



Outline of conference speech:

“How to improve the European Neighbourhood Policy? Concepts, perceptions and policy recommendations for its Eastern dimension”

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Panel 3: Conclusions: From Analysis and Assessment to Policy Advice

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The EU's engagement with its neighbours in the ENP is a good thing. For the first time, the Union has developed an overall approach to its neighbourhood. Moreover, there appears to be an agreement that the EaP is a "value added" on top of the ENP, as is the UMed. However, since the theme of the conference are possible improvements, I will focus on the challenges rather than the benefits. I thereby draw on the discussion and papers of this conference.

Five Recommendations

1. Take the principles of conditionality and differentiation seriously (especially with regard to democracy and human rights). Although vagueness can have its advantages, in the EaP it is time to set out clear monitoring procedures and an incentive structure that unmistakably links benchmarks with rewards, and the EU must endorse the common values. For the sake of credibility, energy interests or other concerns may not compromise those values. If the tools and the incentives of the EaP differ from that of the Southern dimension, also the monitoring processes should be tailored to the two frameworks. The EaP could thus involve stronger conditionality. The association agreements and the process of "structured approximation" would offer a platform for this. One might consider more short-term rewards instead of vague long-term incentives like "a stake in the internal market" to compensate for short-term costs. Long-term incentives are important for the ENP's *finalité* but lack the necessary motivation potential and visibility effects. The ENP has been an elite-driven project – now the EU needs to give civil society "a stake in the ENP" (poverty reduction, human rights, conflict resolution, free visas, legal migration, environmental protection, etc.), support reform-minded domestic groups and also take the credit for improvements.

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2. It is "time to deliver" for both sides: the EU has to tackle hot issues (e.g. visa/free movement, agriculture) in order to deliver *genuine incentives* and the ENP countries have to actually *implement* their commitments beyond rhetorics. EU initiatives have proliferated (e.g. PCAs, ENP, Action Plans, sectoral agreements, common positions, common strategies, Barcelona Process) and the EaP and UMed further increased the partners' expectations. While these initiatives indicate the Union's willingness to engage with the region, they also highlight the difficulty to agree on viable instruments delivering tangible results. Success depends on the ENP countries' will and capacity to reform and on the EU's political will to deliver a real stake. This implies dealing with vested interests (such as protected, subsidized industries; oligarchies) on both sides. It also means accepting that some countries might have no interest in participation.
3. Make conflict resolution a top priority for the EU – it already is a top priority at least for the Eastern partners. If the goal is stability and security (incl. energy security), then "working around" the frozen conflicts instead of engaging in them is not a promising approach. How can you "export" stability without addressing these conflicts or how can you promote regional cooperation if, for example, the government of Azerbaijan declares a reservation from the outset regarding the new EaP Panel on Integrated Border Management (established by the platform Democracy, Good Governance and Stability), excluding any kind of cooperation with Armenia?
4. Bring Russia back in (after its initial opt-out of the ENP), at least as an observer. The absence of Russia is a problem, for example because it is involved in most of the 'frozen conflicts' in the East. The EaP should be linked to the EU's Strategic Partnership with Russia. It is not Russia or the EU for the Eastern countries, they have to deal with both big neighbours.
5. Define the Neighbourhood Economic Community, especially with regard to regional cooperation, and drop references to the EEA as a long-term goal (as EFTA is not comparable to the ENP countries). It is said that the core of this community would consist of deep and comprehensive free trade agreements and a common regulatory space (ultimately full access to the single market). However, the goal cannot just be a hub-and-spoke system, a community presupposes increased intra-regional integration among the ENP countries themselves. This also requires the creation of real synergy effects between the EaP and the Black Sea Synergy. The three South Caucasian republics on the one hand and Ukraine, Moldova and Belarus on the other hand are geographically separated by Russian territory and only linked by the Black Sea. This can be a challenge, not least for infrastructure or environmental projects.

Both initiatives, the EaP and the UMed, are to some extent rebranding the ENP. Their main novelty is a clearer separation of the Eastern dimension from the Southern dimension and, in particular in the case of the EaP, a strengthening of the multilateral elements. These multilateral elements reinforce the institutional set-up and promote concrete projects that make the initiatives more visible to citizens. Since the ENP was born out of the logic of the enlargement process, it has taken a rather bilateral approach. With the creation of the EaP and the UMed, the ENP risks becoming an empty shell that should not be kept together for the sole purpose of balancing the interests of EU member states.