

The 2007 Portuguese Presidency of the European Union and Russia

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Abstract

The relations between the European Union (EU) and Russia have attained today a pick of tensions since their inception in the 90's and dialogue on European affairs is broadly stagnated. As compared to other member states, especially after the 2004 enlargement, Portugal has maintained neutral or even good relations with Moscow. This paper aims at analyzing the impact of the 2007 Portuguese EU presidency on EU-Russia relations. Although Portugal assumed presidencies earlier, in 1992 and 2000, the 2007 leadership corresponds to a particular strained context that later materialized in a clear degradation of the dialogue with Moscow.

Keywords: Portuguese Presidency of the EU; EU-Russia relations; Foreign Policy Analysis

Introduction

This paper aims at analysing the role and the impact of Portugal, as a member of the European Union (EU) since 1986, in the relationship with the biggest EU neighbour that is Russia. Since its integration, Portugal assumed three presidencies of the Council of the EU, in 1992, 2000 and 2007. The three moments correspond to different stages of both the internal process of integration and EU-Russia relations. Alongside deeper and larger European integration, the relationship with Moscow has been highly

institutionalized and advanced. For instance, in 1999, Moscow has emerged as the first strategic partner of Brussels. Back in 1992, the two actors still organized their dialogue under the committee created by the agreement with the USSR in 1989. This situation was terminated in 1994 with the signature of a Partnership and Cooperation Agreement (PCA). Until then the relationship with the USSR aimed solely at economic stabilisation and recuperation, with the support of technical assistance.

The intensification of the political dialogue was noticeable in 2000 with an *ad hoc* “Joint Declaration on strengthening dialogue and cooperation on political and security matters in Europe”, adopted in Paris. Until the creation of the “four common spaces” in 2003, five declarations of this type were endorsed. The year 2003 is a turning point instaurating an *ad hoc* structure of cooperation. At the St. Petersburg summit, four common spaces were created: a Common Economic Space; a Common Space of Freedom, Security and Justice; a Common Space of Cooperation in the Field of External Security; and a Common Space on Research, Education and Culture.¹ Their adoption came at a time when the relationship needed both new impetus and to adapt to systemic changes (enlargement and deepening of both the EU and the agenda of cooperation with Moscow). A major feature of the relationship has been the fact that economic objectives are enhanced, thus giving other areas a secondary priority.

Since 2007, the PCA has come to the end of its ten years validity. It has been extended each year since then, until a new agreement will be signed, as foreseen by article 106 of the PCA.² The parties agreed to engage in the negotiation of a new cooperation treaty but several obstacles delayed the beginning of the talks, which started in July 2008.³

Another component of the institutionalised framework of cooperation is the reference to common values and principles, replicated in all the documents produced in the context of the relation. For the EU, they are essential for a “genuine EU-RU

¹ EUROPEAN COMMISSION - *Press release. EU-Russia Summit*. St. Petersburg (May 31, 2003). Accessed 3 June 2016. Available at: http://europa.eu/rapid/press-release_MEMO-12-401_en.htm?locale=en.

² Article 106 states the following: “[t]his Agreement is concluded for an initial period of 10 years. The Agreement shall be automatically renewed year by year provided that neither Party gives the other Party written notice of denunciation of the Agreement at least six months before it expires” (Agreement on Partnership and Cooperation establishing a partnership between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part, 1997).

³ The period concerning the need to launch negotiations for a new cooperation agreement lasted from late 2006 to May 2008, as we shall detail below.

partnership”.⁴ They are the following (and they apply to the European Neighbourhood Policy as well): the rule of law; good governance; the respect for human rights, including minority rights; the promotion of good neighbourly relations; the principles of market economy and sustainable development.⁵ The issue of normative convergence between Brussels and Moscow has been fuelling disputes and stagnation, a feature that would also mark the Portuguese presidency.

When Lisbon assumed the Presidency in 2007, many developments of the relationship with Russia were under jeopardy.⁶ This paper will focus on the role of Portugal in this particular context. Just before Portugal took over the Presidency of the EU, Sócrates was received in Moscow with the honors that are granted only to some heads of state. By spending the night in the Kremlin, the Prime Minister foreshadowed the responsibilities of Portugal for the second half of 2007. The program proposed by the Portuguese Presidency of the EU was extensive and presented itself as a challenge in an especially tense context. In the immediate aftermath of the European Council of June 2007, during which member states have achieved a minimum consensus to relaunch the institutional reform of the EU (convene an Intergovernmental Conference and simplification of the draft Constitutional Treaty), Portugal had also to resume objectives that were not achieved by the former German Presidency. Externally, the more sensitive and stagnating agenda was EU-Russia relations.

We aim, thus, at questioning the role of the Portuguese Presidency in developing a strategic relationship with Moscow, taking into consideration its priorities, namely the orientations of its foreign policy. Russia is the largest European neighbor without accession claims to the EU. Moscow is also an essential partner in dealing with regional and global security issues. The paper focuses on the period surrounding 2007 and builds significantly on primary sources and field research as it analyses both formal and informal practices. Our qualitative research includes sources retrieved from official policy documents, secondary literature and semi-structured interviews with EU and Russian officials.⁷ Although the analysis of the institutional triangle (European Commission, Council of the EU and Presidency) contributes to explain the role of EU

⁴ EUROPEAN COUNCIL - *Conclusions of the Presidency. European Council of Göteborg, 15 and 16 June, (SN 200/101VER 1)*. Brussels, 2001.

⁵ EUROPEAN COMMISSION - *Communication from the Commission to the Council and the European Parliament. Wider Europe— Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours COM (2003) 104 final, March 11*. Brussels, 2003.

⁶ Additionally, the internal challenge of the revision of the EU treaties was still under difficult progress.

⁷ The author collaborated with the Embassy of Portugal in Moscow during the Portuguese presidency, in the second semester of 2007.

actors, and how their preferences are advanced in the relation with Russia, the paper do not aim at explaining the EU functioning as such.⁸ When appropriate, the role of the national level as compared to the community level will be addressed.

Firstly, we analyze how two orientations of Portuguese foreign policy determined its role towards Russia during the 2007 Presidency. Secondly, the paper addresses the tensions in EU-Russia relations that impacted on the scope of the Portuguese presidency. Finally, we assess the outcomes of the Presidency and what was (not) within its reach, given the institutional and political context in which it operated.

1. The Portuguese synthesis of two foreign policy objectives: Lusitanian and European.

Prime Minister Sócrates said that “the current international situation requires the EU to assume special responsibilities. Europe should be a more active player on the international scene.”⁹ The Portuguese priorities to achieve this goal are rooted in two core drivers of foreign policy: the Atlantic and the Lusitanian traditions.¹⁰ The European commitment is historically the most recent in the definition of the country’s external action and it has been seriously enacted since the preparation of the membership of the Union in the late 70’s. The European, Atlantic and Lusitanian aspirations are the identifying vectors of the Portuguese national interest and practices. The Atlantic aspirations include core attention to the relation with the United States and NATO and the Lusitanian tendency refers to the attention given to countries that were formerly part of the colonial empire.

Lisbon wanted to innovate by starting its EU presidency with the first EU-Brazil Summit and resuming a dialogue with Africa, in addition to the dialogue with the southern Mediterranean. Thus, cooperation with Russia should be better understood in the aftermath of the work of German Chancellor Angela Merkel (EU President during the first half of 2007) and the serious difficulty in creating a European consensus on the

⁸ See FERNANDES, Sandra – “The EU institutional balance: assessment of its impact on the relationship with Russia”. In *The European Union Neighbourhood: Ten Years into the New Millennium*. Surrey and Burlington: Ashgate, 2013. pp. 143-172.

⁹ SÓCRATES, José - “The Prime Minister presents priorities of the Portuguese Presidency”. Consulted on July 3, 2007. Available at <http://www.eu.2007.pt/Scripts/Print.aspx>.

¹⁰ These traditions are resumed in the new foreign policy concept of April 2013. See CEDN - Conceito Estratégico de Defesa Nacional, Resolução do Conselho de Ministros, No. 19/2013. 5 April, 2013.

treatment to be given to Russia (these elements are more specifically addressed in the second section of the paper).

The Prime Minister made a preparatory trip to Moscow in late May 2007 with two different objectives: enhance bilateral agreements and initiate a more direct dialogue with Putin, at a time when any contact was irritating between the parts. The second goal was highly symbolic in that it came in the wake of an EU-Russia summit in Samara, and in an environment drawn up by crises in the relationship (see below). Sócrates conveyed openness to Putin, as his comment on the conversation he had with the Russian leader illustrates: “If we talked about democracy and human rights? Yes, but not to contaminate relations it is important that no one starts to give moral lessons to anyone.”¹¹ These words provoked an immediate accusation of treason to the cause of human rights by the NGO “Human Rights Watch”.¹² The ambassador in Moscow, Marcelo Curto, later confirmed the Portuguese attitude to Russia: the dialogue with Moscow is inevitable, and should not contain too strong components of “Europeanisation”. He said, publicly: “we will not lecture Russia.”¹³ Previously, the Minister of Foreign Affairs, Luís Amado, commented in the same token.

Bilaterally, the results of the visit to Portugal were tangible and in accordance with the potential of the relationship, that registered a growth rate of bilateral trade to 13% in 2006. Sócrates was accompanied by five ministers (foreign affairs, finance, economy, home affairs and culture), three Secretaries of State and a delegation of 39 businessmen. In a country where the annual growth and domestic consumption had increased significantly (about 6% and 30% respectively), it made sense to approve a line of credit to support Portuguese exports, with a maximum amount of 200 million euros, to be financed by the bank Caixa Geral de Depósitos. During the visit, the Portuguese entrepreneurs have made more than 340 contacts. The novelty of the creation of a forum between the two countries to enable regular contact is also remarkable, as well as the Russian commitment to pay off the debt of 86 million dollars due to Portugal until August 2007.

The trade balance between Portugal and Russia is highly deficient, although Sócrates stressed that Portuguese exports increased significantly in the previous four

¹¹ DINIS, David - “Sócrates reabre portas da União Europeia a Moscovo”. In *Jornal de Notícias*, 30 May, 2007.

¹² GILL, Allison - *Betraying human rights in Russia*. Consulted on 22 June 2007. Accessed on 3 June 2016. Available at: <https://www.hrw.org/news/2007/06/10/betraying-human-rights-russia>.

¹³ TWICKEL, Nikolaus von - “EU will Not Lecture Russia, Portugal Says” In *The Moscow Times*, 4 July, 2007.

years. Foreign direct investment (FDI) is reduced, leaving Portugal in the 51st place among foreign investor in Russia, and Moscow in the 58th place in relation to Portugal. These elements and the economic health of Russia, at the time, explained that the Russian market was a priority of the Portuguese government and the fact that bilateral visits had been planned well in advance.¹⁴

Another topic of the bilateral visit to Moscow was the energy realm. The theme was communicated more vaguely, although the possibility of Gazprom buying shares of Galp Energia, through Amorim Energia, was referred since 2006. This step is part of the grand strategy of Gazprom: to consolidate bilateral contracts with national companies of member states to strengthen its leadership in the supply of natural resources market. The purpose of these agreements is not only to extend the European dependence on Russian gas consumption and oil but also to allow Russian access to national trading markets. The signing of a Russian protocol with API laid the ground for the construction of an ethylene plant in Sines. There was also a desalination project in the Algarve region. Portugal is one of the few European countries without energy dependence on Russia. The above-mentioned developments, although needing further information for the Gazprom-Galp case that did not materialize, would confirm the projection of Russian power. Gazprom is a leader in worldwide gas extraction, is a State monopoly and a quarter of its market lies in Europe.¹⁵ With the United States, tourists from Russia are the first non-EU tourists coming to member states. Although Spain has grown as a top destination for Russians in the EU, Portuguese growth potential is also noticeable.¹⁶

In the defense realm, Sócrates attended a presentation of the six Kamov helicopters that the state acquired for fighting forest fires. This acquisition completes the rental of aircrafts since 2005, and the future possibility to buy two Beriev aircrafts, after a rental period. The military adviser Luís Saraiva stressed that there is no direct interest between the two countries in this field.¹⁷ This explains the scarce bilateral defense agenda. Finally, the cultural component completed the dynamic of boosting economic and business cooperation, symbolized by the opening of a pole of the

¹⁴ See AICEP Portugal – “//dossier.mercado. Russia.” In *ICEP and Portuguese Agency for Development*, May, 2007.

¹⁵ See data on <http://www.gazpromexport.ru/en/statistics/>.

¹⁶ EUROSTAT - 27 September 2015: *World Tourism Day US and Russia account for a third of all non-EU tourism nights in the EU. 165/2015*. Accessed on 3 July 2016. Available at: <http://ec.europa.eu/eurostat/documents/2995521/7008584/4-25092015-AP-EN.pdf>.

¹⁷ Interview with Luís Saraiva, Military Adviser at the Permanent Representation of Portugal to the EU, Julho 2007.

Hermitage Museum of St. Petersburg in Portugal. Promoting Russian knowledge about the country is an important aspect to boost tourism. The visit of Narichkin, in February, was designed to strengthen the direct air link from Lisbon to Moscow. Narichkin is a top figure in the Russian executive, being deputy prime minister and a potential Putin successor at the time. In 2006, about 14000 Russian tourists visited Portugal.¹⁸

Sócrates made a very positive assessment of the bilateral relationship with Russia, stating that “if one would write on a page the problems between Portugal and Russia, this page would remain blank.”¹⁹ The question would be instead to know what was going to be written after the Portuguese EU Presidency and after Portugal having dealt, for six months, with the inherited and serious tensions in EU-Russia relations.

2. The inherited tensions

At the European and multilateral level, the relationship between Portugal and Russia is much more politically complex than at the bilateral level. In the framework of the EU Presidency, Lisbon had to deal with irritants that prevented a constructive relationship with Moscow. Among those were disagreements over the United States plan to install an anti-missile missile system in Europe, the final status of the Serbian province of Kosovo, the Russian embargo on Polish meat, the regulation of energy market and the evolution of the authoritarian Putin regime.

In 2007, the renewal of the PCA was at the core of the EU-Russia relationship because the treaty was due to expire at the end of that year. Automatic renewal of the agreement was expected on a yearly basis provided that neither party notifies the other otherwise. It would, however, need to negotiate a new treaty that reflects the evolution of the relationship since 1997, the year of entry into force of the PCA. For this, the EU Council should mandate the Commission to start the negotiation process. However, this mandate had not been approved yet due to the veto of Poland. Warsaw had a trade dispute with Moscow over a Russian ban on Polish meat, and placed the lifting of the embargo as a *sine qua non* condition to allow a new treaty. Although the issue emerged as a veterinary question, and therefore technical, there was a broader political rationale.

Since the Eastern enlargement, in May 2004, the presence of the countries of Central and Eastern Europe has initiated a change in the EU's attitude towards Russia.

¹⁸ See http://darussia.blogspot.com/2007_02_01_archive.html.

¹⁹ N/A - “Sócrates quer empresários a potenciarem as relações políticas ». In *Lusa*. 29 May, 2007.

Two clusters of member states appeared: a more pro-Russian group and another more anti-Russian. This internal bipolarity reflects the fact that there is no consensus on the method to be adopted to deal with Russia, an increasingly difficult partner and rapidly evolving. The likelihood of achieving a strategic vision of the EU on what should be its relationship with Russia is, thus, very scarce. This tendency has been further confirmed by the worsening of tensions with the Kremlin, especially after the annexation of Crimea in early 2014. Although the High Representative of the EU, Frederica Mogherini, tried to push for a more unified stance, the member states strongly reacted to the attempt to give the EU a pivotal role.²⁰ However, the pursuance of EU sanctions against Russia, since 2014, is globally perceived as a positive evolution in what concerns a more cohesive EU policy but still an exception. The Council Conclusions on Ukraine of January 2015 are considered a breakthrough in creating a common and strong language towards Russia, namely by condemning annexation and support to separatism.²¹ The message that there will be “no business as usual” and, compliance to it, is a novelty from the EU side.²²

Historical memory is essential to elucidate this duality because it is recent and vivid in Eastern member states. Putin's foreign policy also caused negative perceptions, later confirmed by the annexation of Crimea in March 2014. A Polish member of the European Parliament stressed that Russia differs from European values as a country, culture and history. He stressed that Russia never had an empire but that it was an empire.²³ The desire to maintain a strong influence, and hegemony in the sphere of influence of the former USSR, collides with the EU Neighbourhood Policy.²⁴ The

²⁰ Interview with a director at the External Action Service, Brussels, March 2016.

²¹ EUROPEAN COUNCIL – Council Conclusions on Ukraine (29 January). Brussels, 2015. Consulted on 1 June 2016. Available at: <http://www.consilium.europa.eu/en/press/press-releases/2015/01/council-conclusions-ukraine/>

²² On previous crisis, namely in the aftermath of the Russian-Georgian war of August 2008, see FERNANDES, Sandra – “The Russian Factor in the EU’s Ambitions towards the East”. In *Competing for Influence: The EU and Russia in Post-Soviet Eurasia*. Dordrecht: Republic of Letters Publishing, 2012. pp. 79-103.

²³ ONYSZKIEWICZ, Janusz - “The EU and Russia – Uncomfortable neighbours or strategic partners?” In *Conference organized by the “Union of European Federalists”*. EUROPEAN PARLIAMENT, Brussels, 27 June, 2007.

²⁴ In March 2003, the European Commission created a new concept to be the basis of its new neighborhood policy, “Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours”, which is part the aim of developing a neighborhood of prosperity and friendship. The strategic objective of creating security in their neighborhood was also stated by the EU in the “European Security Strategy” of December 2003. In January 2007, the EU completed the full restructuring of its financial instruments for that purpose, with the creation of a single new tool: the “European Neighbourhood Policy instrument” (ENPI). Russia is not a partner country of the European Neighbourhood Policy and shows little interest in having access to new financing (in which the former TACIS program, which was designed for Russia, was merged).

Russian fear of a domino effect, derived from the “color revolutions” (democratization and europeanization of Ukraine and Georgia, and European orientations of Moldova), takes the Kremlin to assert its sovereign prerogatives in its near abroad. The latter corresponds to the fourteen new independent states that forcibly integrated the former USSR. This zone of vital interest, or sphere of influence, is essential in the Russian perception of threats.²⁵

Additionally, Moscow started to use its energy resources as a means of foreign policy in the sense that it raised prices and disrupted gas supplies, mainly since 2006. Dependence of Europe on Russian gas corresponds in fact to interdependence, since Moscow still needs European markets (China is an uncertain alternative market).²⁶ The management of this interdependence is, however, political, as Moscow privileges bilateral relations with EU member states instead of the community level. In general, external relations (Common Foreign and Security Policy/Common Security and Defense Policy) are not an EU competence. The result is a low common denominator between member states of the enlarged EU28, and increasing demands for domestic and non-Community solutions. European solidarity is, therefore, reduced when engaging Russia.

The fact that there is no common energy policy also complicates the EU's dialogue with Russia. During Portuguese presidency, the internal disagreement opposed mainly the British and the European Commission to the French, on the full market privatization (separation between suppliers and supply networks). From the perspective of a new cooperation agreement with Moscow, the Europeans want to introduce the principles of transparency and openness contained in the Energy Charter that Moscow signed in 1994 but refused to ratify. However, the lack of an integrated energy policy prevents the EU to speak with one voice in the energy dossier²⁷ and to clarify the points to negotiate with Moscow. Thus, for example, Germany built a Russian-German pipeline under the Baltic Sea that bypasses Poland (Northstream). Italy, in turn, opened the national market for

²⁵ TRENIN, Dmitri – “Carnegie Live: The Longterm Implications of the Russia-Georgia Conflict”. In *Carnegie Endowment for International Peace*, September 18, 2008.

²⁶ FERNANDES, Sandra – “Beyond Ukraine: How to Handle Russia Right?” In *IPRIS Viewpoint* (152, August), 2014.

²⁷ Based on a European Commission communication entitled “Energy Policy for Europe (EPE)”, the European Council of 8 and 9 March 2007 adopted an Action Plan on energy for the period 2007-2009. In the “International Energy Policy” heading, the Council calls for the development of a common EU voice in defense of the energy policy objectives for negotiations with Russia. See EUROPEAN COUNCIL - “Conclusões da Presidência 72224/07, March 9.” Brussels, 2007.

the distribution of energy to Gazprom (direct sales to consumers), in exchange for a guarantee of supply. The routes of oil and gas pipelines cross the political dependencies: both the EU and Russia want greater autonomy in relation to transit countries, preferring to explore alternatives in their friendly countries. The latest and greatest project in this direction is Russian (Southstream) and seeks to connect, along 3200 km, the south of Russia to Italy through the Black Sea. The project aims to clearly outline the existing supply lines: the Soyuz by Ukraine and the Blue Stream through Turkey. Today there are serious doubts about the feasibility of the project.

Despite the issues putting a brake on developments, the institutional framework for cooperation had been producing concrete results. Although the PCA was outdated, the creation of the four common spaces, in 2003 in St. Petersburg, introduced a new methodology. In 2005, the Action Plans have been adopted to implement the spaces. The four common spaces constituted a turning point in the institutionalization of relations between Brussels and Moscow on the eve of EU enlargement. Progress is most notable in the first and second spaces, namely the signing of an agreement on visa facilitation. Thus, although it was not possible to reformulate the common principles that should underpin the relationship, cooperation existed. The institutionalized political dialogue also existed in various formats, namely: the biannual summits, the PPC (created in 2003 to more flexibility meetings), meetings with the COPS in troika format. The Russian Mission to the EU is probably the largest in the world, with more than 100 employees, led by Chizhov, a high rank politician close to the Kremlin. The relationship was therefore a priority for both parties. The promises of institutionalization of EU-Russia relations of that period are in sharp contrast with current developments, as the inability to gather at the high level summits illustrates since January 2014.

During the previous summit in November 2006, difficulties already started to dominate the agenda. Moscow agreed to stop charging charges to overflight Siberia and it was indeed the only concrete result of the summit, which has been suffering a delay in its application. In the next 2007 summit in Samara, for the first time, the European Commission and the Presidency enunciated the principle of internal solidarity in the EU, thus supporting directly Poland, Estonia and Lithuania in their bilateral disputes with the Kremlin. The area of cooperation with visible results was located in the second common space, with the entry into force on 1 July of a simplified visa regime to facilitate the movement of people. About the failure to start a negotiating cycle for a new treaty of cooperation, Putin put the burden on the EU side. For him, the EU should

first solve its internal problems, thus discarding the Russian responsibility of the deadlock.²⁸ Barroso, Merkel and Putin acknowledged the difficulties and disagreements but said that the relationship was not emptied and that it is necessary. The President of the European Commission supported the sovereignty of Estonia but underlined the respect for the Soviet Union's contribution in the fight against Nazism, thus recognizing the fundamental importance of the memory of World War II to the Russians.²⁹ The scarce diplomatic outcome of the last summit previous to the Portuguese leadership was achieved with great effort: the visit of the German Minister of Foreign Affairs on the eve of the encounter to try to break the deadlock; a casual dinner between Merkel, Barroso and Putin also the day before; a meeting at the level of foreign ministers in April in Luxembourg.

3. The role of Portugal in EU-Russia dialogue

Media coverage of the launch of the Portuguese Presidency did not focus on the Russian agenda of the EU. Africa, Brazil and the Mediterranean monopolized the attention.³⁰ Officials from different member states also expressed this trend. The outcomes of the previous German Presidency are essential to assess the role of the Portuguese Presidency. This balance seems mitigated. The Schroeder leadership shift to Merkel brought a more critical tone towards Russia. The negotiating skills of Merkel allowed to save the EU-Russia Summit in Samara in May 2007. At this stage of the relationship, it did not mean that there were results but that dialogue remained open. This political reach was in itself positive, since recent events had been superimposed to the above-mentioned crises: the Russian trade embargo to Estonia following the removal of a Soviet memorial to World War II; cutting oil supply to a refinery in Lithuania arguably because the latter had been sold to a Polish rather than a Russian; the question of the final status of the Serbian province of Kosovo. Russian reactions to these events appeared as exaggerated and fomented an anti-Russian sentiment.

²⁸ See the press conference available at <http://www.kremlin.ru>.

²⁹ During Putin's second term, several initiatives were taken to rehabilitate the Soviet past. In June 2007, for example, Putin suggested to an audience of history teachers that American actions during the twentieth century were worse than Stalinism. In 2005, Putin has banned access to files on the massacre of 20,000 Polish prisoners at Katyn in 1940. The Baltic States have also obtained a refusal from Russia to denounce the Ribbentrop-Molotov pact. Since 1991, no Russian leader has visited a Baltic countries. In late 2006, Putin declined the invitation of Latvia accordingly.

³⁰ See PARKER, George and BOUNDS, Andrew - "Lisbon unveils priorities for EU presidency". In *Financial Times*, July 2, 2007.

Poland was the only member state that, at that time, had decided to block the start of negotiations for a new cooperation agreement based on the argument that the EU should be concerned and assume solidarity with its bilateral disputes with Russia. At stake was a Russian agricultural ban on the country that started in 2005. Poland was, thus, in the forefront of the countries that blocked any negotiations provided that their trade disputes with Moscow were not solved. In fact, the Commission issued, in July 2006, a draft mandate for negotiating a new PCA that received a reading from COEST³¹ and was not agreed at COREPER³² level either. It was already blocked at the working level. Veterinary and phytosanitary issues are recurring between the Union and Moscow because there is no agreement that rules this field despite memoranda that have been signed on harmonised certificates.³³ The trade ban that Russia imposed on Poland transformed into an EU issue in 2006.³⁵ The fact that Poland was labelled as a hard country that can defend its positions in the Union was considered a benefit. Contrarily, the image of the country as anti-Russian was considered a prejudice.³⁶

Poland found itself in a very difficult and criticised position inside the Union. One year later, in 2007, Polish claims started to appear as more legitimate because Estonia and Lithuania went through a high point of similar tensions with Moscow. Estonia and Latvia had not adopted an isolation and blockade strategy. Latvia itself suffered from a Russian cut of oil supplies since 2002. A diplomat of the country stressed that the losses were more important than the Polish losses. However, about two weeks before the summit in Samara, Lithuania followed the Poles and also decided to veto the mandate based on the aggravation of its disputes with Moscow. According to a Lithuanian official, the veto was necessary to draw the attention of other member states to national difficulties. While recognizing that solidarity had increased within the EU,

³¹ COEST is the working party on Eastern Europe and Central Asia at the General Secretariat of the Council of the European Union.

³² COREPER is the Permanent Representatives Committee of the Council of the European Union.

³³ EUROPEAN COMMISSION - *EU-Russia Common Spaces. Progress Report 2008*. March, 2009. accessed on June 2016. Available at http://eeas.europa.eu/russia/docs/commonsplaces_prog_report_2008_en.pdf.

³⁴ The Memoranda of Understanding that have been signed in this field, until 2008, are the following: “Veterinary MoU (Sept 2004) including rules on transit via EU territory, MoU on phytosanitary certification (2005), MoU on pesticide residues, nitrates and nitrites in plant products for human consumption (March 2008), MoU on conditions for deliveries of meat and raw meat products to the RF (March 2008)”. EUROPEAN COMMISSION - *Commission Staff Document accompanying the Communication from the Commission to the Council. Review of EU-Russia relations pursuant to the Extraordinary European Council of September 1, 2008. SEC(2008) 2786*. Brussels, November 5, 2008, p. 6.

³⁵ It is out of the scope of this paper to explain how this issue progressed from a bilateral problem to an EU-Russia issue.

³⁶ Interview with a member states representative, July 2007.

he believed that the EU's adaptation to new interests, and consideration of national problems, is a lengthy process.³⁷ It seemed that the deterioration of Russian-British relations, focusing on the Litvinenko murder investigation, the former KGB spy, may have raised to three the number of member states to follow that route but it was not the case.

In May 2007, Sócrates tried to be conciliatory with Putin in anticipation of the EU Presidency but Lisbon inherited the limits imposed by the deteriorated diplomatic dialogue and effective blockades in the agenda. Merkel and Barroso stances at the Samara summit delimited the room for manoeuvre. At Samara, as above-mentioned, the Commission and the Presidency voiced the principle of solidarity among member states for the first time, giving thus a direct support to Poland, Estonia and Lithuania.³⁸ Putin also announced that he was ready for a reconciliation but not at any price.³⁹ The two leaders had a three hours long meeting at closed doors. Sócrates could not help address the compelling issues: embargoes to Eastern Europe, energy and human rights in Russia.⁴⁰ Portugal would have to build a European consensus that implied unanimity in the EU Council in order to relaunch the strategic partnership with Moscow. This goal would require simultaneously improving relations with Moscow and achieve a more constructive relationship with certain member states. This complexity was aggravated by the relationship with the United States on the anti-missile system, involving two member states of the EU and the North Atlantic Treaty Organization (NATO). It is an especially sensitive issue because, since 1999, Russia has sought closer cooperation with the EU on defense in order to diminish the role of NATO in Europe.⁴¹ Moscow perceived that this approximation was not wanted although it viewed the greater EU involvement in European security as a lowering of the role of the United States and NATO in Europe.

Parallely, the Commission developed an internal reflection in the peculiar aftermath of the Samara summit. A unit devoted to “strategic thinking” at former

³⁷ Interview with a member states representative, Brussels, July, 2007.

³⁸ LE MONDE – “Samara, la Russie et l’Union européenne étalent leurs différends”. In *Le Monde*, 18 May, 2007.

³⁹ See LEITE, Agostinho - “Putin disponível para reconciliação”. In *Jornal de Notícias*, May 30, 2007.

⁴⁰ Sócrates stated that “Between the EU and Russia there is a convergence to build (...) on the need to promote an energy policy based on common international rules, and finally on the opportunity to promote world order based on values of peace, of democracy, human rights and cooperation among peoples”. N/A – “Entendimento entre Bruxelas e Moscovo é absolutamente essencial”. In *Lusa*, May 27, 2007.

⁴¹ FERNANDES, Sandra – *Europa (In)Segura. União Europeia, Rússia, Aliança Atlântica: a Institucionalização de uma Relação Estratégica*. Lisboa: Principia, 2006.

DGRelex worked on the EU-Russia partnership and advanced the idea that there should be a “code of conduct” for bilateral relations of member states with Moscow. This idea is clearly related to the solidarity issue that has been voiced at Samara. A high rank official of the Delegation of the European Commission in Moscow⁴² underlines the sharp change that happened in the negotiation of a new PCA, from the May 2006 Sochi summit onwards. The May 2007 Samara summit was difficult because the Union knew that there was no solution to the Polish issue yet and that the negotiations could not be launched. He describes the summit as a “shouting at each other” that did not bring any progress. Officially, the summit was presented as a “frank discussion”. Consequently, the Russian position was dual. It considered that it had good bilateral relations with some member states but that its relations with EU institutions were hindered by the irritants with specific member states.

Beyond the above-mentioned bipolarity of perceptions within the EU about Moscow, a third group of member states also exists. Between states that are friendly to the Kremlin and those who have a difficult border with Russia, there are also more neutral states with no major disputes with Russia. Portugal can be included in this group. This constituted a potential asset for the dialogue with the Kremlin in the context of the Presidency. The framework of the EU-Russia relationship, under Portuguese leadership, included two highlights: a high-level Summit in Mafra and a Permanent Partnership Council (PPC) at the level of ministers of foreign affairs. The realization of one high-level PPC was usual on an annual basis but the German Presidency was not able to deliver in the previous semester. Portugal was expecting to improve the dialogue with this meeting taking into consideration a favorable context: it would be Putin last summit (Russian presidential elections in March 2008), the twentieth summit, and the tenth anniversary of the PCA.

However, the schedule depended heavily on short-term events that might create an unfavorable political climate. It is confirmed by the fact that the preparation of the Mafra summit agenda was developed only from September onwards. Not repeating Samara was considered a step forward, by itself, for the EU-Russia relationship. Portugal had the task of setting in motion a stopped agenda at various points because of political barriers. The fact that Russia was not a member of the World Trade Organization halted the creation of a free trade area (it joined the organization in August

⁴² Interview conducted in Moscow, October 2007.

2012). The creation of the Permanent Partnership Council (PPC) in 2003, aimed at making cooperation more efficient and transparent. This body is more flexible than the extinct Cooperation Council, enabling ad hoc and regular meetings at various levels. The Finnish Presidency, in 2006, was especially active in conveying these meetings. For Portugal, a PPC in the field of culture represented a window of opportunity in an area where progress would be possible (fourth common space) due to lower political related issues. The possibility of a PPC in the area of justice and home affairs (second common space) was raised by several diplomatic sources. However, developments in visa liberalization are a long-term issue since the EU is not prepared to grant a visa-free travel to Russia because of the need for a prior internal consensus and dialogue to examine the conditions. The entry into force of an agreement on visa facilitation and readmission of illegal migrants was already achieved in 2007. Even the European Commission pointed out in June that there would be progress to an exemption visa regime and in the cultural and educational area, contrasting with the highest priorities of the Samara agenda. The latter were a new PCA, Russia's accession to the WTO and energy cooperation. The issue of defining what one could negotiate at that point was relevant. Since the Polish veto and the activation of the four common spaces in October 2005, cooperation had stalled. The presidency faced therefore a real challenge and its role was pivotal in the triangle European Commission - High Representative for the CFSP / Secretary of the Council - Presidency.

Portugal had an interest that was not driven by difficult historical memories and considered that the external Eastern border had to be preserved. It understood that the relation with Moscow is strategic in a realistic way as opposed to rhetoric stances. The fact that there are no simmering bilateral issues between Lisbon and Moscow allows for a “pure policy” towards Moscow.⁴³ In this perspective, Polish and Baltic states postures were considered aggressive and counter-productive. Portugal had not its own agenda on Russian affairs and followed the EU agenda instead. It was visible in the preparation of the Portuguese Presidency of the second semester of 2007. The officials were waiting for information coming from the Council, to be transmitted closer to the beginning of the Presidency in July, to define precisely their agenda on Russia. The Portuguese Presidency had no pretensions in advancing cooperation in the context of the above-mentioned tensions that crystalised in 2007. Lisbon considered that in the absence of a

⁴³ Interview with a representative of a member states in Brussels, January 2007.

mandate to negotiate a new PCA, the identification of the difficulties in the relationship would be a satisfying output for the semester. The meeting of the first PPC on culture, on October, represented a novelty as it was the first concrete step to advance the relation in this area.

Conclusion

The road from the Samara summit, led by the German presidency, and the Mafra summit, organized by the Portuguese presidency, both in 2007, was long and uncertain, despite the few months that separated the events. The distance to go was essentially political. The EU-Russia dialogue appeared to be increasingly a dialogue of the deaf. On the one hand, the EU wanted a more European Russia that would converge to its political values and economic rules. On the other hand, Russia wanted to be recognized as a partner on equal footing, and redefine the rules of the international game. Álvaro Mendonça e Moura, Permanent Representative of Portugal to the EU, stressed that the Presidency was a moving target and that the preparation of alternative scenarios was a necessity in order to adapt to circumstances.⁴⁴ This global observation is particularly accurate for relations with Russia. Despite the disagreements and irritants, the existence of a dialogue was valuable for bridging the gap of mutual perceptions of the EU 27 and a more assertive Russia. Dialogue was also necessary given the economic and security interdependencies. Within the EU, there was no unified attitude to engage with Russia and its internal developments. Portugal was considered as being part of the “neutral” group of member states. From Polish point of view for instance, Lisbon was seen as having a good relationship with Russia because Moscow perceived it as a small country with a global scale. In the 2007 context this Portuguese characteristic was instrumental to maintain dialogue with Russia.

However, common problems and European responsibilities require positive results from the interaction with the Kremlin. The Ukrainian crisis, initiated in 2013, illustrates the negative consequences of a defective EU-Russia dialogue. Thus, when Sócrates said that he does not want to give lessons to the Russians (see above), he might be recognizing that fact. In 2007, at a time of great European disappointment on non-

⁴⁴ MOURA, Álvaro Mendonça e – “The Priorities of the Portuguese Presidency to the EU”. In *Conferência no Centre for European Policy Studies (CEPS)*. Brussels, 25 de Junho, 2007.

democratic developments in Russia, reinforced by Putin's aggressive internal speeches in electoral context, any very precise vision about what Russia should be, could only bring dissatisfaction. Pragmatism, in addition to de-dramatize the state of the relationship, allowed to address the ongoing cooperation. The Portuguese handover between the German Presidency and the Slovenian Presidency constituted, therefore, not a mere waiting time, even if the probability of sounding results was scarce beforehand. Although Lisbon was not able to unlock the negotiation to enter into a new strategic vision, its presidency maintained an open dialogue with Moscow about the future partnership and continued the existing cooperation agenda.

Since 2007, the course of deterioration in EU-Russia relations has worsen, as illustrated by the freezing of the visa liberalization talks and the reciprocal sanctions, in place since 2014. As an EU member state, Portugal seems to maintain both its posture of follower of the EU agenda concerning Russia and of "friendly pragmatist"⁴⁵ towards the Kremlin. Contrarily to the Baltic States and Poland that perceive Russian actions in Ukraine as a security threat, Portuguese officials have underlined the need to maintain long-term relations with Russia and avoid confrontation, namely for the sake of energy interests.⁴⁶ Economic sanctions have been supported in accordance with the consensus achieved in Brussels but no imminent military threat is perceived⁴⁷. From the perspective of the thirty years Portuguese membership in the EU and relations with Russia, Lisbon has played a pivotal role in a context of deteriorating relations due to the nature of its foreign policy, good bilateral relations with Moscow and a commitment with the political consensus achieved at the EU level.

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⁴⁵ See POPESCU, Nicu and LEONARD, Mark – “A Power Audit of EU-Russia Relations”. In *ECFR Policy Paper*, November, 2007, p. 2.

⁴⁶ See LUSA – “Machete deseja que relações entre a Europa e a Rússia não sofram ‘alterações sensíveis’” In Lusa. March 1, 2014. Accessed on June 2016. Available at: <https://www.publico.pt/politica/noticia/machete-quer-preservar-relacoes-entre-a-europa-e-a-russia-1626758>.

⁴⁷ Not only military conflict is excluded as an option in the wake of escalation in Ukraine as Portuguese militar spending is shrinking. This is again in sharp contrast with the Baltic states and Poland for instance. See SIPRI – “Military spending in europe in the wake of the ukraine crisis”. In *SIPRI*, 13 April, 2015.

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