



# BULLETIN

No. 133 (728), 25 November 2014 © PISM

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## Is the Eastern Partnership Weakening? The Consequences of the EU Institutions' Power Shift to Neighbourhood Policy

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*The new European Commission and High Representative are planning to revise neighbourhood policy. The Eastern Partnership (EaP) could see enhanced project cooperation but also a weakened political commitment from EU institutions in the bloc's relations with its eastern partners. This means primarily a risk of departure from the policy objectives of the EaP, such as support for democratic transition and bringing these countries closer to the EU. As a result, Poland should work towards the implementation of the EU commitments adopted at the summit in Vilnius in 2013 and seek to strengthen the coordination of EU aid with international financial institutions.*

New Commissioner for European Neighbourhood Policy (ENP) and Enlargement Negotiations Johannes Hahn and High Representative for Foreign Affairs and Security Policy Federica Mogherini intend to develop a new EU neighbourhood policy more than three years after updates were made in the aftermath of the Arab Spring of 2011, encompassing increased democracy support in the region. The goal of the revision planned for 2015 is to better secure EU interests in trade, energy and security. The bloc's institutions also aim for better coordination of their actions with regard to the policy. In light of the EU's current relations with Russia and attempts to solve the Ukraine crisis, the planned revision might be an opportunity to reduce EU ambitions in terms of deepening political integration of the region and to limit the Eastern Partnership (EaP) to technical cooperation.

**The Risk.** Mogherini and Hahn plan to revise neighbourhood policy in the context of the Ukraine crisis and the Union's relations with Russia might have a decisive impact on the level of EU ambitions in the EaP region. Despite the adoption of financial and economic sanctions, Brussels is trying to hold diplomatic talks within the framework of the Minsk process and pursue a policy of not provoking Russia (in foreign affairs, EU institutions act on the basis of a mandate agreed upon by the Member States). An example of one concession was the postponement of the implementation of an agreement on a deep and comprehensive free trade area (DCFTA) with Ukraine to 31 December 2015.

The nominations of the Italian Mogherini and Austrian Hahn, whose countries of origin maintain good relations with Russia, may be an element of this policy revision. Both present slightly different positions to their predecessors in this respect. Former Commissioner Štefan Füle was very active in terms of diplomatic activities in the region, repeatedly supporting the European ambitions of the EaP countries and attempting to enhance EU action towards Moscow in the region. Hahn and Mogherini are softer in their rhetoric on the Russian government. For instance, they both attempt to assure Russia that EU actions are not at the expense of Moscow's interests, though Mogherini undermines the effectiveness of the sanctions against Russia, stressing that it is still an important global player with whom dialogue should be developed. Moreover, head of the European Commission (EC), Jean Claude Juncker, and Commissioner Hahn have declared that the EU will not expand over the next five years and the High Representative has assessed that Ukraine's European aspirations are limited to fulfilling the Association Agreement. If this trend continues, there may be a further decrease in political engagement by EU institutions in relation to the eastern partners.

The planned revision, which reflects a shift in EU strategic interests by reducing the EaP focus to technical cooperation, might deepen this process. In fact, Hahn and Mogherini plan to upgrade cooperation in trade, energy and security. This decision might involve shifts in financial aid priorities that could diminish support for democratic transition and civil society. Because EU aid is linked to concrete conditions, a consequence would be a lower impact on the democratisation process, which is very important to bringing the EaP countries closer to the EU.

**The Opportunity.** The planned changes in neighbourhood policy might lead to better results for the EaP in trade, energy and security. The experience of Hahn as Commissioner for Regional Policy could be beneficial for the development of those projects. In order to motivate the partners to cooperate with the EU, he promises to increase funding for the most reformist-minded countries (Ukraine, Georgia, Moldova, Tunisia and Morocco) while reducing funds for those less willing to commit to reforms. This action should be easier to implement, as the basket of funds to be invested in the neighbourhood budget for such purposes was increased in the current financial period (through a so-called performance reserve).

Moreover, union diplomats and the Commission plan to ensure consistency in the activities of both institutions to increase the EU's impact in the region. During the last term, difficulty lay in insufficient cooperation between the Commission, with its numerous foreign policy competences, and the High Representative, at the time, Catherine Ashton, who tried to strengthen the independence of the union's diplomatic sector. As a consequence, the friction between them increased, for instance, it contributed to a large gap between the strategic objectives worked out on the diplomatic side and the financial assistance implemented by the Commission. In order to address this challenge, Mogherini will first, in her capacity as vice-president, guide the work of the commissioners, whose portfolios include external policies (international cooperation and development, neighbourhood policy and enlargement negotiations, trade and humanitarian aid, and crisis management). At the same time, they will be able to deputise Mogherini when it comes to diplomatic activity. Second, she has pledged regular participation in the monthly meetings of the College of Commissioners, the office of which she has moved from the European External Action Service (EEAS) to the Commission building. Additionally, half of her cabinet will derive from EC officials. She will be strengthened by the newly established Ukraine support group, composed of dozens of high-ranking officials from the EC, EEAS and Member States and dealing with the transition process in the country.

The upgrading of sectoral cooperation in trade, energy and security will be beneficial for the development of specific projects visible to society. The level of cooperation between the Commission, High Representative and the new Ukraine support group will be decisive in this respect. If more funds are linked to specific conditions in sectoral areas, the motivation of the targeted states to at least partially modernise their economies should increase, as evidenced by past EU experience.<sup>1</sup> However, comprehensive reforms should not be expected, as only EU accession is a sufficient incentive to take action in this direction.

**Towards a Stronger Eastern Partnership: Recommendations for Poland.** The potential revision of neighbourhood policy could imply both risk and opportunity for the EaP. The advantages of a focus on sectoral cooperation and better coordination between the EEAS and the Commission are the potential increase in the effectiveness of EU activity in this field and the launch of new projects. Poland should therefore seek to strengthen coordination of EU aid with international financial institutions such as the EBRD and World Bank, as well as increase credit lines with the European Investment Bank. This would allow for the implementation of major projects in infrastructure, energy and business.

There is a challenge in the possible departure from the original policy objectives of the Eastern Partnership, including support for democratic transition and a gradual deepening of integration with the EU. Taking into account that the DCFTAs interfere with Russian plans to build its Eurasian Union, EU institutions may slow down work on the elaboration of an economic integration model directed towards the EaP region or going deeper than the DCFTA. The institutions were charged with delivering such a plan during the Vilnius summit in 2013. A move away from that plan would have a negative impact in the region by lowering the motivation of authorities in EaP states to conduct reforms. Even the most advanced states in terms of democracy, such as Moldova, Georgia and Ukraine, still face many problems in this field. In these countries, the internal situation is unstable, therefore EU pressure on reforms is important. Moreover, a political withdrawal by the EU would decrease its visibility in the region, even though it is already very weak.

In order to prevent this change of course, Poland should first ensure that a strengthening of sectoral cooperation does not occur at the expense of cooperation on democracy and civil society development. The implementation of the principle of "more for more" by EU institutions should be monitored in order to ensure the additional funds are disbursed only in politically justified cases, when in fact the countries noticeably progress with reforms. Second, Poland should raise the issue of the implementation of the commitments adopted by the EU at the summit in Vilnius in 2013, including an evaluation of options for further economic integration of the selected countries with the EU and the further development of communication policy in the region.

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<sup>1</sup> E. Kaca, A. Sobják, K. Zasztowt, *Learning from Past Experiences: Ways to Improve EU Aid on Reforms in the Eastern Partnership*, PISM Report, April 2014.