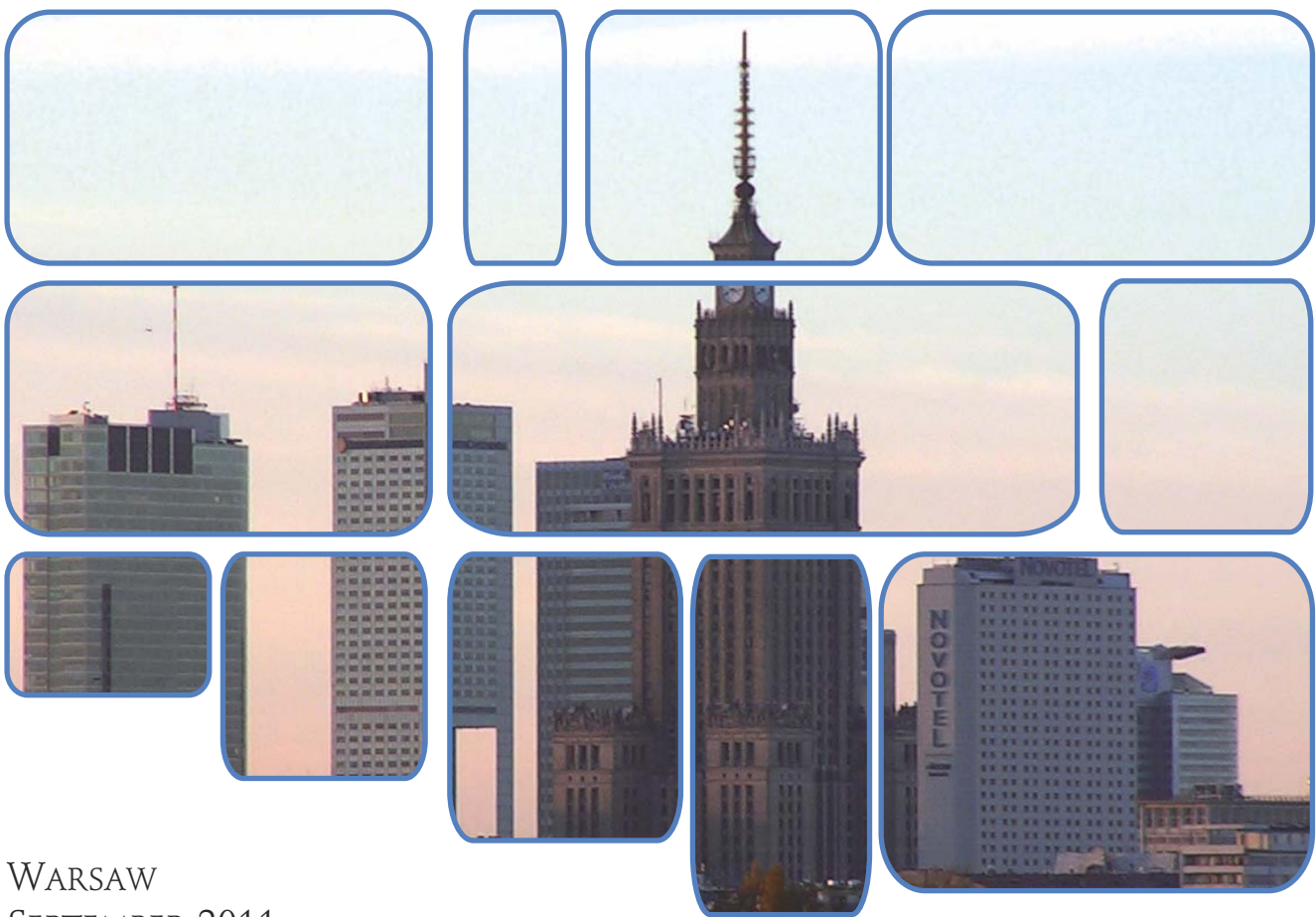


Asserting the EU's Mission in the Neighbourhood: Ten Recommendations for an Effective Eastern Partnership

Report of the Polish Institute of International Affairs



WARSAW
SEPTEMBER 2011

KERRY LONGHURST AND BEATA WOJNA

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

ASSERTING THE EU'S MISSION
IN THE NEIGHBOURHOOD:
TEN RECOMMENDATIONS
FOR AN EFFECTIVE EASTERN PARTNERSHIP

Kerry Longhurst and Beata Wojna

Contributors:

Łukasz Adamski, Sabine Fischer, Anders Henriksson, Ben Judah,
Jana Kobzova, Nicu Popescu and Olha Shumylo-Tapiola

The contributors were asked to respond to questions and issues posed by PISM

All contributors expressed solely their personal views

Warsaw, September 2011

Cover photo: Warsaw
© michalski, www.sxc.hu,

Kerry Longhurst is Senior Research Fellow at the College of Europe, Natolin Campus
Beata Wojna is Research Director at the Polish Institute of International Affairs

© Polski Instytut Spraw Międzynarodowych, 2011

ISBN 978-83-62453-24-5

Polski Instytut Spraw Międzynarodowych
ul. Warecka 1a, 00-950 Warszawa
phone (+48) 22 556 80 00, fax (+48) 22 556 80 99
pism@pism.pl, www.pism.pl

CONTENTS

Synopsis	5
Introduction.....	7
Notable Achievements	8
But the Old Problems and Uncertainties Persist.....	10
The Warsaw Summit and Beyond: Ten Recommendations for a More Effective EaP	14
Concluding Thoughts.....	18

Synopsis

The EU needs to assert its role and mission in the Eastern neighbourhood with more vigour. To do this the Eastern Partnership (EaP) needs to focus on the job of building up the rule of law and democracy in Eastern Europe. Though much has been achieved over the past two years, in terms of creating the institutional framework for EaP, the reality is that democracy is back sliding in the region, corruption is endemic and the social and economic catch-up of EaP countries towards EU levels is uncertain. Without fuller democratisation and promotion of the rule of law in the neighbourhood the implementation of EaP will be stunted. The Eastern Partnership holds the potential to do more but only if the EU develops a 'democratic acquis' replete with a precise reform agenda. Building up administrations and rooting out the sources and practices that perpetuate corruption should be a priority, twinned with a better capacity to support civil society and non-registered opposition groups and political parties, as envisaged in the European Endowment for Democracy. Negotiations on trade need to be accompanied by meaningful benefits and concessions that partner states can enjoy in the short and medium term if economies are to grow. Finally, to meet the expectations of those countries that value their European identities and where public support for the EU exists the effectiveness of EaP can be bolstered by stressing Article 49 of the Treaty on European Union. Emphasising a 'European Perspective' will remind partner states and EU members of the right that *all* European countries have to join the EU if they share EU values and fulfil economic and political membership criteria.

Ten Recommendations for a more Effective Eastern Partnership

- # 1 Asserting Article 49
- # 2 Ensuring Differentiation
- # 3 Tackling Corruption
- # 4 Fortifying Institutions
- # 5 Endowing for Democracy
- # 6 Being More Daring Towards Belarus
- # 7 Creating More Mobility Options
- # 8 Offering More Generously Spirited Trade Deals
- # 9 Investing in Young People
- #10 Creating Synergies in Times of Crisis

Introduction

The setting up of the Eastern Partnership (EaP) in May 2009 was recognition that the Eastern segment of the European Neighbourhood Policy (ENP) required renewed attention. At its core EaP was about making EU neighbourhood policy more relevant by providing a more focused and targeted reform agenda for six Eastern European countries. The fact of the matter was that ENP was not proving attractive enough, nor providing the right kind of leverage and incentive structures for ENP countries to consider it worthy to pursue wide ranging and demanding reform programmes, as the EU had looked forward to. At the same time perhaps we both underestimated the size of the job to be done and overestimated the extent to which the states of Eastern Europe resembled Central Europe of the 1990's and thus that they would follow a similar reform trajectory based on democratisation, the rule of law and adoption of the market economy.

Over two years have now passed since the Prague declaration and with the Warsaw Summit upon us it is time for an appraisal of the Eastern Partnership and to consider what the next steps should be. For certain EaP needs to succeed. The Eastern Partnership is a test of the EU's credibility as a driver of change in its regional milieu. Getting EaP right is of course crucial for the future wellbeing and stability of the partner states. The EU needs to be equipped to provide inspiration, structures and political and economic lifelines both for populations of countries where the development of closer relations with the EU enjoys popular support and also for those societies and individuals living under autocratic or semi-autocratic regimes with testy relations with the EU. For democracy to take hold in the region a strong civil society is a basic requisite.

Filtering into current debates on the future of EaP and ENP is the ongoing situation in the Southern neighbourhood. The uprisings that jolted North Africa and the Middle East in early 2011 revealed inherent weaknesses in European foreign policy and challenged some of its central assumptions.¹ Crucially, the Arab Spring brought into focus the challenge of achieving both stability and democracy in an uncertain, but strategically important region where the EU and its member states have a rather patchy past record.

The Communication of May 2011 from the European Commission and European External Action Service (EEAS) sketched out the likely shape of things to come.² Though containing no real surprises, the Commission and EEAS performed a good job in highlighting policy strengths and weaknesses and pointing to where innovation is needed. Its emphasis on 'deep' democracy, and proposals for seeing EU-style governance more firmly embedded in the EaP region by way of a European Endowment for Democracy and elevation of the role of civil society holds immense potential for the EU to reach the parts that existing ENP funding streams strain to affect. Enhancing mobility and ways to enable EaP citizens to travel more easily through controlled migration schemes, counter trafficking measures and visa liberalization processes could

¹ B. Wojna, "EU and Its Southern Neighbours: New Challenges for the European Neighbourhood Policy," *Report of the Polish Institute of International Affairs*, May 2011.

² *A New Response to a Changing Neighbourhood*, Brussels, 25.05.2011, COM(2011) 303, http://ec.europa.eu/world/enp/pdf/com_11_303_en.pdf.

deliver multiple gains, not least by meeting the EU's labour immigration needs as well as countering the damaging effects of the westwards brain drain for partner states, not to mention illicit cross-border activities. The proposal to roll-out Deep and Comprehensive Free Trade Agreements (DCFTAs) for willing and able EaP states is nothing new, but what is more germane is the idea of issuing better short term and niche concessions to boost trade between the EU and EaP states, especially for those countries where it is uncertain that a full-blown DCFTA would deliver much benefit.

Notable Achievements

EaP has enjoyed a number of achievements in a short space of time. In contrast to the Union for the Mediterranean (UfM), which has gone into free-fall, EaP has a future. The architects of EaP began virtually from scratch in 2009 to create new institutional frameworks and mechanisms to allow regular intergovernmental, parliamentary, civil society and local/regional cooperation and dialogue. In this sense after only two years the development of EaP can be described as satisfactory.

One of the Eastern Partnership's strengths is that it is not surrounded by the kind of controversy and mayhem that damaged the UfM since its creation in 2008. EaP has a modest infrastructure, offers value for money and also enjoys support (though has not yet tapped into the full potential) of the 'Friends of the EaP', now rather un-elegantly called the 'Eastern Partnership Information and Coordination Group'. The notable achievements of EaP include:

- Negotiations on new **Association Agreements** commenced in 2010 with Moldova, Azerbaijan, Armenia and Georgia.
- The finalisation of negotiations with Ukraine on its Association Agreement (AA) and **DCFTA** is supposed to come about by the end of 2011.
- The EaP **Civil Society Forum** (CSF) which aims to 'influence EU institutions and national governments by presenting the recommendations of the CSF during their decision-making process',³ has been visible over the course of the past two years. The CSF steering committee and its working groups, which mirror the EaP's broader platforms, have met regularly and seemingly met their brief. The CSF website reports 96 current or planned projects that have been or are being carried out under its auspices; the majority of which come under the 'Democracy, Good Governance and Stability' platform, and focus on such issues as corruption, the media, visas and local democracy.⁴
- Both Ukraine and Moldova entered **Visa Liberalisation** negotiations with EU member states, building upon the gains made under earlier phases of the visa dialogue, visa facilitation and readmission agreements, as well as lessons being learnt from the Mobility Partnership piloted in Moldova (and Georgia) and the Common Visa Application Centre, also piloted in Moldova. The fruits of these endeavours have been a growth in the number of fee waivers, more issuing of multiple entry visas and heightened collaboration with EU member

³ *The Role of the Eastern Partnership Civil Society Forum*, www.eap-csf.eu/en/about-eap-csf/our-role.

⁴ Eastern Partnership Civil Society Forum, *Survey of Current and Planned Projects Focusing on Eastern Partnership Issues: Summary prepared by EaP CSF Steering Committee, updated 20 May 2011*, www.eap-csf.eu/en/resources/eap-csf-2011-documents.

- states on the development of integrated border management, document security, migration management, asylum laws and so on.
- **Euronest Parliamentary Assembly** was launched by members of the European Parliament in May 2011.
 - Moldova and Ukraine joined the **Energy Community** in 2010 and 2011 respectively.
 - The new **Comprehensive Institution Building (CIB)** programme has come into being. CIB supports efforts by partner states to ready their core domestic institutions, laws and procedures for the implementation of new Association Agreements, DCFTAs and visa liberalisation policies. The CIB comprises €173 million (up to 2013)⁵ and is based on the principle of co-funding from partners and is also open to other donor contributions. The CIB concept and method borrows from the pre-accession process and the successes had in Central Europe in the 1990's that fortified weak public administrations. The EU and partners have moved fast forwards with the CIB programme;⁶ Framework Documents and Memoranda of Understanding were signed already between the Commission and EaP countries (except Belarus). Partner countries have defined their priorities in the form of Institutional Reform Plans, which, inter alia, include: EU regulatory approximation for trade: sanitary and phytosanitary issues and state aid monitoring, the rule of law; public administration reform, DCFTA preparation and implementation.⁷
 - **The EaP brought new financial resources to the six Partner Countries.** To meet the new schemes and forms of co-operation proposed by the Eastern Partnership, the Commission earmarked €600 million, including €350 million of fresh funding which should be added to existing financial resources (approximately €1.2 billion for the period 2011-2013 for bilateral cooperation between EU and Eastern Partners) within the framework of the ENPI. While this is not an amount that will solve the region's problems once and for all, these new financial proposals are an affirmation of the EU's commitment to the region. Moreover, the events in North Africa have prompted the European Commission to propose an overall increase in financial resources devoted to the EU neighbourhood in its entirety in the multiannual financial framework 2014-2020.⁸
 - **The EaP promoted new ways of contributing to the economic development of the Eastern Partners.** European financial institutions, such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) in cooperation with the European Commission supports the EaP by providing significant loans for infrastructure projects and for the development of small and medium enterprises. More than €880 million in

⁵ Per country in million euro: Armenia—33; Azerbaijan—19; Belarus—6; Georgia—31; Moldova—41; Ukraine—43.

⁶ Most of the countries hosted training programmes, technical assistance projects, administrative internships or seminars as a part of CIB in 2010.

⁷ High Representative of the European Union for Foreign Affairs and Security Policy, Joint Staff Working Paper, *Implementation of the European Neighbourhood Policy in 2010. Report: Eastern Partnership*, Brussels, 25.05.2011, sec(2011) 641, http://ec.europa.eu/world/enp/pdf/progress_2011/sec_11_641_en.pdf.

⁸ *A Budget for Europe 2020*, Brussels, 29.6.2011, COM(2011) 500 final, http://ec.europa.eu/budget/library/biblio/documents/fin_fw_k1420/MFF_COM-2011-500_Part_I_en.pdf.

loans provided to EaP countries so far, a €1.5-billion **Eastern Partners Facility**, recently created by the EIB, and projects carried out by the EBRD in almost every Eastern partner country, are examples of the important role European financial institutions are playing in the implementation of Eastern Partnership.⁹ These efforts are combined with the **Neighbourhood Investment Facility** (NIF), set up in 2008, used to support financial institutions' lending in neighbouring partner countries.¹⁰ As a 'trust fund' it brings together grants from the European Commission and the EU Member States with loans from European Financial Institutions, as well as contributions from the partner countries. In this way NIF has played an important role in coordinating donor contributions and enhancing the effectiveness of aid and its implementation. To date, the NIF has contributed €395 million to infrastructure and private sector projects, but has actually leveraged a total volume of more than €10 billion. In the Eastern neighbourhood NIF has (co) funded projects on transport, energy transmission networks, water infrastructure, and environmental clean-up.

- Of the €600 million dedicated to EaP when it was established in 2009 €75 million was devoted to **Pilot Regional Development Programmes** (PRDP). Modelled on EU cohesion policies, these programmes which will come online in 2012, aim to contribute to the development of local infrastructure, human capital, and small- and medium-sized enterprises in undeveloped regions in the partner states.
- The Committee of the Regions set up the **Conference of the Regional and Local Authorities for the Eastern Partnership** (CORLEAP) in 2011. Made up of local and regional authorities from EU and partner states its inaugural meeting took place in Poznań on 8 September. CORLEAP has issued a recommendations paper, which, inter alia, presses for the fuller inclusion of the local and regional dimension into the EaP platforms.

But the Old Problems and Uncertainties Persist.....

The most tell-tale sign of EaP's deficiencies include the palpable relapse in democratisation. It remains the case that there are no stable groups of democratic reformers in amongst the party systems of the region committed to the cause of integrating with the EU, save for the case of Moldova. And there is not a tide of democratic fervour pushing for democratic reforms that could sweep across the region, as was the case in Central Europe two decades ago.¹¹ Even if in some EaP countries elections have been judged as being more or less free and fair, the rule of law is feeble and general principles of good governance are elusive. This state of affairs is accompanied by high levels of corruption, poor civil liberties records and persistently low media freedoms, most of which have followed a negative trend in recent years.

⁹ For more see www.eib.org and www.ebrd.com.

¹⁰ *Additional funding allocated to the Neighbourhood Investment Facility to support key investment projects*, European Commission, 5.8.2011, http://ec.europa.eu/europeaid/where/neighbourhood/documents/web_release_aap_nif_2011.pdf.

¹¹ K. Longhurst, "Derisory Results or Reasons to be Cheerful? Evaluating the Implementation of the European Neighbourhood Policy in Ukraine, Moldova and Belarus," *Natolin Research Papers*, no. 1/2011.

TABLE: Corruption, Political Rights and Media Freedom in Eastern Europe

	AR			AZ			BE		
	2006	2010	2011	2006	2010	2011	2006	2010	2011
Political Rights ¹² (score out of 7)	5	6	6	6	6	6	7	7	7
Civil Liberties (out of 7) ¹³	4	4	4	5	5	5	6	6	6
Freedom ¹⁴	Partly Free	Partly Free	Partly Free	Not Free	Not Free	Not Free	Not Free	Not Free	Not Free
Corruption Perceptions Index ¹⁵ (country rank)	93	123	–	130	134	–	151	127	–
World Press Freedom Index position ¹⁶	101	101	–	135	152	–	151	154	–

	GE			MD			UK		
	2006	2010	2011	2006	2010	2011	2006	2010	2011
Political Rights ¹⁰ (score out of 7)	3	4	4	3	3	3	3	3	3
Civil Liberties (out of 7) ¹¹	3	4	3	4	4	3	2	2	3
Freedom ¹²	Partly Free	Partly Free	Partly Free	Partly Free	Partly Free	Partly Free	Free	Free	Partly Free
Corruption Perceptions Index ¹³ (country rank)	99	68	–	79	105	–	99	134	–
World Press Freedom Index position ¹⁴	89	99	–	85	75	–	105	131	–

¹² Based on Freedom House rankings, www.freedomhouse.org.

¹³ *Ibidem*.

¹⁴ *Ibidem*.

¹⁵ Based on Transparency International data, www.transparency.org.

¹⁶ Based on Reporters without Borders data on world press freedom, www.rsf.org.

Such a poor record and forecast suggests that the prospect of these countries meeting the Copenhagen Criteria and to possibly 'resemble candidates' in the near future is highly improbable. Of course it also poses the question as to whether EU policy in a broad sense towards the region is actually working. Naturally this has a number of negative consequences. First and foremost it undermines the credibility of the entire region and throws into question whether these states are really capable of enacting democratic reform agendas and whether they are serious about adhering to EU principles. Whilst the 'colour revolutions', especially in Ukraine, Kyrgyzstan and Georgia, were seen at the time as potential models for broader regional democratic change, frustration has subsequently reigned in the West as new leaders displayed a potent mix of authoritarian tendencies, incompetence and an inability to escape political infighting. In the words of a recent Freedom House report 'these countries have accumulated a democracy deficit on a scale rivalling that of the Arab Middle East'.¹⁷

In Ukraine Victor Yanukovich consistently consolidates his power by restricting political pluralism in such a way that is seeing Ukraine move towards the Russian 'model' of democracy rather than in the direction of the type of governance hoped for in the West. The arrest and trial of Yuliya Tymoshenko, the government's pressure on the media, Universities and NGOs and interference into local elections have virtually destroyed the image of Ukraine as a leader of democratic change in the post-Soviet area. Ultimately the situation is now threatening to put the brakes on the finalisation of the AA/DCFTA negotiations, which after an extremely protracted period, had been scheduled to be completed by the end of the year.

As far as Moldova is concerned the will of its pro-Western government to reform the country is unquestionable, but its ability to carry out the job is far from certain and should not be taken for granted. The momentous task of reforming this very poor country faces opposition from different lobbies in Moldova, not least from the still vibrant communist party, which has not inched away from its total opposition to Filat's rule and reform agenda. The pro-Western governing coalition has also to guard against its internal breakup. Finally, the situation in Transdnistria continues to place a heavy block on Moldova's fuller modernisation.

When the South Caucasus countries joined ENP the legacy of the Soviet Union remained rooted into their political and economic systems. At the same time by 2004 they had began to tread very different reform paths. From a current vantage point while pockets of success can be noted the overall state of the region remains a cause for concern in terms of key indicators including human rights, corruption, role of the executive, press freedoms etc. Georgia presents an interesting case where external assistance seemed to be having a palpable effect after the Rose Revolution and subsequent democratisation process when Saakashvili became the West's new best friend. However, despite strong political will, collaboration with international bodies and adoption of key policies and tools to root out corruption (the successes of which were recognised by Transparency International's corruption ranking) the democratisation process seemed to go into retreat after 2007, 'tarnishing' the country's

¹⁷ A. Puddington, *Promise and Reversal: The Post-Soviet Landscape Twenty Years On*, 2011, <http://freedomhouse.org/template.cfm?page=696>.

positive image somewhat.¹⁸ The stability of Georgia and Saakashvili's capacity to make rational foreign policy choices were brought into question in August 2008, which together with his intent to change the constitution to ensure that he retain real power as a Prime Minister after 2013 suggest that democracy hasn't at all been embedded in Georgia and that this country is caught between forces of reform and regression. Essentially, though obviously different in degrees all three states in the South Caucasus, namely Armenia, Azerbaijan and Georgia, have not departed from authoritarianism.

The most alarming situation is of course in Belarus, where the level of compliance with rule of law, respect for human rights, and basic democratic values by Lukashenka's regime worsened at the end of 2010 as courts, controlled by the government, sent dozens of opposition members and independent journalists and commentators to prison. Belarus ruled by the unpredictable dictator survives also serious financial trouble, caused by mistakes in macroeconomic management and the absolute lack of any structural reforms. In May 2011 the National Bank of Belarus was forced to carry out a devaluation of the Belarusian rouble by a hefty 64%. As a result average citizens of Belarus were rapidly pauperized.

Compounding this is a patchy and uneven state of economic growth, with economies weak and susceptible to external shocks and global crises. Though trade between all EaP states and the EU (apart from Belarus) has conspicuously grown over the past ten years it is limited. In many key sectors EaP states are held back by EU regulations and quotas. The notion of a DCFTA, as opposed to a standard Free Trade Area, is to export to EaP states the EU's model of economic governance, replete with its legal, political and regulatory rules and facets. The reality is however, that such high demands and structural implications suffocate their underdeveloped economies and industries. Essentially, implementing and then complying with the terms of a DCFTA implies immense economic costs and political will in the short term, with as yet unknown long term benefits from the perspective of the partner states.

Disturbing uncertainties also persist on the foreign policy front. The foreign policies and 'strategic loyalties' of EaP states remain subject to the tenuous geopolitical realities of being sandwiched between the enlarged EU and Russia, with their contrasting visions of how the neighbourhood should be organised. Furthermore, dysfunctional interdependencies of the Commonwealth of Independent States (CIS) persist, despite an overall lack of regional cooperation, trade and physical infrastructure.

Finally, Brussels remains distant to the lives and livelihoods of EaP citizens, a fact that so far ENP/EaP has not sufficiently be able to ameliorate. Facing expensive and demanding procedures to acquire a visa to enter the EU, for ordinary workers the prospect and entice of coming West is not as obvious as we might think. The net-result is that the EU is seen as an exclusive and impenetrable fortress – the opposite image to that intended by ENP. Meanwhile, most EaP citizens enjoy relative freedom to travel/work/study in Russia. Related to this is the notion that 'choosing Europe' is not necessarily obvious for EaP citizens; whilst opinion polls suggest that by and large populations in most EaP states favour the idea of joining the EU, when asked whether they prefer integrating with Europe, allying with Russia or remaining neutral this apparent support for Europe dwindles.

¹⁸ L. Delcour, H. Duhot, "Bringing the South Caucasus Closer to Europe: Achievements and Challenges in ENP Implementation," *Natolin Research Papers*, no. 3/2011.

The Warsaw Summit and Beyond: Ten Recommendations for a More Effective EaP

What changes will render the Eastern Partnership better equipped to meet the EU's objectives in the Eastern neighbourhood over the coming years? The overall formula of EaP is one that can deliver; progress over the past two years is indeed palpable, however at the same time huge amounts of work still has to be done to put flesh on to the bones of new institutions.

A substantial part of the problem is that in the main, the EU has so far focused on and worked alongside central governments and traditional political elites, pinning hopes on such actors to pioneer change. However, from a current vantage point these partners often block the kind of political, legislative and economic changes envisaged in EaP due to their vested interest in the status quo. Ukraine's tarnished image as ENP-forerunner attests to this.

The key to the successful transformation of the Eastern neighbourhood is the installation of durable democracy and the rule of law, since everything else flows from this. Consequently the mission and focus of EaP and its tools and methods require some redirection towards this overall priority. Since reform of an economic nature has tended to proceed at a faster pace than changes in the sphere of governance the EU should link democracy issues with the economic reform agendas of partner countries to ensure positive movements in both areas. Unlike the rulebook for the DCFTA there is not an instruction manual for how EaP states become democratic. Holding free and fair elections is obviously only one dimension of the democratisation process, and as in the cases of most EaP states it is not on its own a reliable enough indicator of good governance.

What more should EaP be doing?

1 Asserting Article 49

EaP needs to be imbued with better incentives if it is to induce the kinds of sustained changes desired in the neighbourhood. What is needed is for EaP to underline the notion that partner states have or can have a 'European Perspective' if they pursue and stick with an EU-oriented reform path. Ultimately EaP needs to headline Article 49 of the Treaty on European Union and the potential of actual membership as the ultimate end-game of the Partnership. This could provide additional powerful incentives for state bureaucracies, whilst at the same time posing a credible lifeline to pro-EU civil societies and political parties operating in difficult situations.

2 Ensuring Differentiation

It goes without saying that the EU should differentiate between the EaP countries based upon their declared and proven commitment to European integration with the EU and in particular capacities to enact sustainable democratic reforms. Care needs to be taken that the bilateral dimension of EaP doesn't get weakened by multilateral and regional EU endeavours, which are of secondary interest to all of the Eastern neighbours. The strictest division needs to be based on those states with a potential

membership (Ukraine, Moldova and Georgia) and those who are interested in 'cooperation' in certain sectors with the EU (Azerbaijan and Armenia).

3 Tackling Corruption

Corruption persists in all neighbouring states and thwarts reform efforts and the implementation of EaP. The EU should develop more innovative ways of helping states to tackle corruption, as well as pressuring states to fulfil their commitments in the context of GRECO (Group of States against Corruption). Of course this is not at all an easy task, not least because governments themselves are often sources of corrupt practices or are strongly susceptible to its effects. Corrupt practices are often viewed as just the normal and regular ways of doing things, thus any changes to higher standards requires a change of culture. Consequently, the EU needs to be more exacting in spelling out what it expects of the neighbours, emphasising small steps rather than preaching about the superiority of EU standards. EU efforts should concentrate on building up national, regional and local administrations from the bottom-up by investing in the reform of public administration and the civil service. Targeting methods of recruitment including verifying that national competitions for entry to the public administration are open and based on fair rules should be a priority, together with the more thorough lending of expertise for the training and professional development of public servants. Such endeavours could also play an important role in enhancing the appeal of careers within the public sector and also its image as a functioning part of society and deliverer of public goods.

#4 Fortifying Institutions

In all partner countries ENP/EaP implementation has been adversely affected by weak administrative capacities and the problem of corruption that accompanies it. It follows that EaP needs to address the reform and reinvention of domestic institutions more squarely and more fundamentally. The process of enlarging the EU in the 1990s showed the central importance of capacity building; without pre-accession tools Central European states would not have been able to withstand accession. The same principle holds for EaP. The effectiveness of the CIB has yet to be tested, but already consideration should be given to enlarging its remit to enable projects to be funded in a wide variety of sectors and not just those that first and foremost benefit the EU (such as energy). There is also the case that Moldova and Ukraine should be singled out as priorities for CIB given their advanced status in ENP.

5 Endowing for Democracy

To fulfil its mission the EaP needs funding tools to support democratisation. A European Endowment for Democracy (EED) should be modelled to replicate the role played by the German political foundations or the American National Endowment for Democracy which supported opposition forces fighting against the communist regime in Poland in the 1980s. An EED could prove to be of particular value in Belarus, to support unregistered civil society groups. Decoupled from EU bureaucratic structures and timeframes an EED could be flexible and responsive to sudden needs in the neighbourhood. At the same time existing tools such as the European Instrument for

Democracy and Human Rights (EIDHR) and Instrument for Stability (IfS), which has been used in Georgia a few times during the Rose Revolution should not be forgotten.

6 *Being More Daring Towards Belarus*

There has long been talk about the need for a 'shadow' ENP Action Plan for Belarus. The current non-paper of 2006 'What the European Union could bring to Belarus' is important, but it is dated and essentially lacks necessary detail. The time might be right for developing a more precise and content-focused ENP Action Plan-type document to spell out more courageously what the EU can offer to Belarusian citizens and what would be involved in taking cooperation forwards. Belarus will be a test case for a revitalized EaP and in particular for the European Endowment for Democracy and its mission to offer support for civil society groups with pro-democracy credentials banned by the governing regime.

7 *Creating More Mobility Options*

A commitment from the EU of a more generous offer on visas has become a test of the EU's resolve towards the partner states and its citizens. Though visa liberalization and mobility partnerships are being rolled out across the neighbourhood the fact is that the EU's outer borders remain hard-edged. Moreover, as a result of the outflow of migrants from North Africa earlier this year EU member states have become ever more protectionist and restrictive with their immigration policies. Mobility is a fundamental feature of EaP which recognizes the importance of well-managed migration coupled with effective border management to fight illegal migration as being of mutual benefit. A good start has been made, but clearly there is scope for more far reaching efforts: (i) The scope of Local Border Traffic Zones (LBTZs) should be extended. Presently these zones cover up to 30-50kms on either side of a border and are strictly implemented. In their current design LBTZs are not meeting their potential. By actively broadening the zones to incorporate bigger towns and cities close to borders, providing special privileges for local small and medium enterprises to do business, as well as incentives for student exchange LBTZs could play a key role in strategically important border areas. (ii) Visa dialogues with EaP partners have led to steady changes in the issuing of Schengen Visas according to the EU Visa Code, in terms of easier and swifter delivery of results and easier and cheaper application procedures. Still, more should be offered to EaP states: more multiple entry long term visas, establishing more common application centres, or at least to think more creatively in this respect, also taking on board the need to address the lack of consular services in towns beyond national capitals and other major cities. (iii) Migration Policy needs to figure more centrally in the future development of EaP. There are a number of relevant issues at stake here. EU member states need to launch a more rational discussion about their immigration needs and to develop a better European strategy on migration which does not see the issue as a security threat. In this way, the enlargement of mobility options for EaP citizens could proceed in a more informed way.

8 Offering More Generously Spirited Trade Deals

The prospect of the rolling out of DCFTAs to all EaP countries might sound alluring, but the fact of the matter is that such agreements are not necessarily a solution for all countries. As the experience with Ukraine shows, negotiations are long-drawn-out and then require ratification, which will also become a bumpy road. Moreover, it is entirely doubtful as to whether the economies of the other four states are suitable or even want such agreements. With this in mind, if the EU wants to export its mode of economic governance eastwards, a differentiated package needs to be defined: (i) a manual on minimum and maximum *acquis* packages should be provided given the different degrees of interest in and agendas for European integration within EaP region. The EU should also clearly indicate what the mandatory parts of the *acquis* are that will have to be included into DCFTAs in order for it to work (e.g. competition policy). However, the EU should be flexible on insisting on the implementation of expensive *acquis* that may be beneficial for the EaP countries in the long-run but financially burdensome in the short- and medium term (e.g. environmental *acquis*, unless it has a direct impact on trade). (ii) The EU should be more explicit as to what a trade agreement will give the countries (both in terms of costs and benefits). (iii) Other options should be considered by the EU and EaP partners to facilitate trade. Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAAs) could be a potentially productive tool for Ukraine which if conditions were met could be part of an extensive Free Trade Area on industrial goods with the EU, European Economic Area and Turkey.

9 Investing in Young People

EaP should be pioneering efforts to ensure the promotion of young people, students and scholars from the EaP countries – by significantly extending numbers of grants and bursaries. More exchanges and fellowship opportunities for young and mid-career scientists to carry out projects at institutions and Universities in the EU for 2-3 years based on the Marie Curie schemes could issue very positive effects and fulfil EaP objectives in the people to people area. Another proposal would be to create a structured form of cooperation between think-tanks and University departments engaged in research on neighbourhood issues, learning from some of the positive aspects of the EuroMeSCo grouping to foster research collaboration, exchange, joint workshops and so on.

10 Creating Synergies in Times of Crisis

The Eastern Partnership is an attractive brand which should invite synergies between EU financial resources, international financial institutions and other third parties. More coordinated and coherent cooperation amongst these actors will no doubt enhance the implementation of the initiative in a significant way. Although the future of EaP will be determined in the largest measure by the political will of the states to which the project is addressed, the coordination of efforts undertaken by different state and non-state actors interested in the success of the Eastern Partnership will be an important signal of interest and genuine commitment sent to the Eastern neighbours by the EU and its member states at a time of political change in the EU neighbourhood and in the context of ongoing economic crisis.

Concluding Thoughts

A recalibrated Eastern Partnership, based on some of proposals presented above, could render EU policy better prepared to get the countries of the region in better political and economic shape. EaP needs to combine a step by step approach to building democracy and the rule of law, together with the promotion of a strong political vision linked to future enlargement prospects. In this latter respect explicit reference needs to be given to providing those EaP states that so desire it the prospect of a 'European Perspective'.

The achievements that have been made in between the Prague and Warsaw Summits have not been negligible; the creation of new institutions, tools and funding mechanisms are hefty tasks. But it will be the next two years in the run up to the third Eastern Partnership Summit when EaP will really be tested and its future ultimately determined. To have something to celebrate in two years time the EU needs to hold out the idea of a 'European Perspective' and at the same time work hard to use all resources available and to cooperate on bilateral, multilateral and sectoral levels with governments, regional and local authorities and civil society. Finally, our success can be measured if in two years: the DCFTA with Ukraine is operational, as well as better trade deals at work between the EU and other EaP states; substantial progress is made in visa liberalization; detectable improvements in the area of corruption in all EaP state are realized and processes of transition are palpable in Belarus.

PISM | POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS (PISM) IS A LEADING AND INDEPENDENT THINK-TANK THAT CONDUCTS ORIGINAL, POLICY-FOCUSED RESEARCH. WITH OVER EIGHTY STAFF' PISM IS THE LARGEST SUCH INSTITUTE IN POLAND AND PROVIDES ADVICE TO ALL BRANCHES OF GOVERNMENT AND CONTRIBUTES TO WIDER DEBATES ON INTERNATIONAL RELATIONS IN EUROPE AND BEYOND. PISM ALSO PUBLISHES BOOKS AND JOURNALS, AND HOUSES ONE OF THE BEST SPECIALIST LIBRARIES IN CENTRAL EUROPE. SITUATED IN BETWEEN THE WORLD OF POLICY AND INDEPENDENT EXPERTISE ON INTERNATIONAL AFFAIRS, PISM PROMOTES THE FLOW OF IDEAS THAT INFORM AND ENHANCE THE FOREIGN POLICY OF POLAND.

POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS
UL. WARECKA 1A, 00-950 WARSZAWA
PHONE (+48) 22 556 80 00, FAX (+48) 22 556 80 99
PISM@PISM.PL, WWW.PISM.PL

ISBN 978-83-62453-24-5

