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REPORT

on the communication from the Commission to the Council on the EU and
Kaliningrad
(COM(2001) 26 – C5-0099/2001 – 2001/2046(COS))

Committee on Foreign Affairs, Human Rights, Common Security and Defence
Policy

Rapporteur: Magdalene Hoff

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PROCEDURAL PAGE

By letter of 19 January 2001, the Commission forwarded to Parliament its communication on the EU and Kaliningrad (COM(2001) 26 – 2001/2046(COS)).

At the sitting of 15 March 2001 the President of Parliament announced that she had referred the communication to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible and the Committee on Industry, External Trade, Research and Energy for its opinion (C5-0099/2001).

At the sitting of 7 February 2002 the President announced that he had also referred the communication to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs for its opinion.

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy appointed Magdalene Hoff rapporteur at its meeting of 20 March 2001.

The committee considered the Commission communication and the draft report at its meetings of 22-24 January and 22-23 April 2002.

At the latter meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Elmar Brok, chairman; Baroness Nicholson of Winterbourne, Geoffrey Van Orden and Christos Zacharakis, vice-chairmen; Ole Andreasen, John Walls Cushnahan, Véronique De Keyser, Rosa M. Díez González, Andrew Nicholas Duff (for Paavo Väyrynen), James E.M. Elles (for Johan Van Hecke), Giovanni Claudio Fava (for Catherine Lalumière), Glyn Ford, Michael Gahler, Jas Gawronski, Vasco Graça Moura (for Philippe Morillon), Klaus Hänsch, Ulpu Iivari (for Magdalene Hoff), Joost Lagendijk, Armin Laschet, Cecilia Malmström, Miguel Angel Martínez Martínez (for Raimon Obiols i Germà), Emmanouil Mastorakis (for Alexandros Baltas pursuant to Rule 153(2)), Emilio Menéndez del Valle, Pasqualina Napoletano, Arie M. Oostlander, Elena Ornella Paciotti (for Ioannis Soulidakis pursuant to Rule 153(2)), Doris Pack, Hans-Gert Poettering (for Alfred Gomolka), Jacques F. Poos, Jannis Sakellariou, José Ignacio Salafranca Sánchez-Neyra, Amalia Sartori, Elisabeth Schroedter, David Sumberg, Ilkka Suominen, Hannes Swoboda, Charles Tannock, Bob van den Bos, Demetrio Volcic, Karl von Wogau, Jan Marinus Wiersma, Matti Wuori.

The opinion of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs is attached. The Committee on Industry, External Trade, Research and Energy decided on 11 April 2001 not to deliver an opinion.

The report was tabled on 25 April 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

MOTION FOR A RESOLUTION

European Parliament resolution on the communication from the Commission to the Council on the EU and Kaliningrad (COM(2001) 26 – C5-0099/2001 – 2001/2046(COS))

The European Parliament,

- having regard to the Commission communication on the EU and Kaliningrad (COM(2001) 26 – C5-0099/2001),
 - having regard to the Partnership and Cooperation Agreement (PCA) between the European Union and Russia, which entered into force on 1 December 1997,
 - having regard to the Common Strategy of the European Union on Russia, adopted by the European Council in Cologne on 4 June 1999¹,
 - having regard to the communication from the Commission to the Council on a Northern Dimension for the policies of the Union (COM(1998) 589 - C4-0067/1999) and the Feira Action Plan relating thereto,
 - having regard to Russia's 'medium-term strategy for development of relations between the Russian Federation and the European Union (2000-2010)' presented at the EU-Russia summit in October in Helsinki,
 - having regard to Russia's 'Foreign Policy Concept' of July 2000,
 - having regard to its previous resolutions on Russia, in particular on Kaliningrad and on the Northern Dimension, and including its resolution of 2 April 1998 on the Commission communication 'The future of relations between the European Union and Russia' and the action plan 'The European Union and Russia: the future relationship'² and its resolution of 13 December 2000 on the implementation of the Common Strategy of the European Union on Russia³;
 - having regard to Rule 47(1) of its Rules of Procedure,
 - having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the opinion of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs (A5-0156/2002),
- A. whereas the accession of Poland and Lithuania to the European Union will place the Kaliningrad exclave of Russia in the position of being surrounded by the external borders of the EU, apart from its coastline which gives access to the Baltic Sea, which will result in the necessity to search for a solution to facilitate the movement of persons and goods

¹ OJ L 157, 24.6.1999, p. 1

² OJ C 138, 4.5.1998, p. 166

³ OJ C 232, 17.8.2001, p. 176

between Kaliningrad and the Russian mainland, respecting the norms of EU external borders,

- B. whereas it is therefore vital that joint efforts be made to counteract the disadvantages of the geographical separation of the area from the rest of Russia by utilising the opportunities posed by its proximity to the dynamic Baltic region and to an EU undergoing enlargement, and that every effort be made in order to overcome the significant income gap between Kaliningrad and the neighbouring regions,
- C. whereas there is a growing tendency among decision-makers in Russia, in the area of international relations, to favour moving in the direction of closer ties with Europe (trade, energy partnerships), which increases the prospects of jointly developing practical arrangements for Kaliningrad,
- D. whereas the authorities in Moscow are now giving priority to civilian development of the area rather than emphasising its role as a forward military bastion,
- E. whereas civil society has been active in recent years in the Kaliningrad region in a wide range of different NGOs with very diverse themes, philosophies, political objectives, forms of organisation and financial bases, but for which there is as yet a lack of political framework, transparency and legal certainty,
- F. whereas the PCA provides a suitable framework for discussions with a view to ensuring the continued viability of Kaliningrad under the new geopolitical conditions,
- G. whereas Kaliningrad could become a 'major project' for cooperation between the north west of Russia and the EU, and could perhaps provide a fresh impetus for successful structural reforms in Russia as a whole,
- H. whereas a failure to halt the economic and social decline would turn the region into a permanent source of unpredictability, instability and environmental degradation in the dynamic Baltic Sea cooperation, and, furthermore, would be liable to undermine efforts to develop a partnership between the EU and Russia,
- I. whereas there are insufficient transport links of any kind from the region and city of Kaliningrad direct to the EU Member States, which is a major hindrance to the active exchange of partners in the economic, political and cultural fields,
- J. whereas the new administration in Kaliningrad and most of its elite, at the same time as emphasising solid ties with the central authorities in Moscow, are in favour of further opening up of the area vis-à-vis the Baltic region and Europe,
- K. whereas the central authorities in Moscow have taken decisions on establishing closer administrative ties with Kaliningrad, but a development strategy for the region which could be dovetailed with EU activities has still not been adopted,
- L. whereas in June 2001 the presidency of the Baltic Council fell by rotation to Russia for one year; expecting therefore that the Baltic Council will make an active contribution to the creation of international cooperation with the Kaliningrad region,

1. Reaffirms that the Kaliningrad area is, and will remain, an inseparable part of the Russian Federation; points out that responsibility for the region thus lies with Russia, but that the EU should increase, as much as possible, its efforts at helping to create favourable conditions for the region's development; hopes therefore that Russia together with the EU in the framework of the PCA could establish smooth integration into the European Economic Area; encourages Russia to put in a more concrete form its plans for Kaliningrad, including their financial aspects; stresses, at the same time, that the Kaliningrad region must have an improved communication network linking it with the outside world, on which the area is vitally dependent as a result of its unique geographical position;
2. Endorses the intention of the Council and the Commission to find, within the framework of the PCA between the EU and Russia, solutions that take account of the special situation of the Kaliningrad area; invites the Council and the Commission to take into account the legitimate interests of the Kaliningrad region and Russia in a smooth transit between the two parts of Russia;
3. Urges the Council and the Commission to clarify the scope of possible practical arrangements permitted by the *acquis* on movement of persons and to present options based on these possibilities;
4. Stresses that the difficulties at the border of Lithuania-Poland-Kaliningrad are caused by inadequate and inefficient administration and by over-complicated procedures;
5. Invites the Commission to develop, together with the Kaliningrad authorities, projects in order to improve the border crossing infrastructure, to improve the qualifications of border guards and customs officials; calls in particular on the relevant Russian border and customs authorities to ensure that their staff have a modern attitude geared to the needs of the citizens and thus contribute to speedy clearance at border crossings; considers that these projects are even more important than the issue of visas to cross-border mobility and that these projects can profit from the very positive experience made by other joint projects in the customs and border guards field between the EU and Russia (e.g. the Sheremetyevo project);
6. Calls on the Commission to investigate to what extent it might be possible to develop multilateral European-Russian border patrols along the eastern external borders;
7. Calls on the Commission and the Member States, in connection with the enlargement of the EU to the east and in full respect of the Schengen agreement, to seek, together with Russia, Poland and Lithuania, to achieve a balance between the need solidly to secure the EU's external borders and the need to make visa and transit arrangements smooth for travel to and from Kaliningrad, in particular with a view to counteract fears about the isolation of the Kaliningrad region; calls for consideration to be given to the idea of setting up an EU Consulate in Kaliningrad; takes the view that the offer of more efficient procedures at low cost for the issue of transit visas should be guaranteed and that other pragmatic solutions should be envisaged based on the principle of reciprocity; considers furthermore that threats to internal security to the EU should be periodically monitored and that decisions to ease the visa regime could be taken on the grounds of improvements

in these regular monitoring reports;

8. Regrets that neighbouring countries which have requested the authorisation to open or expand consulates in Kaliningrad are still waiting for a positive reaction from the Russian side; supports Commissioner Patten in his call for Russia to make it easier for Kaliningraders to obtain international passports; reminds Russia about the need to issue passports meeting international standards, ratify border agreements, sign and ratify re-admission agreements with the EU and countries bordering the Kaliningrad region and take steps necessary for the developing of infrastructure of border-crossing points;
9. Calls on the Commission to contact Russia offering to open a branch of the EU mission in Kaliningrad, so that it can have an on-site presence to support the successful implementation of the EU action programme for the Kaliningrad region in cooperation with Russia; considers it conceivable that this branch might in future be given other tasks too;
10. Points out that Kaliningrad, as part of Russia, will automatically join the Common European Economic Space, but that its successful integration can only be achieved if Moscow also develops a stable, consistent strategy for Kaliningrad, thereby sending a clear signal regarding the nature and extent of its future involvement in the area from a political, economic and regulatory point of view;
11. Emphasises that corruption and lack of social and economic development endangers the establishment of democracy and the rule of law;
12. Appreciates the traditional role of the Council of Europe in furthering democracy and the rule of law;
13. Believes that application of a different economic, social and legal system in Kaliningrad should be possible for Russia, and that Kaliningrad could be a pilot region, which goes ahead of the other parts of Russia;
14. Stresses that three essential conditions must be fulfilled if cooperation with regard to Kaliningrad is to succeed: 'good governance' in terms of efficient administration, properly functioning institutions and the actual enforcement of laws, structural reforms in the areas of legal certainty, a stable tax legislation environment and acquisition of land and serious steps towards an economic and social renaissance of the region and considers that effective measures against corruption are crucial in order for these to be successful; encourages the Russian side to make administrative procedures applying to domestic and foreign investors more consistent and less time-consuming, by reducing the number of local contacts;
15. Emphasises that more attention has to be paid to institution and capacity building, the establishment of the rule of law and democratic procedures which are essential elements for developing fair and durable internal and external economic relations; in particular reliable legislative and administrative conditions have to be created for attracting both Russian and foreign capital to the Kaliningrad oblast;

16. Calls on the Commission to cooperate with the Russian authorities in order to adapt the legislation applicable to the Kaliningrad region in order to bring about improvements in criminal trials and adjust the level of penalties in the fight against illegal migration and the trafficking in human beings;
17. Urges that in the context of the Northern Dimension attention should be paid to reinforcing the judiciary and the police in the fight against international crime;
18. Calls on the Russian central government and the government of the Kaliningrad region to create the legal and political framework conditions for a commitment to civil society and to achieve an understanding in the responsible governments and parliaments of the meaning of civil society, the forms it takes and the ways in which it has its effects; calls on the Council and Commission to give targeted financial support to this on the basis of partnership programmes;
19. Stresses that initiatives to develop and strengthen civil society need to be encouraged by establishing relations with civil society actors in the European Union, in order to create a democratic culture at grassroots level;
20. Points to the alarming environmental situation in Kaliningrad which can only be overcome by joint efforts by the European Union, individual Member States, other states with Baltic Sea coasts, and international financial institutions; regrets the difficulties that have been experienced in getting a project aimed at improving the water and waste water system in Kaliningrad city off the ground and calls on all relevant Russian authorities to ensure that problems of this kind are rapidly solved and prevented from reoccurring in connection with future projects;
21. Calls on the Commission to support Kaliningrad in bringing the standards applying to its export products in line with those of the EU, in particular with regard to technical manufacturing operations, environmental compatibility and consumer protection;
22. Calls on the Commission to play a more active financial role in Kaliningrad, coordinating Tacis, Phare and Interreg more effectively and involving international financial institutions to a greater extent in the development of projects; stresses the urgency of improving regional and supra-regional cross-border transport links; also stresses the importance of micro-projects in helping people on both sides of the border to get to know each other and to include local actors in project development in order to create a basis for effective project implementation;
23. Calls on Russia to ensure that the Special Economic Zone (SEZ) will be compatible with WTO standards and invites the Commission to assist Russia in the project, looking at possible convergence, and the extent of such convergence, with the Russian concept of 'export-oriented production' zones;
24. Calls on the Commission to devote a substantial part of its financial assistance to supporting the creation of a more positive climate for foreign direct investment, which could lead to the development of a combination of competitive parts of traditional industries and activities of the future, notably telecommunications, transport infrastructure, energy supply, trade and finance, environmental protection and specialised

small and medium-sized companies;

25. Calls on the Commission to provide a financial contribution not as a one-sided programme of assistance, but as a joint development project with Russia; stresses that such a commitment should be entered into gradually, i.e. only to the extent that Moscow itself makes a substantial commitment to the area; suggests that consideration should be given to the setting up of a task force for Kaliningrad within the framework of the PCA with the task of exploring, together with experts from Moscow and Kaliningrad, conditions and opportunities for an upturn in the area;
26. Calls on the Commission and the Member States to work to a greater extent with the Baltic Sea Council with a view to strengthening Kaliningrad's economic and cultural relations with its neighbours, including developing and implementing multilateral projects in Kaliningrad, e.g. in the areas of border cooperation, assistance for smaller businesses and the establishment of links between Kaliningrad State University and higher education institutions in the Baltic region; considers that the prospects are favourable as Russia took over the chair of the Baltic Sea Council in June 2001;
27. Calls for the inclusion in the TEMPUS activities in Kaliningrad of institutional development projects aimed at the emergence of administrative and institutional structures, particularly with a view to the promotion of democracy and the rule of law;
28. Recalls its decision to increase the budget line for cross border cooperation for 2002 and to further increase it in 2003; invites the Commission, in close cooperation with the regions concerned, to support viable projects for cross-border cooperation between Kaliningrad and Poland and Lithuania; considers that such special cross-border cooperation arrangements, accompanied by assistance for cross-border development projects, should aim at a further economic and social development on both sides of the border;
29. Welcomes the considerable reduction of troops in recent years in the Kaliningrad region and calls upon the Russian authorities to examine the feasibility of making the remaining troops and the considerable experience of the Russian Armed Forces in deploying and maintaining peacekeeping personnel available for future crisis management operations;
30. Calls on the Commission to consistently include Poland and Lithuania in EU initiatives vis-à-vis Kaliningrad, particularly as regards the matter of visa and transit arrangements, which concerns them directly; considers that information could be provided and consultation take place within the framework of the Europe Agreements, and that, with regard to Russia, discussions could be held in due course involving the EU, Russia, Poland and Lithuania;
31. Calls on the Commission to provide more information to the political authorities in Kaliningrad and its citizens on the consequences of EU enlargement for the area, for example on the following basis and by the following means: strengthening the EU information office in Kaliningrad, supporting the European faculty at Kaliningrad State University, which receives funding from the Baltic Sea Council, and providing assistance for European events held by local educational institutions and organisations in the socio-political field, including the German-Russian House; considers that the latter, an

institution which is highly regarded in Kaliningrad and recognised by Moscow, should make the European dimension a key area of its work;

32. Calls on the Commission in this connection also to empower the local Tacis office to make funds available in an unbureaucratic manner for small projects in the field, to support the multiplicity of private initiatives by EU citizens, particularly those working with Russian partners and public institutions on building up small firms and the social infrastructure;
33. Instructs its President to forward this resolution to the Council and the Commission, the parliaments of the Member States and the candidate countries, the Russian Duma and Federal Government and the Duma and Governor of the Kaliningrad Oblast.

EXPLANATORY STATEMENT

BACKGROUND

- a) Kaliningrad is a Russian enclave. The area has a total population of 950,000 inhabitants, around half of whom live in the capital city of the same name, formerly known as Königsberg. Kaliningrad is bordered by Lithuania to the east and Poland to the west, and lies some 400 km away from the Russian 'mainland'.
- b) In order to counteract the serious economic disadvantages resulting from this geographical situation, Moscow created the Free Economic Zone in 1991 and, following its dissolution in 1995, the Kaliningrad Special Economic Zone (SEZ), granting Kaliningrad favourable tax treatment and tariff advantages for imports and exports (including to the Russian 'mainland'). The aim was to attract Russian and foreign capital, in order to stimulate production and services in Kaliningrad. However, this has largely failed. In view of the generally unfavourable environment, very little Western capital has to date been invested in Kaliningrad (up to the end of 2000, just USD 70 m). The SEZ rather serves as an instrument for promoting private interest groups, which are often linked to local authorities. It has frequently been, and still is, misused in connection with the pursuit of illegal and criminal activities on a large scale. Today Kaliningrad is in a state of massive economic and social decline.
- c) The enlargement of the EU to the east, and specifically the accession of Poland and Lithuania to the Union, will radically change Kaliningrad's geopolitical situation. The area will become an enclave of the EU, that is it will be surrounded by a confederation of states which, hand in hand with a policy of removing internal borders, is seeking to ensure the clear demarcation of its external borders. This will - one way or another - have a lasting impact on Kaliningrad's development. And not only Kaliningrad will be affected, but the effects will be felt in the whole of the Baltic region and will influence relations between Russia and the EU.
- d) In the light of this, neither Russia nor the EU can close their eyes to the fact that the changing international conditions demand new solutions. Rigidly maintaining the old status quo with regard to Kaliningrad would aggravate the problem. This makes Kaliningrad a test case for the PCA between the EU and Russia: are the partners able to find a solution for Kaliningrad together, resolving a common problem in a spirit of partnership?

Problems and opportunities

- e) There is an urgent need to put a stop to the economic and social collapse of Kaliningrad. Otherwise, a dangerous hot spot would emerge in the midst of the EU's Baltic region, forming a permanent source of unpredictability, instability, environmental degradation and crime. Domestic and foreign investors would be even less willing than before to provide investment. The financial gap at the EU's eastern borders would become wider. The situation would encourage separatist tendencies in Kaliningrad, putting further pressure on international relations in the Baltic region.
- f) The objective must, rather, be together to find a solution allowing Kaliningrad to benefit

from the opportunities offered by proximity to the EU. Kaliningrad as a transport junction and business area with a modern services sector could contribute to the forming of positive interdependent relationships in the Baltic region. Such a development, supported and assisted by the EU, would help further lessen tensions in this region, and also encourage Moscow not to strengthen its military presence in Kaliningrad again.

- g) Kaliningrad already has a strong network of international contacts in the region: with subregional bodies, cities, the business community, scientific and educational institutions, professional associations, cultural organisations and NGOs. No other region of Russia enjoys such a wealth of contacts both in terms of quantity and quality; there is, though, a trend towards recentralisation on the part of Moscow. It is essential to ensure that Kaliningrad's network of contacts is not destroyed as a result of eastward enlargement of the EU. On the contrary, a solution must be found at central level, within the framework of the PCA, which places the network on a new basis and provides scope for independent initiatives of various kinds between stakeholders in society. This would not only open up positive future prospects for Kaliningrad, but also constitute an attractive model for effective cooperation between the EU and Russia.

Initial positions

- h) The Commission has already set out its views on the future of Kaliningrad (in the document 'The EU and Kaliningrad' of 17 January 2001), which it deliberately presented not in the form of a decision, but of 'ideas and options for discussion between the parties'. The purpose is to emphasise not only that the Commission intends to take a flexible approach to negotiations, but above all that it is Moscow which has primary responsibility for this area. In consultations with the EU (and, until their accession, in some cases also with Poland and Lithuania), the first concrete steps must be taken by Russia. It is Russia which will decide on the status of Kaliningrad - that must of course be the principle underlying any negotiations.
- i) Moscow's medium-term plans for Kaliningrad are still not sufficiently concrete to provide a good basis for efforts to develop the region or for the EU-Russia cooperation on Kaliningrad that President Putin, in an EU-Russia summit in Helsinki in October 1999, identified as a pilot project in bilateral cooperation. Draft versions of a Russian Federal Programme for the Development of the Kaliningrad Region exist, but leave many questions unanswered. It is strongly to be hoped that a more complete version of this programme can be adopted very soon.

Visa and cross-border arrangements

- j) Visas are not at present required for travel between Kaliningrad and its neighbours. That situation will change when, as is currently intended, Poland and Lithuania introduce such a requirement in 2003 in anticipation of their accession to the EU. For the people of Kaliningrad and also for Moscow, this is the most serious problem affecting the future of the area. There is a growing feeling among the inhabitants of Kaliningrad that they are trapped.
- k) The introduction of the visa requirement would in fact have a dramatic impact on life in Kaliningrad. Journeys from and to the rest of Russia would amount to foreign travel, while journeys to the neighbouring countries of Poland and Lithuania would be made more

difficult. Not only would this hurt businesses (with smaller and medium-sized companies, which are closely geared to the regional market, being particularly badly hit), but other problems could result. Indiscriminately applying the Schengen agreement could have the effect of disheartening people and harming the economy. It is therefore essential to ease visa conditions and facilitate the movement of goods, as well as to partially integrate Kaliningrad into the Union.

Financial involvement

- l) There is currently a clear economic gap between Kaliningrad and its neighbours, which affects all sectors. As applicants for accession, Poland and Lithuania are already receiving substantial EU funding to help them prepare for membership of the Union, whilst Kaliningrad only receives assistance under the far more modest Tacis programme. The EU itself has therefore - albeit unintentionally - contributed to the gap currently existing between Kaliningrad and its neighbours. Without accompanying measures, the situation will worsen once Poland and Lithuania begin to participate in the Common Agricultural Policy, the Structural Funds and other EU aid programmes.
- m) However necessary agreement on the status of Kaliningrad is, it alone will not be enough to bring about an economic upturn in the area and ensure that it is able to be integrated into the future regional EU economic area. On the contrary, in the absence of huge investment in modernisation, the area would - precisely as a consequence of the opening up of the EU's borders - come under enormous pressure of competition from its EU neighbours Poland and Lithuania, with which it would be unable to compete. The increasingly efficient infrastructures of Poland and Lithuania would attract investment to an even greater extent, with Kaliningrad being bypassed. In addition, the adoption of EU standards would make exports by Kaliningrad to its neighbours far more difficult.
- n) Kaliningrad is not capable by itself of adjusting to the new EU economic area being formed. It does not have any comparative advantages over its neighbours. Only if the area receives outside assistance in order to modernise its production and develop its infrastructure will it be in a position to benefit from the effects of the dynamic growth being experienced by its EU neighbours. As the necessary level of investment will be unable to be provided either by Kaliningrad itself or by the central authorities in Moscow, it is above all the EU which is called upon to intervene - in, moreover, its own interests.
- o) Whether, and to what extent, EU investment can be implemented effectively (and is therefore appropriate) will essentially depend on how Russia organises the Special Economic Zone in future. Whilst Moscow has guaranteed that the SEZ will be maintained up to 2010, providing stability and predictability, the arrangements are still essentially income-oriented. The task of making the SEZ a modern production and services zone which is attractive to foreign investors has yet to be fulfilled. As already indicated, Russia's Security Council has announced its intention to adopt a detailed development programme for the Kaliningrad area up to the year 2010 by the end of the year. How will a modified approach by Moscow fit into such a development plan? Will the central authorities in Moscow succeed in making the SEZ more effective? And can all of this be effectively dovetailed with EU projects?

Provision of information

- p) It is possible to conclude that people in Kaliningrad have a feeling of belonging to the European West, and will consequently interpret a 'lack' of commitment from the EU as their being excluded from the West and disadvantaged in relation to neighbouring countries. Immediate steps need to be taken to rectify such an unrealistic conception, as the reality of the situation can otherwise only bring disappointment. It is essential to communicate to the population and to information providers in Kaliningrad what partial integration of Kaliningrad into the European Economic Area can - and what it cannot - achieve.

19 April 2002

OPINION OF THE COMMITTEE ON CITIZENS' FREEDOMS AND RIGHTS, JUSTICE AND HOME AFFAIRS

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on the communication from the Commission to the Council on the EU and Kaliningrad
(COM(2001) 26 – C5-0099/2001 – 2001/2046 (COS))

Draftsman: Arie M. Oostlander

PROCEDURE

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs appointed Arie M. Oostlander draftsman at its meeting of 20 February 2002.

It considered the draft opinion at its meetings of 18-19 March and 17-18 April 2002.

At the last meeting it adopted the following conclusions by 33 votes to 1, with no abstentions.

The following were present for the vote: Ana Palacio Vallelersundi, chairwoman; Lousewies van der Laan, vice-chairwoman; Giacomo Santini, vice-chairman; Arie M. Oostlander, rapporteur; Maria Berger (for Martin Schulz), Hans Blokland (for Ole Krarup, pursuant to Rule 153(2)), Alima Boumediene-Thiery, Kathalijne Maria Buitenweg (for Heide Rühle), Michael Cashman, Ozan Ceyhun, Carlos Coelho, Thierry Cornillet, Francesco Fiori (for Gérard M.J. Deprez, pursuant to Rule 153(2)), Pernille Frahm (for Giuseppe Di Lello Finuoli, pursuant to Rule 153(2)), Pierre Jonckheer, Eva Klamt, Jean Lambert (for Patsy Sørensen), Baroness Sarah Ludford, Hartmut Nassauer, William Francis Newton Dunn, Elena Ornella Paciotti, Paolo Pastorelli (for Marcello Dell'Utri), Hubert Pirker, Martine Roure, Gerhard Schmid, Olle Schmidt (for Francesco Rutelli), Ilka Schröder, Sérgio Sousa Pinto, The Earl of Stockton (for Timothy Kirkhope), Joke Swiebel, Anna Terrón i Cusí, Gianni Vattimo (for Valter Veltroni), Christian Ulrik von Boetticher, and Christos Zacharakis (for Jorge Salvador Hernández Mollar).

SHORT JUSTIFICATION

Kaliningrad is in an unusual position as a region, being separated geographically from the rest of Russia. After enlargement, Kaliningrad will be surrounded by the EU, specifically by its neighbouring states, Poland and Lithuania. This new situation should not disrupt Kaliningrad's current trade with these countries, nor its relations with the rest of Russia; neither should it compromise the smooth functioning of the EU.

With regard to issues in the field of justice and home affairs, the following remarks might be made on Kaliningrad's situation in the run-up to enlargement.

1. Issues

(a) Visas

The introduction of the Schengen acquis by the new Member States will have particular repercussions on the movement of people leaving or travelling to Kaliningrad owing to its situation as an enclave. The visa-free transit currently enjoyed by residents of Kaliningrad and certain categories of Russian nationals transiting Lithuania will no longer be possible.

Special measures will therefore need to be envisaged in order to ease small border traffic and avoid hindering economic life in Kaliningrad. The efficient operation of border crossings will also require improved facilities and procedures.

(b) Fight against crime

Even more than other parts of Russia, Kaliningrad has seen an alarming rise in organised crime (trafficking in human beings, drugs, prostitution, smuggling, car theft, etc.). The number of crimes recorded in Kaliningrad is 20% higher than the Russian average.

This crime linked to corruption is slowing down economic development and the establishment of a state governed by the rule of law in the region. There is therefore a need to combat these illegal activities, which threaten to spread to neighbouring EU Member States.

2. Action to be taken

The action to be taken on both visa policy and the fight against crime concerns Kaliningrad and Russia as well as the EU.

- Russia

There is a need for coordination between Russia and the EU with regard to policy on visas and readmission agreements in order to ensure that people can cross borders smoothly and in a controlled manner whilst preventing illegal activities. This also implies the efficient issuing of affordable passports which comply with international standards.

It is also up to Russia to participate fully in the cooperation agreements signed with Lithuania (such as the 'Nida' initiative which covers projects linked to the operation of border crossings) and in the Baltic region within the framework of the task force on crime.

- European Union

On the EU side, a distinction needs to be drawn between the period before the lifting of internal border controls (probably not before the end of 2005) and the subsequent period when the Baltic states and Poland will have to apply the Schengen acquis in full.

In the first period, the visas issued by the said countries will be valid only for their national territory; multi-entry visas will be possible at a later stage. From the date of these countries' accession, however, small border traffic should be facilitated on the basis of case-by-case checks on applications by cross-border workers (multiple-entry visas valid for several years at low cost or free of charge).

Consular cooperation between the Baltic states will generally need to be expanded, as will the use of liaison officers and the opening of consulates in Kaliningrad by current and future Member States.

Finally, bearing in mind the scale of the reforms to be made, the EU must, in the interest of the economic and social development of the Baltic region in the widest sense, provide technical and financial assistance to the countries concerned in order to ensure that effective controls are established at the future external borders, without however isolating the Kaliningrad region.

CONCLUSIONS

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Recognises that the direct responsibility for the Kaliningrad region lies in Moscow, and therefore hopes that Moscow together with the EU in the framework of the Partnership and Cooperation Agreement could establish smooth integration in the European Economic Area;
2. Emphasises that more attention has to be paid to institution and capacity-building, the establishment of the rule of law and democratic procedures which are essential elements for developing fair and durable internal and external economic relations; in particular reliable legislative and administrative conditions have to be created for attracting both Russian and foreign capital to the Kaliningrad region;
3. Stresses that initiatives to develop and strengthen civil society need to be encouraged by establishing relations with civil society actors in the European Union, in order to create a democratic culture at grassroots level;
4. Emphasises that corruption and lack of social and economic development endangers the establishment of democracy and the rule of law;

5. Appreciates the traditional role of the Council of Europe in furthering democracy and the rule of law;
6. Calls for extension to the Russian Federation of the existing TEMPUS international university cooperation network to the Kaliningrad region, to integrate Kaliningrad into EU-related education programmes, and to include the Kaliningrad region in the *Tempus Institution Building projects* focusing on the development of administrative and institutional structures, in particular to promote democracy and the rule of law;
7. Urges that in the context of the Northern Dimension attention should be paid to reinforcing the judiciary and the police in the fight against international crime;
8. Stresses that the difficulties at the border of Lithuania-Poland-Kaliningrad are caused by inadequate and inefficient administration and by over-complicated procedures;
9. Calls upon the Commission to develop a flexible visa regime for the Kaliningrad region in the framework of Schengen for the inhabitants of the border areas, and to envisage specific measures for small border crossings and the distribution of long-term visas with multiple entry possibilities; welcomes the establishment of a Euro-consulate in Kaliningrad in order to improve and facilitate the distribution of visas to enter the EU after the eastern enlargement of the EU and to coordinate the execution of EU policy;
10. Emphasises that visa requirements have to be effective to stop organised crime, reduce illegal immigration and illegal cross-border trading;
11. Urges the Commission to examine to what extent multilateral EU-Russia border patrols along the eastern external border can be developed;
12. Invites the Commission to collaborate with the Russian authorities to adjust the legislation in effect in the Kaliningrad oblast in order to improve the prosecution of criminals and to adjust the level of punishment in the fight against illegal migration and trafficking in human beings;