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REPORT OF THE CONFERENCE “THE CHALLENGES OF THE EUROPEAN NEIGHBOURHOOD POLICY”

by Istituto Affari Internazionali

Report of the conference on “The Challenges of the European Neighbourhood Policy”, at the Italian
Ministry of Foreign Affairs
Rome, 26-27 November 2004

IAI0426

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The conference, “The Challenges of the European Neighbourhood Policy”, was held at the Italian Ministry of Foreign Affairs, Rome, on 26 and 27 November 2004. It was promoted by the Ministries of Foreign Affairs of Italy and Poland and organised by the *Istituto Affari Internazionali* (IAI) of Rome, the *Istituto per le relazioni tra l'Italia e i paesi dell'Africa, America Latina, Medio ed Estremo Oriente* (IPALMO), the *Polish Institute of International Affairs* (PISM) and the European Commission, in cooperation with the *Centro Studi di Politica Internazionale* (CeSPI), the *Compagnia di San Paolo* of Turin and the Rome office of the *Friedrich Ebert Stiftung*.

The main objective of the conference was to look into the potential and shortcomings of the *European Neighbourhood Policy* (ENP) in view of the strengthening of the European Union's international role.

The conference started on Friday morning with the welcoming addresses of the Italian ambassador to Warsaw and the Polish ambassador to Rome and introductory speeches by the heads of the European Integration departments of the Ministries of Foreign Affairs of Italy and Poland and the representatives of the three organising institutes. Ambassador Umberto Vattani, Secretary-General of the Italian Foreign Ministry, also delivered a speech underlining the importance that Italy attributes to dialogue between the EU and its neighbouring countries. These introductory speeches were followed by a roundtable. Three parallel workshops were organised in the afternoon on various aspects of the ENP. A second wrap-up roundtable took place on Saturday morning.

Many points were raised during the two roundtables. First of all, it was emphasised that the ENP should not be assessed in isolation but as a key component of the Union's efforts to frame a common foreign policy approach. The Union's general objective is to play a more important role in its neighbouring area, also in such critical fields as crisis management and conflict prevention. The EU will have the responsibility of providing structural stability in the long run. As a result, its involvement in managing emerging crises in its nearest abroad will become increasingly crucial. In order to succeed, the EU will have to reinforce substantially its Common Foreign and Security Policy (CFSP) as well as its European Security and Defence Policy (ESDP) decision-making structures. For the ENP to be fully effective, a consistent transatlantic policy towards the targeted countries is also required.

Political and security engagement was considered by some speakers as the clearest possible signal of the Union's commitment *vis-à-vis* its neighbours. Therefore, greater security involvement was advocated; at the moment, a limited EU involvement of this kind can be seen only in Georgia and Moldova.

An issue extensively discussed throughout the conference was relations between the EU and Russia. The latter reacted coldly to the launching of the ENP, indicating its preference for developing its relations with the Union on a bilateral basis. A few speakers also emphasised the need for a new political and legal framework to regulate relations between the EU and Russia.

Many participants pointed out that, in elaborating its policy towards its Eastern ENP partners, the EU cannot overlook the attitude of Russia, which is pursuing an assertive foreign policy *vis-à-vis* its neighbours. In particular, the positions of Russia and the EU have diverged deeply over the elections in Ukraine. The situation in Kiev was at the centre of the discussion at the roundtables, with many speakers advocating an even stronger role for the EU there, even though Russia considers this an interference. Some also argued that the EU should offer Ukraine the prospect of membership. Only in this way – it was argued – will the country have a real incentive to pursue its political and economic reforms. It is important to avoid leaving Ukraine alone in this long and difficult process. Actually, the ENP tends to be seen in Kiev as an attempt by the EU to freeze the enlargement process. In Kiev, the status of ‘neighbour’ is perceived as excluding EU membership: even though it does not, in principle, exclude an accession in the longer term, an eventual Ukrainian entry into the EU inevitably remains a long-term goal.

While many speakers underlined the lack of adequate incentives to neighbouring countries, others argued that almost all the positive effects of EU membership can be obtained without accession. The case of Norway was mentioned to illustrate this point.

With regard to the Southern dimension of the ENP, some interventions referred to the perceived lack of political vision underlying this policy. Others emphasised the possible overlap between the ENP and the Euro-Mediterranean Partnership (EMP), better known as the Barcelona process. In addition, some participants suggested an extension of the ENP to the whole Middle East area, including the Gulf countries.

A clearer position is required concerning the issue of shared values: if for Central and Eastern European countries the shared values are those included in the Copenhagen criteria, how are the values that the EU is supposed to share with the South Mediterranean countries defined?

One of the benefits that interests these countries the most is the free circulation of people. As this is not a very realistic prospect, several interventions underlined that at least an immigration policy that takes human rights into due consideration is badly needed.

Some speakers also proposed the drafting of a Convention for common citizenship with neighbouring countries. It was also argued that, in order to integrate neighbouring countries into EU policies, a clearer institutional framework was needed. Proposals ranged from involving existing institutions such as the Council of Europe, the OSCE and even NATO more closely to setting up specific mechanisms to cooperate with them to implement ENP policies.

Some speakers suggested that the importance of the ENP goes well beyond the expectations it raises in terms of foreign policy. Many stressed the added value of the envisaged participation of neighbouring countries in Community programmes, especially cultural and educational ones, as a means of removing cultural barriers.

The topics discussed in the three working groups were the following:

Working group I on “Cultural, geopolitical and security aspects of ENP”

It emerged that the implementation of the ENP will unavoidably result in the EU’s wider political involvement in crises taking place in its neighbourhood, which will

require, in turn, a reinforcement of CFSP. In particular, it was emphasised that the EU needs to become involved more pro-actively in the Middle East region, especially in view of an eventual Turkish membership. From this point of view, Ankara's accession to the EU will contribute to improving the Union's relations with the Arab world. But some participants feared, on the contrary, that it could give the South Mediterranean countries an even deeper perception of being marginalised. As a matter of fact, the Arab countries are not enthusiastic about the ENP: The EU's double standard with regard to the weapons of mass destruction developed by Israel was criticised. Several participants underlined the need for closer cooperation with Southern Mediterranean countries in the security field, as is being done in the context of NATO's Mediterranean Dialogue.

With regard to the ENP's Eastern dimension, the discussion focused mainly on Russia. Some participants lamented the lack of an effective EU strategy *vis-à-vis* Russia and advocated a new political agreement replacing the Partnership and Co-operation Agreement when it expires. Others argued that the EU does have a strategy on Russia: the point is that the latter is not interested in the ENP as it wants to consolidate its partnership with the EU on a bilateral basis. A more pro-active policy towards Belarus was also advocated, given the interests it has in common not only with Poland and the Baltic states, but also Ukraine.

Working group II on “Integrating and connecting the EU with its neighbours. Priorities of co-operation in economic development, trade and infrastructure”

The debate in working group II once again showed how problematic the perception of the ENP is outside the European Union. On the one hand, the ENP has difficulty in meeting the Eastern countries' expectations, which clearly focus on EU accession. On the other hand, it has done little to dispel the doubts and misgivings of the Mediterranean partners.

The Eastern ENP partners – notably Ukraine and Moldova – have tended to interpret the ENP as an attempt by the EU member states to rule out any further eastward enlargement.

Some Arab participants raised doubts about the very launching of the ENP, given the proliferation of EU policies towards the Mediterranean and Middle Eastern countries. They expressed concern about the difficulty these countries will have in managing such a complex set of initiatives. Further perplexity emerged as regards the ENP's involvement in the Middle East peace process. There were different views on whether the EU should use the ENP as a political tool to address the Israeli-Palestinian conflict directly or whether to give it a lower political profile, given that the US, not the EU, is the main actor in the Middle East.

A few participants remarked that some of the criticism of the ENP hinges on misperceptions. They stressed that the ENP's objectives, scope and methodology are not sufficiently known in the countries that are supposed to be its primary beneficiaries – a problem which needs to be addressed by the Commission as soon as possible.

Therefore, the main problem the EU faces is to offer attractive incentives to its neighbours. In this regard, the prospect of gradual integration in the internal market appears to be insufficient to convince the targeted countries to sustain the considerable administrative and financial costs associated with alignment with the *acquis communautaire*. These costs should be offset by incentives that really count for most ENP partners, such as a gradual opening up of the agricultural market and a more permissive visa regime. Progress on these issues would certainly be an important

political signal of the EU's real interest in integrating its neighbours. At the same time, it would make clear that substantial benefits can be obtained without being a member: from integration in the EU markets to participation in other dimensions of the Union's common space. The European Economic Area (EEA) exemplifies a particularly advanced degree of integration in the EU short of full membership and can, in this respect, represent a model for ENP partners.

Whilst some participants considered the prospect of membership the only adequate incentive, others observed that full accession to the EU could even be counterproductive for some neighbouring countries. Membership alone, though of considerable political relevance, does not magically heal all ills. On the contrary, the huge differences in economic performance as well as in living standards between the EU and neighbouring countries would hamper the latter's accession, if only for the consequences of the inevitable massive migration flows that would affect both the ENP partners (loss of human capital) and the receiving countries (social problems, pressure on welfare expenditure, etc.). These obstacles can be removed only through a long and sustained growth process. The policies that the EU can adopt to enable the neighbouring countries to 'fill the gap' do not really require membership, nor is membership necessarily a guarantee that they will be pursued.

Working group III on "A comparison of the goals and means of the ENP. The European Neighbourhood and Partnership Instrument (ENPI)"

In an attempt to define the strategic profile of the ENP, the debate focused on the complexity of the ENP goals with regard to its various recipients. The EU has the long-term ambition to integrate the ENP partners' economies into the single market and to build a ring of well-governed countries along its external borders. At the same time, however, an effort has been made to shape ENP medium-term goals according to the different conditions of the individual targeted countries.

To the east, the ENP basically aims to prevent the spillover of instability factors from the new neighbours into the enlarged EU; a related objective is to dispel the perception of exclusion which might emerge in these countries. The 'Southern dimension' is meant to inject some differentiation and flexibility into Euro-Mediterranean relations. The EU's interests in the third area that the ENP covers, South Caucasus, do not seem to be clearly identified and indeed remained at the margins of the discussion.

The Commission has elaborated one, albeit extremely flexible, set of policy tools (strategy paper, action plans, a single financial instrument) to make the envisaged wide-ranging cooperation with its neighbours more effective. As was the case with enlargement policies, the ENP relies largely on a very loose conditionality mechanism: unlike accession countries, ENP partners are supposed to agree voluntarily to certain conditions.

Many observers expressed doubts about the ENP's ability to provide the partners with sufficient incentives to induce significant economic and political reforms and foster a fruitful dialogue on such issues as human rights, in particular women's and minorities' rights. Given that membership is not at stake and that, consequently, an "enlargement-like" negative conditionality cannot be fully applied, some participants argued for a more systematic use of benchmarking. That approach, they claim, would allow for some micro-conditionality at the project level. It remains uncertain, however, whether a strong conditionality mechanism can operate effectively within the ENP framework, which envisages mutual commitment and joint ownership. After all, what is new in the

ENP methodology is that it is based on a consensual approach, not on unilateral imposition.

Of course, the success of the ENP will depend largely on adequate financial resources. The participants were unanimous in welcoming the Commission's proposal to create an *ad hoc* financial instrument, the ENPI, as well as its proposal to double the EU budget for external assistance. Nevertheless, some participants put the adequacy of the funds foreseen by the Commission into question, arguing that incentives should also be introduced to encourage the member states to devote additional national resources to the implementation of the ENP's initiatives.

The ENPI has a very broad scope, including all actions envisaged by ENP action plans. Moreover, it gives special emphasis to cross-border cooperation, making it possible to use the same funds on both sides of the EU's external borders. Although some observers see the ENPI as having too broad a sphere of application and as addressing too many beneficiaries, the prevailing opinion was that such a flexible and wide-ranging instrument can have a crucial role in giving substance to ENP initiatives.