

## **The European Neighbourhood Policy**

As a result of the enlargement toward the East and South in 2004, Europe has reached new limits both culturally and politically; the new neighbours of the European Union (EU) are now mainly non European countries. Consequently the enlargement brings with it a need to reshape the political and economic relationship with other parts of the World.

By way of the European Neighbourhood Policy (ENP) and following the enlargement process of 2004, the EU would like to redefine its own geopolitical interests and relationship to the new neighbours. Furthermore, the new neighbouring countries of the EU should receive an offer to cooperate and build a privileged relationship with the EU. The ENP seeks to create a system of graduated cooperation and association contracts. Intrinsic within the already existing framework there are however, some contradictions: Should European and non European neighbours be treated equally? Can the EU cooperate on equal terms with democratic as well as with authoritarian regimes? Is Russia just another neighbour among many, or should it receive an exceptional position within the framework of a strategic partnership?

The crux of the ENP is economic integration within the EU-single market. Cooperation should also be strengthened in the political arena as well, tackling such issues as a common security policy and environmental protection and energy strategies.

### 1. What is the European Neighbourhood Policy?

With the European Neighbourhood Policy (ENP)<sup>1</sup> the EU is redefining its geopolitical interests as well as the relationship toward its new neighbours. Through its communication "A Larger Europe – Neighbourhood" the European Commission created a new framework for EU relationships with its Eastern and Southern neighbours. The strategic goals of the ENP were defined by the Commission via a communication on May 12<sup>th</sup> 2004. The common security strategy approved by The European Council on December 12<sup>th</sup> 2003 concentrates principally on a series of threats that loom in the EU's immediate neighbourhood as well as on collaborative partnerships in order to manage any security crisis.

All neighbours of the EU<sup>2</sup> who do not have immediate prospects of EU accession, should be included within the framework of a common Action Plan<sup>3</sup> in order to facilitate participation within the different activities and programmes of the EU as well as to

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<sup>1</sup> Please find all important documents: the European Commission's Website European Neighbourhood Policy "

[www.europa.eu.int/comm/world/enp/index\\_en.htm](http://www.europa.eu.int/comm/world/enp/index_en.htm)

<sup>2</sup> Southern Europe and Turkey do not fall into the category ENP, since the EU has opened accession talks with them. The following states remain: Belarus, Moldavia, Ukraine, Russia, Algeria, Egypt, Israel, Palestine, Jordan, Lebanon, Libya, Morocco, Syria and Tunisia. In June of 2004, the following countries were affiliated with the ENP: Armenia, Azerbaijan, and Georgia.

<sup>3</sup> Hitherto there have been action plans worked out with: Moldavia, Ukraine, Morocco, Jordan, Tunisia, and Palestine. Still pending is the approval by the European Council. The Action Plan with Israel is in great part finalized.

profit from certain financial instruments. In this regard, the EU strives to treat each of the neighbouring countries independently in order to continue to develop relationships based on equality, mutual consent, and on each individual political, economic and social state of development.

The EU is not seeking a common Action Plan with Belarus and its authoritarian regime at this time. The EU has no contractual relationship with Libya. Since the political isolation of Libya ended, the EU is striving to include it into the Barcelona Process and in the medium term to begin negotiations on an association and neighbourhood agreement.

Regional clustering, which could be a common approach for the states of Eastern Europe and the Near East, is not intended. However, in practical terms, issues relating to regional balance and equality will continue to play an important role. This applies, for example, to the comparison between the Ukraine and Moldavia but also to the socio-economically different but politically joined countries such as Israel and Palestine.

Regional cooperation continues to exist within the Barcelona Accords, the European Council, as well as other initiatives such as the Baltic Sea Council, the Central European Initiative and the Black Sea Economic Cooperation and should serve to complement the already existing bilateral neighbourhood agreements. Both regional security cooperation and the environment play leading roles in the Barcelona Accords (EUROMED); the Mediterranean Action Plan (MAP) of 1975 and the Environment Programme of the United Nations (UNEP) complement EUROMED.<sup>4</sup>

Implied, but not explicitly stated is that further applications for membership by these neighbours will, for the moment, be unsuccessful. However, by implementing these Action Plans, there is a clear signal toward the Eastern European neighbours, that they can greatly improve their prospects of EU accession. Even though these Action Plans will vary greatly from country to country in principle, contained within them are all the elements needed for accession. These Action Plans and in part the already existing agreements to cooperate could be used as a base for future partnerships.

Within the Barcelona Accords, the states of the Near and Middle East and Northern Africa are already working together with the EU. The original agreements, based mainly on economic cooperation were expanded upon in the last years in order to allow for more collaboration with regards to security, border control and migration. The Barcelona Process is Europe's main contribution offered to the G8 initiative for the transformation of the "Greater Middle East" toward democracy, development and common security. The Barcelona Process is officially supported through the MEDA programme.

There are already partnership, cooperation and association agreements with the majority of the Eastern European states. Common projects as well as third party projects in the region are being supported through TACIS.

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<sup>4</sup> Very well described in "Joining Forces in the Mediterranean-Options for a Co-operation between MAP and EUROMED", Ecologic Briefs; [www.ecologic.de/publications/briefs](http://www.ecologic.de/publications/briefs)

Until the new medium term financial planning of the EU for 2007 becomes official, a neighbourhood instrument should be created based on already existing support such as TACIS for the Eastern Europe and MEDA for the Mediterranean region. To what extent these neighbourhood instruments complement or integrate already existing programmes remains to be seen. Until then, the so called Neighbourhood Programmes should be coordinated with each other.

## 2. The Europe of the 35 or Privileged Partnerships?

The mutual political and economic dependency between the EU and its neighbours is a reality. Even if more states were to join the Union, it is already clear that the instruments of EU accession as an all purpose weapon to be used in crisis management and economic integration have reached their limits. Other gradual forms of integration and cooperation must be put into place to supplement enlargement.

With Euro-Mediterranean collaboration as well as countless cooperation and association programmes with Eastern European States, a heterogeneous system of cooperation between Europe's neighbours is already in existence. The new European Neighbourhood Policy strives to harmonise this system of institutional regulations, political cooperation instruments and financial mechanisms.

In doing so, the following questions arise:

a) Are the neighbourhood policy instruments a preliminary step toward integration until complete membership is reached?

b) Is there such thing as partial membership? That is, is an institutional framework (for example, in terms of the single European market, economic membership and monetary union as well as the common foreign and security policies) just below the threshold of full membership conceivable?

c) Currently, below this EU membership threshold, the concept of privileged partnership is being discussed in connexion with Israel and Turkey. Under this caption, the CDU/CSU want to offer participation in the European single market, GASP, and cooperation in domestic and judiciary affairs, that is, membership minus political union. For Israel, Commissioner Verheugen brought a privileged partnership based on these four freedoms to the table.

The EU would like to develop a strategic partnership with Russia which, depending on the development of the Russian economy and democracy, could contain numerous elements of a privileged partnership.

The European Economic Community (EEC) cooperates with some of the EU's old neighbours (Norway, Island, Liechtenstein<sup>5</sup>) who do not desire membership. The EEC is an expanded domestic market where numerous consumer protection and environmental regulations were agreed upon in the EEC-Aquis.

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<sup>5</sup> Switzerland has signed the EEC (European Economic Community) contract but it's ratification was rejected via referendum

Through its enlargement toward the East, NATO has put itself chronologically ahead of the EU. Currently the Ukraine and Georgia have stated their interest in joining NATO. Compared to the complex EU *Aquis Communautaire*, membership in NATO is much easier to attain and can be seen as a preliminary step or an alternative to full EU membership.

Even membership in the Council of Europe could be suitable for some states, e.g. for the North African neighbours of the EU. This is the case with the Southern Caucasus and is a medium term solution just below the threshold of full EU membership.

### 3. Russia

The Russian government rejected negotiations with the EU to work out a common Action Plan within the framework of the ENP. Instead, at their Summit in 2003 in St. Petersburg, the EU and Russia decided to further develop four political areas within the scope of their “strategic partnership”. This “common ground” comprises: economy/energy; foreign and security policy; domestic security/judiciary; education/culture. This cooperation is similar to the original structure as seen by the Commission for the partnerships within the ENP. Even the financial structure can be used. The term strategic partnership obviously has more symbolic value and puts Russia in a more important position compared to its smaller neighbours. Furthermore, Russia has no ambitions to join the EU, which is not the case with its smaller neighbours. Together with this commonly planned economic area, Russia carries out its own economic policies within the NIS zone. Belarus and the Ukraine are important constituent parts of this project. The question that arises for the EU and also for the Ukraine and other neighbours interested in accession is: Can such a system of overlapping integration zones work in the long term?

For the EU, central to cooperation with Russia is solving regional conflicts within and at its borders, stabilising Europe’s security structure and the sustainable use of Russia’s energy resources. The development of Russia into a state governed by the rule of law and the appropriate inclusion of civil society in the shaping of Russian democracy is a condition under which Russia would not only be a good neighbour, but also a strategic partner of the EU in working on common tasks and problems.

### 4. The Ukraine, The South Caucasus, Israel, Morocco

Aside from Russia, there are other neighbouring states within the ENP who, implicitly take on an exceptional role.

#### Ukraine

The Ukraine has declared that it strives for EU accession in the medium term. Poland and Slovakia, two recent EU members neighbouring the Ukraine support this wish. Even if the government of the Ukraine has worked out a common Action Plan within the framework of the ENP with the European Commission, they must accept that their accession is not on the immediate order of the day. Nonetheless, they do not want to be put into the same category as the North African and Near East states. Politically the Ukraine serves as a balance between the EU and Russia. Parallel to the ENP Action

Plan, the government was holding negotiations with regards to a common economic zone with Russia and other members of the NIS states.

Admittedly, at the moment the rules of this economic zone are not compatible with the ones of the European Union. Aside from membership in the EU for which there is a long term prospect at best, it could be politically less complicated to offer the Ukraine membership in NATO in order to anchor it more in the West. After the repeated run-off of the presidential elections in December of 2004, it will be easier to ascertain how the Ukraine will balance its relationship between the EU and Russia.

What the Ukraine expects to gain from the EU can be summarised as follows:

- The EU Action Plan must entail clear incentives for reform without creating conditionalities. If the Ukraine manages to carry out the necessary reforms, then accession to the EU should be a viable option.
- Agreement of clear goals and timetables for its markets and trade facilitation
- Facilitate the issue of visas

The EU, by contrast, should expect the following steps from the Ukraine:

- Free and fair presidential elections;
- Progress in the creation of legal structures, the freedom of the media, the fight against corruption and the participation of civil society in the implementation process of these domestic reforms;
- Equitable access to markets for European enterprises with regards to competition from Russia;
- Orientation of Ukrainian foreign policy toward the goals of regional cooperation and multilateral cooperation.

### South Caucasus

The three states of the South Caucasus were accepted into the ENP strategy by the European Commission only in retrospect. In the South Caucasus the strategic interests of the super powers Russia and the US come up against those of the EU. In addition to this, the region finds itself in the immediate neighbourhood of the Near and Middle East and serves as a bridge both politically and culturally. The problems of the South Caucasus can obviously not be solved in separation from the political conditions in the North Caucasus. As yet, the EU has no strategic concept for the entire region. Nonetheless, it is questionable if a neighbourhood strategy that views all three states in the South Caucasus as separate from one another would be an adequate reflection of the security and political interests of the EU in this region. For this reason, future Action Plans must describe and take into consideration the role of third parties, their neighbours and Russia. Preconditions for further rapprochement of the South Caucasus states to the EU and a “European election” by the political elites of the region include solving the territorial conflicts and improving cross border cooperation between the states themselves. Non governmental organisations and other civil society actors play a key role in breaking up and discussing national taboos and differences. The EU must formulate a more consistent and longer term policy for this region and emphatically place more political conditions on economic reforms as well as arbitrate more between the states of the South Caucasus and its big neighbour Russia. For this reason, the

special emissary for the South Caucasus should become more involved and receive his own infrastructure in the region.<sup>6</sup>

### Israel

The outgoing EU Commissioner for Enlargement, Günther Verheugen, spoke about Israel receiving privileged partnership status with the European Union. This relationship would comprise full participation within the single European market and the so called “four freedoms” (free circulation of goods, services, capital and persons). Through its democratic and economic development, Israel differs from all of the other nations neighbouring the EU. Advocates of the privileged partnership see a promise of more influence on the Israeli position in the Near-East Peace Process because of the negotiations that take place before a privileged position is granted. Sceptics fear that a privileged position for Israel could lead to a loss in credibility for the EU in the region and discredit the neighbourhood concept. A series of security relevant procedures (amongst others admission of ethnic Arab citizens of the Member States into Israel; export of arms) must be met prior granting of the four freedoms.

### Morocco

Morocco is the only neighbour whose accession application was rejected by the EU. This rejection was justified by citing a regulation in the EU Treaty which was interpreted as stating that “only European states” can apply to become members of the EU. With the possible commencement of accession negotiations with Turkey, this argument loses plausibility. A setting where Morocco democratizes its social system and modernises its economy is conceivable for example, in the year 2030. At this time the ethnic “face” of Europe will be more “North African” than it is today. Under these circumstances, it will be difficult to justify why a dictatorship in Belarus or an authoritarian regime such as the one in the Ukraine has the prospect of joining the EU while a socially modernised country in the Southern part of the Mediterranean does not.

A new debate must be started within the EU if membership in the EU-Europe should be based on geographic, social and cultural aspects or if it should take into account social, economic and geo-strategic criteria as well.

## 5. Neighbourhood Policies and European Security Strategy

The foreign and security policies of the EU will concentrate, above all, on the new neighbours and will strive to find solutions to the common problems. The question arises, if the existing regional and transatlantic security arrangements are still adequate; and to what extent must GASP be further developed.

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<sup>6</sup> See also: Caucasian Preconditions for the Development of an Integrated European Policy Towards the South Caucasus“; Documentation of the Conference of the Heinrich Böll Foundation; Tbilisi, 1-2 June 2004; [www.boell.org](http://www.boell.org)

The European security strategy<sup>7</sup> sees the strengthening of security in the neighbourhood of the EU as one of its top priorities. It states that: “Even in times of globalisation, geographic aspects still play an important role. It is in Europe’s interest, that the neighbouring countries are being governed responsibly. Neighbouring countries, which are ensnared in violent conflict, weak states in which organised crime finds fertile ground, war torn societies or states with an uncontrolled population explosion in the neighbouring regions are always a problem for Europe.”

In Europe’s neighbourhood there are unresolved security conflicts.

When Romania joins the EU in 2007, the unresolved conflict between the Republic of Moldavia and Transdnistria, (an independent province backed by Russia) will move closer to Europe. Already today, one million inhabitants of Moldavia are in possession of Romanian citizenship. The population of Moldavia will therefore join the EU economically. As yet, it remains totally unclear what this fact means for the security of Europe’s outer borders.

The solution to these numerous territorial, ethnic and political conflicts in the Caucasus is not only the main challenge of the EU in its dealings with three republics of the South Caucasus, but it will also further influence the relationship between Russia and the EU. The Caucasus, and above all the conflict in Chechnya, is a barometer - irrespective of the security issues - of the state of development of Russian democracy and the effect this has on its neighbours. It is due to Russian sovereignty over the North Caucasus that there is as yet no EU Caucasus policy. Nonetheless, the EU has named a special commissary for the South Caucasus who so far has been operating only from Brussels.

The Israeli-Palestinian/Arab conflict: The ESS explains: “The solution of the Israeli-Arab conflict is a strategic priority for Europe.” For a very long time the EU has been the supporter of a two state solution in order to put an end to the conflict. Furthermore, the EU is actively involved, as part of the *Barcelona Process*, in more regional cooperation between all the Mediterranean countries and this includes the neighbouring countries of Israel.

Parallel to the ENP, the proximity of the neighbours to NATO plays an important role. The Ukraine and Georgia both seek membership in NATO. The cooperation of NATO with countries of the Near East, North Africa as well as the Golf Cooperation Council will boost its efforts to bring the Near and Middle East closer to the West. Here, it is important to coordinate common foreign and security policies with those of NATO.

## 6. The Environment and Energy Partnerships

The protection of the environment, the sustainable use of energy resources and the creation of functioning administrative structures are part of the goals of the ENP. Furthermore the region should increase its environmental cooperation. When trade agreements are made with neighbouring states, there should be a minimal guarantee for environmental standards. To that end the environmental regulations in the Barcelona Accords, the MEDA for the Mediterranean, the agreements for cross border regional

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<sup>7</sup> A Secure Europe in a Better World; [www.ue.eu.int/uedocs/cmsUpload/78367.pdf](http://www.ue.eu.int/uedocs/cmsUpload/78367.pdf)

cooperation INTERREG as well as a series of projections within the TACIS programmes offer points of contact. The draft of the Action Plans for the Ukraine will strive for more nuclear security. However, in the Action Plans already finalized, environmental policies do not take centre stage.

### The Promotion of good Environmental Governance

Central to the aspiring environmental partnerships should be the creation of a functioning environmental administration, with consistent legislation, as well as systematic links to the environmental policies of the EU. The European Commission, for example would like to strengthen administrative structures, national environmental action plans, environmental legislation and the creation of new financial instruments.

The participation of citizens as well as other organised civil groups would be strengthened through improved access to environmental information, environmental impact analysis, and proper reporting. In defining the new neighbourhood instruments, it must be made certain that non governmental organisations and other civil groups can participate directly in these EU programmes.

### Environment, Health and the Protection of Resources

In some environmental and public health areas, the EU would like to arrange for sectoral Action Plans for the EU- neighbourhood. Such sectoral Action Plans were already part of the accession process with the new Member States. Environmental protection in cities, as well as collaboration in the areas of coastal protection and waste prevention have been facilitated within the Euro-Mediterranean Cooperation.

Of special interest to the EU are the areas of water, waste, clean air, technical standards of industrial facilities and nature protection. The EU offers help in the development of administrative structures and in prioritising sector specific investments. Aside from the Action Plans which the neighbours must coordinate separately, there are international guidelines such as the Framework of the UN Economic Commission for Europe (UN-ECE) with regards to cross border air pollution or the system of the World Natural Heritage Parks which serve as direction for political and financial prioritization.

### Improvement of Regional and International Cooperation

A further goal of ENP is to push for the signing and ratification of regional and international agreements and to assure their implementation. After the ratification of the Kyoto Protocol by Russia, this protocol now becomes effective and with it, the implementation of the agreement becomes the centre of attention. Aside from financial instruments, the EU emissions trading system is the most important tool for forcing the neighbours into a sustainable use of their energy resources. If the emissions trading system were open to other member states of the Kyoto Protocol, there will be enormous incentive for the modernisation of the energy infrastructure Eastern Europe. A constituent element of the Action Plans should be the promotion of energy efficiency and the use of renewable energy. More important, however, are the strategic energy partnerships with neighbouring countries, not only in terms of importing fossil fuels such as oil and gas, but also in furthering the climate policy goals of the European Union.

A number of strategic energy partnerships with neighbours form one of the pillars of the ENP. The EU imports energy from Russia, the Caspian Region, North Africa and the Near East. Through different neighbours, for example, the Ukraine and Georgia are important energy transport routes. The crux of the strategic interests of the EU is a secure and diverse energy supply. For the further development of economic relationships with its neighbours, it is important that investment in the energy sector translate into an overall economic strategy which allows the economies of neighbouring states to approach the EU single market. Regional security interests also play an important role in developing the energy sector as does the democratic development and the participation of civil society. From the point of view of environmental protection, the concerns of climate protection, clean air and water, plant security and nature protection are extremely important.

For this reason the construction of the oil pipeline from Baku (Azerbaijan) through Tbilisi (Georgia) to Ceyhan (Turkey) was stopped for a time by the Georgian Ministry for Environmental Protection because the existence of a national park was in danger. Cross border nature protection projects such as the ones between Azerbaijan and Georgia or in the Mediterranean created between states that would otherwise be in conflict with one another, engenders a culture of cooperation that serves political stability.

The experiences in the implementation of the Barcelona Accords demonstrate, however, that it can be very difficult to meet the needs of sustainable development and environmental protection within a broad cooperative effort. The main goal in Barcelona was to promote stability by means of regional cooperation and economic growth. The mission statement of sustainable development was formulated but it stands in contradiction to the expansion of transportation and the increased flow of traffic (e.g. ship transport), tourism development and the development of the as yet practically virgin coastlines, or the extension of irrigation intensive agriculture. The European Neighbourhood Policy is faced with comparable challenges if it wants to pursue the goal of including new neighbours into a well-off and stable Europe following the model of sustainability.