

***TOWARDS A NEW  
EASTERN POLICY OF THE  
EUROPEAN UNION  
EASTERN ENP AND RELATIONS WITH  
RUSSIA AFTER THE GERMAN PRESIDENCY***

**A Joint Policy Brief**

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## Strategic assumptions

Eastern Europe, the region in the EU's direct neighbourhood, has been dramatically changing over the last couple of years. Failure of the 'Orange Revolution' followed by long-lasting political crisis in Ukraine, more oppressive regime in Belarus after Lukashenka's 're-election' in March 2006, rebirth of Russia's 'old fashioned policy', breaches of energy supplies from the region to the EU due to conflicts between Russia and its neighbours, Russia's success in establishing almost a total control over Central Asian natural gas resources, etc., all these are new realities that challenge the strategic interests of the EU and its member states.

Developments over the last two years proved that the EU does need to rethink and to adapt its policies towards both Russia and the ENP countries in its Eastern neighbourhood. The process of post-communist modernization of East European countries in line with the European standards slowed down considerably. Thus, emerging 'two Europe(s) in one Europe' is neither a solution for the security, stability and prosperity of the 'old continent' nor is it an acceptable state of affairs for the EU, should it have its future as a European modernization project. What is at the stake and how to respond to challenges induced by recent developments in Eastern Europe?

- (1) First of all, it has become evident that the EU cannot sustain its vital interests in the region of Eastern Europe while relying on merely bilateral approach to its Eastern neighbours. The regional nature of the EU's vital interests in the region of Eastern Europe (e.g. security of energy supply, combating illegal migration, developing pan-European transport infrastructure, improving environmental protection standards, etc.) is not matched by the EU's existing merely bilateral approach towards the countries of the region.
- (2) The natural gas dispute between Russia and Ukraine of January 2006 and the decision of Gazprom and German energy companies, with the support of their governments despite of the protestations by Poland and Baltic states to build Nordstream – the Baltic gas pipeline, showed that it is in the EU's vital interest to develop a common energy policy towards all East European neighbours relevant for EU energy security. The only way forward is to regionalize the EU's energy dialogue with Russia so that it includes also ENP countries. The first move in this direction was signalled during the Austrian EU Presidency in the first half of 2006, which has called for both the Common External Energy Policy of the EU and required participation of Ukraine and Belarus in the energy dialogue with Russia.
- (3) Furthermore, the EU itself has changed. The EU of 27 does not have the same foreign policy agenda as the EU of 15. The new member states have brought their own national foreign policy agendas into the EU. German-Polish tension over the bilateral Russian-German deal on the Baltic gas pipeline, Russia's trade sanctions against Poland, stoppage of oil supply from Russia to Lithuania, Russian-Estonian political tensions over the WWII monument, etc., all these 'Eastern affairs' have been testing the enlarged EU's ability to develop common foreign policy. In other words, 'Eastern policy' has become one of the most challenging tests for solidarity among the member states, which is the fundamental principle of the European integration.
- (4) The special place of Eastern Europe on the EU's map of priorities is determined not only by Art. 49 of the European Treaty, but first of all by vital interests of the EU and its member states when it comes to their soft and hard security, economic prosperity, and last, but not least, sustaining their European political values. Moreover, policy of the EU towards East European countries should be understood as the Union's policy 'in' and 'for' Europe. Relations with no other region in the world have such an important *internal* dimension and consequences for the EU and its own future as a European project for 21<sup>st</sup> century. However, the challenging limitation for the EU in terms of its capability to develop coherent and efficient Eastern policy is still a lack of common understanding of the region's importance for the EU and its future among the member states. The lack of consensus over 'Eastern policy' – as it is juxtaposed to the recently raised idea of Mediterranean community – does represent a strategic challenge for the EU.
- (5) In addition, it has become also clear that interrelations between East European countries and Russia, e.g. Russia-Ukraine, Russia-Belarus, Russia-Moldova, Russia-Georgia, Ukraine-Moldova, etc., do represent an important factor, affecting both the EU's efficiency and ability to pursue its interests vis-à-vis individual countries in the region of Eastern Europe. The difference between policies of Russia and the EU is growing. Russia insists on linking a future status of Kosovo with that of Abkhazia or South Ossetia and thus fundamentally undermines Georgia's territorial integrity. The EU unconditionally supports the plan presented to the UN Security Council by Marti Ahtisaari, UN Special Envoy for Kosovo. Russia does not comply with the Istanbul Commitments, which stipulated the complete withdrawal of Russian forces without conditions by 2002, whereas the EU insists on withdrawal of Russian forces from Transnistria or at least wants to transform Russia's 'peacekeeping' operation there into a genuinely multilateral operation with Russian participation. Unless

the EU is able to address both the regional framework of interactions between regional actors and country-to-country relations in Eastern Europe, it will be less effective in its separate dealings with each of them. The EU cannot effectively pursue its regional interests in Eastern Europe without applying regional policies under the umbrella of one comprehensive, consistent regional strategy (such regional approach has been applied already towards the ENP Southern Dimension).

- (6) Finally, why the common spaces between the EU and Russia are not common also for other neighbours in Eastern Europe? This question requires a strategic response from the EU. It is desirable for the EU to bridge its ENP policy in Eastern Europe with its common spaces agenda with Russia. Otherwise, the EU will have to pursue its own interests in the region by incrementally addressing country-to-country relations that have an important impact on EU interests. Creating regional policy instruments and/or building cooperation formats with participation of the EU, ENP countries and Russia does not mean that the EU should resign on the existing bilateral framework of its relationships with Eastern neighbours, be it action plans or common spaces. Not at all, the EU should just to get over a 'regional gap' and try to develop a coherent policy framework towards Eastern Europe.

### Assessing progress in the EU's approach

The EU under the presidencies of Finland and Germany in 2006–2007 has been pushed to react to the new challenges posed by developments in its Eastern neighbourhood. Thanks to both presidencies the EU has come up with some important new ideas on how to develop the existing policy framework and instruments vis-à-vis its Eastern neighbours. The new initiatives in the field are driven by the logic of strategic challenges as shown above and should be viewed as positive steps in the direction of a more consistent and more efficient EU policy 'towards' and 'in' Eastern Europe.

- (1) First, Finland during its presidency in the second half of 2006 managed to adjust the EU's Northern Dimension initiative to the cooperation structure of the EU-Russia Common Spaces. The Northern Dimension established in 1997 aims at addressing special regional development challenges of Northern Europe. The Northern Dimension in the external and cross-border policies of the European Union reflects the EU's relations with Russia (and particularly North-West Russia) in the Baltic Sea region and Arctic Sea region. It addresses the specific challenges and opportunities arising in those regions and aims at strengthening of dialogue and cooperation between the EU and its member states, the Northern

countries associated with the EU under the EEA (Norway and Iceland) and the Russian Federation. Even though the Northern Dimension does not include apart from Russia any other non-EU country, Finnish initiative of 2006 was particularly important since it outlined a model for the future possible adaptation of the ENP framework in Eastern Europe to the EU-Russia Common Spaces.

- (2) Second, at the end of Finnish presidency the Commission issued its 'Communication on Strengthening the European Neighbourhood Policy' on 4 December 2006.<sup>1</sup> The Communication reflects main ideas of the Germany's ENP Plus proposal, including *sectoral agreement* as a new instrument for the ENP.<sup>2</sup> The Communication calls for building *thematic dimension* to the ENP, which is a bit different name, however with the same substance, for regional and sectoral cooperation framework for the EU's interaction with ENP countries. The Communication also states that there is an urgent need for multilateral agreements between the EU and ENP countries, especially in energy and transport sectors. It proposes the way to achieve such arrangement via extending the Energy Community Treaty to ENP countries that are both willing and ready to adopt respective EU sectoral acquis. The Communication of 4 December 2006 lays foundations for developing EU's regional policy and cooperation framework in its Eastern neighbourhood.
- (3) Third, another new element of the ENP following the Communication is a possibility for the ENP countries to participate in respective Community agencies and programs. The Commission has already requested a mandate to develop Community Programs for the ENP countries that do represent a qualitatively new ENP instrument leading beyond the horizon of the original concept of the neighbourhood policy expressed in well-known statement of the former Commission President Romano Prodi 'everything, but institutions'. The ENP countries that will qualify itself for the Community Programs should be given access to the respective community policies of the Union as observers in respective EU institutions and agencies. Should the above instruments start to work the ENP will be upgraded into a qualitatively new shape compared to the existing framework based on the Action Plan instrument. The ENP country that would sign respective sectoral agreement and participate in respective EU community program would get an access to this sector including to its institutions. Moreover, if such bilateral arrangement between the EU and an ENP country in respective sector will be open for accession of other ENP country/countries in Eastern Europe, the EU and ENP countries could establish regional sectoral communities. In other

words, this is a way how to develop real and functioning EU – ENP *common spaces in Eastern Europe* as a tool for sectoral modernization.

- (4) Fourth, in the course of the Germany's presidency on 11 April 2007 the Commission has published its Communication on 'Black Sea Synergy – a New Regional Cooperation Initiative'.<sup>3</sup> The new initiative is the first attempt at all in the modern history of the EU's Eastern policy, aimed at establishing the regional format for political dialogue between the EU, ENP countries and other states in the EU's Eastern neighbourhood, including Russia and Turkey. The Black Sea Synergy initiative aims at improving coordination of the following policies: pre-accession process with Turkey, five East European countries participating in the ENP, and the strategic partnership with Russia. In other words, the Black Sea Synergy is a test case for exploring further possibilities to overlap the EU's ENP policy in Eastern neighbourhood with the strategic partnership with Russia (common spaces) and finally, to develop the EU's regional policy towards East European countries.
- (5) Fifth, thanks to both President of the Commission Jose Manuel Barroso and German Chancellor Angela Merkel the EU-Russia summit in Samara on 18 May 2007 has sent a strong message to the Russian Federation, but first and foremost to the EU itself, about the solidarity of the member states vis-à-vis challenges coming from Russia. Referring to Russian trade sanctions against Poland, stoppage of oil transport to Lithuania and Russian-Estonian conflict over WWII monument, both EU leaders have demonstrated at the summit that the EU's 'one voice' policy on Russia could be a reality. President of the Commission Mr. Barroso articulated it very clearly at the concluding summit's press conference: 'We had an occasion to say to our Russian partners that a difficulty for a Member State is a difficulty for all of us at the European Union. We are a Union based on principles of solidarity. We are now 27 Member States. So, a Polish problem is a European problem. A Lithuanian, an Estonian problem is a European problem as well. And this is very important, if you want to have a real, good, close cooperation, to understand that the European Union is based on the principles of solidarity.'<sup>4</sup> Nevertheless the Samara summit was relatively poor in terms of advancing bilateral EU – Russia agenda, and definitely did not give a start to talks about the new post-PCA agreement between the EU and Russia. Stressing solidarity was definitely good news for the EU, but the present stalemate proves that Russia's lack of cooperation could have far-reaching negative repercussions for the EU's Eastern policies.

## Policy recommendations

It is of the paramount importance for the European Union to be seen as the determined force advocating peaceful modernization of all countries of the region and their association with the EU.

After the Samara summit, it seems that the EU relationship with its Eastern neighbours entered into a *new phase* that will be lasting one year at least. First and foremost, the key EU partners in the region Russia and Ukraine face challenges on a home front. Therefore one should not expect too much progress in the EU agendas.

Russia finds itself on the eve of the new election cycle – parliamentary elections in December 2007 and the presidential ones in March 2008. Especially, the March 2008 presidential elections are of enormous importance for Russia since their outcome will frame her both domestic and foreign policies for a next decade. Regardless of the results of the elections it is difficult to expect that Russia will be ready to start serious talks over the new agreement with the EU or negotiate serious issues with the EU before the second half of 2008.

The same is true in case of Ukraine. Even if the country gets out of the long lasting political crisis by the end of 2007, the situation there is unpredictable and uncertain. The present Ukrainian crisis undermined the effective functioning of key state institutions and the country needs even more than one year to prove that it has functioning democratic institutions and a rule of law. Something can be expected only if a new government elected in early elections will be both politically stable enough, determined and capable to implement a credible domestic and foreign policies.

What can the EU do before both Russia and Ukraine will be ready to enter into a new phase of their relations with the EU? The EU should focus on pursuing incremental changes wherever possible, specifically in relations with Georgia and Moldova. The EU should not miss a momentum to do its 'homework' in the field of Eastern policy after the German Presidency based on a new won solidarity principle:

- (1) First, the EU needs to complete its institutional reform till the next elections to the European Parliament in June 2009 in order to be more efficient foreign policy actor and to be ready for a future enlargement. Planned institutional changes in the CFSP area are aimed at strengthening a 'one voice' foreign policy of the Union. The existing institutional framework laid down by the Nice Treaty assumes '27' as the maximum number of the member states. The reopening prospect for eventual enlargements in the future is essential factor for the EU's

relations with East European states. And finally, there is ongoing discussion about expanding the Art. I-43 of the original draft of the Constitutional Treaty, which introduces the principle of solidarity among the member states as the legal principle committing all members to common response and mutual assistance in cases of terrorist attacks or natural disasters and/or human catastrophes on the territory of any member state. In addition to terrorist attacks and natural/and human catastrophes, the new treaty should expand the clause of solidarity so that it includes also a threat to *energy security* of any member state. That would be the essential element for the new EU's Eastern policy and its new construction.

- (2) After Germany the EU Presidency will be taken over by Portugal in the second half of 2007, followed by Slovenia in the first half of 2008. Both forthcoming EU presidencies will be taking place in the 'period of idleness' in the EU's relations towards East European neighbours. That's why under the Portuguese Presidency it will be the right time to launch a North/East-West/South dialogue on the EU's ENP and Russia policies in order to support a consensus building within the EU. The dialogue should not include only officials and political representatives of Member States, it should involve also civil societies, academic communities, think tanks and other NGOs as well as media. A structured and institutionalized dialogue should facilitate a regular exchange of views and support common understanding of the EU's priorities in its neighbourhood.
- (3) The Commission and the Member States should use this period for further development of the new ENP instruments introduced under the Finnish and German Presidencies: Black Sea Synergy – the regional forum for the EU interaction with the Eastern neighbours, Russia and Turkey, and Community Program – the new instruments for sectoral modernization of the ENP countries. Both instruments are important, however in the upcoming phase the focus should be on advancing the new ENP instrument (Community Program) so that once Eastern neighbours are ready to participate, programs should be in place.

Second, the 'old' ENP instrument (Action Plan) needs to be adjusted to the new one (Community Program). Action Plans should be viewed primarily as instruments between the EU and a respective ENP country in the area of political modernization and democratic institution building, while Community Programs should serve both the EU's interests in the region and sectoral modernization of ENP countries. In the end, all ENP

instruments should aim at creation of the *EU – ENP/ Eastern Europe common spaces* based on binding legal and institutional frameworks.

- (4) The Commission should pursue vigorously negotiations on the new PCA with Ukraine, in spite of political uncertainties there. It is important for the European Union to stress support for the independent path of the Ukraine, its modernization and closest possible links with the EU, whoever assumes real power there.
- (5) In the face of the new 'assertiveness' of the Russian diplomacy there is an acute need to strengthen cohesion of the EU and promote policies in the following areas:
- (a) to strengthen energy solidarity and support for initiatives increasing energy security, particularly gas diversification,
  - (b) to insist on unacceptability of measures taken by Russia against any Member State and deal with such issues at the Community level. On the other hand to suggest the creation of common working groups on standards and procedures related to the trade in different class of products and services,
  - (c) to offer political and practical support to democratic opposition in Belarus linked with a declared openness towards any liberalizing moves by the Lukashenka regime, such as freeing political prisoners.

Introduction of these policies would make the European Union a friendly and relevant actor in the whole region of Eastern Europe, with strong policies and agenda of its own, whether the Russian Federation finally will decide to cooperate with the EU or not.

<sup>1</sup> Communication from the Commission to the Council and the European Parliament on Strengthening the European Neighbourhood Policy. Commission of the European Communities, Brussels, 4 December 2006, COM(2006)726 final.

<sup>2</sup> For analysis of the German "ENP Plus" proposal see Policy Paper /01/, January 2007 that has been produced within this project.

<sup>3</sup> Communication from the Commission to the Council and the European Parliament on Black Sea Synergy – A New Regional Cooperation Initiative. Commission of the European Communities, Brussels, 11.04.2007, COM(2007)160 final.

<sup>4</sup> See the transcript of the press-conference following the EU-Russia summit in Samara on 18 May 2007 ([http://www.delrus.ec.europa.eu/en/cis\\_10.htm](http://www.delrus.ec.europa.eu/en/cis_10.htm))

