

## Road Map on the Common Economic Space

Approved on May 10, 2005 in Moscow by President of Russia Vladimir Putin, Prime Minister of Luxembourg Jean-Claude Juncker, President of the European Commission Jose Manuel Durao Barroso and European Union High Representative for Foreign Policy and Security Javier Solana.

### I. BUILDING BLOCKS FOR SUSTAINED ECONOMIC GROWTH

The Joint Statement adopted at the St. Petersburg Summit in May 2003 agreed to reinforce cooperation with a view to creating a Common Economic Space (CES), building on the concept for the common European economic space later endorsed by the Rome Summit in November 2003. It was agreed that the CES would be broad in scope, by including areas such as telecommunications, transport, energy, space and environment.

The overall objective of the CES is the creation of an open and integrated market between the EU and Russia. The aim is to put in place conditions which will increase opportunities for economic operators, promote trade and investment, facilitate the establishment and operation of companies on a reciprocal basis, strengthen cooperation in the field of energy, transport, agriculture and environment, reinforce economic cooperation and reforms and enhance the competitiveness of the EU and Russian economies, based on the principles of non-discrimination, transparency and good governance and taking into account the business dialogue undertaken within the EU-Russia Industrialists' Round Table. In the implementation of actions under the CES, priorities jointly identified in the framework of regional organisations and initiatives, such as the Council of Baltic Sea States, the Northern Dimension etc., will be taken into consideration.

#### 1. General issues of trade and economic cooperation

##### 1.1. Regulatory Dialogue on industrial products (Standardisation, technical regulations and conformity assessment procedures)

Objective: Development of harmonised and compatible standards, regulations and conformity assessment procedures, where appropriate, including through enhanced regulatory dialogue and cooperation between responsible institutions and a reinforcement of the institutional capacities

Actions:

- Support for the effective implementation of the WTO TBT agreement
- Establish a regulatory dialogue, which includes a consultation mechanism. This dialogue aims at enhanced transparency in the regulatory activity, exchange of information amongst regulators with the aim to promoting the gradual approximation of relevant legislation (including technical regulations) and practice for clearly identified priority industrial sectors of greatest mutual interest to be jointly defined and when possible on the basis of the New Approach:
  - o Discuss and establish a formal framework (terms of reference) for the regulatory dialogue
  - o Determination of areas and sectors where harmonisation of relevant legislation and practices is appropriate and possible
  - o As soon as the priorities are determined, launch the work of gradual approximation of relevant legislation and practices

- o Identification of procedures for possible recognition of the results of conformity assessment of both sides, including certification of systems of quality and ecological management
- Support the reinforcement of institutional capacity with respect to technical regulations, standardisation, accreditation, conformity assessment, metrology and market surveillance. Promotion of cooperation and participation of the Russian bodies in the European standardisation, accreditation and metrology organisations
- The parties agreed to consider the following sectors as a priority for dialogue and will consider the inclusion of other priority sectors as appropriate:
  - ICT, Radio and Telecommunications Equipment
  - Setting up of a mechanism for consultation and dialogue among regulators and intensification of cooperation, aiming at the approximation of legislation and alignment of standards, as well as creating transparency, predictability and proportionality in product and market regulations in the areas of ICT, Radio and Telecommunications equipment
  - Electrical Equipment and Machinery
  - Setting up of a mechanism for consultation and dialogue among regulators and intensification of cooperation, aiming at the approximation of legislation and alignment of essential health, safety and protection requirements, conformity assessment procedures and standards, as well as creating transparency, predictability and proportionality in product and market regulations in the area of electrical equipment and machinery
  - Medical devices
  - Setting up of a mechanism for consultation and dialogue among regulators and intensification of cooperation, aiming at the approximation of legislation and alignment of standards, as well as creating transparency, predictability and proportionality in product and market regulations in the area of Medical Devices
  - Automotive industry:
    - Harmonisation of technical requirements for automotive production
    - Intensification of cooperation in the field of motor vehicle type approval, including conformity of production
  - Textiles
  - Harmonisation of the legislation of Russia and the EU in the field of standardisation, technical regulations, conformity assessment procedures
  - Approximation of Russian and EU legislation regulating the distribution of medicines, including their registration and production
  - Assessment of possibilities of assistance to Russian enterprises producing medicines in adopting the system of international standards for the production of medical preparations (GMP)

- Intensification of the cooperation in the field of quality control and arrangement of pharmaceutical inspections
- Facilitation of the access to the markets of EU and Russia of the products produced according to international standards
- Forest- based and related industries
- Intensification of co-operation in the field of technical methodology
- Development of voluntary certification, tracking and verification systems for wood-based products in the contexts of both phyto-sanitary policy (see section 1.10) and the FLEG(T) Initiative (Forest Law Enforcement, Governance (and Trade)) (see also section 6, Environment)

## 1.2. Public procurement

Objective: Development of transparent, competition-based systems of public procurement at all levels including mutual access to tender databases

Actions:

- Establish a dialogue with the following aims:
- Improvement and approximation of regulatory principles in order to ensure a transparent, and competition-based procurement system
- Cooperation and exchange of experience in establishing and using tender databases on public procurement, definition of rules and conditions for mutual access to these databases

## 1.3. Intellectual, industrial and commercial property rights

Objective: Improvement of the legislative and law enforcement systems for the protection of intellectual, industrial and commercial property rights in order to enhance competitiveness and improving the investment climate through the approximation of regulatory systems with the highest international standards and agreements

Actions:

- Establish a regulatory dialogue aiming at the gradual improvement of the legislative and enforcement instruments for the protection of intellectual, industrial and commercial property, with the following aims:
- Cooperation to gradually harmonise legislation to protect intellectual, industrial and commercial property rights including effective means of enforcement and in areas such as geographical indications
- Exchange of information in the field of protection and use of results of intellectual activity created in organisations of public sector
- Exchange of information on strategies to fight against counterfeiting and piracy, notably in priority sectors such as pharmaceuticals and laser music and video products

- Assessment of possibilities for introduction of improved means systems for protection of intellectual property rights and fight against trade in counterfeit products, including voluntary systems based on micro-labelling of goods

#### 1.4. Competition

Objective: Approximation of competition legislation systems and strengthening of implementation of competition policy of the sides

Actions:

- Strengthening of cooperation of state bodies responsible for elaboration and implementation of competition policy with a view to approximating common systems of regulation and realisation of competition policy for ensuring equal environment for functioning of economic operators of Russia and EU Member States on the markets of both sides
- Further harmonisation of competition legislation, including common rules on disciplines applicable to public aids (PCA, article 53.2.2.)
- Promotion of mutual work for elaboration of adequate systems of competition and comparison of areas of competition rules and legislation
- Elaboration of common approaches to principles for competition legislation implementation including system of sanctions and judicial procedures etc.
- Dialogue with a view to creation of effective informal means of cooperation between the sides in investigation of cases of infringement of competition law with transnational effect

#### 1.5. Investment

Objective: to improve the investment climate, including by ensuring transparency, predictability and simplification of regulation and its application; to promote and facilitate two-way investments

Actions:

- More systematic dialogue covering all investment-related issues
- Consultation with stakeholders, including business, with a view to determining disciplines and instruments for improving the bilateral investment environment and reducing administrative barriers to the development of business
- Development of mechanisms that enhance transparency, such as impact assessment of regulatory measures, consultation of stakeholders, and prior notification of regulatory changes to economic operators to ensure transparency and predictability of regulatory environment
- Ensuring the uniform application of trade and investment legislation and the streamlining of judicial review for trade and investment issues
- Activities on ensuring the uniform application of the investment legislation at central and sub-central levels

- Assessment of possibility of elaboration of an EU-Russia agreement on investment-related issues

## 1.6. Enterprise policy and economic dialogue

Objective: The development of in-depth dialogue on economic reform and enterprise policy, including an exchange of information on economic issues and policies, aiming at the improvement of the framework conditions for economic operators and their competitiveness, including dialogue in industrial policy

Actions:

- Develop a dialogue on industrial policy. The specific sectors for this dialogue should include:
  - Automotive industry
    - Assessment of the conditions for investment in and for conducting business with the Russian automotive industry, and discussion of possible measures to be taken in order to improve them
    - Support and facilitation of a dialogue between associations of car-producers of both sides
  - Textile industry
    - Discussion of potential areas for industrial cooperation
    - Assessment of the conditions for investment in and for conducting business with the Russian textile industry, and discussion of possible measures to be taken in order to improve them
    - Support and facilitation of a dialogue between textile industry associations of both sides
  - Mining and metallurgical complex
    - Intensification of cooperation in the field of the mining and metallurgical industry. The cooperation should focus on exchange of information and support for preparation of joint programmes in the areas related to the sustainability of industrial activities, industrial restructuring and regulatory convergence
    - Analysis of the needs for technical assistance programmes for modernisation, technical renovation and training in the mining sector
  - Chemical industry
    - Intensification of the cooperation in the field of the chemical industry. The cooperation should focus on exchange of information and support for preparation of joint programmes in the areas related to the sustainability of industrial activities, industrial restructuring and regulatory convergence
  - Aerospace industries
    - Improvement of the framework conditions for industrial and R&D cooperation with the objective to foster industrial cooperation regarding design, production and exploitation of aerospace products

- Launch of a dialogue on the development of enterprise policy, including the improvement of the administrative and regulatory environment of companies and the development of measures to increase competitiveness. Special attention should be devoted to SMEs and their respective needs. Study and report on approaches to the criteria for classification of SMEs in Russia and in the EU
- Exchange of information on economic policies, strategies and trends in the EU and Russia, including on economic integration and enlargement of the EU and on regional trade agreements
- Support of enhanced dialogue and cooperation among relevant stakeholders

#### 1.7. Interregional and cross-border cooperation

Objective: Deepening and diversification of interregional cooperation

Actions:

- Increase the importance of regional development and cross-border co-operation through an active support to cross-border initiatives and programmes
- Encourage the involvement of local and regional key actors such as authorities and civil society, in all aspects of cross-border co-operation
- Further deepened cooperation, and facilitation of investments, in the area of cross-border infrastructure and border issues
- Promotion of establishing and strengthening of economic and people-to-people links between Russian and EU regions

#### 1.8. Financial services (banking, insurance, securities)

Objective: To ensure inter alia the stability of the financial system, support consolidation of a sound financial sector and an effective system for protection of financial services consumers through improvement of the legislative base, effective supervision and implementation in accordance with the highest international standards and norms, applicable to financial service suppliers

Actions:

- Development of cooperation, for example through the establishment of a regulatory dialogue, with the aim to strengthening the effectiveness of the prudential regulatory system and independent supervision in accordance with the highest international standards and norms, applicable to financial service suppliers
- Conduction of consultations to jointly determine the areas and sectors where harmonisation of legislation governing activities of financial service suppliers is appropriate and possible
- Cooperation to develop, where necessary, and implement adequate company law, applicable to financial service suppliers, accounting and governance rules

#### 1.9. Accounting/auditing and statistics

Objective: enhance the transparency of the economy and share-holder protection, create favourable conditions for investment by implementation of the highest international standards and norms in these areas and give economic actors access to the necessary statistical information

Actions:

- Cooperation towards the establishment of a suitable environment for companies, e.g. effective competition, appropriate bankruptcy legislation etc.
- Cooperation to improve the competence and the implementation of the principles of independence of auditors
- Cooperation to ensure effective implementation of codes of corporate governance
- Cooperation with a view to supporting the implementation of the highest international accounting and financial reporting standards in Russia and the EU
- Further cooperation towards the harmonisation of statistics

#### 1.10. Agriculture, forestry, timber, fisheries. Sanitary and phyto-sanitary measures

Objective: to intensify cooperation to promote regulatory convergence in agriculture, notably with regard to issues related to sanitary and phyto-sanitary measures and animal health and welfare

Actions:

- Activities on the marketing of agricultural products: 1. joint identification of products of interest in view of the alignment of EU and Russian legislation; 2. launch work on gradual approximation of legislation in the field of marketing standards and labelling of agricultural products and its relation with trademarks, in particular on the basis of the TRIPS Agreement
- Rural development, in particular promoting the exchange of information and best practice on rural development policies
- Continuation of negotiations with a view to a timely conclusion of veterinary agreement and until then, jointly look for mutually acceptable solutions to avoid any disruptions of trade in animal products and to fight against fraud
- Cooperation on phytosanitary issues to promote transparency, as well as to develop and implement mutually acceptable solutions, including on phytosanitary certification, with a view to avoiding any disruptions of trade in relevant products and to fight against fraud
- Enhancement of cooperation, including exchange of information, on issues related to animal welfare, health and safety of animal products
- Continuation of negotiations with a view of a timely conclusion of a Fisheries Agreement

#### 2. Trade facilitation and Customs

Objective: to facilitate, to standardise and to automate procedures, connected with external trade, including transit operations; to increase the parties' capacity to combat fraud, smuggling and

other irregularities; to improve consultation mechanisms of the trading community on its needs with regards to the development and implementation of trade facilitation measures, with particular attention to small and medium enterprises

Actions in this area could, inter alia, include:

- Development of a general system of simplification of customs procedures using compatible computer based systems and integrated systems of data transmission by using common data and similar rules, which are based on international agreements
- Harmonisation of legislation with international standards, taking into account the work of international organisations, in the areas of risks management systems and methods and security checks
- Bring administrative capacity to a level ensuring that trade facilitation and the fight against illicit trafficking correspond to international agreed standards
- Establish a dialogue with the relevant stakeholders, including the economic operators and the administration, with the aims of:
  - o Exchanging of information, prior to the development and implementation of measures having a significant impact on trade and of trade facilitation measures
  - o Simplification of trade-related legislation with a view to making it less burdensome, more transparent and non-discriminatory
- Development and realisation of technical assistance programs with a view to improvement of customs technologies and procedures, development of customs infrastructure, including on the border

### 3. Networks: telecommunications and transport

#### 3.1 Telecommunications, information society and e-business

Objectives: Co-operate towards the creation of a common EU-Russia Information Society area

Actions:

- Establishment of an EU– Russia Information Society dialogue which includes a consultation mechanism aiming at the approximation of the relevant policies, strategies, legislation, and best practice in the ICT sector on clearly identified objectives of mutual interest. The formal framework (terms of reference) for the dialogue will be established by the EU– Russia expert group on ICT as agreed in 2004, within six months
- Furthering of cooperation towards the development and the implementation of a transparent pro-competitive regulatory framework enforced by an independent National Regulatory Authority
- Development of close coordination of policies and initiatives on strategies of ICT development in the framework of national special purpose programmes, such as e-Europe and e-Russia



- Provide appropriate environment for a fruitful cooperation on joint projects in space applications on broadcasting, telecommunication and broadband multimedia systems development (see also section 5)
- The furthering of interoperability of ICT systems through bilateral and international cooperation (this activity should be coordinated with the dialogue on ICT, radio and telecommunications equipment referred in point 1.1.)
- The enhancement of cooperation on joint research programmes, notably through the interconnection of R&D networks and including the encouragement of participation of Russia in relevant EU R&D programmes. The work related to scientific cooperation in this area shall take into account the activities carried out in the context of the Common Space on Research and Education, including Culture

### 3.2. Transport

Objectives: To intensify cooperation, through a structured dialogue on issues of common interest in the transport field, with a view to promoting the complementarity of the Russian and EU transport sectors and gradual integration of transport networks, removing technical and administrative bottlenecks and ensuring transport infrastructures' interoperability by way of approximating respective legislation

Actions:

- Harmonisation of long-term transport strategies of Russia and the EU, including approximation, where it is possible and appropriate, of respective legislation in the sphere of transport
- Enhancement of cooperation, in particular through regular consultations, in the framework of international organisations (ICAO, IMO, UNECE, ECMT and others)
- Further intensification of cooperation in the field of air transport, including on air transportation, industrial cooperation (see also section 1.6.), development of air traffic management systems, aircraft certification in the context of EU– Russia negotiations. Confirm agreements reached in the context of the WTO accession, including the arrangements on the Siberian overflight modernisation, and agree to implement them accordingly
- Closer cooperation between aviation safety authorities regarding (1) mutual recognition of airworthiness certificates and (2) the harmonisation of technical requirements for aerospace products
- In the context of the conclusion of an intergovernmental agreement on Galileo/GLONASS cooperation, as further defined in section 5, to consider the inclusion of key issues such as the development of the two systems' transport applications, their subsequent joint use and coordination in international fora (ICAO, IMO and ITU)
- Facilitation and improvement of the conditions for activities of transport operators
- Development of cooperation in the field of transport security and safety

- Evaluation, development and implementation of infrastructure projects and priority transport corridors of mutual interest, in particular those recommended by the High Level Group and others as appropriate
- Intensification of cooperation in developing mechanisms to attract investment in jointly identified projects aimed at improving transport infrastructure
- Promotion of public-private partnerships (PPPs), including in the field of logistics and transportation
- Cooperation to address the issue of interoperability of rail transport in order to intensify rail communication in the framework of developing transport corridors
- Cooperation in the field of maritime safety aimed at due implementation of IMO standards and taking into account the Paris, Tokyo and Black Sea MoU on Port State Control. Strengthening of practical interaction concerning navigation safety and marine rescue, as well as prevention of and response to marine pollution, in accordance with universally recognised IMO norms and requirements
- Identification of priorities for the cooperation in the area of inland waterways
- Co-operation in the development and introduction of interoperable information systems of transport management, and new transport technologies

#### 4. Energy

Objectives: To intensify EU– Russia co-operation, in the framework of the EU– Russia Energy Dialogue; with particular emphasis on addressing issues related to the sustainability and continued reliability of the production, distribution, transportation and use of energy, including energy efficiency, energy savings and the use of renewable energies

In order to reach these objectives, it is important to promote and protect investments in the energy sector, to facilitate the improvement of the investment climate, promote regulatory convergence and a high standard of environmental protection

Actions:

- Convergence of EU and Russian energy strategies, policies and regulatory measures, including with regard to energy efficiency and savings
- Conclusion of negotiations on an agreement on trade in nuclear materials to provide a stable framework for long-term trade between Russia and the enlarged EU
- Cooperation on energy infrastructure projects of common interest
- Evaluation of mechanisms to cover non-commercial risk of energy projects
- Cooperation in the field of safety of transport of energy products, including by pipeline, rail and sea
- Cooperation in the field of nuclear energy, with particular emphasis on nuclear safety and nuclear security, including exchange of information on related issues. The work related to

scientific cooperation in this area shall be carried out in the context of the Common Space on Research and Education, including Culture

- Examination of the feasibility of the integration of electricity markets, including ensuring a level playing field in terms of equivalent basic rules with respect to market access, infrastructure and opening, as well as compatible environmental protection and safety standards, for electricity production (see also bullet point above)
- Ensuring the gradual and progressive reform of the Russian gas sector in line with the Energy strategy of the Russian Federation until 2020
- Implementation of the work programme of the EU– Russia Energy Technology Centre. Expansion of technological exchanges in the framework of the activities of the Centre, carrying out joint activities on the development and use of new energy technologies may also be considered
- Promoting the use of clean, efficient technologies in energy production, transportation, distribution and use, including the use of renewable energy
- Launch of full-scale business dialogue of energy companies of Russia and EU
- Cooperation to facilitate fair trade and transit of energy products, including the principles guiding the Energy Charter Treaty

## 5. Space

Objective: to build an effective system of cooperation and partnership between the EU and the Russian Federation in the following fields of space activities:

- Access to Space: Launchers and Future Space Transportation systems:
- Space Applications: Global Navigation Satellite Systems (GNSS); global monitoring by satellites and satellite communications (see also section 3.1.)
- Space exploration and the use of the International Space Station (ISS)
- Space Technologies Development

Actions:

- Political cooperation to create favourable framework conditions in the field of space transportation, accompanying the cooperation between the European Space Agency and Russia; cooperation for the development of infrastructure for the launch of Russian SOYUZ-ST Launcher from the European Spaceport in the Guiana Space Centre
- Enhance and strengthen cooperation on Galileo and GLONASS GNSS including on compatibility and interoperability between the two systems and the creation of the conditions for industrial and technical cooperation, in the context of an intergovernmental agreement (see also section 3.2.)

- Provide appropriate environment for fruitful cooperation on Global Monitoring for Environment and Security (GMES) programme and for joint projects in satellite communication systems
- Coordinate the EU and the Russian positions towards the Global Earth Observation initiative (GEO)
- Continue cooperation and partnership in joint initiatives in space explorations, including Space Science on which relevant activities shall be carried out in the framework of the Common Space on Research and Education, including Culture
- Continue cooperation in the use of the ISS [Footnote: Agreement of the Government of Canada, Governments of the Member States of the European Space Agency, the Government of Japan, the Government of the Russian Federation, and the Government of the United States of America concerning cooperation on the Civil International Space Station signed on 29 January 1998 in Washington, D.C.]
- Support joint programmes and projects in Space Technology Development
- Setting up an expert group to establish an EU– Russia Dialogue on Space
- In the framework of the PCA institutions, establish a mechanism for cooperation to comply with the objectives agreed by the Parties
- Exchange information and ensure consultation on respective space programmes

## 6. Environment

Objective: to promote respect of the environment and commitment to international environmental agreements, such as the United Nations Framework Convention on Climate Change and the United Nations Convention on Biological Diversity, and regional conventions, such as the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes, in order to foster sustainable development, with particular emphasis on stepping-up cooperation on climate change and the marine environment. Environmental issues should be integrated into and ‘mainstreamed’ in all sectors. Activities in this area should consider existing programmes, such as the Northern Dimension Environmental Partnership

### Actions:

- Cooperation to support the implementation of the United Nations Framework Convention on Climate Change and the implementation of the Kyoto Protocol and its flexibility mechanism, specifically by means of a structured EU– Russia dialogue and expert discussions
- Cooperation in the implementation of environmental cleaner production policies and the use of natural resources saving technologies
- Cooperation in the sphere of biodiversity conservation including the development of systems of protected natural areas, according to the Convention on Biological Diversity
- Cooperate in the field of water policy, taking into account the experience gained in Russia and in the EU, in particular with the Main Development Directions of the Water System Management Complex of Russia until 2010, the Water Framework Directive and the regional

component of the EU Water Initiative in Eastern Europe, Caucasus and Central Asia.  
Cooperation in the field of trans-boundary river basins between the EU and Russia

- Cooperation in the field of protection, conservation and sustainable use of the marine environment taking into account the development of a European Marine Strategy and its regional development and implementation as well as the environmental provisions of the Marine Doctrine of the Russian Federation. Special emphasis shall be put on the fulfilment of obligations within the framework of the relevant global and regional conventions, such as the UN Convention of the Law of the Sea and the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention) including the use of existing and possible further development of effective joint mechanisms for the prevention and elimination of negative ecological situations
- Improvement of the efficient use of water, wood and other natural resources
- Efforts to reduce risks of accidents and to reduce the effects of pollution, in particular of seas and inland waters, building on useful experience and information obtained in relevant international and regional fora
- Support compliance with the UNECE convention on trans boundary environmental impact assessment
- Intensification of cooperation between Russia and the EU in the fight against illegal logging and associated trade, through in particular the further development of credible and cost-effective tracking and legality verification systems for timber and wood based products (see also section 1.1. and 1.10.) taking into account the Forest Law, Enforcement, Governance (and Trade) Initiatives
- Convergence of environmental legislation towards higher standards, in particular in the energy sector
- Cooperation with the view to promoting the use of economic instruments in order to reduce negative effects on the environment
- Cooperation in forest conservation, in particular on the prevention and control of forest fires
- Cooperation in the sphere of environmental information and education