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**RESULTS AND PROSPECTS FOR INTEGRATION
THROUGH THE ENP**

by Michele Comelli

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RESULTS AND PROSPECTS FOR INTEGRATION THROUGH THE ENP¹

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Every enlargement of the European Union has had major effects not only on its internal policies, but also on its external relations. The latest and biggest ever EU enlargement, which was finalised (completed) on May 1, 2004 has brought ten new members into the EU², significantly changing the Union's external frontier. The European Union now borders with Belarus, Russia and Ukraine on the East³. Moreover, the entry of Cyprus and Malta into the EU has also added to the Mediterranean dimension of the EU, increasing the importance of the relations with the South-Mediterranean countries. Therefore, after having successfully completed the enlargement, the Union is now confronted with the task to help establish the creation of an area of peace, stability and prosperity around its eastern and southern borders. This is exactly the aim of the European Neighbourhood Policy (ENP) as envisaged in the two main communications issued by the European Commission in March 2003⁴ and May 2004⁵ and in the various documents approved by the European Council and by the External Relations Council since late 2002.

This article first examines the origin(s) and rationale(s) of the European Neighbourhood Policy as part of a wider effort to give consistency and coherence to the EU's foreign policy, that has so far been mainly reactive and inconsistent, and then passes on to examine its main developments, shortcomings and results to date, taking into account that the ENP is at an early stage of implementation and that so far only seven countries have adopted the Action Plans. Finally, some future perspectives will be outlined, that link the ENP with the enlargement debate, the constitutional reform of the EU and the attempts to make European foreign policy more efficient.

Geographical scope of the ENP

The Commission Communication "Wider Europe – Neighbourhood: A new Framework for Relations with our Eastern and Southern Neighbours" issued on March 11, 2003, stated that the aim of the European Neighbourhood Policy was "to develop a zone of prosperity and a friendly neighbourhood – a "ring of friends" – with whom the

¹ The first part of this paper is an updated and revised version of the article by Michele Comelli, "The Challenges of the European Neighbourhood Policy", the *International Spectator*, n. 3/2004, pp. 97-110.

² The new members are: Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, Slovakia and the Czech Republic.

³ With the likely accession of Romania into the EU in 2007, the Union will also border with Moldova, which is actually already considered as a "neighbouring country".

⁴ 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 March 2003. The document is available at http://europa.eu.int/comm/world/enp/pdf/com03_104_en.pdf.

⁵ Communication from the Commission *European Neighbourhood Policy. Strategy Paper*, COM (2004), 373 final, Brussels, 12 May 2004. The document is available at http://europa.eu.int/comm/world/enp/pdf/strategy/Strategy_Paper_EN.pdf

EU enjoys close, peaceful and co-operative relations”. This document also specified that the countries forming this “ring of friends” were the “Eastern neighbours” as well as the “Southern neighbours”. The former included Russia (which is no longer part of the ENP⁶) and the Western Newly Independent States (Western NIS), namely Belarus⁷, Moldova and Ukraine. The latter included the Southern Mediterranean countries, that is Algeria, Egypt, Israel, Jordan, Lebanon, Libya⁸, Morocco, Palestinian Authority, Syria and Tunisia, which do not share a frontier with the EU, but have a sea border with it. Whereas the Eastern neighbours might have the prospect of entering the EU in the long term, the Southern neighbours are considered not eligible for applying to become members of the EU because they are regarded as non-European countries. In fact, in 1987 the European Commission rejected the request by Morocco to become member of the EU on the basis that it was not a European country – a condition now set down in article 49 of the Treaty on European Union.

Taking into account some recent developments in South Caucasus (Armenia, Azerbaijan and Georgia), notably the “rose revolution”⁹ that took place in Georgia in November 2003, the European Council of June 2004 decided to include these three countries into the ENP. The renewed interest by the EU in the region was explicitly mentioned in the European Security Strategy (ESS), the so called Solana paper, that was finally approved by the European Council in December 2003. The paper indeed states that “We should now take a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighbouring region.”¹⁰ A few months earlier, in July 2003, the EU decided to appoint the Finnish Heikki Talvitie as the EU special representative for South Caucasus¹¹.

As for the Russian participation in the ENP, the situation is more peculiar. Actually, Russia perceives the ENP as based on an unbalanced relation, where the EU has a leading role and its counterparts are only given a limited room for action¹². Russia does recognise that the EU and itself have “no other choice than coming closer to each other”¹³, but at the same time it wants to develop its relations with the Union on a bilateral basis, that takes into account its status of regional power, rather than taking part in a multilateral framework such as the ENP. In fact, at the Saint Petersburg EU-

⁶ For the peculiar situation of Russia see below.

⁷ The EU has decided to exclude Belarus from the ENP since the country is an authoritarian regime. However, the European Union will implement some ENP programmes focused on the civil society of the country.

⁸ Libya is also, for the moment, *de facto* outside the ENP, because it has not yet developed contractual relations with the EU. The first step that Libya must take in order to be admitted to the ENP is to accept the full obligations required to become a member of the Euro-Mediterranean Partnership (Barcelona process).

⁹ The “rose revolution” led to the resignation of President Eduard Shevardnadze, following protests against the fraudulent parliamentary elections. Presidential elections on 4 January 2004 were won by Mikheil Saakashvili, who had led the November protests. President Saakashvili regards membership of the EU and NATO as a long term priority. See The EU’s relations with Georgia at http://europa.eu.int/comm/external_relations/georgia/intro/

¹⁰ A Secure Europe in a Better World. European Security Strategy, European Council, Brussels, 12 December 2003.

¹¹ On February 20, 2006 the EU appointed Peter Semneby as the new EU Special Representative for South Caucasus, that took over from Mr Talvitie. Cfr. Ultra.

¹² Interview of the author with an official from the Mission of the Russian Federation to the European Union, Brussels, July, 2004.

¹³ Idem.

Russia Summit of May 2003 it was decided to consolidate the bilateral framework of cooperation by concentrating on the goal of creating four common spaces¹⁴. For this reason, while the Commission explicitly mentioned Russia among the ENP countries in its first Communication on the ENP, the following statements were ambiguous on the subject. For example, the General Affairs and External Relations Council (GAERC) Conclusions of June 2003 stated that the EU intended to reinforce the strategic partnership with Russia, while at the same time trying to pursue the ENP with the other neighbouring countries. Currently, Russia is certainly to be considered outside the ENP, even though it would be difficult to identify a precise moment when this has become official. The EU has tried to downplay Russia's refusal to participate in the ENP, by emphasising that, even on a bilateral basis, all cooperation programs agreed upon with Moscow can achieve their objectives¹⁵.

The content of the ENP

The ideas outlined in the Communication "Wider Europe – Neighbourhood Policy" by the Commission were welcomed by the GAERC of the 16 June 2003 and later endorsed by the Thessalonica European Council of June 20-21. The Commission and the High Representative for CFSP, where appropriate, were tasked to present proposals for the definition of a series of Action Plans (AP) with each targeted country. The APs focus on the following key priority areas: political dialogue and reform; economic and social reform and development; trade, market and regulatory reform (with gradual participation in the internal market being the long-term objective); justice and home affairs; networks (energy, transport, information society) and environment; people-to-people contacts (including in the area of science and technology, culture and education). Thus, issues belonging to all the three pillars of the Union are covered, which indicates the comprehensive – cross-pillar – character of the ENP.

The APs are political agreements, not legally-binding treaties, that is they do not need to undergo the national ratification procedures. The specific contents of the Action Plans are discussed between the EU¹⁶ and the neighbouring countries concerned, in line with the principle of joint ownership which postulates that the commitments have to be undertaken by both parties by common consent, and are not imposed unilaterally by the EU. Thus, each country is able to choose the degree of cooperation that it wants to develop with the EU. Therefore, if the ENP general approach is multilateral, its implementation develops mostly on a bilateral basis. More specifically, the countries that, as of this writing, have negotiated an AP with the EU are Moldova and Ukraine¹⁷ among the Eastern neighbours and Israel, Jordan, Morocco, the Palestinian Authority and Tunisia¹⁸ among the Southern ones. In fact, the latter have since 1995 been engaged with the EU over some of the above mentioned priorities under the framework of the Euro-Mediterranean Partnership, the so called-Barcelona process, which however has so

¹⁴ These are: common economic space; a space of freedom, security and justice; a space of co-operation in the field of external security; a space of research and education, including cultural aspects.

¹⁵ Interview of the author with officials from the Council, Brussels, July 2004.

¹⁶ The EU is represented by the Council Secretariat when issues concerning the political dialogue and related issues are being discussed, by the Commission in all other cases.

¹⁷ These countries have all signed and ratified a Partnership and Co-operation Agreement (PCA) with the EU.

¹⁸ These countries have all signed and ratified an Association Agreement with the EU.

far not brought in major results. However, the ENP will not entail the disbanding of the Barcelona process, which will regularly continue.

At this moment, five other Action Plans are being negotiated: three with South Caucasus countries (Armenia, Azerbaijan, Georgia¹⁹), and two with Southern Mediterranean countries (Egypt and Lebanon).

Let us now consider the general content of the APs: the first chapter is the political dialogue, that is quite extended, at least for some countries, such as Ukraine, which constitutes an innovation compared with the Partnership and Cooperation Agreements and with the Association Agreements, where it was generally limited.

With regard to the political dialogue a possible involvement of the neighbouring countries is envisaged for some aspects of CFSP and ESDP, such as conflict prevention, crisis management and even participation in EU-led crisis management operations²⁰. Clauses on human rights and on non-proliferation of weapons of mass destruction are also part of the AP, which has complicated negotiations with such countries as Israel and some other South Mediterranean neighbour.

With regard to the economic aspects, the key objective is the participation of the neighbouring countries in the internal market. They should adapt their economic legislation, open up their economies and reduce trade barriers in order to enter the Internal Market, although the modalities with which this has to be realised are not well defined. Another issue that interests neighbouring countries is the possibility to benefit from the four freedoms, that is the freedom of circulation for people, goods, services and capital - and in particular, as a long-term goal, the possibility to have visa-free access to the EU, at least for a few categories of citizens. However, so far EU Member States have been unwilling to grant citizens of the neighbouring countries a more relaxed visa regime.

Last but not least, with regard to the people-to-people contact, the ENP envisages the progressive opening of a number of Community programmes, including Tempus and Erasmus Mundus, to neighbouring countries, that have already proved instrumental in breaking down cultural barriers existing among the students of different EU countries.

The areas covered by the ENP are, as we have seen, very large. As a result, the costs for its implementation are likely to be considerable. In a Communication dated 14 July 2004²¹, followed by another one dated 29 September 2004²², the Commission has

¹⁹ The final adoption of the APs with these countries have been slowed down mainly because some disagreements emerged after Azerbaijan decided to operate direct flights with Cyprus and the EU decided to adopt the APs with all three countries together. Interview with Council official, Brussels, September 2005.

²⁰ This would reassure particularly the countries from the South Mediterranean shore, that in the past have not always looked at the developments taking place in ESDP in a favourable fashion.

²¹ Communication from the Commission to the Council and the European Parliament *Financial Perspectives 2007-2013*, COM (2004) 487 final, Brussels, 14 July 2004. An instrument designed to finance the implementation of the ENP was first proposed by the Commission with a previous Communication *Paving the way for a New Neighbourhood Instrument*, COM (2003) 393 final, Brussels, 1 July 2003. The new wording of the instrument is the result of a compromise with Russia. In addition, the Commission proposes the set up of a Pre-Accession Instrument (IPA) covering the candidate (Turkey and Croatia) and the potential candidate (the other Western Balkans) countries and superseding existing instruments (PHARE, ISPA, SAPARD and Turkey pre-accession Regulation) and of a Development Cooperation & Economic Cooperation Instrument, becoming the main vehicle to support developing countries in their efforts to progress towards the Millennium development goals.

proposed the set up of a new financial instrument, the European Neighbourhood and Partnership Instrument (ENPI), that will “promote progressive economic integration and deeper political co-operation between the EU and partner countries” and “address the specific opportunities and challenges related to the geographical proximity common to the EU and its neighbours”. This instrument will become effective with the new financial perspectives (2007-2013) and replace all the existing financial instruments (TACIS and MEDA) that the EU is currently using to assist its neighbours. The ENPI will be used in the framework of the bilateral agreements between the Community and neighbouring countries, that is the Action Plans. This financial instrument is not only intended to fight poverty and foster sustainable development, but also to support measures leading to progressive participation in the EU’s Internal Market. A peculiar feature of the ENPI is the cross-border component. In practice, the new financial instrument will finance “joint programmes” combining regions of Member States and partner countries sharing a common border. The ENPI, which will adopt a “Structural Funds” approach, based on multi-annual programming, partnership and co-financing” is expected to trigger a simplification in procedures and gains in efficiency. In the meantime, that is until 2007, the AP will be financed through the existing programmes.

The rationale behind the ENP - a new foreign policy approach?

The ENP is mainly designed to create a zone of peace, prosperity and stability at the EU’s borders, avoiding that the latest enlargement wave might result in the creation of new dividing lines in Europe. Indeed, the set up of the Schengen regime along the new frontier of the EU entails the risk of a considerable decrease in the transborder traffic and trade between the new Member States and their neighbours, as is the case for the border between Poland and Ukraine. The EU wants to avoid the adoption of an attitude of “fortress Europe” vis-à-vis these countries, and tackle the threats that might emerge from them – such as illegal immigration, transnational crime, smuggling and trafficking in human beings – through an attitude of cooperation. In practice, the Union promises economic benefits to these countries, such as a possible participation in the EU’s internal market provided that they implement a number of economic and political reforms towards the establishment of a political system and market economy similar to those of the EU Member States. In the past, the best instrument that the EU had in order to push the neighbouring countries to reform themselves has been the prospect of membership. However, the EU chose not to offer these countries a prospect of accession into the Union, at least not in the short term. One reason is that the EU is likely to suffer from the so called “enlargement fatigue” due to the latest wave of enlargement, meaning that the Union will be going through dramatic changes in terms of budget repartition, review of current policies, working of the institutions and also foreign policy choices, let alone the fact that neighbouring countries are far from the EU standards and that public opinion is likely to oppose their accession into the EU. In addition, other countries are already on the list for the next wave of enlargement: Bulgaria and Romania are expected to join the Union in 2007 and Croatia may follow suit soon

²² Communication from the Commission to the Council and the European Parliament on *The Instruments for External Assistance under the Future Financial Perspective 2007-2013*, COM(2004)626 final, Brussels, 29 September 2004. See also *Proposal for a Regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument* COM(2004) 628 final, Brussels, 29 September 2004.

afterwards. As for Turkey, the European Council started accession negotiations with it December 3, 2005. The Western Balkan countries, that is Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia and have also the concrete prospective of joining the EU, although their timetable is yet to be decided and is bound to take long time²³. Those countries have been given a priority, because the EU has since the mid 1990s played a major role in stabilising the Balkan area, which remains a geopolitical priority for the Union.

As it has been pointed out²⁴, the European Union adopted in the past two distinct approaches towards its immediate neighbourhood: 1) one aimed at stabilisation, mainly focused on regional cooperation and broad partnership (regionalism); 2) another aimed at integration and based on conditionality. It is undoubtable that the second approach, that was applied to the countries from Central and Eastern Europe that on May 1, 2004 joined the EU was greatly successful. Indeed, the prospect of the entry into the EU has led the acceding countries to reform their economies and political systems in a way that would not have been possible otherwise. The first approach was completely unsuccessful when applied to the former Yugoslavia in the 1990s, but it finally worked when it was associated with the second approach that envisaged integration, albeit not as an immediate or near goal, for the Western Balkan countries²⁵.

Having ruled out for the time being the accession of the new neighbouring countries, the EU has deprived itself of the key positive conditionality instrument to encourage other countries to reform and to align with the EU *acquis*. However the ENP envisages other forms of positive conditionality. As we have seen, the Commission Communication on “Wider Europe – Neighbourhood Policy” clearly states that these countries should be offered the prospect of a stake in the EU’s internal market and further integration and liberalisation to promote the free movement of persons, goods, services and capital²⁶. As a consequence, we can say that the approach that the EU is using towards its neighbours is something in between stabilisation and integration, as it is using both regionalism – the ENP also encourages cross-border and regional cooperation among the neighbouring countries – as well as positive conditionality.

A clear innovation of the ENP can indeed be found in the set up of a single, all-encompassing framework, which covers all aspects of the relations with the neighbouring countries, even though the existing regional framework for EU relations with these countries continue to be in force²⁷. Previously, the EU used different frameworks and strategies for the various areas. The main policy instrument to frame

²³ The decision that the Western Balkan countries would enter the EU was reaffirmed by the Presidency Conclusions of the Thessaloniki European Council on June 19-20, 2003. The document is available at http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/76279.pdf

²⁴ A. Missiroli, “The EU and its changing neighbourhoods: stabilisation, integration and partnership” in Judy Batt, Dov Lynch, Antonio Missiroli, Martin Ortega and Dimitrios Triantaphyllou, *Partners and neighbours: a CFSP for a wider Europe*, Chaillot Paper 64, Institute of Security Studies of the European Union, Paris, September 2003, p.11. The text is available at <http://www.iss-eu.org/chaillot/chai64e.pdf>.

²⁵ Idem.

²⁶ However, the exact meaning of “ a stake in the internal market” or the extent of the application of the four freedoms is still difficult to evaluate, as it is expressed in rather vague terms and it is something that cannot be achieved overnight.

²⁷ The Conclusions of the General Affairs and External Relations Council of June 2003 so reads: “The new neighbourhood policies should not override the existing framework for EU relations with Russia, the Eastern European countries, and the Southern Mediterranean partners, as developed in the context of the relevant agreements, common strategies, the Northern Initiative and the Barcelona Process. The document is available at http://europa.eu.int/comm/world/enp/pdf/cc06_03.pdf

the relationship of the Union with a particular area were the Common Strategies (CS)²⁸. As it was explicitly emphasised in an evaluation report by the High Representative for CFSP Javier Solana²⁹, one of the main setbacks of the CS was that their elaboration were mainly left to the long and detailed negotiation processes led by the successive presidencies of the European Council. In this way, the CS have suffered from the lack of political impulse and a sense of priority from which they could have instead benefited if the European Council had played a major role in the elaboration of them³⁰. Solana also complained about the fact that each rotating Presidency of the EU had its own priorities in foreign policy, which in the end resulted in the absence of “a consistent and coherent EU approach”³¹. The introduction of a single approach for all neighbouring policy – be it Ukraine or Morocco, Moldova or Syria – might set the bar of the principles guiding the EU’s relationship with neighbouring countries. Within this framework, it will be up to the neighbours to decide the level of co-operation they want to establish with the EU. This might be a beneficial turn in EU foreign policy, that has been long characterised by an inconsistent approach towards third countries, even if the Member States will no doubt continue to push through their own interests in the relations with the individual neighbouring countries, often with little regard to such elements as the respect of human rights.

The attempt to introduce a structural change in the current approaches and practices of the European foreign policy by introducing greater consistency in the relations with third countries is confirmed by the inclusion of a specific provision on the ENP in the first part (art. 57) of the Constitutional Treaty approved by the European Council on June 18, 2004³², the “constitutional provisions”, which testifies to the importance given to the relations of the Union with its neighbours³³.

A similar effort can also be found in the European Security Strategy drafted by the High Representative for CFSP Javier Solana and adopted by the European Council in Brussels on December 12, 2003³⁴. Indeed, one of the three strategic objectives set by the European Security Strategy “is to promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations”.

²⁸ The Common Strategies, introduced by the Treaty of Amsterdam, were instruments designed to set the global vision of the Union in the medium-to-long term towards a specific area or, alternatively, issue. The EU has adopted three CS: on Russia, in June 1999, on Ukraine in December 1999 and on the Mediterranean in June 2000. Given the poor records of these CS, a fourth CS on the Balkans was then never adopted.

²⁹ The Secretary General/High Representative Javier Solana, Common Strategies Report, An evaluation report, Brussels, 21 December 2000, reported in A. Missiroli (ed.), *Coherence for European Security Policy: Debates-Cases-Assessments*, Occasional Paper 27, The Institute for Security Studies, Western European Union, June 2001.

³⁰ Actually, from a formal point of view, it was the European Council itself in charge of adopting the CS. However, their elaboration basically rested with the Presidency, which had to reach an agreement at the level of working group, Coreper and Council, with the result that the final text was a collection of the priorities of all the Member States. See *ibidem*.

³¹ *Ibidem*.

³² See *Draft Treaty establishing a Constitution for Europe*, available at <http://european-convention.eu.int/docs/Treaty/cv00850.en03.pdf>.

³³ See E. Lannon, *Le Traité constitutionnel et l’avenir de la politique méditerranéenne de l’UE élargie*, EuroMeSCo papers, Lisbon, June 2004, p.22. +

³⁴ *A Secure Europe in a Better World. European Security Strategy*, Brussels, 12 December, 2003. The document is available at <http://ue.eu.int/uedocs/cmsUpload/78367.pdf>

First results and problematic aspects of the ENP

As it has already been mentioned, it is too early to evaluate the results of the ENP. First, this policy is strictly interconnected with other foreign policy and regional initiatives of the EU - such as the Euro-Mediterranean Partnership, the implementation of the European Security Strategy and the work of the European Union Special Representatives – and therefore it is difficult to assess its specific impact and contribution. Secondly, the ENP only last year, in 2005³⁵ has started to be implemented through the adoption and entry into force of the Action Plans only for seven countries, that is Israel, Jordan, Moldova, Morocco, Palestinian Authority, Tunisia and Ukraine, while APs with Armenia, Azerbaijan, Egypt, Georgia and Lebanon are still being negotiated.

However, it is already possible to analyse its potential for development and shortcomings in achieving integration with neighbouring countries.

On the one hand, the ENP is an attempt to give more consistency and coherence to the EU's relations with its neighbours, on the other, however, is a policy that has many contradictory elements and is confronted with manifold challenges. First of all, the ENP combines Eastern, South-Mediterranean and Caucasian countries together, irrespective of their differences and possibilities to enter into the Union. This could cause disappointment in those European countries that have clearly stated their desire to join the Union, even though in the long term only. This is the case of Ukraine: Kiev actually tends to regard the ENP as an attempt by the EU to postpone indefinitely any decision on eventually granting it “the legitimacy/right to be a member” by putting it in a wider framework which includes countries that are *a priori* excluded from the EU membership³⁶. An enhanced partnership with the EU ultimately leading to EU accession would be preferable for Ukraine. Similarly, the single-framework approach has not been well received by Russia, that is now outside the ENP and develops its relations with the EU on a bilateral basis.

A related problem is whether the Union should indicate a time horizon for the accession of at least some of its neighbouring countries. This would constitute a further powerful incentive to induce those countries to engage in internal reform and to harmonise their practices and legislation with the Union's standards. However, at the moment the Union has not reached any agreement on that move, which was reflected in the choice to rule out any formal commitment to promote the accession of the ENP's targeted countries. Nevertheless, in the coming years the aspiration of some of them to join the Union will no doubt become a central issue of the foreign policy debate within the EU.

If we consider the specific case of Ukraine, we can see that the picture is mixed: on the one hand, the country has embarked upon a reform policy and has been successful in holding free and fair parliamentary elections in March 2006, on the other the lack of incentives – basically membership perspective – combined with the big domestic obstacles to implement reforms proved to be problems difficult to solve. According to Kataryna Wolczuk, “despite being conceived as an alternative to enlargement, the ENP is used as a stepping stone towards it by Ukraine. This explains why, despite precarious

³⁵ The first Action Plans with Moldova and Ukraine were approved and entered immediately into force on February 21, 2005.

³⁶ Interview of the author with an official from the Mission of Ukraine to the European Union, 15 July 2004.

domestic developments and reservations about the ENP, the country has actually embarked on and persists with implementing the Action Plan. The case of Ukraine indicates that the EU's ENP can only make a difference in its neighbourhood if and when target countries wish to go beyond it".³⁷

As for the countries of the South Caucasus (Armenia, Azerbaijan and Georgia), while their accession in the EU is not an issue right now, it may become so in the future. These countries have indicated that integration into Euro-Atlantic structures is one of their foreign policy goals. Their road to membership would be very long and would require a solution of the "frozen conflict" in Nagorno-Karabach.

Even though the ENP does not have a direct role in conflict settlement, and it does not envisage specific instruments to address these challenges, it is clear that the EU has at its disposal a range of instruments that, however indirectly, can create positive dynamics. So far, some improvement has been achieved with regard to the "frozen conflict" in Transdnistria, with the creation of a Border Assistance Mission and some work has been made on adopting a new customs regime for trade at the Ukrainian-Moldovan border. Any improvement in the solution of conflicts and frozen conflicts is vital in order to help both the EU and neighbouring countries to achieve the main objectives of the ENP: security, stability and, indirectly, prosperity.

As for Southern Caucasus, it seems that the EU is willing to upgrade its role, so far quite modest, in helping to contribute to the settlement of conflicts. An example of this is the upgrade of the role in the settlement of conflicts of the new EU Special Representative for Southern Caucasus, Peter Semneby, compared with that of his predecessor, Heikki Talvitie. While Mr Talvitie was tasked "to assist in conflict resolution, in particular to enable the European Union better to support the United Nations Secretary-General and his Special Representative for Georgia, the Group of Friends of the United Nations Secretary-General for Georgia, the Minsk Group of the Organisation for Security and Cooperation in Europe (OSCE), and the conflict resolution mechanism for South Ossetia"³⁸. Mr Semneby was tasked to "contribute to the settlement of conflicts and to facilitate the implementation of such settlement in close coordination with the United Nations Secretary-General..."³⁹

Another challenge with whom the ENP will be confronted is related to the benefits that the EU is willing to grant to the neighbouring countries as an exchange for their cooperation in carrying out economic and political reforms. As it has been argued⁴⁰, the EU asks these countries to reform their economic legislation and open up their barriers,

³⁷ Kararyna Wolczuk, "Domestic Reforms and European Integration in Ukraine", paper presented at the International Conference "The EU and the Eastern Neighbours: Democracy and Stabilisation without Accession?", organised in Rome on May 29-30, 2006 by the Istituto Affari Internazionali (IAI) and the Centro Studi di Politica Internazionale (CeSPI) within the framework of the EU-CONSENT project.

³⁸ Council Joint Action 2003/872/CFSP of 8 December 2003 extending and amending the mandate of the Special Representative of the European Union for the South Caucasus, *Official Journal of the European Union*, L 326/44, 13 December 2003.

³⁹ Council Joint Action 2006/121/CFSP of 20 February 2006 appointing the European Union Special Representative for the South Caucasus, *Official Journal of the European Union*, L 49/14, 21 February, 2006.

⁴⁰ H. Grabbe, *How the EU should help its neighbours*, Policy brief, Centre for European Reform, June 2004, p. 4.

but does not seem to offer much in return. Moreover, these reforms are likely to be difficult to carry through, considering the current legislative and administrative practices in those countries. As for trade, neighbouring countries are much interested in having access to the European agricultural market, but it is not sure what the EU will be ready to concede, especially if one considers the non-tariff barriers that these kind of products are likely to undergo⁴¹. However, the EU, and particularly the Member States are very reluctant to grant concessions in this field.

Moreover, another request from countries such as Russia and Ukraine is that at least few categories of their own citizens, like students, academicians and sportsmen, be granted visa-free access to the EU. An EU concession in this area could facilitate the co-operation of these countries with the EU in the fight against terrorism and illegal immigration, that are issues on which EU public opinion has usually strong feelings.

A related problem is whether the conditionality principle can be applied to the neighbouring countries, and notably to the South-Mediterranean ones in the same way as it was applied to the Central and Eastern European countries: in particular, should the EU push the South-Mediterranean countries to respect democratic practices and human rights or should they support the status quo regimes in the area, irrespective of their democracy and human rights records? The fear being that, pushing for structural regime changes, could eventually undermine those countries, creating a dangerous political instability in the area.

Another potential problem of the ENP is the interrelationship with other multilateral cooperation initiatives undertaken by the EU in the past years that involve the countries participating in the ENP. One controversial problem is, in particular, the link between the ENP and the Barcelona process in which all South-Mediterranean neighbours take part. There is therefore the need to clarify the functional relationship between these different cooperation frameworks in order to minimize the risk of duplication and overlapping. Similarly, the relationship between the multilateral dimension of the ENP with the bilateral dimension of its implementation through the Action Plans should be carefully worked out.

The overlapping of multilateral-regional and bilateral elements also concerns directly Armenia and South Caucasus countries. The EU decided that APs with these countries would be approved all together, without differentiating between countries. While this may be good in trying to forge a regional approach – the EU decided not to develop a sort of so called Stability Pact for the Caucasus because it said that its purposed would be pursued anyway through the ENP – this risks slowing down the internal reform process of Armenia and Georgia because it forced it to wait until negotiations with Azerbaijan is finalised⁴². This risks replicating the logic of proceeding at the slowest pace, a shortcoming that damaged the reform dynamic of the Barcelona process.

⁴¹ With regard to this issue, the Commission Communication on “European Neighbourhood Policy Strategy Paper” of 12 May, 2004 so reads: “For agricultural products, convergence with EU standards for sanitary and phito-sanitary controls will greatly enhance reciprocal trade between the partner countries and the EU”.

⁴² See note 19.

Future prospects for the ENP⁴³

The ENP is thus part and parcel of a wider effort undertaken by the EU to adjust its external policies to the ‘big bang’ enlargement of May 2004 and to avoid the recreation of hard borders separating the Union from its neighbours. Indeed, the Union faces a set of substantially new challenges in its neighbouring area that cannot be addressed through old policy instruments.

But the changed geographical configuration of the Union itself has also stimulated a more fundamental debate on the significance of its external borders, the direction and ultimate goal of enlargement, and its implications for the Union’s own political and cultural identity. The future of the ENP will no doubt be heavily influenced by the evolution of this debate and the political decisions it will give rise to.

Since the launch of the ENP there have been two major and interconnected developments that are likely to affect the EU’s policies towards its neighbours: the failure of the constitutional reform process and the emergence of a growing ‘enlargement fatigue’.

Taking into account those factors, five main scenarios for the future evolution of the EU’s relations with its neighbours can be envisaged, with ensuing consequences on the ENP and its capacity to integrate neighbouring countries.

A first scenario envisages a paralysed and more internally fragmented Union. If the current differences between EU member states on both enlargement and constitutional reform prove insurmountable, it could become increasingly difficult for the Union to give a consistent strategic direction to its relations with the neighbouring countries. The current crisis triggered by the rejection of the Constitutional Treaty could worsen, leading to a growing decision-making paralysis. In this case, the level of EU engagement with its neighbouring areas is also likely to decrease. In particular, if the uncertainty about the future of European integration grows, deepening the Union’s current identity crisis, the EU could become more and more reluctant to introduce measures or reach agreements aimed at integrating neighbouring countries. Moreover, under this scenario, the more integrationist countries, frustrated with the failure to give the Union a more effective institutional setting, could opt to form a core group pursuing more advanced forms of integration through ad hoc arrangements or institutional mechanisms. In sum, under this scenario, the failure to solve the current contrasts between the member states on the future of the integration process would result in a Union at the same time less open towards the outside and more fragmented on the inside.

A second scenario would instead see the EU evolve into a larger yet unreformed Union. Even if Member States fail to reach a new compromise to re-launch the process of constitutional reform, they could decide to go ahead with the enlargement process. Indeed, the constitutional crisis has not resulted so far in an overall review of the enlargement strategy. The enlargement plans would be implemented by institutional default or more under the pressure of the aspiring countries or the US, than on the basis of a consistent strategic design. Without the constitutional treaty, the EU’s Common Foreign and Security Policy would continue to suffer from fundamental institutional

⁴³ This session draws heavily from Michele Comelli, Ettore Greco and Nathalie Tocci, “From Boundary to Borderland. Transforming the Meaning of Borders in Europe through the European Neighbourhood Policy”, available on the EU-CONSENT project website www.eu-consent.net

shortcomings that, among other things, would limit the Union's ability to exert effective influence over its neighbours. Offering the prospect of membership would remain the key instrument in the Union's hands to induce internal changes and stabilization in those countries. An unreformed Union could therefore see no other choice than to continue to use the enlargement policy as a surrogate for its lack of effective foreign policy. If the eastern European neighbours are offered the prospect of membership, as this scenario implies, EU policy towards them would not be based anymore on the ENP but on more traditional pre-accession strategies. As a result, the EU's 'circle of friends' envisaged by the ENP would be divided into two or, more probably, three circles: the East European countries which would be plausibly offered a membership prospect, the Caucasian countries, whose EU future would remain undetermined, and the Mediterranean ones, which continue to be excluded from future enlargement plans. The Union would have to develop different policies towards the latter two groups of countries, which present radically different geopolitical challenges. An even larger but unreformed Union would, in any case, present many internal imbalances, which would give rise to continuous internal contrasts and crises.

A third scenario envisages a Union focussed on its internal reform, including the strengthening of CFSP. In the coming years, the agenda of the Union could be increasingly dominated by the problems of internal reform. Under this scenario, renewed attempts to revive the Constitutional Treaty or to enact other forms of substantial institutional reform would be coupled with the choice of putting the enlargement process on hold. The implementation of enlargement plans would be made conditional on the entry into force of the treaty changes. Member States would place growing emphasis on the Union's 'absorption capacity' as a pre-condition to accept new members. If this criterion, in itself rather vague, is given a stringent interpretation and is linked to the requirement of institutional reform, many aspiring countries would see their chances of joining the Union substantially reduced, if not compromised. Turkey's membership would be the first victim of this shift in the Union's priorities. Unlike under the first scenario, the Union would continue to have a wide-ranging external projection, perhaps even more so than today, but it would be reluctant to develop new forms of integration with the neighbouring countries and it would be more cautious in accommodating their demands. Moreover, if Member States actually manage to give more teeth to CFSP and to elaborate a more articulate foreign policy strategy, as they would try to do under this scenario as a matter of priority, they would probably pay closer attention to the geopolitical factors affecting their relations with the neighbouring countries. As a result, they could adopt an approach towards their partners that, compared with the current one, would be based more on *realpolitik* considerations and less on the principles and mechanisms on which the ENP is predicated. By the same token, the Union could also introduce greater differentiation in its policies towards the various groups of neighbouring countries. The ENP could eventually be replaced by a different policy or set of policies, more tailored to the specificities of the individual neighbouring regions. This third scenario would thus see the superseding of the ENP and its replacement by more traditional foreign policy approaches. The aim of creating security, stability and prosperity in the EU neighbourhood would also be abandoned. Fortress Europe would prevail on the outside, while on the inside the Union would become more cohesive.

A fourth scenario is that of a status quo plus Union. This is an intermediate scenario, which envisages the prolongation of the current situation with only incremental changes for several years to come. Persistent divergences between member states would prevent any major reforms of the institutional set-up, in particular of the CFSP mechanisms. However, unlike under the first scenario, the EU would not be paralyzed. Limited reforms would be introduced, although they would be a far cry from those envisaged by the Constitutional Treaty. At the same time, the prospect of further enlargement would continue to raise widespread opposition. This would remain mostly focused on Turkey. As a result, the implementation of the enlargement plans could become more selective and cautious. In particular, accession negotiations with Turkey could prolong beyond 2014 and their outcome would remain uncertain. In general, Member States would fail to agree on a new strategy to deal with the deepening versus widening dilemma. In this situation of persistent uncertainty concerning the direction of the European project, Member States may prefer to abstain from introducing major changes in the current configuration of the ENP unless new exogenous factors emerged such as a major crisis in relations with Russia. Cooperation and partnership with neighbours would continue to develop, but at a much slower pace than hoped for by the neighbours and envisaged in the ENP's original aims and objectives.

A fifth and final scenario envisages a reformed and externally more dynamic Union. Under this scenario the Member States would manage to re-launch the constitutional reform, salvaging all or the bulk of the Constitutional Treaty, and in a relatively short period of time – by the end of this decade - complete the ratification process. This could re-energize the Union and, to a certain extent, also make it easier to proceed with enlargement. More generally, a reformed and thus more self-confident Union could prove more dynamic in developing its external policies. In this context, relations with neighbouring countries would probably undergo major changes. With more effective foreign policy instruments at its disposal, the Union would become more active in promoting the stabilization and democratization in its neighbourhood. As in the third scenario, geopolitical considerations would play a more prominent role than they do today in determining the Union's cooperation and integration plans with individual neighbouring countries. As a result, distinct sets of policies would probably be carried out towards Eastern and Southern neighbours, with a greater potential for integration for the former than for the latter. In sum, the ENP would cease to exist, at least in its present form. But a Union with a greater external projection capacity would not abandon, but rather intensify its effort to redefine its external borders to make them increasingly compatible with deeper forms of integration with its neighbouring partners. Particularly towards the east, EU actors would most likely seek to create integrated border areas through external governance or integrationist foreign policies. Towards the south instead, the task would be far more arduous. The Union would be called upon to devise new foreign policy instruments, which depart from the integration method, but which are equally effective in fostering openness, inducing cooperation and domestic change in the political, economic and institutional realms of these countries.

Conclusions

As already explained, it is difficult to give a precise assessment of the results achieved so far by the ENP and to identify its more likely prospects, that are very much related

with developments in the (crisis) of the constitutional reform process of the EU and in the enlargement debate. In any case, while it is not sure at all that the ENP will stay in its present shape and will not get more customised according to the group of neighbouring countries (Eastern neighbours, South Caucasus neighbours, Southern neighbours), it is more likely than not that the EU will attach much importance to its neighbouring countries. It is indeed not possible to be an effective global player in international relations without being successful in its own near abroad. Neighbouring countries themselves, although with some differences among them and with some reservations, are willing to embark on the ENP and to carry out internal reforms.

In addition, if enlargement process continues to slow down, with the risk of a block after the accession of Bulgaria and Romania, the ENP might also be used as a back-up strategy for the countries that have started negotiation accessions with the EU but cannot conclude them successfully.

Finally, if the ENP is to stay in its present form and to serve the purpose for which it was devised, some of its elements must be reformed in order to induce neighbouring countries to co-operate with the EU more effectively. An example might be to single out only the most important parts of the EU acquis with which these countries should comply, while inviting them to co-operate more strictly on issues such as political dialogue and foreign policy.