



## Background notes

# Towards the Riga Summit – Redefining the Eastern Partnership

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## Radical Changes in the Eastern Partnership: If and What?

*Policy brief by the Latvian Institute of International Affairs*

The developments in and regarding Ukraine prompted the EU to turn its attention to the situation in the Eastern neighbourhood and raised questions about the future of the Eastern Partnership (EaP) initiative. It still is challenging to build a consensus among EU member states, offer tangible solutions and ensure a sustainable and credible neighbourhood strategy. First, there are experts and policy makers within the EU who claim that “the Neighbourhood Policy is dead”<sup>1</sup>; even those who support the European Neighbourhood Policy and the EaP, in particular, are not proposing a unified and dynamic vision on how the EU must proceed. Second, there are external factors at play – the EaP states, Russia and other regional players. **How should the EU move forward in this ambiguous environment?** These background notes outline the key challenges and pose some questions for policy makers to consider.

## The Eastern Partnership Now: Goals, Achievements and Limitations

Cooperation with neighbours is a **rational priority** for the EU: first, any developments in the neighbourhood will probably have an impact on the EU itself; as the situation in Ukraine attested, we must take into account security interdependence; second, the neighbours are already giving and may even increase positive input into the EU’s own policies; for instance, Georgia is contributing 140 troops to the EU mission in the CAR.

However, the EU’s Eastern Partnership, which has been implemented for 10 years, is receiving diametrically opposite **assessments** ranging from regarding it as a generally successful policy to declaring it “dead”. Of course, the evaluation depends on perception of the **ultimate goal** – if the EaP is used simply to maintain political contacts, provide the Eastern Partnership states an alternative option for development and put at least some states/stakeholders on the path of democratic reforms, then the EaP has been fairly effective. The Association Agreements, including the DCFTAs, are among the EU’s **most ambitious international treaties**. However, if the ultimate goal is more ambitious, namely, to effectively tie neighbours to the EU, then indeed half of the partner states (Belarus, Armenia and Azerbaijan) are still outliers, and the other half (Georgia, Moldova and Ukraine) have not yet fully met the EU’s standards in most areas despite the implemented reforms. Regrettably, within the EU there is no consensus on the *finalité* of the EaP.

<sup>1</sup> Nathalie Tocci, “The Neighbourhood Policy is Dead. What’s Next for European Foreign Policy Along its Arc of Instability?”, *IAI Working Papers* 14 | 16 (Rome: November 2014), <http://goo.gl/kGs0AC>



## Rate of approximation of the EaP states to the EU's principles <sup>2</sup>

Sector of cooperation	Approximation indices (1=best performer; 0=worst performer)					
	Moldova	Georgia	Ukraine	Armenia	Azerbaijan	Belarus
Democracy	0.72	0.54	0.64	0.47	0.31	0.20
Rule of law	0.61	0.63	0.60	0.51	0.42	0.23
Justice, freedom and security	0.94	0.67	0.76	0.47	0.76	0.43
Trade and Economic cooperation	0.71	0.54	0.72	0.54	0.57	0.38

The **support** provided in the framework of the EaP is primarily political and technical – it is aimed at narrow groups (government institutions, as well as businesses, educational institutions and civil society) in the hope that reform in these sectors will serve as a catalyst for more profound changes in the entire society. The EU does not provide comprehensive support (e.g., social services) to broad strata of society, and the notorious “more for more” principle is in force – that is, only successful reformers get tangible benefits. The EU aims to shift funds to the non-governmental sector in authoritarian states like Belarus; thus, technically speaking, each state should get an equal proportion of funding, but this was not the case: between 2014 and 2017, the more successful Georgia is receiving approximately EUR 27 per capita annually, while for Armenia this figure is almost two times smaller.<sup>3</sup> The EU's visibility in the partner societies must be increased; the public attitude toward it remains mixed partly because the societies often do not feel any tangible benefits from cooperation. The EaP does not officially give the partners **membership perspective**; such perspective would be supported by only 5–6 EU member states, although other players within the EU – including the European Parliament – have encouraged that.

With regard to the **international context**, the developments in all the EaP states are closely observed and often influenced by **Russia**, which does not want to give up its influence. Five out of six partner states are involved in some kind of territorial dispute with Russia, and Russia is present in all cases. Furthermore, Russia is increasing its military presence in the sixth state – Belarus. Trade-wise, the EaP is closely connected to the EU – for Armenia, Azerbaijan, Georgia and Moldova, the latter is a more important trade partner than Russia, and that will probably be true for Ukraine as well; its importance is similar to that of Russia in case of Belarus.<sup>4</sup> However, the crisis in Russia is likely to affect the EaP not only through trade but also through decreased flow of remittances – Russia is the main destination for labour migrants from all EaP states except Moldova.<sup>5</sup> Four out of six EaP states are totally or largely dependent on Russia for natural gas. Of course, Russia is not the only international player in the region: **the United States** is strongly interested in the EaP, **Turkey** is active in the South Caucasus/Black Sea Region, **China** would prefer not to see an increase of Russia's

<sup>2</sup> EaP Index 2013, <http://www.eap-index.eu/>, table taken from Baltang Dorina, Giselle Bosse, p. 10, republished in Laurynas Kasčiūnas, Vilius Ivanauskas, Vytautas Keršanskas, Linas Kojala, “Eastern Partnership in a Changed Security Environment: New Incentives for Reform”, the Eastern Europe Studies Centre (Vilnius, November 2014), <http://goo.gl/vRQEqD>

<sup>3</sup> “EU, Georgia Hold First Association Council Meeting”, 19.11.2014, <http://goo.gl/f0qA7c>; Siranush Ghazanchyan, “EU announces new support to Armenia”, 03.11.2014, <http://goo.gl/Z6THLu>

<sup>4</sup> Michael Emerson, workshop “Countdown to the Vilnius Summit: The EU's Trade Relations with Moldova and the South Caucasus”, European Parliament Directorate-General for External Policies of the Union, Directorate B Policy Department, 2013, <http://www.europarl.europa.eu>; Regional Repercussions of the Ukraine Crisis: Challenges for the Six Eastern Partnership Countries, Europe Policy Paper 3/2014, eds. Alina Inayeh, Daniela Schwarzer and Joerg Forbrig (The German Marshall Fund of the United States, July 2014), <http://goo.gl/jpYRUc>

<sup>5</sup> Regional Repercussions of the Ukraine Crisis: Challenges for the Six Eastern Partnership Countries, Europe Policy Paper 3/2014, eds. Alina Inayeh, Daniela Schwarzer and Joerg Forbrig (The German Marshall Fund of the United States, July 2014), <http://goo.gl/jpYRUc>



influence in the neighbourhood<sup>6</sup>, and the EaP states constitute a part of the Eurasian transit networks, maintain bilateral relations with other players and are engaged in various multilateral cooperation formats.

### Plans, Scenarios and Options

There are four main **scenarios** for the development of the Eastern Partnership, and all of them depend primarily on external factors:

1. **Close cooperation and gradual approximation to EU standards; closer forms of association or even EU membership perspective.** This would be the most desirable scenario for the EU, but it depends on several factors: a decisive, effective and coordinated EU approach; increased levels of EU and international assistance, including assistance to the less successful performers in cases where the spending of this assistance can be monitored; absence or quick mitigation of domestic shocks; non-intervention or moderate hindrances by Russia (can be influenced by appropriate EU policy); absence of other major external shocks.
2. **The EaP falling into oblivion/remaining a “grey area” and becoming a latent source of instability near the EU’s borders.** This scenario can materialize if the EU continues its business-as-usual approach and does not increase its support to and engagement in the neighbourhood and if Russia does not carry out any major provocations. Domestic developments in the EaP states are an equally significant factor, but the cost of pro-European reforms is too high for the EaP states to deal with on their own.
3. **Increased polarisation and conflict in the neighbourhood** which can take both an intra-state and inter-state form; for instance, Russia overtakes Belarus or an armed conflict arises in Armenia and Azerbaijan. This is a highly dangerous scenario for the EU because of all the ensuing security and humanitarian consequences; however, it can become a reality if the EU does not solve socio-economic problems and political crises proactively. This would probably mean **unravelling of the Partnership; thus**, no pan-regional approach is possible.
4. **“Wider Europe vs. Russia”** – alignment of the Eastern partners with the EU, causing a further deterioration of relations with Russia. This is a less likely scenario because even if the current Russian political regime remains in place and Russia uses internal weaknesses in the EaP states, it will hardly seek another confrontation with a strong and cohesive Western community.

By the end of 2015, the Commission plans to present a review of the European Neighbourhood Policy. Latvia and other EU member states also agree that changes are needed, and the first ideas are already emerging.

Both the Latvian Presidency of the Council of the EU and the European Commission envisage the following goals

- to **tailor** the EU’s resources to the needs of each partner state and **make the EU’s policy more flexible**;
- to strengthen **economic cooperation** and support economic development of the EaP;
- and to **review** implementation of the EaP, especially the Association Agreements / DCFTAs.

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<sup>6</sup> Nicu Popescu and Camille Brugier, “Ukraine: The View from China”, EUISS Alert, March 2014, <http://goo.gl/re518O>



Another area where broad consensus can be observed is enhancing cooperation on **security issues**. The Latvian Presidency would like to offer the partners **road maps** for practical implementation of the AAs/DCFTAs and accompanying **practical support**; to develop relations with the EaP states in a **broad range of areas**, including transit, energy, support to civil society, education, cooperation at the level of municipalities and business; and to continue liberalisation of the **visa regime**. As a legacy of the Vilnius Summit, Latvia will probably address the creation of a regional economic area<sup>7</sup> (a feasibility study is expected). The Latvian Minister for Foreign Affairs has also suggested creation of a Euroatlantic Partnership in order to involve the United States.

These innovations have long been needed, but are they sufficient to put the EaP states firmly on the road to reform? If the EU wants an area of stability around its borders, **additional steps should be considered**; among them are the following:

- **a credible membership perspective** on the condition that all reforms are implemented at a sufficient level; the EaP states should not face greater obstacles than did EU member states which have acceded since 2004 or the Balkan countries;
- **security guarantees/assistance** against Russia's intervention and other types of conflict – that can be provided in cooperation with other international organisations/players;
- enhancing **energy security** of the EaP and infrastructure connections;
- **significant financial assistance for maintaining socio-economic stability** not only for the duration of the pro-European reforms but also for the less reformist states such as Belarus, Armenia and Azerbaijan, provided that the EU wants to strengthen its positions in the region. The EU must reach out to the population at large, particularly in the **regions**. Even short-term deterioration of the socio-economic situation will evoke increased anti-EU sentiments that will be used by Russia. In case resources cannot be found within the EU or internationally, loans or alternative assistance could be provided;
- **well-considered opening of the EU's labour market**; that would be a step towards application of the EU's four freedoms (capital, services, goods, and movement) to the neighbourhood – again, in order to maintain socio-economic stability and create more fundamental ties to the EU;
- increasing the EU's **visibility** and better communication with the neighbours, including high-quality independent mass media in the national and Russian languages.

### Some questions for discussion

1. What do we offer to those EaP states that are not interested in full approximation to the EU standards and simply want to diversify their foreign policy – for example, Belarus, Armenia and Azerbaijan (cooperation without integration)? Can we develop an alternative legal framework to the AAs? Can we shift from “post factum” to “advance” payments?
2. How do we harness material and political resources within the EU and internationally? For example, can we offer the EaP an investment plan?
3. How do we ensure that reforms do not harm vulnerable or potentially vulnerable groups, such as farmers, inhabitants of remote regions, factory workers?
4. Can the EU agree on membership as the ultimate offer for interested EaP states, provided that they fulfill all requirements? Will Ukraine be allowed to submit an application in 2020?

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<sup>7</sup> “Joint Declaration of the Eastern Partnership Summit”, Vilnius, 28-29 November 2013, <http://goo.gl/8o4tlV>

5. How do we engage in alternative integration projects, especially the Eurasian Economic Union (EEU)? Should we prefer negotiations with the EEU to those with Russia as some analysts suggest<sup>8</sup>?
6. Should we negotiate with Russia; if yes, when should it be done and on what conditions? Do we need a “Helsinki Two”<sup>9</sup>?
7. Should we include Turkey, the United States, and possibly Russia and other regional players in at least some EaP activities<sup>10</sup>?
8. Who in the EU is in the best position to deal with the EaP? How do we improve the existing mechanisms? How do we engage the European Parliament and national parliaments?
9. How do we monitor the situation in the EaP states, implementation of reforms and spending of international assistance? Do we need special representative(s) for the region?
10. What can we learn from developments in the Mediterranean?

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<sup>8</sup> See e.g. Ivan Krastev and Mark Leonard, “The New European Disorder”, ECFR, November 20, 2014, <http://goo.gl/o4qycV>

<sup>9</sup> See e.g. Michal Lebduska, Václav Lidl, “Eastern Partnership: The Next Five Years between Brussels and Moscow”, Policy Paper 2/2014 (Prague: Association for International Affairs, April 2014), <http://goo.gl/Arzwia>

<sup>10</sup> A statement on including Turkey and Russia was made in 2010 by the French foreign minister Bernard Kouchner.

