The Eastern Partnership and the Danish EU Presidency: Caught between Realism and Disillusion

Peter Munk Jensen
Senior Analyst, Danish Institute for International Studies

Introduction
The European Neighbourhood Policy was born in 2004 in the aftermath of the revolutions in Eastern Europe, the fall of the Soviet empire and the consequent EU enlargement process to the East. It was a time of optimism, vision and economic growth.

In 2008 and 2009 the policy developed into The Union for the Mediterranean, the Eastern Partnership and the Black Sea Synergy. Since those times the political and economic climate has changed dramatically in the EU with the global economic and financial crises, EU enlargement fatigue, a HR and an EESS under fire and the EU “perpetuum mobile,” treaty change in the form of Lisbon and now the fiscal treaty - all making the EU look inward instead. One exception to this inward trend was the Arab Spring in 2011, but this has drawn the EU’s political attention almost exclusively towards the southern neighbourhood.

Optimism and expectations were still high in 2009 at the inaugural Eastern Partnership Summit in Prague – at least among several of the eastern partners and certain EU countries.

Although explicit promises of future EU membership were not made to the dismay of some partners (Ukraine, Moldova and Georgia), at least the EaP provided a separate “eastern” institutional framework for the development of relations between these countries and the EU and the means to support strengthened cooperation.

Looking back on the achievements of the first two years of the EaP’s coming into being, one might see the glass as being either half-full or half-empty.
Glass half-full:
- A separate institutional framework for the EU’s relations with its partners to the East has been established with means attached to it.
- Negotiations on an Association Agreement (AA) with the Ukraine comprising a Deep and Comprehensive Free Trade Area (DCFTA) have been finalized but not signed by the EU – awaiting the fate of former premier Tymaschenko.
- Negotiations on new AAs with Moldova, Azerbaijan, Armenia and Georgia have been commenced.
- Negotiations on DCFTAs to start with Moldova and Georgia.
- The Civil Society Forum has been established and has taken up its important work, among others, resulting in a host of projects initiated.
- New financial resources have been made available to the partner countries adding up to approximately 1.8 billion euros in total assistance until 2014.
- The Euronest Parliamentary Assembly consisting of members of the European Parliament and parliamentarians from the partner countries has held its first session.
- A Comprehensive Institution Building programme has been initiated with activities within the areas of public administration, rule of law and EU regulatory approximation.
- Five flagship projects have been launched in the fields of integrated border management, SMEs, energy efficiency, environmental protection and civil protection.
- Visa Action Plans with Ukraine and Moldova are being implemented with the aim of visa liberalization. Visa facilitation and readmission agreements are being implemented with Georgia.
- Moldova and Ukraine have joined the EU Energy Community.

Glass half-empty:
- Political and economic reforms have not been implemented with the pace, perseverance and consistency as could be wished. In general, the Eastern Partnership area hasn’t become more democratic and stable over the last two years.
- In fact we have witnessed economic and political backlashes in more partner countries, not least in Belarus.
- The principles of good governance, freedom of media and rule of law remain challenged and the level of corruption still alarmingly high.
- Frozen conflicts in the area have remained frozen with no real progress to register.
- The Warsaw Summit represented a certain disappointment to partners who had hoped for more than merely changing the wording regarding the prospects for obtaining visa-free-regimes from “in the long run” to “in due course.”
- The same goes for the lack of a direct reference in the Summit declaration to the “enlargement” article 49 in the Lisbon treaty.

Perhaps it’s not completely unfair to describe the EU position as keeping the eastern partners at arm’s length, close enough to the EU to avoid them drifting away from Europe, but sufficiently distant that they do not become members of the EU. Currently the EU is looking inwards to the handling of the financial crises and the new “Euro pact” and to the South to the Arab Spring. At the moment there is very little – or no – political energy and will to look to the East.

This is the challenging and somewhat gloomy background forming the basis on which the Danish Presidency will have to take the EaP further.

The Eastern Partnership initiative in Danish foreign and European policy

Denmark has attached great importance to promoting stabilization and democracy in Eastern Europe and the Caucasus. As one of the pioneers of the EU enlargement after the fall of the Wall, Denmark also was among the initiators of the establishment of the European Neighborhood Program by proposing in 2002 the “New Neighbours” initiative.

1 http://www.pism.pl/files/?id_plik=8420 Asserting the EU’s Mission in the Neighborhood: Ten Recommendations for an Effective Eastern Partnership, Kerry Longhurst and Beata Wojna, Warsaw, September 2011
Denmark has for years run a rather ambitious bilateral program of much appreciated technical assistance to reforms in the eastern partner countries. The overall financial framework for the Bilateral Neighbourhood Assistance programme, which also comprises Turkey, the Balkans and Russia, amounts to approximately 30 million euros per year within the current strategy period 2008–2012 – all in all approximately 150 million euros.

This is potential funding to all 15 countries comprising the strategy. The regional distribution has in general numbers been the following: the Balkans 35%, Eastern Partnership countries 40%, regional measures 20% and others 5% (Turkey, Russia).

The thematic distribution has in general terms been as follows: 40% to economic development, 30% to democracy, human rights and civil society and 30% to public sector reforms, etc.²

A new strategy for the Bilateral Neighbourhood Assistance programme for the period 2013–2017 is currently being prepared.

The Eastern Partnership in the form of the project itself or of its individual members, however, has neither been subject to substantial political interest in Denmark nor to any major public debate. This means no major debates in parliament, no major newspaper articles, no major research interest. Apart from media coverage of the revolutions in Georgia and Ukraine, the suppression in Belarus and the war in Georgia, neither the relationships of Denmark, the EU nor the West in general to the partners in the East have enjoyed any particular interest or attention in Denmark.

Denmark was in the lead regarding the EU enlargement to the East after the breakdown of the Wall. But the area to the east of the present eastern EU members has never caught the same interest or attention in Danish foreign policy, perhaps partly due to general lack of knowledge of the area, geographic distance and the lack of traditional ties including commercial ties with the countries of the Eastern Partnership.

Focus in Danish political and public foreign policy debate in recent years has for the most part been on the Danish participation in the wars in Iraq and Afghanistan and most recently the NATO mission in Libya, and to a lesser degree on the EU, the Middle East and the US.

The former liberal/conservative government for most of its 10 years in power followed a rather explicit “value” policy consisting of active Danish participation in military interventions to promote democracy and freedom, often at the side of the USA. Former PM Fogh Rasmussen argued that Denmark had a moral obligation to stand on the side of the oppressed and actively support the promotion of democracy and freedom. Denmark thus was an explicit supporter of the revolutions in Georgia and Ukraine.

The new center-left government in power since October 2011 is likely to weigh military intervention lower (but not to its exclusion) and use the Danish military for more classic peace-keeping missions and global security missions such as anti-piracy. Deep cuts in the defense budget also point to less engagement in very costly military actions abroad. More emphasis can be expected to be laid on the promotion of democracy, rule of law and human rights by civilian means, combating climate change, supporting green sustainable development and civil assistance, including mediation, dialogue and diplomacy.

At a conference in Copenhagen in March 2011, the former Danish Minister of Foreign Affairs, Lene Espersen, gave a rather rare insight into Danish policy on the EaP.³

Although the government has shifted in Denmark since that time, the policy of the new government is expected to largely remain unchanged.

In her speech at the conference former minister Espersen stressed that the East must not be forgotten at the expense of the South: “The EU


³ DIIS report 2011:10 ”The EU’s Eastern Neighbors.”
has a vision of real stability based on democratic values and prosperity for all its neighbours.”

The minister made it clear that “Lasting stability has to be built on deeply rooted democratic values, human rights, social justice and the rule of law. The EU has a genuine interest in fostering this development in its neighbourhood. It also makes our own countries more stable.”

The minister subscribed to the “more for more” principle – underlining that EU resources should be allocated primarily according to merit and conditionality, not geography. More measurable democratic, economic and judicial reforms based on clear political and economic benchmarks should mean more money and market access from the EU side.

The EU’s Governance Facility should be strengthened. And in order to be able to allocate funds more flexibly according to merit the EU should stand ready to impose stricter conditionality based on annual evaluation reports of the performance of each ENP country.

Likewise, support to civil society groups and their agenda for democratic development should be maximized and activities related to the Comprehensive Institution Building Programme strengthened.

The minister also pointed to one of the focal points of the bilateral Danish neighbourhood assistance, namely support for economic development in order to strengthen economic growth and improve employment conditions. Specific and relatively small interventions have had great impact on peoples’ support for changes and enhanced the process for necessary reforms.

“Within the framework of the Neighbourhood Policy, the EU will further develop and consolidate its relations with the countries to the East and to the South of the Union, with the aim of contributing to the stability and prosperity of these regions. In this context, the implementation of the revised European Neighbourhood Policy will also be pursued.”

The national Danish EU Presidency programme also refers to the EaP within the framework of the overall Neighbourhood Policy:

“Relations with the EU’s neighbours will be actively supported during the Danish Presidency. … Furthermore, the Presidency will also focus on the implementation of the revised Neighbourhood Strategy. Work will be carried out to promote greater flexibility, increased merit orientation and better coherence in the EU’s efforts in southern and eastern neighbourhood regions. In the light of developments in the southern neighbouring countries, the Danish Presidency will give priority to discussions on additional trade liberalization and migration aspects within the framework of the revised EU Global Approach to Migration among other things.”

Both programs point to a more “day-to-day business” approach to the EaP rather than the very high profile EaP policy during the Polish Presidency.

Focus will be on practical steps to enhance relations rather than on the development of new policy instruments. Continued and perhaps even increased focus on human rights might also be expected. This figures prominently on the Agenda of the new Danish government which also plans to name a special ambassador for Human Rights.
Association Agreement and DCFTA with Ukraine
The overall Danish position is to support the conclusion of an AA with a DCFTA between the EU and Ukraine. Denmark would like to see Ukraine integrated as far as possible into the EU, including approximating it as much as possible to the EU’s economic aquis.

However, this position is subordinate to the political position of the EU with regard to Ukraine. The EU cannot allow the principles of democracy and the rule of law to be ignored. The EU’s credibility as an international actor is at stake.

Therefore the agreement cannot be signed until Ukraine has moved on the Tymoshenko case. Before this happens it’s not likely that the AA with the DCFTA will figure on the EU Agenda. However, at the planned EaP foreign ministers meeting in Brussels, likely to be held in May or June 2012, ministers can be expected to discuss the situation in the Ukraine.

The Danish presidency will monitor the situation in Ukraine closely together with the HR and the EEAS as well as the Commission and the European Parliament. Close political evaluation and consultation will be necessary.

At the same time the Danish Presidency will have to pay close attention that Ukraine doesn’t drift away from the EU. The overall EU/Ukraine relations thus must be kept alive and developed where possible.

Negotiations which the Commission has just started on DCFTA’s with Moldova and Georgia will be continued. The freezing of the relations with Ukraine directs attention towards progress with these two countries. The Danish Presidency wants to develop the EU’s relations with these countries into models which show to all the partner countries that cooperation with the EU offers concrete results.

The newly elected president of the separatist region of Transnistria, Shevchuk, has promised to improve business and travel ties with the rest of Moldova and Ukraine. Maybe this indicates a more conciliatory stance in recently resumed negotiations to resolve the conflict. Formal negotiations within the OSCE framework will be resumed in Ireland. However, a solution under all circumstances remains a distant prospect.

Roadmap
The Commission has been asked to prepare for 2012 a roadmap with objectives, instruments and actions of the Partnership in the time leading up to the next Summit in the second half of 2013. The Commission will play a leading role in the monitoring of progress and guidance of partners in the implementation, but the Danish Presidency could play an important role by assuring constant political focus on developments.

With no political progress in Ukraine the DCFTA with that country is likely not to move anywhere during the Danish presidency. Among others, it will be up to the Danish presidency to keep EU/Ukraine relations alive. With the Russian proposal on a Eurasian community, this could prove one of the most challenging tasks in the foreign policy field of the Danish presidency.

Belarus
Denmark, as does the rest of the EU, regards the situation in Belarus with deep concern. The Danish government follows a two-tier strategy consisting of 1) sanctions which can be tightened if necessary and 2) increased cooperation with civil society.

The Danish EU presidency in close cooperation with the HR and the EEAS will closely monitor and evaluate developments in Belarus and decide whether further measures are needed, including further sanctions.

The door for increased cooperation with the EU remains open to Belarus if the country decides to change its present course. The EU already has offered Belarus a visa facilitation agreement with the aim of increasing people-to-people contacts and the Polish Presidency prepared a modernization package for Belarus for the Warsaw Summit in September 2011. Belarus, however, didn’t participate in the Summit and no progress has been recorded on this since then.
Visa liberalization
It is important for Denmark to increase mobility and people-to-people contacts. This will underpin a better mutual understanding between the peoples of the EU and partner countries.

In the short term Denmark wants to focus on visa facilitation. In the long run visa liberalization is the goal. Visa liberalization for the eastern partners, however, would have important consequences both for the EU and its partners. These issues raise a number of concerns in many EU countries which must be taken into account.

Denmark like other EU states advocates an EU policy proceeding towards the long-term goal of visa liberalization for individual partner countries on a case-by-case basis, provided that conditions for well-managed and secure mobility are in place.

Meanwhile, the EU should look at better possibilities for strengthening exchange and fellowship programs for, among others, students and researchers. Further highlighting the expanded possibilities of these programs is in the interest of the EU. This should be done in close cooperation with bilateral programs of the member states.

European Endowment for Democracy and promotion of democracy
The European Endowment for Democracy may come into being during the Danish Presidency. This could prove a very useful tool to support and promote democracy through support at grass root and NGO-level in the eastern partner countries.

Although quite a number of EU member states remain sceptical as to the added value of the Fund and fear duplication and bureaucratization, a working group outside the EU framework will probably be established during the Danish Presidency to examine the establishment of an international independent Endowment. Denmark is likely to participate in such a working group and may also consider contributing to the Endowment.

An overall challenge to the Danish Presidency will be how to reach out even further and strengthen EU support to the democratic forces in the East. The challenge is how to reach both governmental forces and non-governmental forces in the partner countries in order to contribute to the establishment of sustainable democracies in the East. The more-for-more principle – and the less-for-less principle could be put to a test.

EaP Foreign ministers meeting
EaP foreign ministers will meet with their EU counterparts in Brussels during the Danish presidency, probably in May or June 2012. The meeting is likely to outline the way forward based on a new roadmap and thus set important goals for the coming years. Ukraine, Belarus and DCFTA negotiations with Moldova and Georgia are also expected to be on the Agenda.

Budget
Finally, deliberations on the EU multiannual financial framework 2014-2020 will take place during the Danish EU Presidency. It will be up to the Danish Presidency to contribute to paving the way for a solution with regards to a European Neighbourhood budget that strikes a balance between those countries who want a redistribution of means to the South and those member states who advocate the status quo or redistribution to the East. A final deal on this is not likely to be reached during the Danish Presidency.

As can be seen from the above, although not figuring prominently on the Danish presidency Agenda, the EaP will impose itself on the Presidency one way or another.

Similarities and differences between the Polish and Danish presidencies in relation to the EaP

Differences
Denmark supported the establishment of the EaP but never adopted a role as a driving force behind its creation like Poland and Sweden.

Unlike Poland, Denmark neither favours a redistribution of support from the South to the East
– nor even the status quo. Instead, Denmark is open to redistribution in the upcoming multi-annual budget framework from the East to the South based on the more-for-more principle.

Poland placed the EaP as one of the top priorities of her presidency and arranged both a Summit and several sector ministerial meetings. Denmark has not planned any other than the foreign ministers meeting in Brussels.

Poland took upon herself a very active and visible role as president with regard to the EaP. Denmark holds the view that the External Action Service should be in the driver’s seat along with the Commission during the first half of 2012, with the Danish presidency in a more supportive role.

Unlike Poland, Denmark has not favoured a European perspective of the eastern partners that entails a membership perspective. Denmark, rather, has been actively opposing it.

Similarities
Denmark agrees on the need to build an institutional partnership with the eastern neighbours and to promote democracy and economic and political reform in the East.

Basic challenges to the Eastern Partnership

The global financial crises, the continued “inward looking” by the EU with the negotiations on a “Euro pact,” EU enlargement fatigue, the focus on the Arab spring and the lack of progress in political and economic reform by most of the eastern partners – especially where semi-authoritarian and highly corrupt political regimes are stagnating – show that keeping the EaP on the EU radar and securing political focus on the Partnership will require a dedicated effort. What’s more worrying, though, are the EU’s inward-looking and protectionist tendencies. Member states lack the political will to really increase openness to people and goods from the neighbourhood.

In close cooperation and with the support of the HR and the Commission, the Danish EU presidency will have a difficult task just in maintaining the status quo, not to mention paving the way for progress in fields such as trade, visa, civil society support, institution building and democracy promotion in the East.

Apart from the challenges mentioned above, some more basic ones present themselves – to the Danish presidency and future presidencies. These will require thorough discussion:

**Stability vs. change**

*How to tackle the EU’s overall interest in stability in the neighbourhood and the EU’s demand for reforms that could likely shake present regimes and lead to instability at least in the short term?*

The EU of course will have to insist on fundamental values of democracy, rule of law and human rights as a prerequisite for support and cooperation. If the EU, however, pushes too hard, the risk is that present rulers are pushed away from the EU, or that it leads to instability where present rulers are challenged. How does the EU strike the balance between not compromising on its basic values and preserving stability in its neighbourhood?

Part of the answer might be that stability can only be secured in the long run if economic and political reforms prevail. The EU thus must stick to its basic values and be ready to accept short-term setbacks in the form of sanctions, freezing of relations, less support and instability in the form of social or political unrest in partner countries.

**New rhetoric, new means, new framework?**

*How to make eastern partners accept the EU demands for fulfilling the aquis communautaire without giving them a membership perspective?*

The EU sticks to the rhetoric and means of the enlargement policy, but without offering the perspective of membership – or, as Prodi put it: “Everything but the institutions” or “enlargement lite.” The current enlargement fatigue might linger for years. And in any case a number of states stand in the waiting line ahead of the eastern partners.
It is questionable to what extent if at all the EU is a magnet for the EaP countries. Not all partner countries seem to regard the EU as the center of the world around which everything else turns! The three main carrots – money, market access and mobility – are attractive, but the EU is offering too little of the “three Ms” to really make a difference. In times of financial austerity inside the EU, it is difficult to enhance resources for the ENP.

On top of this the EU is inward-looking and displaying protectionist tendencies for instance in the fields of agriculture, chemistry and steel. There is no will to increase openness to people and goods from the neighbourhood. Summa summarum: the EU does not meet the needs and expectations of its neighbours.

Part of the solution may be an increased degree of differentiation. Instead of a one-size-fits-all model maybe the EU should develop and offer tailored models to each partner country’s needs, capabilities and ambitions.

Presently the EU treats all six partner countries within a single institutional framework. This is a well-proven and classic EU instrument. But does this single framework necessarily serve the best interests of all partner countries? Or would some of them be better off with a tailored bilateral institutional framework for their relations with the EU? Does the single framework in fact serve the EU’s interests more than those of the partner countries?

For countries like Ukraine, Moldova and Georgia with explicitly stated ambitions of membership, the EU demands for fulfilling the aquis communautaire might seem meaningful and fair if accompanied with an explicit membership perspective.

For Azerbaijan, Armenia – and at least presently Belarus – other means and end goals in the form of “Europeanization” might be more appropriate. The prospect of participating in the internal market is too distant to serve as a real “carrot.”

Perhaps the EU should not have too high expectations of the partner countries. They have unresolved conflicts with each other. Some of them lag very far behind the EU in economic and political terms. Some or more of them could be characterized as weak states – corrupt, non-democratic, with rulers most concerned about their own survival.

Considering the state of political and economic reform, the rule of law, the level of corruption and the human rights situation in the eastern neighbourhood it’s even fair to ask if a real “community of values” exists between these countries and the EU. Maybe the gap between the norms of the EU and the real world in partner countries is too wide? If so, what should the EU’s response be?

If the EU is not ready to grant a membership perspective at the moment one might consider the EU offering an alternative model for association to Ukraine, Moldova and Georgia, for instance, in the form of an “Eastern Economic Area” or integrating these countries into the existing EEA until the day when the EU might be ready to grant them membership. Or, possibly, an entirely new “third way.”

No matter what, it is obviously in all the eastern partners’ own best interest to reform economically and politically to obtain growth, stability, democracy and prosperity, regardless of whether they are offered a perspective of membership in the EU.

**Conditionality**

*Can the EU make conditionality work in the eastern neighbourhood, and if so how?*

A basic EU principle in dealing with the eastern partners is “conditionality” spelled out in the oft quoted: “More for more and less for less” – or the classic “carrot and stick.”

Everybody seems to agree to this principle. Its application in real life, however, seems much more difficult.

Kristi Raik has convincingly argued that conditionality only works if the partner is positively
inclined towards reform. This poses a problem when it is not the case.\textsuperscript{4}

In the case of Belarus the EU has reacted to the democratic setbacks with sanctions. Further, the EU has reacted to the treatment of former Ukrainian premier Tymaschenko by withholding signature of the AA with Ukraine. The EU has also issued declarations on Armenian and Azerbaijani violent crackdowns on demonstrations. Hence the EU does react to negative events in the eastern neighborhood.

But we have yet to see the positive effects of this application of the “less for less” principle. They may come, but then again they may not. So far tangible and visible positive consequences remain to be seen.

The challenge for the EU is to avoid isolating countries that do not fulfill EU expectations or demands. There is an imminent danger that the EU will not increase its influence over the non-reformers by cutting or limiting ties with their countries. In fact the opposite might very well happen, not least if the countries concerned do not even risk losing a perspective of EU membership!

Part of the answer may be not to use conditionality as the single overall guiding principle of the EU’s relations with the eastern partners, but as one among other guiding principles.

Conditionality must be focused and carefully designed on the basis of clear bench marks – NOT on geography, quota, historical and political links and national preferences. Clear bench marks should serve not as an instrument of subordination but as a useful guide and expression of the EU’s expectations.

\textbf{Other actors in the eastern neighbourhood}

\textit{How to take account of and deal with other international actors active in the eastern neighbourhood?}

Several actors are active in the eastern neighbourhood. Russia, China, Turkey, Iran and, to a lesser extent, the USA figure among the most prominent ones. A famous sentence goes: “Russia makes you an offer you can’t refuse, while the EU makes you an offer you can’t understand.”

The EU has to realize that the area is a part of a geopolitical battlefield for power – and act accordingly.

Although now equipped with an External Service and an “EU foreign minister” in the form of the HR, the EU seems virginal in the eastern neighbourhood. That goes for the protracted conflicts too. Even though the recent Commission review of the Neighbourhood Policy spoke of an increased role of the EU in these conflicts, it doesn’t seem likely to happen any time soon – due to lack of political will and unity in the EU and due to lack of EU capabilities.

Part of the answer might be for the EU to develop a concerted security approach to the EaP. As a next step the EU might offer mediation, civilian crises management mechanisms and perhaps peacekeeping forces.

\textbf{Policy recommendations}

– Instead of a one-size-fits-all model and a single institutional framework the EU should develop and offer new models tailored to each partner country’s needs, capabilities and ambitions.

– The EU must stick to its basic values and be ready to accept short-term setbacks in the form of sanctions, freezing of relations, less support and instability in the form of social or political unrest in partner countries.

– Conditionality must be focused and carefully designed on the basis of clear bench marks – not on geography, quota, historical and political links and national preferences.

– The EU should develop a concerted security approach to the EaP and as a next step offer mediation, civilian crises management mechanisms and perhaps peacekeeping forces in the protracted conflicts in the eastern neighbourhood.

\textsuperscript{4} Kristi Raik: \textit{Small carrots, little influence: The neighborhood is testing the EU’s new foreign policy}. Published 27 May 2011
Conclusions

Presently the ball is in the court of the Eastern Partners. It’s up to them to demonstrate genuine interest and the will to follow a course of economic and political reform and build sustainable democracies – supported of course by the means contained in the Partnership. If they do so, they will have qualified themselves for increased EU assistance and engagement, even though EU funds are more likely to drop than to increase in the coming years.

With the present political and economic climate in the EU, eastern partners are not very likely to obtain a perspective of EU membership in the short and medium term. But they could through their deeds contribute to keep the door open and strengthen their position in the long run and perhaps obtain an “East Economic Area” or inclusion in the existing EEA.

With the “competition” from the South for EU-attention and EU-money it’s in the eastern partners own best interest to follow a course of reform and democracy. By doing so they will also strengthen the voice and position of those in the EU advocating their cause hitting the ball back to the EU’s court to deliver.

A lot is at stake with regard to the future development of the EU Eastern Partnership. The EU has basic strategic interests in developments in its eastern neighbourhood. The EU cannot afford to lose “the East.” It’s both a mutual endeavour and responsibility to insure that this doesn’t happen.

Copenhagen, January 2012