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EVOLUTION OF THE EUROPEAN NEIGHBOURHOOD POLICY –INSTRUMENTS, LIMITS AND CONDITIONALITIES

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Abstract

There is no doubt that the enlargement of the European Union in 2004, with the eight Central and Eastern European countries plus Cyprus and Malta, completed in 2007 by the accession of Romania and Bulgaria has brought to the attention not only the need to reform the EU's institutional framework and to revise some policies, but also the way to approach the external relations, mainly with the new immediate neighbourhood. Confronted with new challenges at its Eastern borders, the European Union has proposed to its neighbours a European Neighbourhood Policy (ENP) that intends to avoid creating new dividing lines in Europe and also to ensure the development of fruitful cooperation relations with the partner states. Concentrating on adapting former mechanisms of cooperation and benefiting from the enlargement process experience, the ENP also brings new policy tools and instruments (see for instance the European Neighbourhood and Partnership Instrument) to the negotiation table. It remains under debate the ability and willingness of the EU Member States to join forces in order to define better and more coherently and concretely the support they intend to offer to the “ring of friends”, as well as the extent to which the ENP partner states will identify other ways to embark on the necessary reform process, in the absence of the ultimate incentive: the perspective of membership to the European Union.

1. Introduction

The European Union's enlargement of 1st May 2004 (with Estonia, Czech Republic, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Cyprus and

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Malta), followed by Romania and Bulgaria on 1st January 2007, undoubtedly represents the most important event in the evolution of the *European project* in the last decade.

The changes entailed by this enlargement wave with so different countries than the older member states were not merely internal – political, economic, but mostly institutional – but also external, the new configuration of the borders of the European Union (EU) gaining more attention in the general policy of the Union.

The old institutions, mechanisms and policies in the EU external relations becoming rather insufficient for the new context after 2004, it was necessary to reconfigure these policies and to also bring a breath of fresh air to the EU policies towards the new neighbouring countries. The European Neighbourhood Policy (ENP) was set up precisely as a result of this necessity and as a consequence of moving the external borders of the Union further to the East.

Short comments will be given in this paper on the reasons for a new European Neighbourhood Policy, context, objectives, focusing on some conditionality elements and instruments, limits of the policy and the need to further consolidate the ENP.

Reasons for a European Neighbourhood Policy

Perceived as a moment of glory in the history of the European Union or only as the opening of a new and complicated chapter of sensitive issues, the EU enlargement towards the Central and Eastern European countries has represented the most important moment in EU's recent history. The firm commitment of those countries to democracy, rule of law, free market economy has perfectly fit the general objectives of the Union to extend the political, economic, security and stability climate to this part of Europe.

The enlargement has increased the interest of the European Union in developing strong cooperation relations with the new neighbouring countries. Initially, the new neighbours of the Union have positively received the proximity of their borders to the “western world”. Despite early official declarations and positions, the enthusiasm from EU's part has not registered a very high level. The enlargement towards the Central and Eastern countries not only has internalized some of the shortcomings of the new member states, but has also brought the Union near unstable and conflict areas, with a low economic development level. Regions that in the past were the object of the more or less neutral official EU declarations/positions have become the immediate neighbourhood of the Union and the issue of securing the borders and ensuring a climate of peace, stability and security has been brought to the attention of EU policy-makers.

The different flaws in the adoption of an effective common position of the EU vis-à-vis different external policy actions (see for example the war in Iraq) has matched the ambiguity towards the new neighbourhood context. Confronted with

potential terrorist pressures, proliferation of mass destruction weapons, failed states, regional conflicts, the European Union must deal with less predictable and less visible, but no less dangerous threats¹.

On the other side of the borders, the expectations are high. The countries in the EU's immediate neighbourhood have seen enlargement as an opportunity to get closer to prosperous areas and with high potential for growth and states like Republic of Moldova and Ukraine have reaffirmed their European vocation and orientation, hoping to become full members of the Union.

In the European Security Strategy (2003), the European Union envisages three strategic objectives: to respond to threats, to build a climate of stability in its neighbourhood, to contribute to an international order based on multilateralism. The enlargement should not and will not create new dividing lines in Europe. The goal is to create a "*ring of well-governed states*" to the East of the Union and to the Mediterranean area².

The forms of cooperation prior³ to the European Neighbourhood Policy have proven not to be perfect and the structural shortcomings together with the new regional background were at the origin of building a new policy.

The asymmetry in the Union's relations with the neighbouring countries, combined with the particular context given by the EU's enlargement to the East and the new potential threats at its new borders have led to the necessity to redefine the framework of EU's external relations with its neighbours.

Main stages in the evolution of the European Neighbourhood Policy

Former president of the European Commission, Romano Prodi, has expressed, in a speech delivered to the 6th Conference of the European Community Studies Association (December 2002), the importance of a sustainable security and stability climate and the creation of a "*ring of friends*" around the Union, after its enlargement to the Central and Eastern Europe. The willingness to give more than a partnership, but less than accession was reiterated

¹ European Council, *A Secure Europe in a Better World – European Security Strategy*, Brussels, 12 December 2003, <http://www.consilium.europa.eu/uedocs/cmsupload/78367.pdf>

² *Ibid*, p. 8

³ The relations with the Mediterranean area were covered by the *Barcelona Process*, within the Euro-Mediterranean Partnership (since Nov. 1995), with the goal to create a free trade area by the year 2010 (through bilateral Euro-Mediterranean Association Agreements). The EU's relations with the Western Balkans were governed by the *Stabilization and Association Process* (starting 2001) aimed at developing a stability climate and economic development and, most of all, reconciliation in the region. The former Soviet countries were governed in their relations with EU by *Partnership and Cooperation Agreements* (starting 1994) that aimed at promoting trade relations and cooperation between the parties and support these countries in their transition process to a market economy.

in the offer that was about to be given to the new neighbours: “*everything with the Union, but the institutions*”¹.

The European Council in Copenhagen (December 2002) confirmed the necessity to strengthen EU’s regional and cross-border relations with the neighbouring countries, in order to fully develop the region’s potential and to *avoid the risk of creating new dividing lines in Europe*².

In this context, the Commission issued a Communication on 11th May 2003, on “*Wider Europe – Neighbourhood: A new Framework for Relations with our Eastern and Southern Neighbours*” which proposed the development of an area of prosperity, a ring of friends at the external borders of EU, characterized by close peaceful and cooperation relations.

The objectives³ proposed by the new neighbourhood policy were concentrated upon poverty reduction and creation of a prosperity area, sharing common values, close political and cultural relations, solid cross-border cooperation and common responsibilities in conflict-prevention and on concrete benefits and preferential relations in a differentiated framework, according to each country’s progress in political and economic reform.

In exchange for the progress in sharing the Union’s values and in the effective implementation of the political, economic and institutional reforms, the neighbouring countries under the ENP were to benefit from a deeper economic integration, ensuring these countries a stake in the Internal Market and deeper integration and liberalization by promoting the free movement of persons, goods, capital and services⁴.

To achieve these objectives, the Union envisaged a variety of instruments such as: an increased access to the Internal Market, preferential trade relations, opening of the market, a legal framework for migration and for free movement of persons, strengthening the cooperation in preventing and combating the threats, a higher involvement in conflict prevention and crisis management, integration of the new neighbours in the transport, energy, telecommunications networks, promotion of investments etc.

¹ Prodi, Romano, “*A Wider Europe – A Proximity Policy as the Key to Stability*”, Speech at the 6th ECSA-World Conference, Brussels, 5-6 December 2002, SPEECH/02/619, http://ec.europa.eu/external_relations/news/prodi/sp02_619.htm

² European Council, Copenhagen, 12-13 December 2002, *Presidency Conclusions*, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/73842.pdf

³ European Commission, Communication from the Commission to the Council and the European Parliament - *Wider Europe-Neighbourhood: A new Framework for Relations with our Eastern and Southern Neighbours*, COM(2003) 104 final, Brussels, 11.03.2003, p. 9 http://ec.europa.eu/world/enp/pdf/com03_104_en.pdf

⁴ European Commission, Communication from the Commission to the Council and the European Parliament - *Wider Europe-Neighbourhood: A new Framework for Relations with our Eastern and Southern Neighbours*, COM(2003) 104 final, Brussels, 11.03.2003, p. 4,10 http://ec.europa.eu/world/enp/pdf/com03_104_en.pdf

Two basic principles for the ENP were acknowledged by the European Commission: differentiation and progressivism. The countries in the EU's immediate neighbourhood do not start from a similar position in their relations with the Union, some of them being governed by free trade agreements, others by a strategic partnership (Russia), some by partnership and cooperation agreements and even if the Union has proposed a more coherent approach, offering the same opportunities to the neighbouring countries, the *differentiation* will remain a basic principle of ENP. On the other hand, the ENP partner states will benefit from (new) opportunities/incentives in accordance with the progress registered on their way to political and economic reform and to fulfill their commitments to consolidate their own administrative, institutional and legislative capacity.

The new neighbourhood policy will be implemented through the Action Plans, the main political documents governing the relations with the neighbours on medium term. These will be built on the already existing agreements and will set up strategic and political targets, common goals and a calendar for the regular evaluation of the progress on the way to economic, social and political reform.

On 1st July 2003, the Commission issued a Communication on a *New Neighbourhood Instrument*¹, establishing the main steps and actions to be performed in 2004-2006 and then after 2007. It was foreseen the introduction of *Neighbourhood Programs*, that would cover transport, energy infrastructure, environment, cultural cooperation etc².

The strategy document adopted in Brussels on 12th May 2004, *European Neighbourhood Policy – STRATEGY PAPER*³, marked the official launch of the new policy. The strategic goal of the ENP, as stipulated in the strategy, was to share with the neighbouring countries the benefits of EU enlargement to the Central and Eastern Europe, for their consolidated stability, security and prosperity.

The European Neighbourhood Policy covers countries participating to the Euro-Mediterranean Partnership (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia and Palestinian Authority – *Barcelona Process*); Moldova, Ukraine, Belarus; Armenia, Azerbaijan and Georgia (the latter three

¹ European Commission, Communication from the Commission - *Paving the Way for a New Neighbourhood Instrument*, COM(2003) 393 final, Brussels, 1 July 2003
http://ec.europa.eu/world/enp/pdf/com03_393.pdf

² European Commission, Communication from the Commission - *Paving the Way for a New Neighbourhood Instrument*, COM(2003) 393 final, Brussels, 1 July 2003, p. 8
http://ec.europa.eu/world/enp/pdf/com03_393.pdf

³ European Commission, Communication from the Commission, *European Neighbourhood Policy – STRATEGY PAPER*, COM (2004) 373 final, Brussels, 12 May 2004
http://ec.europa.eu/world/enp/pdf/strategy/strategy_paper_en.pdf

being included under the ENP only at this stage)¹. *Russia* has refused maintaining its relations with EU under ENP umbrella, preferring to further strengthen the Strategic Partnership with the EU (agreed “*on a more equal basis*”- at the summit in St. Petersburg in 2003), through the creation of four common spaces: an economic space (focused on energy and environment), a space of freedom, security and justice, a common space of cooperation in the external security and a common space in research, education and culture.

The ENP is implemented through a series of *instruments* such as country reports (for every neighbouring country, presenting the political, economic situation, main institutional issues, analysis of the bilateral relations etc), Action Plans, European Neighbourhood Instrument, other community programs (such as Taiex, twinning etc).

The Action Plans, representing the central element of the ENP, identify several priorities²: commitment to common values, efficient political dialogue, economic and social development, promotion of trade relations, cooperation in justice and home affairs, integration into the infrastructure networks (energy, transport, environment, research and innovation), social policy. The Action Plans will be differentiated for each country, according to the specific needs of the partner ENP states and to their capacity to reform. These plans are drawn up by the Commission together with the ENP partner country, for 3-5 years and they are built on the previous agreements. Once their goals are achieved, they will be replaced by *European Neighbourhood Agreements*.

The European Neighbourhood Instrument will add to the already existing financial instruments (Tacis, Meda), gradually replacing them and will operate within the Action Plans framework.

Progress-to-date in consolidating the European Neighbourhood Policy

In December 2006, the European Commission has published a report *On Strengthening the European Neighbourhood Policy*, with several recommendations to further consolidate the mechanisms of ENP³, illustrating the

¹ The **European Neighbourhood Policy** does **not** include either EFTA/EEA countries (Island, Liechtenstein, Norway, Switzerland), or candidate and potential candidate countries (Croatia, Macedonia, Turkey; Albania, Bosnia-Hertzevovina, Serbia, Montenegro) or Russia. The other two countries, once partners in the Euro-Med, Cyprus and Malta, have become, in the meantime, full members of the European Union.

² European Commission, Communication from the Commission, *European Neighbourhood Policy – STRATEGY PAPER*, COM (2004) 373 final, Brussels, 12 May 2004
http://ec.europa.eu/world/enp/pdf/strategy/strategy_paper_en.pdf

³ European Commission, Communication from the Commission to the Council and the European Parliament, *On Strengthening the European Neighbourhood Policy*, COM(2006) 726 final, Brussels, 4 December 2006 http://ec.europa.eu/world/enp/pdf/com06_726_en.pdf

strong and weak points of the policy, specifying some concrete measures to consolidate it and proposing new financial instruments. Among the *strong elements* of the policy, there are mentioned: a unique framework that covers a wide range of issues pertaining to the neighbourhood policy, the partnership concept, the tangible measures proposed by some Action Plans agreed at political level by both parties, a better allocation and use of the available funds (through the European Neighbourhood and Partnership Instrument).

In this document, the European Commission has identified several *areas of ENP*¹ that would require *further strengthening*:

- a. Consolidation of the economic and commercial component – a deeper economic integration of the ENP partner countries, through:
 - „*Deeper and comprehensive Free Trade Agreements*” that would go beyond the traditional free trade of goods and services and would incorporate standards and technical norms, competition issues, innovation, cooperation in the field of research. On the long run, these new agreements would lead to a *Neighbourhood Economic Community*², but it would be strictly dependent upon the permanent dialogue and sustainable progress;
 - Additional support for reforms and for investment climate improvement
- b. Facilitating the free movement of persons and an efficient migration management, through:
 - Visa facilitation, especially for short (study or business) visits;
 - Adoption of a package deal for a better management of migration, cooperation for combating illegal migration and for an efficient border management.
- c. Consolidation of dialogue, „*people-to-people*” contacts, by:
 - Education, cultural exchanges, common research programs;
 - A higher involvement of the civil society in ENP;
 - Know-how exchange among local and regional authorities
- d. Building a thematic/sector dimension within ENP, with a particular focus on including the ENP partner countries in the European infrastructure and energy networks
- e. Consolidation of political cooperation, through:

¹ European Commission, Communication from the Commission to the Council and the European Parliament, *On Strengthening the European Neighbourhood Policy*, COM(2006) 726 final, Brussels, 4 December 2006 http://ec.europa.eu/world/enp/pdf/com06_726_en.pdf

² Non-Paper Expanding on the proposals contained in the Communication on „Strengthening the ENP”- COM (2006) 726 final of 4 December 2006, „*ENP – A Path towards further Economic Integration*”

http://ec.europa.eu/world/enp/pdf/non-paper_economic-integration_en.pdf

- A more active role of the European Union in the efforts to solve the regional conflicts (Moldova, Southern Caucasus, Palestinian territories), by a more active participation to the peace-keeping operations in the areas;
 - Participation of the neighbouring states to European Security and Defense Policy operations;
 - A consolidated inter-parliamentary dialogue
- f. Better regional cooperation, by:
- An intensified dialogue with Black Sea Economic Cooperation Organization and formulation of a regional strategy in the Black Sea Area;
 - Full implementation of the five-year Euro-Mediterranean action programme adopted in Barcelona in 2005 (in conformity with the ENP agenda)
- g. Consolidation of the financial cooperation:
- Starting with 2007, the cooperation with the neighbouring countries will be financed through the European Neighbourhood and Partnership Instrument. A lot more flexible than the previous instruments, oriented towards policies, the ENPI has been allocated 12 billion euros for the period 2007-2013, representing a real increase with 32% compared to the previous one (2000-2006)¹. The funds are still insufficient, given the diversity of the areas covered by the financial support through the ENPI². This instrument will follow the principles of multi-annual programming, partnership and co-financing³. The cross-border component of the ENPI will be co-financed by the European Fund for Regional Development.
 - The Commission has also introduced two *new financing mechanisms*:
 - *Governance Facility*, with 300 million euros for the seven-year period, for supporting the ENP partner states which have made significant progress in implementing the reforms in the Action Plans;
 - *Neighbourhood Investment Fund*, with 700 million euros for the seven-year period to support the lending programs of the

¹ European Commission, Communication from the Commission to the Council and the European Parliament, *On Strengthening the European Neighbourhood Policy*, COM(2006) 726 final, Brussels, 4 December 2006, p. 12 http://ec.europa.eu/world/enp/pdf/com06_726_en.pdf

² Missirolli, Antonio, „ The ENP Three Years on: Where From – And Where Next?“, *European Policy Centre, Policy Brief*, March 2007, Brussels

³ Regulation (EC) NO 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down *General Provisions establishing a European Neighbourhood and Partnership Instrument*, Official Journal of the European Union, L 310 din 9.11.2006 http://ec.europa.eu/world/enp/pdf/oj_1310_en.pdf

international financial institutions (such as EIB, EBRD) given to the ENP partner states.

The funds allocated to each country will depend on the specific needs identified in the Action Plans, on the absorption capacity of the funds and on the level of implementation of the agreed reforms.

The Report of the General Affairs and External Relations Council on “*Strengthening the European Neighbourhood Policy*”¹, of 18/19 June 2007, has made record of the progress registered since the European Council in December 2006, namely the steps forward in deeper economic integration, implementing a significant number of action plans, negotiations in the energy field, in facilitating the visa regime, readmission agreements with Ukraine and Moldova.

The most recent evaluation of the ENP strengthening initiative was given in the Commission’s Communication: „*A Strong European Neighbourhood Policy*”² from 5th December 2007 which proposed a series of objectives for 2008 and the next period: a better economic integration and an increased access to the markets - also for the agricultural goods, facilitation of visa regime, firm commitment to involve in solving the frozen conflicts, increased support from EU for the sector reforms (energy, environment, transport, education, social policy) in the partner states.

As Benita Ferrero-Waldner, the European Commissioner for external relations and European Neighbourhood Policy, stated, the European Union is in the **implementation phase of the ENP**³. At the end of 2007, the European Union has finalized 12 Action Plans from the 16 partner countries.

The Action Plans with Ukraine, Moldova and Israel will expire in 2008. They may be extended for another year or negotiations might begin for concluding new agreements (for example, on 5th March 2007 negotiations began with Ukraine for a new neighbourhood agreement). At present, Algeria, Syria, Libya and Belarus do not have an Action Plan concluded with the European Union. Contractual relations with these countries will depend upon the particular progress made⁴.

¹ General Affairs and External Relations Council (GAERC), “*Strengthening the European Neighbourhood Policy*”- *Presidency Progress Report*, 10874/07

http://ec.europa.eu/world/enp/pdf/enp_progress-report_presidency-june2007_en.pdf

² European Commission, Communication from the Commission: *A Strong European Neighbourhood Policy*, COM(2007) 774 final, Brussels, 5 December 2007

http://ec.europa.eu/world/enp/pdf/com07_774_en.pdf

³ Ferrero-Waldner, Benita, “The European Neighbourhood Policy and the Regions”, Speech Structured Dialogue - Committee of the Regions, Brussels, December 18, 2007, SPEECH/07/829
<http://www.europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/829&format=HTML&aged=0&language=EN&guiLanguage=en>

⁴ Syria has to ratify the Association Agreement already negotiated. Libya must firstly participate effectively to the Euro-Mediterranean Partnership. There is still needed progress on the way to democracy in Belarus in order to have contractual relations with EU.

In 2007, the first funds allocated through the Governance Facility were destined to Morocco (28 million euros – mainly for reforms in public administration) and Ukraine (22 million euros – for reform in the energy sector)¹. Once the financing through Tacis programme being finalized, the Strategic Partnership with Russia will be financially supported by the European Neighbourhood and Partnership Instrument (for cross-border cooperation and for the implementation of the four common spaces' priorities), thus ensuring the link between Russia and the European Neighbourhood Policy.

An important component of the ENP is the *cross-border cooperation* that follows objectives such as: promotion of the economic and social development of border regions, solving some common environmental problems, efficient border control, increased participation of civil society in cross-border projects. The budget allocated for this kind of cross-border programs amounts to 1.1 billion euros up to 2013².

In 2008, in spring, a new Communication from the European Commission is expected to evaluate the performance and progress of the partner states in the ENP.

Black Sea Synergy

The necessity to consistently and distinctively approach the Black Sea region issue has been emphasized only after the accession of Romania and Bulgaria to EU, given the changes in the Eastern border of the Union.

On 11th April 2007, the European Commission issued a Communication "*Black Sea Synergy*"³ which intends to be a new EU regional cooperation initiative. Comprising states with rather different economic development levels and history of cooperation relations with the European Union, the Black Sea region is seen more as an area of sensitive issues like organized crime, terrorism, trafficking, fragile states, instability and conflict potential, rather than as an extensive abundance of opportunities.

¹ "A Strong European Neighbourhood Policy – further efforts are needed", *CEPS Neighbourhood Watch*, Issue 33, December 2007, p. 9

² Ferrero-Waldner, Benita, "The European Neighbourhood Policy and the Regions", Speech Structured Dialogue - Committee of the Regions, Brussels, December 18, 2007, SPEECH/07/829 <http://www.europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/829&format=HTML&aged=0&language=EN&guiLanguage=en>

³ European Commission, Communication from the Commission to the Council and the European Parliament *Black Sea Synergy – A New Regional Cooperation Initiative*, COM(2007) 160 final, Brussels, 11 April 2007

http://ec.europa.eu/world/enp/pdf/com07_160_en.pdf

Giving only a brief description of the objectives proposed by the strategy, several areas of cooperation¹ can be mentioned: democracy, respect of human rights and good governance projects, good management of movement of persons, combating illegal migration and organized crime, increase of EU role in solving the frozen conflicts in the area by facilitating the dialogue between the conflict parties, more efficient dialogue in energy issues: ensuring energy security, improving energy infrastructure, enhanced cooperation in transport, environmental issues, regional development.

The Commission suggests to fully benefit from the institutional framework of the cooperation initiatives already in place, the most important being the Black Sea Economic Cooperation Organization and the Black Sea Forum for Dialogue and Partnership², creating a regional platform for cooperation in the area.

Co-financing principle would also apply to this new initiative; the funds allocated to the cross-border cooperation, through the ENPI, the European Fund for Regional Development, the EIB, EBRD funds, the Black Sea Trade and Development Bank being the main financial instruments available.

The European Parliament approved on 17th January 2008 a *Report*³ elaborated by a Romanian Member of the European Parliament, Roberta Anastase, report that requests the identification of concrete proposals to support the regional cooperation and the creation of an *authentic partnership* in the Black Sea Area. The Parliament approves the doubling the funds available through the ENPI, for cross-border programs and notes the main priority areas for cooperation: greater involvement of EU in the unsolved conflicts in the area, creation of new infrastructures and viable transport corridors for energy, solving the environmental problems in the Black Sea Area (in particular in the Danube Delta), acknowledging the importance and the necessity to involve Russia and Turkey in the cooperation initiatives in the region⁴.

¹ European Commission, Communication from the Commission to the Council and the European Parliament *Black Sea Synergy – A New Regional Cooperation Initiative*, COM(2007) 160 final, Brussels, 11 April 2007, p. 3 – p. 8 http://ec.europa.eu/world/enp/pdf/com07_160_en.pdf

² A Romanian Initiative, the *Black Sea Forum for Dialogue and Partnership* has reaffirmed, during its first summit in Bucharest, on 5th June 2006, the intention and commitment of all countries involved to cooperate, using all the instruments at their disposal offered by the regional organisms in place, for the welfare and stability in the Black Sea Area.

³ European Parliament, “*MEPs speak out in favour of more regional cooperation in the Black Sea region and the South Caucasus*”, 17 January 2008 http://www.europarl.europa.eu/news/expert/infopress_page/030-18599-014-01-03-903-20080115IPR18588-14-01-2008-2008-false/default_en.htm

⁴ European Parliament, “*MEPs speak out in favour of more regional cooperation in the Black Sea region and the South Caucasus*”, 17 January 2008 http://www.europarl.europa.eu/news/expert/infopress_page/030-18599-014-01-03-903-20080115IPR18588-14-01-2008-2008-false/default_en.htm

4. Some conditionality elements and limits of the European Neighbourhood Policy

In the case of EU enlargement to the Central and Eastern European countries, the conditionality functioned both as an incentive element and of constraint. Sometimes used as an element of justification for painful economic and social reforms, it was occasionally alleged as a limitation of these countries' own modernization options.

In comparison, in the case of the neighbouring countries, we can hardly speak about a real conditionality. In the absence of the most important incentive: the perspective of membership to the European Union, the partner states can hardly commit to fulfill a series of exigencies and reform plans. Given the fact that the Action Plans are drawn up by the Commission together with the ENP partner countries, some analysts speak about a “*soft conditionality*”¹. In the different stages of the ENP evolution, it was reiterated the fact that ENP is NOT a preceding phase for membership. In this way, the conditionality could be explained by the possibility of the partner states to have increased access to the Internal Market, but this incentive is far from having the same impact as the accession perspective.

Can we really discuss upon the conditionality issue within the ENP, not to mention furthermore the success or failure of this ‘conditionality’ in ENP partner states? How much commitment can these countries have on the road to democracy, respect of human rights, rule of law, how can they share these *common values*, especially when some of the countries in question do *not* have a tradition in observing these rules or promoting these values²? Being regions with a different level of economic development, with a different history of (cooperation) relations with EU, and with diverse visions upon their future relations/position towards the Union, some of them constantly affirming their European vocation and orientation, the harmonization of interests and priorities is rather difficult to accomplish³.

Zaiotti questions the real commitment of the European Union to create a true “ring of friends”, explaining that the necessity to build better “protective

¹ Noutcheva, Gergana and Michael Emerson, „Economic Regimes for Export – Extending the EU’s Norms of Economic Governance into the Neighbourhood”, *CEPS Working Document* No. 233/December 2005, Brussels

² Smith, Karen E., „The Outsiders: the European Neighbourhood Policy”, in *International Affairs* 81, 4 (2005), pp. 757-773

³ Sasse, Gwendolyn, „The European Neighbourhood Policy: „conditionality-lite”?”, in *Development & Transition*, No. 4, published by the United Nations Development Programme and the London School of Economics and Political Science, June 2006, p.13

fences” is not going to bring *friendship* or *trust* from the part of the neighbouring countries, on the contrary, *hostility* and even *suspicion*¹.

Looking thoroughly to the strategy documents, action plans, progress reports and implementation phase of the ENP, we can distinguish several limits of the ENP:

- The heterogeneous character of the neighbours. Ukraine, Moldova, Belarus, Georgia, Armenia, Azerbaijan have a short history of independence and state-consolidation, being far from an appropriate economic modern society, but with European vocation and aspirations. The countries in Southern-Mediterranean area benefit from a different institutional and cultural climate, having more experience in a free market environment and being exposed to international competition, still some of them being authoritative regimes².
- The policy is still not very articulated, gathering a variety of instruments and bilateral programs under the same umbrella. Neither an enlargement policy, nor a proper foreign policy³, the ENP is still looking for the optimal way to serve the interests of EU and of the neighbouring countries at the same time;
- Inefficient or limited conditionality, in the absence of the major incentive of membership perspective;
- The Action Plans are not legally binding documents, but only political agreements, and they do focus on the priorities established *jointly* between EU and the partner countries (“*soft conditionality*”⁴).
- Promoting the differentiation principle (differentiated Action Plans with differentiated priorities) can lead to absence of common standards and may dilute the legitimacy and credibility of the EU’s initiative
- The ENP does not answer to the dilemma up to where the EU can enlarge. There is the problem of the Union’s capacity to absorb new member states, the opportunity to further enlarge becoming a top subject on the European agenda. An infinite and indefinite enlargement of the European Union can generate an “identity crisis” which cannot be dealt with only through technical criteria.

¹ Zaiotti, Ruben, „Of Friends and Fences: Europe’s Neighbourhood Policy and the Gated Community Syndrome”, *Journal of European Integration*, Vol 29 No. 2, pp. 143- 162

² Noutcheva, Gergana and Michael Emerson, „Economic Regimes for Export – Extending the EU’s Norms of Economic Governance into the Neighbourhood”, *CEPS Working Document No. 233/December 2005*, Brussels, p. 12

³ Missirolli, Antonio, „ The ENP Three Years on: Where From – And Where Next?”, *European Policy Centre, Policy Brief*, March 2007, Brussels

⁴ Noutcheva, Gergana and Michael Emerson, „Economic Regimes for Export – Extending the EU’s Norms of Economic Governance into the Neighbourhood”, *CEPS Working Document No. 233/December 2005*, Brussels

The main deficiency of the policy can be shortly explained by the fact that the ENP partner countries have a varied and full reform agenda to fulfill, with very limited resources and still low implementation capacity.

Conclusions

There is no doubt that the enlargement of the European Union in 2004, with the eight Central and Eastern European countries plus Cyprus and Malta, completed in 2007 by the accession of Romania and Bulgaria has brought to the attention not only the need to reform the EU institutional framework and to revise some policies, but also the way to approach the external relations, mainly with the new immediate neighbourhood.

Confronted more with sensitive issues rather than with new opportunities at its Eastern border, the European Union was compelled to involve itself, beyond declarative level, in a project of anticipating and solving potential problems. The sometimes excessive protection reactions, in order to ensure a stability climate at its external frontiers, have not been enthusiastically received by the neighbouring states.

EU has strictly delimited its new neighbourhood policy, since 2003 and 2004, stating repeatedly that *the ENP is NOT a preceding phase for membership*. In the absence of the accession perspective, countries like Ukraine and Moldova, who declared more than once their European vocation and orientation, could not be contented with the status of EU's neighbours.

The objectives proposed by the ENP to create an area of prosperity and common values, privileged trade relations, deeper economic integration, political and cultural cooperation will follow the principles of differentiation, progressivism and (soft) conditionality.

The European Neighbourhood Policy is not an entirely new policy. It resumes objectives and instruments from the previous cooperation relations, namely from the Euro-Mediterranean Partnership with the Southern-Mediterranean countries, from the Partnership and Cooperation Agreements with the Eastern European countries, at the same time using some of the instruments that proved to be efficient in the enlargement process. The ENP intends to use the "*soft coordination*" method in its external relations - based on differentiation, partnership, political commitment of the partner states to internally reform. Based on the enlargement experience, the method is an adjustment of policies (based on shared values, partnership, differentiation, participation, decentralization, conditionality, a financial assistance package complementary to the existing instruments)¹.

¹ Tulmets, Elsa, „Is a Soft Method of Coordination Best Adapted to the Context of the EUs Neighbourhood?” in Cremona, Marise and Meloni, Gabriella (eds) „*The European Neighbourhood*

The main instruments proposed by the ENP reside in the Country Reports, the Action Plans and the European Neighbourhood and Partnership Instrument. The creation of this instrument is one of the positive elements of the policy, being flexible and policy-oriented, and adapting to the priorities stipulated in each Action Plan.

By its constant concern to strengthen the ENP, the European Union proposes a consolidation of its commitments towards the neighbours and also a reaffirmation of the proposed objective not to create new dividing lines in Europe.

We may ask if the conditionality can really exist and function within ENP and to what extent the partner countries can pursue difficult internal reforms in the absence of the ultimate incentive: the perspective of full membership.

At the same time, being regions with different traditions, levels of development, different relations with the EU, different expectations from the future relations with the Union, it is difficult to harmonize the interests of the countries in Southern Caucasus and Eastern Europe with the Southern – Mediterranean ones. Although the Union has proposed a unique approach, the result cannot be other but a differentiated approach, for every particular region or country.

The main challenge remains to identify foreign policy measures complementary to the ones used by enlargement that would prove efficient in promoting transformation, modernization and reform in the partner states.

There is a need for more coherence in building the ENP. Some analysts state that, at present, “*it is more a policy for neighbours rather than a neighbourhood policy*”¹. A better structuring of the incentives and priorities to be followed, combined with a higher cooperation *among* neighbours will improve the degree of acceptance in the countries.

If the older member states might show some resistance to the pro-active attitude towards the ENP partners, the new member states have a more open attitude and are willing to make alliances in building common positions for consolidating the policy. It is a known fact Poland’s position in supporting Ukraine to follow the European path, developing and consolidating an Eastern dimension of the ENP being one of the proposed goals.

Romania has expressed on a number of occasions its support for the ENP and towards the European aspirations of the Eastern European countries, supporting the implementation of the Action Plans with Moldova and Ukraine. At the same time, Romania has concentrated upon and will continue to focus on the consolidation of the cooperation in the Black Sea Area, playing an active role in

Policy: A Framework for Modernisation?”, European University Institute Working Paper LAW no. 2007/21, Florence, p. 116

¹ Smith, Karen E., „The Outsiders: the European Neighbourhood Policy”, in *International Affairs* 81, 4 (2005), pp. 757-773, p. 771

better defining a policy, and even a strategy of the EU in this region. The approval by the European Parliament of the Report of the MEP Roberta Anastase on the Black Sea Synergy Paper, requesting the identification of tangible measures to support the regional cooperation and building a genuine partnership in the Black Sea area is a very important step ahead in supporting Romania's efforts in the field.

Also the Southern Caucasus might become a test for the capacity of EU and Russia to cooperate and to give substance to the Strategic Partnership. Otherwise, the region will be permanently split between two spheres of influence, putting under question any real and sustainable development perspective¹.

It remains to be seen to which extent the EU Member States will be able to join forces in order to carry on and better and more coherently and concretely define the support they intend to offer to their *ring of friends*, as well as the extent to which the ENP partner states will identify other ways to embark on a reform process, in the absence of the perspective of membership to the European Union.

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