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## Choosing our Geography: 12 Points to Restore Meaning to the Eastern Partnership

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*The EU is inevitably a geopolitical player, but it seeks to avoid fulfilling this role by all means. This has resulted in increased instability in the Eastern Partnership (EaP) region. In order to bring healthy political choices to its troubled eastern neighbourhood, the EU should follow a 12-point plan focusing on a more nuanced policy towards Russia, stronger regional ties between Eastern partners, tailored EU conditionalities and an integration approach better suited to EaP countries, as well as improving EU political capacities in the region.*

As the European Union signs three further association agreements with its neighbours to the east, its leaders maintain that its actions are *not geopolitical*. The EU is a market that, while attempting political coordination, does not “do” geopolitics. This reflects its concern about antagonising Russia. For security analysts in NATO, the U.S. and Eastern Europe, however, this mantra is frustrating and even dangerous. Trust between potentially hostile parties such as the EU and Russia can only be ensured if both sides understand the other’s goals and methods. But the European Union does not seem to understand even its own goals and methods, for, in reality, the EU is nothing if it is not geopolitical.

If politics is the art of giving and exercising choice, the EU counts as a truly geopolitical body, an organisation that allows even smaller and weaker states to choose their geography. For centuries disparities of size, resources and development were managed in Europe either by empires (winner takes all) or by mutual balancing (a stand-off with no clear winner). The EU introduced instead the idea of mutual transformation. For the first time, disparities of size, demography and resources were dealt with not just cooperatively but by mutual change. And for the first time, Europe was able to solve the conundrum between the desire for stability, and the desire for expansive political self-determination.

Since the crisis in Ukraine began, many commentators have stated that “geopolitics” is back. Quite the reverse is true. Geopolitics, understood as choosing our geography, is in fact coming to an end, and we are witnessing a return to the old zero-sum methods of balancing and conquest. This is true of the EU’s internal politics where, tellingly, geography is once again seen as ineluctable. In the West, the UK is being told to put up or shut up by other Member States, that it cannot change its geography, so it must remain in the EU. In the centre, Germany is grudgingly facing up to the “inevitability” of its own dominance. And in the East, countries such as Poland are being told that they lie on immutable geographic fault-lines.

If geopolitics in the Eastern Neighbourhood has been reduced once again to zero-sum competition, then it is in large part the EU that is to blame. EU leaders launched the neighbourhood policy in a post-Cold War world. This was the time of the “end of history”, when the supremacy of western norms seemed to have been secured. But what scholars were talking about when they spoke of the end of history amounted to

the end of choice. A triumphalist Western Europe assumed that the region had made its choice, and that Brussels could set out a template and time-plan for the region's transformation at its leisure. Today it is clear that political choice must be reintroduced into the transformation process in the neighbourhood.

## **Bringing back Geopolitics: A 12-point Plan for the East**

The EU could bring healthy political choices to the troubled geography of its neighbourhood by following a 12-point plan.

### *1. Altering the zero-sum equation*

The ongoing crisis has seen Russia violate Ukraine's territorial integrity in Crimea and give its outright support for separatist groups in Donbas. Although some analysts write this off as just another "one-off" action (after the 2008 war in Georgia), with Moscow reacting to the prospect of lost investments in Ukraine with an exceptional land-grab, the more likely explanation is that Moscow is feeding into public perceptions regarding its "sphere of influence" and the unfairness of the post-Cold War settlement. Thus any EU policy of engagement will only result in further Russian expansionism and an inflation of Russian demands. This occurred in 2008, when, at the Bucharest summit, NATO rejected the proposal of some allies to grant Georgia and Ukraine a Membership Action Plan, on the grounds of Russian sensitivities, only to see Russia go to war with Georgia shortly afterwards.

Therefore the EU must use diplomatic and economic channels (including economic sanctions) to counter Russian actions that run contrary to international law. And yet it should be careful not to present this approach as part of a zero-sum game. Eastern partners each have different levels of interdependence with Russia and the EU, and the EU cannot expect them to make a definitive choice between East and West. This touches not only upon the energy and trade fields, but also on cultural and social background (eastern Ukraine and Moldova have significant Russian-speaking populations that are open to Russian propaganda). Overall, dialogue between the EU and Russia, on issues such as trade regime compatibility or migration flows in the neighbourhood, should be extended when the Ukrainian crisis abates. This is the only way the EU can gain a stronger impact on the development of the region.

The EU may not be able to change Russia, but it can alter the choices around Russia, and for Russia. Therefore the EU should engage further in talks with Moscow on points of policy about which interests are divisive, as with gas negotiations in Ukraine. Such areas might include expert-level talks on compatibility between the EU's Deep and Comprehensive Free Trade Area (DCFTA) and the Commonwealth of Independent States' (CIS) free trade agreements. With respect to the latter, the EU could negotiate special status and a regulatory framework for states (for example, Armenia) that wish to maintain preferential trade relations with both the Eurasian Economic Union and the EU. These countries can have parallel trade preferences, even FTAs with both, as long as they do not enter the Customs Union, and regulate mutual cooperation in the framework of the WTO.

### *2. Providing soft security*

In the past, the Eastern Partnership expressly avoided addressing security issues and the EU played only a background role in addressing peace talks on the frozen conflicts in the Moldovan breakaway region of Transnistria, in Abkhazia and South Ossetia in Georgia, and in Nagorno Karabakh in Azerbaijan. A lack of security is, however, severely reducing the choices available to Eastern Partnership (EaP) societies, as well as denting any hopes of improving regional politics and cooperation. This deficit must be addressed, not least at a political level, by the EU, and by EaP countries at partnership summits. The newly-appointed High Representative should therefore begin his or her mandate by re-engaging the EU in these frozen conflicts, and encouraging interested Member States such as Germany and France (but, where appropriate, also non-EU partners such as Switzerland) to take the lead.

Although the EU still cannot offer much help in the military sphere without increasing both antagonism and insecurity, it should deepen operational cooperation with the EaP countries in non-classic fields which may have a bearing on hard security. Cooperation might be developed bilaterally between the EU and individual countries under a broader security sector reform umbrella (which may take into account, for example,

police and security services). As highlighted by the Ukrainian crisis, civil-security capabilities have been neglected. The EU Border Assistance Mission (EUBAM) in Moldova and Ukraine, and the EU Monitoring Mission (EUMM) in Georgia, are already plugging this gap at a sub-regional level, but at a multilateral level, a dedicated panel working within the framework of the CSDP might serve as vehicle for exchange of best practices, as could schemes for civil servant exchanges.

### *3. Reducing involuntary dependence*

It is clear that the EU must decrease the level of dependence on Russian gas imports, not just amongst Member States but also in Ukraine, Europe's major energy-transit country. The most powerful tool at its disposal is the internal market, and this is not only because market integration could strengthen the EU's hand vis-à-vis external suppliers. Under the current setup, the European Commission has the power to act against anti-competitive practices, as witnessed by the September 2012 anti-trust case against Gazprom. The point is to use the existing legislation in a consistent manner (for example, as in the stance taken towards Gazprom in regard to the third internal energy market package dispute, and the refusal to grant exemptions relating to two major pipelines, the Nord Stream and South Stream projects).

Moreover, the EU should help reform the EaP countries' gas sectors in line with the EU regulatory framework and market liberalisation stemming from the Energy Community Treaty. This treaty has been signed by Ukraine and Moldova, while Georgia is a candidate country and Armenia an observer. This process must be accompanied by a build-up of reverse-flow interconnectors on the external borders, and making them fully operable to provide supply alternatives (for example, in Moldova's case the Iasi-Ungheni interconnector is almost completed, yet it will not be of much use without a compressor station and without also building a pipeline between Ungheni and Chişinău.. The EU should also offer a package of conditional financial assistance in coordination with other donors (the IMF, the EBRD, and the World Bank), and create investment funds following the good example of the Neighbourhood Investment Facility.

As regards Ukraine specifically, the EU should make a particular point of supporting the energy-market transition. To this end, the current EU support group for Ukraine, comprising of EU experts, should give priority to the modernisation of the gas industry, with an eye to increasing energy efficiency (initial efforts in this direction have already resulted in reduced gas consumption). It should also give technical support to the Ukrainian government, not least in developing incentives to attract private entities in order to upgrade infrastructure. Such incentives could include bank loans for the modernisation of buildings and energy-saving systems in enterprises, as well as to increased state support, for instance, by means of state treasury guarantees.

### *4. Improving regional politics*

Apart from making insufficient efforts to introduce a multilateral element to the EaP format, the EU has generally neglected the regional political dimension, and with this the whole network of intra-regional interdependences. A lasting crisis in Ukraine could have a whole set of negative implications for Moldova, not least in terms of trade and the flow of migrant workers to Russia through Ukraine. Meanwhile, Georgia's further progress towards the EU could turn out to be an important drawing force (in fact, the only real one) for Armenia, given that this country has either no relations whatsoever with its neighbours (Azerbaijan and Turkey), or is in no position to serve as a model for development (Iran). In order to better exploit such links, but also to counter the dividing lines that are emerging between the six EaP members in regard to external investment, the regionalisation of the EaP should be supported by the EU. Supporting cooperation between Georgia and Azerbaijan (already well underway), or between Belarus and Ukraine, could help to motivate the less EU-minded partners.

If the EU doesn't manage to boost so-called top-top (classic intergovernmental) cooperation, it should resort to top-bottom-top measures, encouraging citizens in these countries to persuade their governments to cooperate. Better transport infrastructure is a prerequisite of improved people to people contacts and intra-regional political and economic cooperation. So, bearing in mind the scarce multilateral financial resources at the disposal of the EaP, EU funding should be distributed on similar lines to the Connecting Europe Facility. The CEF is the new financial instrument worth €30 billion, which finances projects that connect transport, energy and digital networks between two or more Member States. Extending this

principle, the EEAS should identify overarching political priorities and then select transnational flagship projects that respond to the needs and shared interests of more than one of the EaP countries.

### *5. Differentiating between EaP countries*

Placing Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, with such diverse capacities and different visions of their own futures, into one basket has proved difficult. Just as the southern and eastern dimensions of the European Neighbourhood Policy (ENP) were gradually separated, the time is now ripe to further differentiate within the Eastern policy. While linked by certain historic commonalities, the EaP region is not yet an interest-based or even a voluntary form of regional cooperation. This is also shown clearly by their European policies (some of the countries, such as Ukraine, Georgia and Moldova, are heading towards association with the EU, while others have rejected this path), so the informal division into at least two groups is by now a political fact. The EaP's heterogeneity should be accommodated. Of course, a radical and exclusive division of the EaP into different tiers would only have adverse effects for the EU, which would lose a credible voice in parts of the neighbourhood and lay itself open to accusations of selective treatment. Yet more flexibility must be introduced in terms of formulating tailor-made partnership offers to two groups of countries, rather than one.

For the willing, the EU will first need to reserve a larger pool of funding in line with the 'more for more' principle (meaning more money in return for progress in making reforms). Second, the EU needs to respond adequately to these countries' European aspirations, preferably by offering the prospect of membership, which is a relatively fair price for the EU to pay for lasting stability in the region. Even if this happens in the long-term, the road from signing an AA and liberalising the visa regime to possible accession to the EU is long, and lacks tangible benefits that would maintain support for the EU among societies and political elites. Therefore, the EU should establish a more creative solution to bridge the time and political gap between AA and uncertain membership prospects, and offer economic integration that goes beyond mere trade facilitation.

### *6. Building on civil society*

The path to real transformation is through the population and its engagement with decision-making. Ukraine's Euromaidan protests are widely deemed to be different from its Orange Revolution of 2004, with Ukrainians now aware that this is the beginning rather than the end of the political process. Moreover, in the case of governments that do not wish to integrate with the EU in any form, civil engagement will be even more a key to change. As such, support and increased engagement with civil society is essential in all countries, particularly those in which the political commitment to transformation is not very clear, and those such as Azerbaijan and, to some extent Armenia, in which Euromaidan has led to further oppression of civil society organisations (CSOs) by worried governments.

To this end, the EU should provide more efficient material support to CSOs, and pay more attention to the grass roots movements outside the capitals, as these can contribute to local democracy effectively. More political ownership of the funded projects should be given to the local organisations, and there is also a need for the diversification of the funding resources by engaging European funding organisations pursuing grant renewal projects. Rather than direct funding for thematic projects, resources should be provided as organisational support to CSOs with special emphasis on capacity building. This also requires sensitivity on the EU's side, as the efforts of the European Economic and Social Committee to establish a mirroring set-up in the Eastern Partnership, through a series of civil society platforms, have proved ill-suited to realities in the East.

### *7. Decentralising power*

While the queue of urgently needed reforms in the EaP countries is long, attention still needs to be paid to the question of decentralisation, not just on a legislative level, but also regarding funding for the implementation of this reform. Decentralisation is a prerequisite for a more functional economy, more efficient public services, and genuine democracy. Besides, more capable local administration structures will also permit cooperation between EU and EaP countries, at local government level. As such, the EC should develop a comprehensive strategy on the regional dimension of the EaP, in order to gain more political relevance, streamline policy, and integrate the instruments currently available for regions. These include

cross-border cooperation programmes (CBCs), the pilot regional development programmes (PRDPs) and involving non-state players and local authorities in development within the Development Cooperation Instrument.

A separate financial instrument, directed at local governments and other entities working on local democracy building (such as NGOs or media), should also be considered. Alternatively, a special fund based on PHARE (the pre-accession instrument financed by the EU to assist the applicant countries of Central and Eastern Europe in their preparations for joining the union) might be launched for the more advanced EaP countries, and could also provide funding possibilities for regional entities. Such an instrument could be funded from the budget support pool of funding and complimentary support operations in regional development. It goes without saying that the EU needs to better coordinate its efforts, and those of individual Member States, in order to support decentralisation in the EaP region, where initiatives are proliferating but also overlapping.

As to the existing instruments, TAIEX funding programmes should be decentralised. The establishment of cross-border macro-regions should be better promoted in the EaP countries, because this format facilitates inter-regional cooperation between EU and EaP regions. Finance from the CBCs should also be made available for CSOs based on pre-funding, that is, before the project to be funded takes place. Even though underdeveloped even within the EU, the instrument of European Grouping of Territorial Cooperation (EGTC), which is now open for non-Member States, should be explored in the EaP region. To this end, entities from the East and their potential EU partners should consult with countries that already have some useful experience in EGTC, such as Hungary, France and Switzerland.

#### *8. Less conditionality, more economic integration*

Despite the notion of partnership, the EaP remains distinctly one-sided, and is constantly described as “enlargement policy without enlargement”. This means that the EU makes much weaker commitments, while the benchmarks for the associate countries are set almost as high as those for candidate states. As such, on the one hand, the existing system of conditionality should be revised and made more flexible (so that it can respond to political changes in EaP countries) and more realistic in terms of the capacities of countries and the resources at their disposal to implement the agreed changes. On the other hand, since mere conditionality in itself seems to be an ineffective and asymmetric tool, the EU’s toolkit of leverage should be widened.

This widening should be done by raising the stakes for the EaP countries and offering more incentives to persuade their political elites to carry out their reform commitments. For this, the EU needs to engage in more comprehensive economic integration with the EaP states, going well beyond the DCFTA. This could be done, for instance, in terms of flow of capital and services, or the integration of selected sectors of the economy, in which intense, business-level cooperation should be facilitated by first mobilising EU businesses. To explore the possibilities of such extended economic integration with specific EaP countries, the EEAS should prepare a feasibility study that could serve as a concrete base for discussion at the Riga summit.

#### *9. Making EU money pay*

For the EU, directing money towards a problem has become a kind of political displacement activity. But it is quality, not quantity that counts. Most financial assistance from the EU is targeted at individual EaP countries, rather than at the region as a whole, and it aims to support reforms attached to the Association Agenda. While this works well enough for the EU-committed countries, those that are not so EU-minded are unwilling to engage in the expected comprehensive reforms, with or without the related financial support. In their case, these resources could be used more efficiently to develop sector-specific cooperation. As for the countries that have signed an association agreement with the EU, emphasis should be shifted from the requirement of mere legislative changes and towards their actual implementation.

In order to ensure political backing for EU reforms in the EaP region, more funds (on the order of hundreds of millions of euros) should be given to the best-performing governments, and cooperation with international financial institutions, private business and non-EU countries (such as Japan and Canada) should be encouraged. Private and corporate investors should be courted in those non-EU countries that have a

stake in the stability and prosperity of the EaP region, but which refrain from bilateral support on grounds of their relations with Russia (such as Turkey or Israel). Member state transformation and development aid could be used as a visible complement to the rather scarce EaP sources (here, the International Visegrad Fund might serve as an example). EU institutions can play a useful role as overseers, preventing mismanagement and improving coordination.

### *10. Boosting the EU's political intelligence*

In order to differentiate between EaP states, and to adapt conditionality mechanisms to changing circumstances on the ground, the EU has to strengthen the European External Action Service (EEAS). The incoming High Representative should identify the neighbourhood as the prime focus of EU foreign policy, and allocate relevant resources. In this respect, the number of political officers in the EEAS's Brussels headquarters and delegations who are working on both the south and the east neighbourhood dimensions should be increased at the expense of other geographical areas (barring an overall increase in the EEAS budget). At headquarters, no more than 30 people currently work on the bilateral and multilateral EaP agenda.

In order to create a visible political player within the European Commission, the Commissioner for enlargement and neighbourhood policy should remain in post over the term of the next Commission. This arrangement has already proved to be beneficial, since the Commissioner is the "EU face" in terms of diplomatic performance in the region, and moreover ensures the coherence of work between the EU diplomacy and the EC. At the same time the EEAS staff should be helped to strengthen their coordination role vis-à-vis the EC, across a broad spectrum of policies such as development, trade, justice and home affairs, and energy.

### *11. Increasing the EU's visibility*

Mobilising people in the EaP region around European values can encourage change in the partner countries, as witnessed by the Euromaidan protests. Yet public understanding and endorsement of the association process is low, even in the more EU-oriented countries, and the lack of consistent public support encourages unpredictability and hesitancy from governments, leading to an unstable dialogue with the EU. The EU therefore needs to begin speaking direct to neighbouring societies, bypassing governments if needs be. Of course, the EU has long been engaged in an effort to increase awareness of what exactly is at stake here, and yet it still lacks a concrete information strategy for the region, let alone the tools to implement it.

The publicity campaign about the EU that was launched this year in Ukraine is indicative of challenges, and remains a very fragmented affair. The budget for PR activities should be boosted. As television provides the major source of information in the region, it should be the main EU channel, and it would be valuable to launch Russian-language television programmes in all EaP countries, based on the successful experience of Radio Liberty (funded by the United States), and the Polish-funded Belsat TV channel. In addition, the EU should open up its own media-support programmes towards EaP countries, creating a proper funding perspective for internet, radio and television programmes. These programmes should not only explain the EU and its workings, but should also carry news about developments in the region, in order to offer an alternative or complementary angle to that provided by Russian media.

### *12. Turning mobility into a common good*

Mobility is important to securing appreciation and support for EaP. However, the EU has to recognise that demography is not only a key point of geo-strategic competition, with fears of "brain drain" seriously worrying for neighbouring governments, but that mobility potentially also reduces popular buy-in to local institution-building as EaP-citizens vote with their feet and leave. Thus, when visa liberalisation with a particular EaP country is accomplished, engagement should proceed, cautiously, one step further, and aim to ease labour migration, focusing initially on skilled labour. In EaP countries where visa liberalisation is not on the horizon in the near future, further visa facilitation is needed in terms of easier and cheaper application procedures. More multiple-entry, long-term visas should be issued, and more common application centres should be set up, with the cooperation of as many EU Member States as possible.

A key to transformation and long-term approximation of EU and EaP societies is also increased cooperation in education. The new Erasmus+ programme for the 2014-2020 budget period stresses partnership programmes along with individual mobility possibilities. However, it is essential that, besides financial support, the EU also helps EaP partner institutions implement bilateral programmes. The potential of Local Border Traffic Zones (LBTZ) should also be better exploited, for instance by improvements in border infrastructure and better cooperation between border guards and local government. The scope of the LBTZs should also be extended by loosening the strict 30 km or 50 km principle, and incorporating bigger towns and cities close to borders.

## **Conclusions: Encouraging the EU as a Political Method, not a Club**

The EU is not a closed and cohesive club, but rather a process for resolving geographic tensions. It has been partially successful in this, but only partially, and in the East it is fast becoming part of the problem. The triumphalism of the post-Cold War years led the EU to believe that it could dictate the terms of the region's transformation, and its current weakness has only further diminished its willingness to give its neighbours a real political choice in the matter. Those that do engage with it are being offered a facsimile of peace, prosperity and stability as directed from Brussels, rather than a shot at mutual transformation. Those who don't engage are being permitted to disrupt the whole EU effort. Meanwhile the Member States, with their 'apolitical' approach, have allowed Russia to subvert their actions, with Moscow rightly pointing out that they cannot be trusted because they are not clear and open about their aims, and that they have been unilaterally re-engineering the borders of EaP states.

For Poland, this means three immediate courses of action are recommended:

- The core issues currently hampering the further development of the EaP are EU-Russia relations, and EU inaction in the security field. In both cases, Poland will struggle to form the agenda. Even though Poland has made domestic security policy a priority, it is not involved directly in any of the frozen-conflict diplomatic formats. Moreover, despite the fact that Poland has large experience with Russia as a neighbour, and has spent the past seven years engaged in pragmatic rapprochement, Poland is still seen by its partners as a hardliner on Russia, making it more difficult for Warsaw to play the role of "honest broker". Poland should therefore use different political partnerships, such as the Weimar Triangle, V4, and the Baltic and Nordic cooperation formats, to launch debates about decreasing the EU's dependence on Russia and building up a soft security angle within the EaP.
- The current round of changes in the EU institutions offers a chance to cement the neighbourhood as the EU's political priority. The choice of High Representative and Commissioner for enlargement and neighbourhood policy should reflect this. Poland should advocate, in cooperation with France, the creation of a clear mandate for both posts, in order to strengthen diplomacy staffing levels in the neighbourhood and increase EU activities at the expense of less important geographical dimensions. In addition, whenever the new EU institutional set-up becomes clear, Poland could advocate for a technical revision of the Eastern Partnership in light of past summit roadmaps. Crucial moves include a visibility strategy, prioritisation of the multilateral dimension, and improvement of the effectiveness of funding. This applies equally to the southern and eastern neighbourhoods.
- The 2015 EaP summit in Riga should clearly be used to give a new boost to the EaP. Besides technical revision, a political debate about future economic integration steps going beyond the DCFTA might take place in relation to the EaP region. As a result, the EU's diplomatic corps should be commissioned to prepare a blueprint and feasibility study in this respect. Before the summit, Poland should present different options for differentiated economic integration with Member States, and find the most readily accessible compromise option in order to secure political backing for this process. Moreover, allocation of more funds for DCFTA-implementing countries, and the possibilities of deeper sectorial integration for the others, should be discussed during the summit.

Further reading:

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