national diplomatic services of the member states.

Related Document:

EP resolution on amends to financial and staff regulations applicable to EEAS [View here](#).

EC for Energy, Oettinger: «Energy challenges of the next ten years»

European Commission press release

Brussels, 30 September 2010. [Link](#)

[Extracts]

The Europeanisation of energy policy has already started.

1. We have clear policy goals in terms of competitiveness, security of supply and sustainability. These are now laid down in the Lisbon Treaty and reappear in the national energy goals of Member States and Europe's regions.

2. We have the legislation to create an open and competitive European energy market. The adoption of the third internal energy market package last year was a major step forward. The European Networks of Transmission System Operators for gas and electricity have already started work, and we have demanding expectations from ACER, the Agency for the Cooperation of Energy Regulators.

[...]

This is however not enough.

The internal market is still far from being integrated and competitive. As companies grow beyond national borders, their development is still constrained by a collection of different national rules and practices.

[...]

Despite recent serious external supply crisis that acted as a wake up call as to Europe's vulnerability, there is still no common foreign approach towards partner supplier or transit countries.

[...]

Five priorities

The strategy I am preparing will be debated by the Commission early November. Based on your many contributions, I see five priorities:

[...]

5. Fifthly, it is time for the EU to strengthen the external dimension of the internal market.

National sovereignty in energy is no longer an option when we have a single internal energy market, stretching from the Balkans to Scandinavia, from the Baltic to the Mediterranean. Energy independence is a chimera when gas can move around Europe from Greece to Ireland. The energy security of every Member State will be stronger and cheaper when the EU learns to speak with a single voice and leverage its real power.

Gazprom on the future of its business in Europe

Gazprom press release

Moscow, 14 October 2010. [Link](#)

The European Union has recently taken a number of legislative initiatives intended to reform the gas industry. They include the Third Energy Package and the draft EU Regulations on the gas supply reliability. Alexander Medvedev, Deputy Chairman of the Gazprom Management Committee and Director General of Gazprom export told how badly they may impact the relationship currently existing among market participants and how these innovations will affect the Company's business in Europe in his interview to the Gazprom website.

Mr. Medvedev, what challenges will Gazprom face after the Third Energy Package comes into force?

Gas industry reforms in Continental Europe are determined not solely by this document, but by a whole set of legislative initiatives of the EU authorities including, for instance, the draft EU Regulations on the gas supply reliability recently endorsed by the European Parliament. One should consider these documents all together to understand the difficulties they may cause for business on the European gas market.

It is obvious that depriving suppliers of the opportunity to manage gas transmission assets devaluates the investment they made in these assets. Here is the example. In the late 1990s when Russia experienced problems with convertible currencies Gazprom Group found an opportunity to build the Yamal – Europe gas transit pipeline across Poland used to supply gas to Germany, inter alia. Now we see an emerging threat that the asset management meant for reliable gas supply to our customers will be transferred to an independent operating company that will start acting on their own account. Thus, the pipeline owner turns into a financial donor obliged to execute investment decisions taken by an independent system operator!

We have to adjust the operational activity of Gazprom Group as well. The mechanism providing reliability of our existing long-term contracts and involving readiness of a supplier to maintain backup transmission capacities allowing to swiftly meet the demand in pursuance of the changing day-ahead nominations, is regarded as unfair competition under the new system. From now on, instead of the right to change their nominations several times a day, our customers will be entitled to it only once and on the day before supply. However, it will be very difficult to provide the envisaged reliability and flexibility of supplies without such backup capacities. I would like to stress that taking into account seasonality and extremely uneven demand throughout a day – reliability and flexibility are of paramount importance for the gas industry.

What risks does it bring to the European energy security?

The new gas market model patterned upon the Anglo-Saxon one has its own merits and demerits if compared to the existing model. It doesn't need long-term contracts since volumetric risks are relatively low on liquidity markets. However, without long-term price contracts the volume of gas coming to market starts depending on the price appeal. The gas will be available when the price is high. If the price is low, the volumes may outflow to more attractive markets or stored until better times. Hence, the reliability of European gas supply will be determined by the competition with other global gas markets, primarily, with Asian ones.

The development of gas transmission and storage capacities also runs some risks. The market witnesses that gas companies are most interested in developing the gas infrastructure which is cost-intensive and features a very long payback period; therefore, it is not pretty attractive for regular investors. However, these very companies will not be allowed to take part in such work: a sort of the Great Wall of China separates them from the infrastructure. Having no opportunity either to get reasonable income while the gas pipeline is operating or to take part in its operation, the suppliers will not wish to make such significant investments, they will start searching for more attractive markets and projects. Thus, the ongoing reform brings a real risk of the investment shortfall in the European gas industry – with all the consequences that come with it.

Moreover, any copying without regard to local conditions may turn the merits of the Anglo-Saxon competitive market model into demerits and demerits into long-standing problems. Unlike, for instance, North America, Continental Europe doesn't have now and will not have in the foreseeable future thousands of independent producers and consumers. Thus, it is necessary

to invent and introduce additional mechanisms that would ensure appropriate operation of the market dominated by bilateral oligopolies. The imagination of reformers leads them to creation of a centralized bulk procurement mechanism for the entire EU, but one can hardly call this proposal a market-based one.

Are there any guarantees that the property created in previous years and long-term Russian gas supply contracts will remain intact?

I have already mentioned a threat to property, now I would like to dwell on an institution of long-term export contracts pegged to oil and oil product prices.

They were subject to hard pressure by the European Commission regarding it as suppliers' competition restricting tool. Europe's domestic gas market is currently dominated by short-term contracts. The Third Energy Package is pro forma neutral to long-term export contracts pegged to oil and petroleum product prices. For some reason, exporters are experiencing problems with fulfillment of obligations under such contracts. These derive from refusal to extend exporters' long-term transmission contracts after their expiry, different terms of export and domestic gas purchase-and-sale contracts, as well as introduction of a new "use-it-or-loose-it" principle when contracting transmission capacities.

How will Gazprom's business activity in Europe change once the Third Energy Package is put into effect?

At the same time, the European Commission still has time to determine the final structure of the future gas market. By now the initiators themselves are not sure what it will look like. It is instructive to recall that the 2006 Group of Eight Summit formulated the global energy security as the integrity of secure supply and demand. We in Gazprom are confident that compromise decisions still can be worked out in cooperation with major gas suppliers from third-party countries. We are working towards resolving this issue.

How is the dialogue between Gazprom and Brussels evolving relevant to the energy market reforms and protection of Gazprom's interests? What is the progress on it?

We maintain a constant contact with various European institutions, both political and expert ones.

European consumers insist on further revision of the contract terms and conditions, as well as the price formula claiming that the gas market has completely changed. How do you evaluate the necessity of these changes?

Under the global crisis conditions the gas market has undoubtedly evolved but not so drastically that the abolishment of the decade-proven, reliable and viable system of long-term contracts was needed. Besides, underway is the market revival amidst a gradual process of crisis overcoming.

When defending the link to oil and petroleum products in long-term contracts as the sole alternative to spot prices, Gazprom Group demonstrated flexibility in the relations with partners considering the unprecedented situation on the current European gas market. By adjusting the long-

term contracts Gazprom's aim was to avoid a significant gap between the contract prices and the similar competitors' prices and, therefore, to facilitate an increase in gas off-takes. However, the contracts adjustment did not change their basic principles.

Is the gas price pegging to the oil price still necessary?

Long-term contracts with the link to petroleum products as the predominant feature still guarantee a balance of interests between the purchaser and the seller. Taking into account a high import dependence in Europe, linking the gas price to the "third" commodity – oil – will protect the consumer against possible price manipulations by the major supplier as none of the major gas exporters to Europe can influence the oil and petroleum product prices. Over the contract period that may reach 35 years the exporter's interests are not only protected by this link, but also the "take-or-pay" principle as well, which guarantees the minimum off-take amount under contracts. In this way, volumetric risks are assumed by the purchaser, which assures the return on the supplier's long-term investments. The purchaser's interests have an extra support through the contracting obligations taken by the supplier that incurs penalties if the day-ahead nominations are not met. The supplier also assumes the "make-up" gas obligations.

Has natural gas already become a separate exchange-traded commodity?

Even in the USA where, unlike Continental Europe, there are all preconditions to apply this model efficiently, the prices don't fully cover gas producers' costs. This also refers to shale gas producers. Only the oil link can retain natural gas prices at the adequate level that is convenient for producers.

How do the European customers fulfill their obligations on minimum contracted volumes off-take? Will the "take-or-pay" rule further change in European contract practice under pressure of crisis and gas oversupply on the market?

The "take-or-pay" principle remains a cornerstone of the long-term contract system, reliable and flexible gas market organization in Continental Europe. Gazprom Group acts to preserve this principle but at the same time shows flexibility and considers specific market conditions. Basically, every country has a different market but the situation is acceptable in general.

The Political Future of Afghanistan

By Radha Kumar and Fabrice Pothier and Waliullah Rahmani

ESF Working Paper, No. 34, 8 October 2010. [Link](#)

[Abstract]

Growing insurgency threatens Afghanistan internally while regional ambitions threaten to tear the nation apart from the outside. The post-Taliban democratic state faces existential strategic threats as a consequence. This collection of European Security Forum papers, prepared for the final Security Forum in Brussels in March of this year, brings together the views of three experts on what is needed to secure and consolidate peace in Afghanistan.

Radha Kumar is Director of the Nelson Mandela Centre for Peace & Conflict Resolution, Jamia Millia Islamia, New Delhi; Fabrice Pothier is Director of Carnegie Europe, Carnegie Endowment for International Peace and Waliullah Rahmani is Director of the Centre for Strategic Studies, Kabul.

The EU's Diplomatic Debacle at the UN: What else and what next?

Michael Emerson and Jan Wouters

CEPS Commentary, 1 October 2010. [Link](#)

[Abstract]

Against the background of the EU's disappointing performance as an external actor in recent international gatherings (UN General Assembly, the climate talks and the IMF), Michael Emerson and Jan Wouters exhort the EU to urgently face up to new realities and undertake a comprehensive and strategic review of how it should position itself in the multilateral system, especially regarding the distribution of roles between the EU itself and the member states.

Michael Emerson is Senior Associate Research Fellow at CEPS and Jan Wouters is Professor of International Law and International Organizations and Director of the Leuven Centre for Global Governance Studies (GGS) at Leuven University.

European Neighbourhood Watch index

Issue 63 • September 2010

- Editorial: "Here is your opinion of the European Neighbourhood Policy"
- European Council Conclusions on Strategic Partners
- MEP's want more stringent budget control on EEAS
- EUHR Ashton appoints EU Ambassadors
- UN Resolution on EU representation at UN
- NATO SG remarks on NATO-Russia Council
- "Why Russia needs a strong NATO"
- Russia-China Presidents meeting
- EU President on EU-Ukraine relations
- Commission President on EU-Ukraine relations
- Ukrainian President on meeting with EU President
- Ukrainian NGO's and Ukraine's SBU
- Ukraine signs Energy Community Accession Protocol
- Gazprom and SOCAR pas purchase contract
- AGRI project between Azerbaijan, Georgia, Romania
- EUHR Ashton on Middle East peace talks
- International Report on Israel flotilla attack
- EU Commissioner Füle on Turkey Referendum
- UN GA adopts joint EU-Serbia resolution
- Serbia on joint EU-Serbia UN resolution
- EUHR Ashton on advisory opinion on Kosovo
- Commissioner Füle: "Serbia 10 years after"
- EU relations with FYROM

Issue 62 • July-August 2010

- Editorial: "What is your opinion of the ENP?"
- EU Council conclusions on the ENP
- EU Monitoring Mission in Georgia
- «EUMM for almost two years on the ground»
- Russia deploys S-300 missiles in Abkhazia
- EUHR Ashton on Russia missile deployment in Abkhazia
- «Georgia needs US help in standing up to Russia»
- President Medvedev on South Ossetia
- 12th round of Geneva talks on Georgia
- Kosovo PM: «Kosovo's future among the free nations»
- ICJ advisory ruling on Kosovo independence declaration
- Reactions to ICJ ruling
- South Ossetia on ICJ ruling
- 10th round of EU-Russia negotiations on new Agreement
- Russia-Belarus-Kazakhstan Customs Union
- Russian-Armenian talks
- Minsk Group Joint Statement
- Russia on Missile Defence Interceptors in Poland
- Ukraine President's Independence Day Address
- EU opens accession negotiations with Iceland
- Negotiating Framework
- EU Council conclusions on Gaza and Middle East
- Statement by Middle East Quartet
- Statement by EUHR Ashton on resumption of talks

Issue 61 • June 2010

- Editorial: "Turkey and its neighbourhood"
- EP on political agreement on EEAS
- Statement of EP, EUHR, EC and European Council on EEAS
- Medvedev instructs Gazprom to limit gas deliveries
- Lukashenko meets with Lavrov, discusses gas dispute
- EU strongly condemns Russia-Belarus gas dispute
- Interview with Lukashenko on Belarus-Russia relations
- EUHR on constitutional referendum in Kyrgyzstan
- EU Council conclusions on Kyrgyzstan
- Turkish MFA on events in Kyrgyzstan
- Shanghai Cooperation Organisation on Kyrgyzstan
- Statement of Uzbek compatriots
- Turkey-Syria-Jordan-Lebanon Cooperation Council
- Interview with Turkish MFA Ahmet Davutoglu
- Progress Report on EU-Central Asia Strategy
- EUHR statement on Israeli Gaza decision
- Israel announces new Gaza guidelines
- «Ending Gaza's dangerous Isolation»
- «Averting another Gaza»
- EU-Georgia visa facilitation
- EU Council conclusions on South Caucasus
- EU Council conclusions on Western Balkans

Issue 60 • May 2010

- Editorial: "Time for a Tripartite Gas Pipeline Consortium for Ukraine"
- EU-Russia Summit Joint Statement
- European Council President remarks at EU-Russia Council
- Russian Foreign Policy in the Long Term
- Yanukovich at Ukraine-Russia Economic Forum
- Medvedev at Ukraine-Russia Economic Forum
- Stefan Füle on five years of ENP
- Progress Reports on ENP implementation
- Ukraine not ready to join NATO
- EU proposes visa facilitation for Georgia
- EU Association Agreements for South Caucasus
- EU Strategy for the South Caucasus?
- EU on Nagorno-Karabakh «parliamentary elections»
- EU on Israeli military operation against Flotilla
- Turkey on Israeli military operation against Flotilla
- Israel on military operation against Flotilla
- Stefan Füle addresses UfM «For'UM» Meeting
- EU-Morocco Joint Parliamentary Committee
- Stefan Füle on Enlargement Policy
- Visa free travel for Albania and B&H
- «The Balkans deserve this»

CEPS Neighbourhood Watch Editorial address

CENTRE FOR EUROPEAN POLICY STUDIES (CEPS)

Place du Congrès 1,
B-1000 Brussels, Belgium

website: www.ceps.eu

phone: +32 2 229 39 11

fax: +32 2 219 41 51

e-mail: neighbourhood@ceps.be *Subscribe*

Editorial team: Michael Emerson and George Dura.