

## The EU's Eastern Partnership: still-born?

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»» The Eastern Partnership (EaP), a new EU initiative for the Eastern neighbourhood, was officially launched on 7 May 2009 in Prague. The Eastern Partnership is part of the European Neighbourhood Policy (ENP) and covers six countries – Belarus, Moldova, Ukraine, Armenia, Azerbaijan and Georgia. It comprises a population of 76 million.

Will the EU's new initiative be able to fulfil its main objectives of bringing stability, better governance and economic development to the Eastern partners? Doubts exist already. The initiative adds little to the ENP in support of democratic transition at the EU's borders.

### A NEW OFFER

The initiative to strengthen the EU's policy towards the Eastern neighbours was put forward by Poland and Sweden in May 2008 and was granted further importance by the outbreak of the war between Russia and Georgia in August 2008. Following the Commission's Communication of December 2008, the European Council issued a declaration on the Eastern Partnership. This became the new EU policy towards its Eastern neighbourhood.

The EaP pursues the EU's vital interests at the Eastern borders. It ostensibly promotes stability, good governance and economic development. Through the EaP the EU will support its neighbours' efforts to draw closer to the bloc and to align with its reform programme. The EaP will be based on mutual commitments to democratic values and the market economy.

### HIGHLIGHTS

- The EU is increasing its engagement with the Eastern neighbourhood in order to deal with numerous crises.
- The new policy remains within the limits of the European Neighbourhood Policy: it comes with no prospect of accession or of freedom of movement for the populations, and the aid offered is modest.
- One size does not fit all: the EU offers too little to the Eastern periphery's frontrunners and too much to the laggards.

»»»»» The EaP goals will be implemented both bilaterally and multilaterally. Along the bilateral route, the EU will offer Eastern partners the following possibilities: developing strong political ties with the bloc, economic integration and convergence with the EU through association agreements, deep and comprehensive free trade areas, increased citizen mobility, energy cooperation and aid for institution-building and regional cohesion. Neighbours' progress in democratisation and in establishing the rule of law and the principle of human rights will be a precondition for deepening bilateral relations with the EU.

The multilateral track envisages integration among the Eastern neighbours as well as a discussion and cooperation forum to support the implementation of EaP objectives. The EaP provides for a multilateral institutional framework involving different levels of representation for both the EU institutions and the Eastern partners. Four thematic platforms are to be established: democracy, good governance and stability; economic integration and convergence; energy security; and people-to-people contact. In addition, the Commission has offered "flagship initiatives" for cooperation in such areas as integrated border management, small and medium-sized business development, energy efficiency and disaster management.

The EaP will be financed mainly through the EU contribution already available to the Eastern ENP partners via the European Neighbourhood Policy Instrument (ENPI) for 2007-2013. The EaP budget will amount to €600 million between 2009 and 2013. The EU also depends on extensive cooperation with the European Investment Bank and the European Bank for Reconstruction and Development, as well as other international and bilateral donors.

The EaP also keeps open the possibility of the participation of third parties – for example Russia or Turkey – on a case-by-case basis and in regard to concrete projects, activities or meetings within the thematic platforms.

## **DETERIORATING DEMOCRACY AND SECURITY**

The ENP has been continuously criticised for its lack of success in achieving its main goals of promoting stability, security and prosperity. A few countries are progressing within the ENP (Ukraine, Morocco) and the EU has managed to raise its profile and increase its economic ties with its neighbours. But overall progress on reform in the region is unimpressive. The EU has been relatively successful in promoting economic reform. This is not the case with regard to democracy and human rights. The numerous reports by the European Commission and other international actors who screen democratic developments in the region (e.g. the Council of Europe, the U.S. State Department) record that the EU's Eastern neighbours have been too slow in transforming their political regimes and their policies. Such groups say that they have even witnessed negative trends.

Last year was particularly unsuccessful for the ENP. In the last report on its implementation, the Commission recognised that "overall the pace of reform has slowed, particularly in democratic reforms and human rights standards."

The ENP pioneer country, Ukraine, has sunk into an endless political crisis and is among the countries hardest hit by the economic and financial crisis. Moldova is still mired in the post-electoral crisis that followed the March parliamentary elections. The country has gone backwards in terms of respect for human rights and civic freedoms. Its future democratic development is uncertain. Looking for external help to rescue Belarus' economy from the impact of the global crisis and the increase in Russian gas prices, Belarus' president Aleksandar Lukashenka wants closer ties with the EU. However, he will not concede much in terms of political reform, since it would place his own power in danger.

Armenia's post-electoral crisis of March 2008 and the subsequent state of emergency have been followed by repression of the opposition and further restrictions on political freedom. Meanwhile,

post-war Georgia has been shaken by the street protests of the opposition – who demand President Mikheil Saakashvili's resignation – and a failed military coup d'etat. After Belarus, Azerbaijan is the most authoritarian country of the six EaP countries. Despite opposition protests and criticism by Western democratic governments, limits on presidential terms were abolished by referendum in March 2009.

The security situation has also worsened as a result of the war between Russia and Georgia, as well as of Russia's recognition of the independence of South Ossetia and Abkhazia, and of energy

disputes between Ukraine and Russia that cut European oil supplies in the winter. In general, the EU has achieved limited results in dealing with the conflicts in the Eastern neighbourhood. Russia has largely ignored the Sarkozy-Medvedev six-point ceasefire agreement and has increased its military presence in

Georgian territory. At the same time, no accord has been reached between the EU, Ukraine and Russia regarding the stable supply of gas over the next year.

#### ADDED VALUE?

The ENP seems to be a “decapitated” version of the EU enlargement policy. While the policy aims at promoting democratic change, economic integration and policy convergence between its participants and the EU, and while it largely relies on the enlargement policy toolbox, it offers no prospect of accession for the EU's European neighbours. The EaP does not change the situation.

What the EaP is offering in bilateral terms arose from the model of EU-Ukraine relations. This

means that the EaP has little left to offer Ukraine itself - the EU's best pupil in the ENP. The EU has extended the offer of an association agreement, which was negotiated with Ukraine after 2007, to other Eastern neighbours. The prospect of signing such an agreement will depend on the neighbours' progress in terms of democracy and human rights. This is a logical step on the part of the European Commission, since the current Partnership and Cooperation Agreements (PCA) between the EU and South Caucasus countries expire this year. Moldova was offered a new agreement, with the prospect of free trade and a visa-free regime in the long term, when the Moldova-EU PCA expired in 2008.

The EU's bilateral offer is realistic for Belarus only from a very long-term perspective. Until very recently relations between the EU and Belarus were consistently poor. The EU-Belarus PCA was signed but has never entered into force, because the EU chose to freeze relations with the Belarus government when Aleksandar Lukashenka restricted political freedoms. Since 2002 the EU has made several attempts to begin a gradual normalisation, but none has been successful. The last attempt was made in 2008, when contacts between the Commission and the Belarus government were re-established at a technical level. The Commission opened its delegation in Minsk in 2008. Recently, the visa ban against Belarus' key government officials was rescinded. Nonetheless, European states are divided on the issue of EU relations with Belarus. Isolating Belarus did not work. But there is no sign that Lukashenka will make any significant step towards political liberalisation in response to the new strategy. Thus even though Belarus has been invited to the EaP, its participation in this initiative is doubtful.

Deep and comprehensive free trade areas are regarded by the EU as an important tool for achieving the gradual integration of neighbours into the EU's internal market. This offer is nothing new. The majority of Eastern partners have already received such an offer. Moreover, the offer is too remote for most of them. The feasibility studies carried out by the Commission on



## The Eastern Partnership will duplicate the European Neighbourhood Policy's lack of effectiveness in promoting reform.

»»»»» Armenia and Georgia conclude that these states are “not ready for such a far-reaching liberalisation”. The feasibility study for Moldova should be ready in summer 2008, but its conclusion is likely to be similar. In any case this country already benefits from its current trade agreement with the EU (Autonomous Trade Preferences), within which Moldova enjoys generous quotas for its main export items, such as wine and agricultural products.

Trade agreements for Azerbaijan and Belarus are probably even further off, since neither of the countries is a WTO member. Their WTO accession negotiations are stuck. It is doubtful that Belarus can ever benefit from free trade with the EU while it is a member of a Russia-led customs union.

Within the package aimed at creating more citizen mobility there are several short-term incentives. The EU promises a visa facilitation agreement, more comprehensive consular coverage, and common visa application centres. The quid pro quo of these incentives for the recipient countries are the adoption of readmission agreements and migration policy reforms. So far only Ukraine and Moldova have worked out visa facilitation and readmission agreements with the EU, while Georgia has launched a visa dialogue with a view to starting visa facilitation negotiations.

Ukraine's experience with implementation of the visa facilitation agreement shows that this tool is far from being able to foster greater mobility and people-to-people contact. First, the agreement is limited in scope. It facilitates visa access only to some categories of citizens. Second, a study conducted by a Ukrainian NGO shows that the agreement is not equally applied by all Schengen states. Visa facilitation is not an incentive that will affect reform of the law enforcement agencies and judiciary in the partner countries. In the meantime, EU members are too cautious to offer the prospect of doing away with visas completely, even in the case of the ENP frontrunners. In the declaration produced during the Prague summit, the EU states diluted the Commission's offer of “visa-

free travel to all cooperating partners” to a vague promise of “visa liberalisation”.

The Comprehensive Institution-Building Programme is a positive innovation of the EaP, which draws upon the EU's experience of Europeanising candidate states. But there is no significant increase in EU aid envisaged in the medium term. In addition, EU countries are cutting their bilateral aid programmes. The EU's offer of €600 million for six countries between 2009 and 2013 is not enough to implement the ambitious EaP goals. In the period from 2009 to 2012 Turkey will receive pre-accession funds to an amount almost five times bigger than the aid that will go to all six Eastern partners put together.

The EaP's multilateral approach is another innovation. It is a reflection of the EU's idea of promoting regional integration as a route to peace and economic prosperity. But such integration between Eastern partners aiming to join the EU market may be possible only in the long term and the Commission recognises this fact in its Communication, when it refers to “the Neighbourhood Economic Community” as “a further step ... in the longer term”.

The dialogue envisaged between the EU and the partner countries at different political levels – along with the idea to convene the EU-Eastern partners Parliamentary Assembly and Civil Society Forum – is a valuable advance. It will create better communication and socialisation at the different levels. Nonetheless, it is important to ensure that the Eastern partners' opposition forces and their independent NGOs also have a say in this dialogue

It is still not clear, however, how the EaP's multilateral component will interact with the Black Sea Synergy, another EU initiative set up in the region in 2007 and which covers all the EaP countries bar Belarus. The Commission assures that the two initiatives have different focuses and are complementary. Seemingly, the EaP is oriented towards the gradual Europeanisation of the EU's Eastern neighbours – the “centre of

gravity” of the process being in Brussels – while the Black Sea Synergy is an inclusive cooperation framework for the Eastern partners, EU members, EU candidate Turkey and Russia. However, in the vast majority of areas the two EU initiatives overlap. Both seek to stimulate reform in the areas of energy, trade, environment, transport, good governance and migration.

### PROSPECTS

For the Eastern ENP frontrunners (Ukraine, Moldova, Georgia) the EaP offers too little to change their approach. For the laggards, the EaP’s rewards are too remote to outweigh the costs of reform and convergence. Ukraine’s progress in the ENP can to a large extent be explained by the fact that the country hopes to become an EU member once it is integrated in the common market and has converged with EU policies. The leaderships of Belarus, Azerbaijan and Armenia have no serious aspiration to join the EU in the foreseeable future. So why would they change their policies?

Another potential risk to the EaP comes from Russia. The Russian government is extremely sensitive to any kind of Western influence in its sphere of interest. Moreover, the EU is not ready to withstand Russia’s opposition to the growing Eastern Partnership. As in the case of European debate over NATO’s enlargement to Ukraine and Georgia prior to the Bucharest NATO summit of 2008, some EU members might find that it is not in their national interest to invest too much – either politically or financially - in the EaP. As long as there is no single EU position on Russia, the whole Eastern neighbourhood project will be at risk in the long term.

The establishment of the EaP as a specific policy within the ENP creates the potential to increase EU engagement in the region. However, the EaP does not address the main weaknesses of the ENP. It lacks strong and timely incentives, which are differentiated between the Eastern partners according to their level of ambition and the progress of their reforms. The EaP’s ambitious objectives

have moreover been provided with too little financial support. The EaP will duplicate the ENP’s lack of effectiveness in promoting reform.

The stagnating enlargement process, the Union’s internal divisions over Russia and ambivalence over the promotion of democracy in other states all contribute to the weakening of the Eastern neighbourhood policy. Whilst at the macro-level the EU urgently needs reforms that will strengthen its role in the international arena, at the micro-level the EU could further improve its policy towards its Eastern neighbours. Differentiating policy approaches between the Eastern partners who are willing to join the EU and implement reforms and those who do not have such aspirations would also be useful. The frontrunners should be awarded more generously in terms of aid, the abolition of the visa regime and recognition of their EU accession prospects as European states.

The extent to which the EU’s neighbours take the EaP seriously will depend on EU members’ own commitment. The leaders of France, the UK, Italy and Spain stayed away from the first EaP summit in Prague. The EU’s latest flagship policy has not enjoyed an auspicious start.

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