

## spotlight europe

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# EU Eastern Partnership: Fine, but what about Russia?

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Despite its undeniable “birth pangs,” the Eastern Partnership symbolizes a change of paradigms in the foreign policy of the EU, which, after the inception of the Union for the Mediterranean in the summer of 2008, is now venturing on a new and qualitatively different approach to its eastern neighbourhood. Furthermore, five years after the enlargement of the EU this strategy creates a new situation in eastern Europe, and places its own approach to Russia on a firmer footing.

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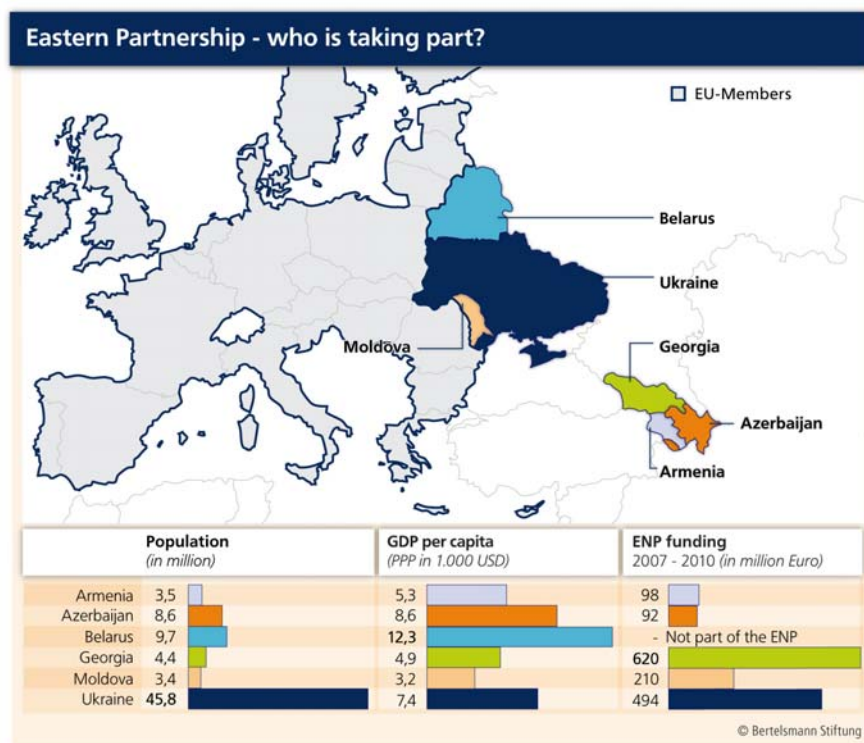
The EU-Russia summit took place in Khabarovsk on 21-22 May. The result was rather meagre. The negotiations on a new partnership and cooperation agreement will continue. On 7 May 2009, in Prague, the EU adopted the “Eastern Partnership” strategy. It is designed to place EU relations with the eastern neighbouring states (Ukraine, Moldova, and Belarus) and the Caucasus countries (Armenia, Azerbaijan and Georgia) on an improved and multilateral level. In essence we are dealing with [old wine in new bottles](#). What is new about the agreement is that the financial framework has been increased by € 600 million.

### How is the EU structuring its new eastern policy?

The policy of the enlarged EU towards the eastern neighbouring states consists of two components. On the one hand, the EU 27 is trying to conclude a new Partnership and Cooperation Agreement (PCA) with Russia. On the other hand, relations with the other successor states of the Soviet Union have been redefined by the Eastern Partnership strategy, which is based on the European Neighbourhood Policy (ENP). It remains to be seen whether or not the two approaches can actually co-exist, since the negotiations with Russia have not

made much headway since 2006. Since the end of 2006 there has been little movement in the relations between the European Union and Russia. Neither the Finnish, the German nor the Portuguese Presidencies were able to secure a consensus within the EU about the start of official negotiations with Moscow on a new treaty to replace the Partnership and Cooperation

visa liberalization.” Ever since the central European states joined the Schengen agreement in December 2007, the visa issue has been one of the most symbolic problems at the EU’s eastern border. There will also be enhanced cooperation with regard to energy security, and this will extend to Central Asia. Finally, the proposals define a number of cooperation areas such



as the promotion of democracy, support for the rule of law, the prevention of migration, the encouragement of trade and tourism, the improvement of transportation infrastructure, cooperation in the area of the environment, and student exchange programmes. Furthermore, the project welcomes participation by international financial institutions and private donors. In this way the EU hopes to be

able to involve other partners such as multinational energy corporations in order to make progress with specific energy and infrastructure projects.

Agreement (PCA) of 1994 (in force since 1997), which expired on 1 November 2007. At first the EU member states found it impossible to reach agreement on the issue, and then the war in Georgia led to a deferral of the negotiations, which were not resumed during the French Presidency until December 2008.

Russia has also been invited to participate in certain projects. The Eastern Partnership is compatible with the Central Asia strategy, which was adopted during the German EU Presidency in 2007, and together with the mandate to renegotiate the PCA with Russia constitutes in outline the EU’s eastern policy. However, hitherto, on account of the war in Georgia in the summer of 2008 and the gas crisis in January 2009, the negotiations with Russia have not produced any tangible results. It is currently impossible to predict when a new PCA with Russia will materialize.

## II

### What is the Eastern Partnership Trying to Achieve?

The Eastern Partnership seeks to draw the reform-oriented countries closer to the EU, though without extending a promise of accession. Above all it seeks to promote and encourage the political and economic reforms in its six partner states. Furthermore, it has a long-term goal of “complete

## III

## How did the Eastern Partnership come about?

The largest single enlargement of the European Union occurred on 1 May 2004 with the accession of ten new members. Three years later they were joined by Romania and Bulgaria. This put an end to the division of Europe fifteen years after the pivotal events of 1989. The question then arose of how this enlarged Europe should deal with the eastern neighbouring states for whom EU membership was not an issue. The answer was the “European Neighbourhood Policy,” or ENP. The EU Commission’s strategy envisaged the idea of cooperation that did not involve institutional ties.

However, this strategy was rendered obsolete in December 2004 as a result of the “Orange Revolution” in Kyiv. The peaceful revolution in Ukraine made it clear that people in the eastern neighbouring countries wanted to be part of Europe, and were prepared to fight for that goal. At the same time the pivotal events in Ukraine meant that the Kremlin’s strategy of establishing an alternative structure to European integration in the post-Soviet space had come to grief.

Since Poland joined the EU in 2004, Polish governments have always been concerned to strengthen EU policy towards its eastern neighbours, though they made a clear distinction between Russia and the other successor states of the Soviet Union. The proposed “[Union for the Mediterranean](#),” which President Nicolas Sarkozy implemented in such a resolute manner during the French Presidency, provided an opportunity to strengthen EU policymaking with regard to the eastern neighbouring states. The term “Eastern Partnership” was initially introduced to the EU Council as a Swedish-Polish initiative early in 2008. A connection between the approval of the Union for the Mediterranean, the start of

PCA negotiations with Russia, and the Eastern Partnership is difficult to demonstrate on the basis of the documents available to date. However, the timing of the three important EU decisions certainly suggests that they were interlinked.

## IV

## What are the priorities of German foreign policy?

In Berlin a speech by the Minister for Foreign Affairs on European eastern policy was the German response to the Union for the Mediterranean mooted by the French. In fact policy on Russia predominated in the proposals by Federal Foreign Minister Frank-Walter Steinmeier, who took his bearings from the eastern policy of Willy Brandt. Steinmeier favoured a new agreement with Russia which contained clear signals that it was welcome in Europe.

Medium-term goals were a free trade area, an energy partnership, close relations in the fields of research, education and culture, and an increase in social and human interaction. Furthermore, the possibility of closer cooperation within the framework of the European Security and Defence Policy (ESDP) was to be put on the agenda, initially in the civilian sphere and in the field of disaster relief, and later with regard to the joint deployment of peacekeeping and stabilization forces.

However, the core element of the strategic partnership with Russia was to be cooperation in the field of energy policy. Apart from this Russia was to be included in an international regulatory structure which construed energy security as a partnership between producing, transit and consumer states. Russia itself seems to have called this kind of cooperation into question during the gas crisis in January 2009. The [declaration of intent](#) concerning the modernization of the gas pipeline system, which the EU Commission and Ukraine signed in April 2009, points to a greater

level of cooperation with Ukraine which does not take Russian interests into account.

The fact that the German Chancellor took part in the Prague summit showed that German foreign policy is not exclusively preoccupied with Russia. Germany clearly wishes to encourage Russia and the states included in the Eastern Partnership to move towards the EU.

## V

### What does Warsaw want?

The initial emphasis on Russia soon provoked a response from the proponents of a more active neighbourhood policy, and, during a private visit to Polish foreign minister Radek Sikorski in April 2008, Steinmeier was confronted with Polish plans for an East European Union. It was to include not only Ukraine. Moldova and, when the time was ripe, Belarus, but also the Caucasus countries Georgia, Armenia and Azerbaijan. Polish interests in energy supplies from this region played an important role in the decision to proceed with the plan.

The division of labour with regard to the definition of EU eastern policy was crucial to the revival of Polish-German cooperation. Poland had managed to convince the Swedish government that an Eastern Europe Union was a good idea, and that it was a way of bridging the divide between old and new members. For Swedish foreign minister Carl Bildt this was a good opportunity to hone his profile as an EU foreign policy specialist and as a potential successor of Javier Solana. The breakthrough came after the Poles had managed to convince the Lithuanians to give up their opposition to the negotiating mandate for Russia. On 26 April 2009 the EU foreign ministers adopted the Polish proposals for the Eastern Partnership and gave the EU Commission the go-ahead to commence [negotiations](#) with Russia on a new partnership and cooperation agreement.

The Eastern Partnership was in first instance designed to prevent the centre of gravity of the EU's neighbourhood activities from shifting to the south, and is the price for the support given to the Union for the Mediterranean, which was initiated in Paris on 13 July 2008. However, from the very beginning the Eastern Partnership was conceived within the framework of existing EU structures and in contrast to the French proposals was very even-handed and not at all controversial. The Swedish-Polish proposals envisaged enhanced cooperation with the eastern neighbouring states based on the existing EU neighbourhood policy strategy. It meant that from the start it received support in all the EU capitals which were in favour of a compromise in the run-up to the French Presidency.

The war in Georgia in the summer of 2008 gave the Eastern Partnership a completely different slant, and the gas crisis in January 2009 led to the inclusion of an energy policy component. It remains to be seen whether the EU's energy policy competence will be strengthened and whether or not the proponents of bilateral cooperation with Russia, i.e. Germany, Italy, Greece and Bulgaria, will be prepared to transfer their advantageous energy policy responsibilities to the EU. The European Parliament has now called for the development of a [strategy](#) designed to improve the energy security of the EU.

The Polish government was very pleased with what was achieved at the summit. Poland will no doubt return to the issue during its own EU Presidency in 2011.

## VI

### How are the EU and Russia going to make progress?

It is true that the PCA is automatically prolonged on a yearly basis as long as none of the parties decides to terminate it. The repeated failure to begin the negotiations and the gas crisis in January 2009

have become symbols of the current crisis in the relations between the EU and Russia. The real reasons for this crisis lie much deeper, and their dimensions are much larger than was initially assumed. Different mutual perceptions seem to be of particular significance. On the one hand, in the wake of the gas crises and the recognition of South Ossetia and Abkhazia, Russia is perceived by the majority of the EU states as being rather problematical. On the other hand, after the Putin era and despite the economic crisis, Russia once again sees itself as a world power and wishes to be treated as such.

For all these reasons the enlarged EU needs to reshape its relationship with Russia. The incorporation of ten central European states has profoundly changed the way the EU thinks. And as a result of the historical experience of these countries, three of which were involuntarily part of the Soviet Union for decades, the EU has become more critical of Russia.

Thus, whilst the EU needs to redefine its interest in Russia, the latter is in the middle of a process of clarifying its own position. A few years ago EU politicians assumed that Russia was in the middle of a difficult transformation process, the goal of which was supposedly the adoption of “fundamental Western values” and a strategic partnership with the “West.” The Russia of the 21<sup>st</sup> century, which has benefited from energy export revenues, is not prepared to comply with the preconceptions of the EU and is looking for its own way of dealing with the future. The current economic crisis, which has affected Russia adversely, will not change this process. Furthermore, the “reset” strategy of the new American administration actually sanctions the [foreign policy of the Putin era](#).

The future of the Eurasian continent depends on how the mutual relationship develops. There are numerous challenges on the way, ranging from cooperation in the area of energy policy, which needs to be

Milestones of European Eastern Policy	
<b>1997 - 1999</b>	
Dec. 1997	Entry into force of the 10-year <b>partnership and cooperation agreement with Russia</b>
1998/1999	Entry into force of <b>partnership and cooperation agreements with Armenia, Azerbaijan, Georgia, Moldova and the Ukraine</b>
June 1999	Adoption of a common <b>EU strategy towards Russia</b>
<b>2000 - 2007</b>	
May 2004	Founding of the <b>European Neighbourhood Policy (ENP)</b>
2005/2006	Agreement on <b>ENP action plans</b> with Armenia, Azerbaijan, Georgia, Moldova and the Ukraine
Nov. 2006	<b>Polish veto</b> against the start of negotiations for a new framework agreement with Russia
April 2007	<b>EU initiative</b> for the promotion of regional cooperation in the Black Sea region ( <b>Black Sea Synergy</b> )
Nov. 2007	Expiration of the partnership and cooperation agreement with Russia; automatic extension by one year in the event of non-cancellation
<b>2008 - 2009</b>	
Mar. 2008	Speech by German Foreign Minister Steinmeier on European Eastern Policy
May 2008	Swedish-Polish initiative for Eastern Partnership
July 2008	Start of negotiations on a new <b>framework agreement with Russia</b> Launch of the <b>Union for the Mediterranean</b>
Aug. 2008	<b>War</b> between Georgia and Russia
Dec. 2008	Proposal by the EU Commission to implement Eastern Partnership
Jan. 2009	<b>Gas crisis</b> between Russia and the Ukraine
Mar. 2009	Decision by European Council to establish Eastern Partnership
May 2009	<b>Summit in Prague</b> to formally <b>establish the Eastern Partnership</b> <b>EU-Russia Summit</b> in Chabarowsk

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redefined, via the reshaping of trade policy within the WTO framework, which has still not been finalized, to aspects of security policy such as principles and procedures for the joint regulation of international crises. The EU and Russia should not forgo the opportunity to enhance their partner-

ship. Over the last ten years there have been double-digit growth rates in the EU's trade with its eastern neighbours, and the significance of Russia for the EU economy as a whole surpassed that of North America some years ago. On the other hand there is an inescapable need to modernize Russia as it moves into the 21<sup>st</sup> century. Who would be the best partner for Russia in this regard?

For the EU the negotiations leading to a new PCA with Russia constitute a test of its foreign policy credibility. However, there can be no doubt that the war in Georgia and the gas conflict in recent weeks have placed a severe strain on [EU-Russian relations](#).

## VII

### What are the consequences of the war in Georgia?

The international situation changed very suddenly on 8 August 2008 when the war in Georgia erupted. Russia accused Georgia of having started the war and responded with a full range of military options. The U.S. and some of its European allies supported Georgia and President Saakashvili and asserted that Russia was guilty of aggression. If we disregard the media campaigns, which were reminiscent of the age of the east-west conflict, it needs to be said that the war led to a series of security policy decisions which in terms of foreign policy have tied down the actors involved to this day. For the first time the EU acted as a mediator between an ally of the U.S. and Russia. As a result of the intervention of French President Sarkozy, it arranged for a ceasefire and dispatched a mission which has secured its observance to this day. EU involvement in the Caucasus during the French Presidency changed the perceptions of the Russian political elite. For the first time since it was founded, the EU played the role of a regional peacemaking power. To this day

Russian diplomacy pigeonholes the EU as an "international organization" that is on the same level as the OSCE and the Council of Europe. It is thus only logical that Russian foreign minister Sergei Lavrov rejects the Eastern Partnership as an attempt "to extend the EU's sphere of influence."

The EU's attitude to the Caucasus will also change. The opening of the border and the establishment of diplomatic relations between Turkey and Armenia will prompt it to define a policy which transcends the purely geographical division into North and South Caucasus.

On the Russian side, the recognition of Abkhazia and South Ossetia as independent states has done a great disservice to the status quo policy pursued by Russia and previously the Soviet Union for decades. The consequences with regard to the North Caucasus are currently difficult to assess. On top of this the mingling of the policy of recognition in the Caucasus with the Kosovo issue has been more detrimental than beneficial to Russia's international room for manoeuvre. It has also had a negative effect on EU policy in Kosovo.

## VIII

### What are the consequences of the gas crisis?

At the beginning of the year the gas conflict between Russia and Ukraine seemed to confirm old prejudices about Russia as an imperialist power and fears about its reliability as a source of energy supplies. In some EU states such as Slovakia and Bulgaria and in the Balkan states people sat for days on end in unheated apartments. Russia and Ukraine blamed each other for what had happened, and Chancellor Merkel reminded Russian Prime Minister Vladimir Putin of the promise he had given in 2005 that he would not use energy supplies in order to apply pressure on an international level.

In the midst of the crisis the Polish foreign minister Sikorski devoted himself to the EU energy strategy, and sought to create a new EU energy policy. An old plan mooted in 2006, which had become known under the name “Energy NATO,” was refurbished and adopted by the EU energy ministers at a special session in Budapest on 25 January 2009. Greater cooperation between the EU member states will lead to more energy solidarity in the EU and mean that Europe is better prepared to deal with a disruption in supplies of the kind experienced in January 2009.

No matter whether Ukraine or Russia was responsible for the crisis at the beginning of 2009, its effects are clearly visible in the EU. This is shown, for example, by the EU declaration on the southern corridor, which was adopted after the “[Eastern Summit](#)” in Prague on 8 May 2009. In addition to the signatories themselves, it was attended by representatives from Turkmenistan and Kazakhstan.

On the one hand it has proved possible to create more energy security within the EU by means of coordination and technical adaptation, and on the other hand the EU decision to build the Nabucco pipeline, which is designed to bring gas to Europe from the Caspian Sea area, from Iraq, Turkmenistan and perhaps Iran through the middle of Turkey by circumventing Russia, is a step towards greater independence of Russian gas supplies.

Furthermore, the EU has granted certain states additional financial aid designed to promote the modernization of the energy sector. In Poland, for example, there are plans to construct an LNG terminal at Swinoujscie, which could also serve the needs of Germany. Finally, the planning permission procedure for the Baltic pipeline is making little headway in the Swedish courts, having been held up by environmental regulations, and might still take years. On top of this there is the global economic crisis, which has witnessed a decline in the prices for energy supplies

and has led to a reassessment of all investments in the energy sector.

## IX

### What should the EU do better in future?

The future shape of the Eastern Partnership depends on whether the EU succeeds in overcoming the current crisis, which has been caused by the process of ratifying the Treaty of Lisbon. Without this treaty the EU will find it difficult to enhance its influence on the transformation states in its eastern neighbourhood.

The gas crisis at the start of 2009 sharpened the debate about energy security within the EU itself. The decision adopted by the energy ministers on 25 January 2009 was a long-awaited step in this direction. At the most recent energy summit on 24 April 2009, which was organized by the Bulgarians, the EU partners, the Russians, the Americans and the Black Sea littoral states, Russian President Medvedev presented a [new energy strategy](#).

The new treaty is designed to replace the old Energy Charter, which in the early 1990s regulated the investment and working environment of Western companies in the energy sector. Russia subsequently refused to ratify the Charter because it considered that it gave the West an unfair advantage. During Putin’s presidency contracts with several Western energy companies were renegotiated with the help of some rather dubious methods. Medvedev’s proposals revitalized the issue, and came at a time when the centrepiece of the EU’s energy policy was beginning to look rather shaky. The Nabucco pipeline is running out of suppliers. Azerbaijan has turned to Moscow, Turkmenistan to China, and for security policy reasons Iran is currently not a serious contender for security policy reasons. Thus in shaping its energy policy the EU must proceed in a more sophisticated way and should coordinate both the

Eastern Partnership and the PCA with Russia. It is unclear who will gain the upper hand in this area.

The negotiations on a new PCA will take a long time, not only on account of the crises in the relationship with Russia. As yet the Russians have not displayed a great deal of interest in a new PCA. While it is certainly true that the negotiating process has begun, many years may elapse before a viable document actually materializes. However, Russia's delayed WTO membership may put additional pressure on its negotiating strategy, since it provides an [opportunity](#) to determine regulations in the economic sphere.

Hitherto the major impetus for the shaping of EU eastern policy has always been of external origin. While it is true that the far-sighted EU strategy already existed in the shape of a Polish-Swedish proposal, external pressure clinched the matter. Thus the war in Georgia and the recognition of Abkhazia and South Ossetia called for a suitable response. Without this decisive impetus the Eastern Partnership would probably never have been adopted in this form.

The rejection of the Eastern Partnership by Russia and the lack of interest in a new binding PCA with the EU will also lead to a shift in the priorities of the EU's eastern policy. It is due to Russian Prime Minister Putin and the gas crisis that the EU's energy strategy has begun to face up to the facts. It seems unlikely that the Baltic pipeline will be stopped. However, the construction of the Nabucco pipeline would lead to a shift of emphasis in eastern policy. The next gas crisis will show whether or not the EU has learned anything in the meantime.

In the years ahead the central issue will probably be the simultaneous development of the PCA with Russia and the Eastern Partnership. The EU strategy will involve enhancing relations with its neighbours to the east and placing relations with Russia on a new footing. In the shaping of a "European Eastern policy" Poland and Germany will have a key role to play. For this reason in the Germany-Poland-Russia triangle will be of crucial importance for the forthcoming development of relations between the EU and Russia.

#### Responsible

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