

# Introduction

The future of Ukraine, Moldova and Belarus, states lying between the European Union and Russia, to a large extent depends on how they resolve their energy-related problems. They are in a special situation because, on the one hand, they are the principal transit countries for Russian resources (gas and oil) that make their way to the EU market, and on the other, they greatly depend on the supplies of gas and oil from Russia, which is of key importance to them, for example because of their economies' high level of energy consumption.

Therefore, these countries must find the answer to several questions: How large should Russia's shares of their energy sectors be? To what extent should they integrate with the EU in energy matters? How long can they remain 'between' the EU and Russia?

More than a decade's experience shows that the countries between the EU and Russia find it extremely difficult to define themselves in energy matters. Often, the lack of a considered strategy can be seen, and casual benefits gained by those in power and various interest groups take precedence.

External players – Russia and the EU – are very important to the future of Ukraine, Moldova and Belarus in energy matters. For years, Russia has been striving to take control of their energy sectors. Action with that aim in mind was visible as early as the 1990s. This seems even more important

to Moscow now. The position of Russian corporations, most of which are controlled by the Kremlin, is already very strong, especially in Moldova. The fundamental question is – will Russia succeed in increasing its stake in the future?

It might be said that the EU is still not devoting its neighbours sufficient attention in energy issues. The countries are of great interest only sporadically, for example, when there are conflicts with Russia about prices of energy resources, when the continuity of supplies of gas and oil to recipients in the EU is threatened. However, it would be an over-simplification to judge the EU's actions negatively, because the EU is proposing close co-operation with those countries, and even integration with the Community's internal market. But will those proposals be implemented? What role will individual member states and corporations from EU countries play in the territory between the EU and Russia? These are just some of the questions that need to be asked.

Certainly, for the European Union, the issue of the future of energy in Ukraine, Moldova and Belarus is crucial, because its Eastern neighbours are, as already mentioned, transit countries for gas and oil exported from Russia to the EU.

However, from the EU's perspective, it is not just a question of transit. At least two other issues are of great importance to the EU. Firstly, the EU has declared that it wishes to have closer relations with its neighbours through the European Neighbourhood Policy (ENP). Much indicates that without close co-operation in energy matters, the ENP will be doomed to fail. Secondly, there is the EU's relationship with Russia, which continues to consider that the countries of the CIS are within its sphere of influence. Russia is unwilling to see EU involvement in this area. As one of the most major problems for the EU and Russia, as well as for the countries between them, energy must play a key role in the EU-Russian dispute concerning their common neighbours, a dispute which is inevitable in the next few years and probably also over the long term.

From the point of view of the European Union, then, a thorough appraisal of the situation of Ukraine, Moldova and Belarus in energy matters, Russia's policy and the actions of the EU itself towards them, is essential. Only such an appraisal will allow the EU to determine how it should proceed towards Ukraine, Moldova and Belarus in energy matters.