

German-American Dialogue on the Post-Soviet Space: “From ambition to pragmatism?”

28-29 November 2017, Berlin

The fourth workshop of the German American Dialogue took place in Berlin on 28th-29th of November 2017. The project is implemented by the Institut für Europäische Politik (IEP) and the German Marshall Fund of the United States (GMF) with support of the Transatlantik-Programm of the Federal Republic of Germany, funded by the Federal Ministry for Economic Affairs and Energy (BMWi) through means of the European Recovery Program (ERP). Experts from national administrations, parliaments and think tanks from Germany, the U.S. and Eastern European countries convened in the German capital, under the title: *From ambition to pragmatism? The EU's Eastern Neighbourhood facing a new transatlantic reality*. The workshop provided a platform for exchange and facilitated an expert discussion on the transatlantic cooperation towards the countries of the Eastern Partnership. A group of 35 stakeholders, policymakers and practitioners exchanged on strategies for facing the transformation related and geopolitical challenges in that region.

During the two day workshop the discussion was structured according to the following panels:

- **Panel I – German policies and priorities for the post-Soviet space – What’s the agenda for the next government coalition?**
- **Panel II – Transatlantic cooperation in the EU’s Eastern Neighbourhood – from ambition to pragmatism?**
- **Panel III – Evaluating the results of the EaP Summit 2017**
- **Panel IV: Future challenges for the transatlantic cooperation in post Soviet space**

The workshop was introduced jointly by Prof. Dr. Mathias Jopp (Director of the Institute für European Politics, Berlin) and Thomas Kleine-Brockhoff (Vice President and Director of the Berlin Office). Under the impression of an ongoing government formation, the question was raised, what could be expected from a new ruling coalition in terms of strengthening the relations with the EaP countries and continuing the transatlantic dialogue on the cooperation in Eastern Europe. It would be crucial to closely monitor the situation in those countries and the expanding Russian influence in the region. Key challenges such as corruption, populism and a lack of reform progress are still a matter of concern.

Panel I – German policies and priorities for the post-Soviet space – What’s the agenda for the next government coalition?

The first speaker of the panel reconfirmed that the general principles of German Eastern polity are the promotion of democracy, stability and the rule of law. In order to achieve this, various projects and partnerships have been set in place in Belarus, Moldova, Armenia, Ukraine and Georgia. Measure to support economic reform and the prevention of corruption, but also the promotion of grassroots initiatives are often opposed by

Russia. It counteracts the EU policies for the post-Soviet space by using military threat and actions.

The Russian government considers Ukraine as an indispensable asset for the destabilisation of the region. Ukraine is culturally and historically linked to Russia and perceived as taken away from it. Russia sees the Russian speaking minorities in Ukraine under threat by Ukrainian nationalism. The panellist pointed out, that with the occupation of Ukraine, Russia breached the Helsinki Accords and the Paris charter. Weekly casualties of the conflict are going on. It is of capital importance that the EU and NATO preserve unanimity towards Russia, deter Russia from further military actions and continue supporting countries of the Eastern Partnership.

The question what Germany could do to overcome the front between Ukraine and Russia is difficult to answer. Sanctions against Russia need to stay in place. Progress should be however possible even on the basis of not agreeing over Crimea. The NATO-Russia dialogue for the sake of dialogue must be kept up. On the other hand the re-negotiation of the Helsinki accords must be avoided. Communication with Russia should be based on mutual respect.

The following panellist confirmed that one will see a lot of continuity with regard to the German policies in the EU Eastern Neighbourhood. Despite the fact that there were some disagreements with the results of the EaP summit, it can be considered as a success. The final declaration of the EaP incorporates concrete projects for the future until 2020. The visa liberalisation in the Ukraine, Moldova and Georgia represent an important step forward. It was fundamental to sign the agreement of enhanced partnership between the EU and Armenia. An agreement between the EU and Azerbaijan is projected for the near future as well. An intensified partnership with Belarus is hopefully coming soon.

Until the year 2020 the EaP must be focussed on the areas of investment, trade and education through the implementation of the DCFTA. The principle of conditionality is a basic requirement and offering support connected with the principle of conditionality is also a question of solidarity. It only works if there is sufficient commitment by the partner countries to initiate reforms and change. At the same time, questions on how taxpayer's money is used are voiced within the EU with regard to the support of the EaP countries.

Russia remains a severe challenge to the post-cold war world order. As long as the annexation of Crimea lasts there cannot be any talk about the return to normal EU-Russia relations. The implementation of the Minks agreement is essential for improving the relations with Russia. It is necessary to strengthen the resilience of the EU's Eastern partners and the EU member states as well. A selective cooperation with Russia is required given the existing challenges of common concern. New ways need to be found to enable effective dialogue with Russia particularly for global challenges such as the fight against terrorism, climate change or hybrid warfare.

Resilience by unity is crucial. Social resilience, cyber resilience, information resilience, and hardware resilience can counter military actions by Russia. The community of native Russian speakers in Germany plays an important role too. Western partners should also not allow Russia to isolate itself, since there has been a tendency to isolation from Western influence on the level of the citizens. There needs to be intensified work with the civil society in Russia.

Talking about the post-Soviet space means to include the region of Central Asia as well. It is still an important and strategic area of the post-Soviet space. In matters of the Central Asia region, Germany must foster regional cooperation to counteract the increasing influence by Russia and China. An opportunity is to enhance the cooperation between the EU and Central Asia e.g. in the security sector.

The third speaker commenced by stating that the new U.S. administration has not offered many detailed initiatives for the future but rather reinforced those of the past. However, there is an increasing emphasis on burden sharing. U.S. policies need responsibility, good competence and the resources to achieve the objectives. With respect to Ukraine the U.S. has the responsibility in the person of the Special Representative.

Pertaining to the prospective German government the panellist advised that the geopolitical aspect of Russia's policy towards Eastern Europe must be recognized as what it is. Furthermore it would not be advisable to foreclose any options with regard to EU membership perspective or a closer cooperation with the EaP countries. To guarantee an open door combined with a lot of patience and persistence would be helpful in the current situation. One cannot address Europe's future relationship with Eastern Europe without discussing the European integration process. The discontent inside the EU must be solved very quickly. A sustainable ambition which reflects true political realities is the key in this time. Everybody must be honest about the limits of the institutional engagements for example in the EaPs cooperation. Furthermore, Germany needs a fully functional government. The panellist was convinced, that the air and maritime presence in the region must be strengthened, since deterrence would be a sanctioning element for Russia to return to serious discussion and cooperation.

The last speaker on the first panel noted that Germany should further strengthen its role and involvement in the EU's neighbourhood in the upcoming years in order to promote stability and prosperity. The situation has changed, since commitment of several EU member states has altered. For this reason Germany should take the lead for an enhanced cooperation with the Eastern Partners and seek also a stronger involvement of France. The panellist missed clear messages from the U.S. administration on EU neighbourhood/enlargement. There is no other chance to stabilise the region and to conduct the modernisation and transformation process without the support of the EU. In the long term perspective, the prospect of NATO and EU membership is the strongest motivation. Conditionality is a means to put pressure on the EaP countries, but it can also change the political environment itself and therefore needs to be applied carefully.

Readout from the Eastern Partnership Summit

The speaker of the following session reported on the recently held Eastern Partnerships Summit in Brussels chaired by the Estonian EU Presidency: The 5th Eastern Partnership Summit took place under the condition that parts of Georgia and Ukraine remain occupied by Russia and the conflict between Armenia and Azerbaijan in Nagorno-Karabakh is still smouldering. There is an on-going discussion within the EU on how to interpret the relations with the Eastern partners and how to deal with the conflicts as well. Although all EU states know that the Eastern partnership is not about enlargement, some capitals are encouraging the aspirations and carry the false hopes on a potential EU-membership. The prospect for closer integration has however been a strong driving

force for the reform efforts and the implementation of the association agreements. The idea of holding the EaP-Summit in Brussels was also an attempt to make sure that the Eastern partnership is recognized as a priority for the core of the EU and not solely certain states. Some countries have achieved DCFTA agreements whose implementation is a challenging task, because it is a very complex and complicated endeavour. In the long-term it will bring significant benefits for the business sector, the competitiveness, the people and the promotion of economic growth. It is essential to support the EaP countries by promoting the positive aspects of the EU integration and explain how the reforms benefit the Eastern partners. The EU cannot afford to lose the states of the Eastern Partnership in the future.

Panel II – Transatlantic cooperation in the EU’s Eastern Neighbourhood – from ambition to pragmatism?

The first speaker of the second panel asserted that the Eastern Partnership needs both: ambition and pragmatism. Ambition in this connection means the focus on transformation process, including the support of democracy, the rule of law, the respect for human rights and market economy. Realism on the other side means the acceptance that the transformation processes are much slower and the obstacles much bigger than anticipated. The EU has two interests in the region: Transformation and Stability. In the short term transformation can bring along instability. In the long run, stability cannot be achieved without successful transformation. Both concepts may seem to be at odds with each other, however in the long term they can be reconciled.

The speaker stressed that it is fundamental for the U.S. and the EU policy to go hand in hand. More U.S. engagement in the region is demanded and that the EU and U.S. share their understanding of political situations. Transformation is not automatically given. The people in the region must be convinced every day by concrete benefits through reform projects. In this context short term successes is the keyword: the core component for success must include the fight against corruption, the reform of businesses and not least the reform of the education sector.

Concerning the EU membership perspective, the criteria of Article 49 will have to be met, but the Eastern partnership countries are still far from it. The Balkan states on the other hand do have the membership perspective, but this perspective does not have the transformative power to bring significant change. This can only work through the principle of conditionality on the economic and the political level. Conditionality must be used smartly and wisely, because too much of it will have a destabilising effect. The EaP Summit have shown the remaining political tensions within the region. On these grounds the panellist closed that transatlantic cooperation is absolutely necessary with regard to Russia. In addition the instruments of arms-control is still of great interest to the EU and Germany and the U.S. should keep those up.

The second speaker emphasized the common EU and US interest in cooperating for the stabilisation and the independency of the Eastern Partnership region. The speaker asserted that parts of the US administration see the importance of the cooperation with the EU. Trump’s policy towards Europe seems to be unpredictable and not guided by key principles. For this reason there is nervousness in Washington whether the transatlantic cooperation can be maintained. Moreover the states of the EU neighbourhood are not the easiest to deal with in a long term perspective. In this situation, disengagement

cannot be an option, because it results in weaker states along the EU borders and in more influence for Russia. That is why the transatlantic cooperation has to be improved. In the case of the Ukraine, it needs to be put towards a course of success in the framework of the association agreement, taking into account that implementation is not always easy.

The speaker expressed his concern that the situation in Ukraine can't be fixed easily: In terms of conditionality there are lots of obstacles. It is important to push the country to continuing with the energy sector reform and the land reform. It is critical that the EU and U.S. continue to uphold the dialogue with Russia. Solving the conflict in the eastern Ukraine will be difficult, but the best way is keeping up the sanctions against Russia.

The third panellist presented a multi-donor decentralisation project in Ukraine funded by the US, Germany and other EU members as good example of a broader EU-U.S. collaboration. Coordinated pressure on corrupt elites and support to reform forces in all EaP countries is needed. A grassroots approach can increase the pressure on local and regional bodies for an effective decentralisation with more competence and more awareness of these competencies. By practicing the bottom up approach, through participation of the civil society and an independent media, pressure can be executed to foster reforms. As example of a direct benefit for the citizens the panellist mentioned e.g. the visa-liberalisation process. The general public in those countries must see the positive reform effects and increase the acceptance of the structural transformation. In this regard, a strong civil society will enhance the trust of citizens in institutions and reforms, why strategic approaches to promote local initiatives and grassroots projects must be strengthened in the future.

The final speaker represented the perspective of an EaP partner country. Relating to the transatlantic relations and PESCO, the panellist stated that the new way of cooperation is an interesting approach, but could also have consequences for NATO. It could have consequences for the Eastern partners if NATO and the EU-U.S. cooperation become secondary within the EU. Concerning the relations with Turkey the panellist stated that the genetic code of the country has changed over the last two years. However the country remains an important EU partner: economically, in security issues and also concerning the balance vis-a-vis Russia. The speaker raised the concern that there is a disappearance of NATO related narratives, which are replaced by Russia friendly narratives. The EU should provide more political orientation; otherwise it would be losing EaP countries like Ukraine or Moldova.

Panel III – Evaluating the results of the EaP Summit 2017

At the beginning of panel three the first speaker outlined that the success of the EaP summit is reflected in the content of the summit declaration. Some EU member states however were not represented by their heads of state which unfortunately demonstrates the different value countries associate with the summit.

Several key goals have been achieved: The first partnership agreement with Belarus is almost ready and this counts as first bilateral EU agreement with Belarus. In addition a coordination group that meets twice a year has been installed and further the financial support for the country has been doubled – even if is still not huge in comparison to the Ukraine financial support. A Comprehensive & Enhanced Partnership Agreement

between the European Union & Armenia (CEPA) has been concluded, which can be considered a lighter version of an Association Agreement. Georgia and Moldova have an updated association agenda. The panellist emphasized that the EU is the primary trading partner for four of the six EaP countries.

The second speaker of the third panel indicated that the expectations from the Eastern partner states had been very high prior to the Summit. As a result the Summit is both: positive and negative - depending on the expectations. The European perspective is perceived as a moving force towards transformation. Tangible solutions such as visa free travel will help citizens within the respective states to believe in the EU. Association agreements and the DCFTA's would help to transform the financial and banking system within the states what can lead to more transparency as well. Tangible results through the leverage on the governments bring more optimism for investments and foster the domestic economy and business.

In the framework of the EaP Summit the focus was also set on supporting civil society providing them with resources and tools to monitor the government and the association agreements. It also addresses the question of mass media and their ownership. The little understanding of the Eastern partners in the EU's population needs to be enhanced. The perception that the Eastern partners do not belong to Europe must be change. The panellist finished with the conclusion that the implementation of the 20 deliverables for 2020 is key and a fundamental step towards a potential EU membership in the future.

The third panellist confirmed the importance to focus on realistic and practicable goals, measures and to demand will, discipline and investments by both, the EaP countries and the EU. The core aspects of the declaration underline the importance of an independent media, vibrant civil society, an effective and accountable government, energy security, energy efficiency, improved competitiveness and practical transparent anti-corruption tools. Closer integration demands more flexibility and closeness to the real people within the local regions and provinces and not only in the respective capitals. The U.S. and the EU need to be more visible.

U.S. and EU are committed to the same goals in the Eastern partnership: Improving the democratic governance and the advancement of economic prosperity in Eastern Europe not only benefits the particular countries but also the U.S., why there is a strong U.S. commitment towards the summit declaration. Concerning the conflict in the Ukraine the panellist stated that a lot of European expectations were based on the sanctions against Russia.

The government of the Russian federation has expanded its influence in Eurasia and on post-Soviet states in Europe. Providing resources to local parties, think tanks and civil society groups it spreads distrust in democratic institutions and seeks to undermine the unity in the European Union. The EU and U.S. must response to the threat by Russia through standing together and showing unity with regards to the critical challenges in the region.

The fourth panellist stated at first that it is not an easy task to keep the EU together. In the context of this successful summit the EU adopted Hillary Clintons slogan "Stronger together" to show unity within the EU members. It was also said that within the region of the EaP countries the EU could matter greatly. Another slogan of the U.S. presidential

election would probably fit better: “Make Eastern partnership great again”. Talking about the future of the EaP means also dealing with the question, what the expectations from the EaP have been since 2009. It is very important that the EU faces the misunderstanding that the Eastern Partnership is not automatically the roadmap to an EU membership.

The speaker mentioned that there is no moment of discouragement in the current situation. The example of the visa liberalisation in the Ukraine and Moldova has been a major achievement in the wake of the EU migration crisis and has sent a strong political message demonstrating that these countries belong to the EU and there exists a common space.

The last panellist stated that the summit provided also a valuable platform for exchange with other states in the region, e.g. Ukraine can coordinate with associated countries like Moldova and Georgia. Bilateral exchange with Moldova to synchronise efforts in the electricity market could lead to more independence from Russia. In the context of the upcoming elections in Ukraine the panellist feared rising populism and the increasing poverty rates that are challenging factors in Ukraine. There is a fear of Russia influencing the parliamentary elections through the implantation of an own party in Eastern Ukraine. Therefore it would be necessary to raise the investment before 2019, to boost the GDP and keep the reforms going on. Social and institutional capacity needs to be improved for the fight against corruption. It is essential that the things that have been achieved so far will be secured.

Panel IV: Future challenges for the transatlantic cooperation in the post-Soviet space

The first speaker of the last panel set the focus on several challenges for the future of the Eastern Partnership countries. One challenge the panellist mentioned is the decreasing trust of the citizens within the associated countries. Instead of focussing on association agreements, the key solution is to focus on attractive projects such as visa liberalisation, more freedom of establishment or an open access to the European employment market. The second challenge is the continued reform blockage by vested interests: EU should be careful who to talk to and who to cooperate with. The third challenge is the issue of disinformation that can be tackled with a stronger enforcement of national legislation by providing more support to alternative providers of information. The fourth challenge is the management of expectations of EaP Summits results. EaP countries must follow small steps and achieve tangible results. The fifth challenge is related to the membership perspective. The political commitment to a membership is highly desired by civil society and politicians, but it is at the same time important to focus on the implementation of the association agreements.

The second panellist mentioned the big challenge of keeping the EaP region on the political agenda of both sides of the Atlantic. The U.S. is very focussed on security issues; on the other hand the EU member state perspective is based on a more comprehensive agenda and areas of cooperation. These different perspectives are not easy to arrange due to a foreign policy crisis in the US and the internal crisis within the EU. Another obstacle is to preserve an unified line on Russia, since this will be challenging the transatlantic cooperation. It is important in this context to keep up the pressure on Russia. Two crucial questions must be solved in this case: The first question on the U.S.

agenda is whether to deliver lethal weapons to Ukraine. The second one is concerning the EU as well as Ukraine: the issue of energy supply and the North stream pipeline actually has the potential to split the EU. The major challenge is to find the right balance of distribution of responsibilities and taking the lead within the EU. Relations with Poland have deteriorated, previously an important channel of dialogue on the EaP countries in the past. In addition the French German cooperation has not yet expanded on non-internal EU aspects such as the cooperation in the Eastern policy what seems as another impediment for strengthen the EaP policy.

Concerning Ukraine the best case would be a systematic change while preserving stability in the stage of transformation that would have a further spill over effect on neighbouring countries like Russia and others in the region. The worst case scenario on the other side is the emergence of a failed state along the EU borders that would lead to significant migration flows from the East that will destabilize the EU system in consequence. In both cases the panellist doesn't see the EU currently prepared to deal with, because it is not flexible enough.

The third panellist appealed at the beginning to remember the achievements of the transatlantic partnership: The U.S. and Europe worked together for the last century to preserve security, to fight against totalitarian ideologies and to ensure freedom, democracy, equality, human rights and the rule of law. The ambition for peace and prosperity should be renewed. Hence the U.S. government continued its commitment to the transatlantic partnership, to cooperation and the collaboration in supranational organisations such as NATO.

This alliance would be essential in times of two big challenges concerning the EaP: The first problem is Russia's geopolitical behaviour. Moscow has remerged and their military willingness is a concern for the global order – this means a serious defiance to NATO and the European security. The EU and U.S. must therefore continue to strengthen the defence capabilities to guarantee the European security system. In the case of the ongoing conflict in the Ukraine the sanctions against Russia will remain in place until the Ukraine territorial occupation is finished. It must also be clear to Russia that the greatest obstacle to improved U.S.-Russia relations is Russia's intervention in Ukraine - the Minsk agreement must be maintained.

It is also necessary to face the reform efforts in the EaP countries. The U.S. will continue its support to establish the institutions to earn the trust of the people within the respective states. These states should continue the reforms for the fight against corruption for the benefit of their citizens and the stability of the governments. The EaP countries have to increase their spending in their defence capabilities and work to improve the military forces within the cooperation with the EU. Furthermore it is crucial to provide public support and speak out with regard to the commitment to the rule of law and the international norm of right for sovereign nations to choose the partnership and alliances they wish to join. Finally the U.S. and Europe must work together to fight Russia's political agenda and promote the return to diplomatic relations with the Russian federation.

Perspectives on the transatlantic cooperation in the post-Soviet space

The last speaker of the two day workshop explicated that one of the biggest concerns regarding U.S. policy is the fundamental strategy of skipping multilateral approaches and focusing on bilateral relations. The close partnership with the U.S. must be maintained. The government should be involved in the cooperation with the EU in the future and especially in international structures. In questions of trade the U.S. perception is that an U.S.-EU trade deal is not bilateral but rather multilateral. Further the EU shows currently more unity in the proceedings than the U.S. do, why there is not much progress in the area of trade.

The second field is the cooperation within NATO: The U.S. president is skipping the politics that he has announced in his election campaign - the changes since the US presidential elections are visible as well as the alterations of Trump's foreign policy strategies with regard to Syria or Afghanistan. In the European perspective there exists a huge uncertainty pertaining to the field of trade and also the problem that few of the president's promises became reality. The EU decided to increase their own capabilities for facing challenges of the future. Looking what happened in the EU in the last year, it can be seen that the European Union has found an answer to that challenge. The establishment of PESCO is an alternative pillar for European defence and serves as a symbol. In relation to trade prospects of the EU the panellist emphasized that TTIP is far away. However there are alternative opportunities for trade agreements with Asia and Latin America, so a shift of focus is possible.

In conclusion, the participants agreed that an ongoing transatlantic dialogue is more needed than ever. At the same time it would be crucial to focus on continuing the transatlantic dialogue within the region and reach out to young professionals on both sides of the Atlantic. The workshop was the fourth and final workshop in the framework of the German-American Dialogue on the post-Soviet space.