

Event Report - "Improving Eastern Partnership"

In order to contribute to the success of the Hungarian Council Presidency, the Center for EU Enlargement Studies (CENS) and the Friedrich Ebert Foundation (FES) organized a conference on 18 April 2011 entitled "Improving Eastern Partnership." The conference of remarkable opening speeches and two expert panels provided an assessment of the first two years of the Eastern Partnership (EP) and gave the necessary suggestions for a more efficient activity in the future. The conference gathered international scholars representing both the EU and Eastern partner states with a common goal to update our knowledge about current developments in the region and to engage in an interesting and fruitful debate.

In his welcome speech, **Péter Balázs (CENS)** addressed the issue of the Eastern Partnership initiative by asking the question – where does Europe end? In his opinion, the maximal size of the EU is 44 Member States. He provided an overview of the Eastern Partnership's history: from the Swedish-Polish initiative from two years ago, through the first Summit that took place in Prague during the Czech EU Presidency till the second Summit, originally scheduled for the Hungarian Presidency in May 2011, but postponed to the second half the year for the Polish EU Presidency.

Andrzej Cieszkowski (MFA, Poland) underlined that since its launch two years ago, the Eastern Partnership contributed substantially to Eastern European partners and demonstrated the deep political and economic involvement of Europe in the countries concerned. He highlighted two tracks of the Partnership: bilateral (association agreements with Ukraine are nearing conclusion, and there has been a swift progress with Moldova) and multilateral. His suggestions for improvements concerned visa action plans, progress on a merit-based process, improving the conditions under which citizens of Eastern Partnership countries seek EU visas, i.e. in the area of education and science, extending their length and the list of groups eligible for multiple one-year and five-year visas. Also, in his opinion, the Warsaw Summit in September should send a strong political message and make a favorable offer to all six countries. The Summit declaration should reaffirm and reiterate the need for the continuation of reforms and the principle of "more for more". Implementation of the EU acquis should be promoted, reforms should be intensified and financial assistance offered to best performing countries. The economic side of the Partnership consists of the access to the internal market of the EU and the gradual extension of the four freedoms. The EU should show readiness to acknowledge the European aspirations of the Eastern Partnership countries. These considerations are reflected also in the action plan of the upcoming Polish Presidency strengthening the political dimension of the Eastern Partnership, sectorial cooperation and organization of meetings at different levels in

different fields, involving the civil society and business dimensions (a first Eastern Partnership business forum is planned), meeting of local and regional authorities in September in Poznan and the annual Ministers of Foreign Affairs meeting of the Eastern Partnership countries in December. During the Polish Presidency, Ukraine may sign its Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU, while Moldova and Georgia are supposed to open negotiations.

Natalia Galibarenko (MFA, Ukraine) identified the issue of speeding up the visa liberalization process for Ukrainian citizens as one of the key tasks during the upcoming period. The Eastern Partnership lacks a clear political signal, she argued, therefore it should present incentives in terms of a tangible European perspective. Ukrainians are not skeptical, but rather pragmatic about the Partnership. Despite current economic and financial difficulties, the EU should continue with this initiative. Her suggestions for the review of the Eastern Partnership were the following: the financial dimension should be improved – funds from the EU budget should be reallocated, multilateral small/medium sized projects should be supported, cross-border cooperation should be strengthened and special facilities to support the Partnership should be launched.

Peter Sztaray (MFA, Hungary) stressed the geopolitical importance of the Eastern Partnership and its impact on the stability and security of the EU. Thus, it has a long-term relevance to the future of the EU. Hungary hopes to come to important conclusions by the end of the year. The Summit has been postponed for logistical reasons because more time was needed for the preparations (sudden events in Northern Africa diverted the EU's attention). He also emphasized the need for strengthening the political dimension of the cooperation during the review of the European Neighborhood Policy. Beside existing platforms, other areas should be added, such as transport/infrastructure and environmental protection (here the region is lagging behind). The flagship initiatives of the Eastern Partnership could be increasingly linked to financial instruments. The experience of the Visegrad Group could be relevant, and the business side should be strengthened. He stressed the importance of balancing the interest and resources between East and South in the ENP. In order to make the Eastern Partnership countries more interested in the initiative, they need a clear European perspective. At the Eastern Partnership Summit, a clear political message should be formulated and the focus should be on the substance of the initiative and its implementation.

Gert Weisskirchen (former German MP) said that a review of the program is necessary in order to see who is lagging behind and who is running in the forefront. It is absolutely necessary to clarify what the final stage and end goal of cooperation should be, and also to keep in mind that having an attractive aim encourages reforms and gives incentives to keep up. More sincerity, more openness would contribute a lot to the success of the initiative.

In the first panel entitled “Shaping the Partnership in a changing environment” the speakers gave an assessment and highlighted the experiences of the first two operational years of the Eastern Partnership. Moreover, they suggested some recommendations for a more efficient partnership in the future. Three major issues were touched upon by all panelists: the visa liberalization process; prospects for future EU membership for all six countries; and third, regional vs. individual approaches towards the region.

Michael Emerson (CEPS, Brussels) underlined the importance of a unified approach, emphasizing the idea of having a core mechanism which would bring the region closer to the EU membership perspective (e.g. mechanisms for democracy and human rights). Due to the fact that the EU has not been too successful in the region so far, Emerson proposed that the Hungarian and Polish EU presidencies should draw a concrete proposal to be further implemented. **Ghia Nodia (CIPDD, Georgia)** strongly argued in favor of a differentiation principle, according to which the EU should apply different policies to the six countries in question. Different countries have had different rates of progress in the past years, have different achievements in establishing and strengthening democratic institutions and have diverging visions about the EU. **David Kral (Europeum, Czech Republic)** started his statement by underlining the two kinds of enlargement fatigue that are present in the EU and among the Eastern partners. He shared Nodia’s opinion about the differentiation principle, stressing the importance of two factors that are missing from the entire process: a membership prospective and the visa liberalization issue. Kral suggested that the EU should create a new model or adapt the existing one. The model should retain its combination of multilateral and bilateral agreements, but it should also introduce long-term goals and set up certain interim steps between now and future membership (e.g. work/travel program). **Kai-Olaf Lang (SWP, Germany)** made four observations on the challenges and recent developments in the region. He argued that first, more attention should be given to incentives which the EP lacks; second, there is a basic problem with conditionality; third, there is inconsistency between narrowing the agenda and broadening it; fourth, there is a divergence of instruments between the EP and the Southern/Mediterranean area. The solution lies in reinforcing the “more for more” principle and creating vertical, rather than horizontal policies which would encompass the principles of integration, cooperation (with stagnant neighbors) and selective and more thought through contact (with problematic countries).

The second panel entitled “Establishing and Deepening Free Trade” focused on one of the flagship projects of the Eastern Partnership, namely the Deep and Comprehensive Free Trade Agreements. Speakers underlined the low share of the partner countries in the EU’s overall trade, some of them offered a paradigmatical change in the existing model of relations.

Marek Dabrowski (CASE, Poland) provided an overview of economic and trade relations between the EU and CIS, stressing the importance of economic and trade relations on both sides. Moreover, he pointed out potential integration obstacles on both the EU’s and neighbors’ side. On one hand, the EU is reluctant to further region’s integration due to the

integration fatigue, income and wealth differences, migration/security fears and limited economic potential of neighbors. On the other hand, there are some integration obstacles on the neighbors' side as well, such as a poor business climate, excessive protectionism, government interventionism, weak institutions, a deficit of democracy, as well as human rights and rule of law issues. In order to overcome these, Dabrowski argued in favor of the so-called "package approach" which would expand trade, intensify foreign investment, harmonize institutions and enable the free movement of people. **Alex Oprunenko (Expert Group, Moldova)** highlighted the case of Moldova. Despite being a state with close economic ties to the EU, Moldova has been struggling to fulfill many of its commitments to the West (e.g. WTO commitments). The only way to overcome problems, Oprunenko argued, is to ensure the transparency and communication of the process on both sides, to screen gaps and to prioritize interventions, to build capacities and to find the right balance between support and "baby-sitting" by the EU. **Patrick Messerlin (Sciences Po, France)** has presented the key findings of his newly published report on the Georgian Deep and Comprehensive Free Trade Agreement - DCFTA (<http://www.ceps.eu/book/appraisal-eu%E2%80%99s-trade-policy-towards-its-eastern-neighbours-case-georgia>). In a very critical presentation he illustrated the inefficiencies and faults of the Commission's current approach toward Georgia. Based on the integration preconditions that were imposed on Georgia, Messerlin qualified the EU policies as poor in terms of three components. First, an unsound trade policy which is not boosting EU-Georgia trade; second, a detrimental development policy which imposes heavy costs on the Georgian economy; and third, and inadequate foreign policy which is hegemonic in nature, and harms the EU's much needed good reputation in terms of neighborhood policy. **Kálmán Mizsei (CEU, Hungary)** argued that the EU has neither a clear articulation of its interests and goals in the region, nor any mechanisms that should be applied. He maintained that the EU should focus its attention increasingly on two key issues: free trade negotiations and the visa liberalization process.

Each panel was followed by a question and answer session, touching upon a large number of challenges ranging from the frozen conflicts in the region to free trade and possibilities for improvement.

Péter Balázs concluded the conference by raising two key issues. First, although there have been both positive and negative developments, the region still needs support from a critical mass of EU member states in order to be able to continue with its efforts. Second, there needs to be a balance between East and South taking into account the great difference between the two regions. In addition, the EU should be more project-oriented, should emphasize political dialogue, extend its single market, enhance cross-border cooperation, invite the Eastern partners to yearly ministerial meetings and should improve cooperation with civil society. Balázs concluded with a call for the close scrutiny of the region's frozen conflicts and relatively slow consolidation process in the near future.