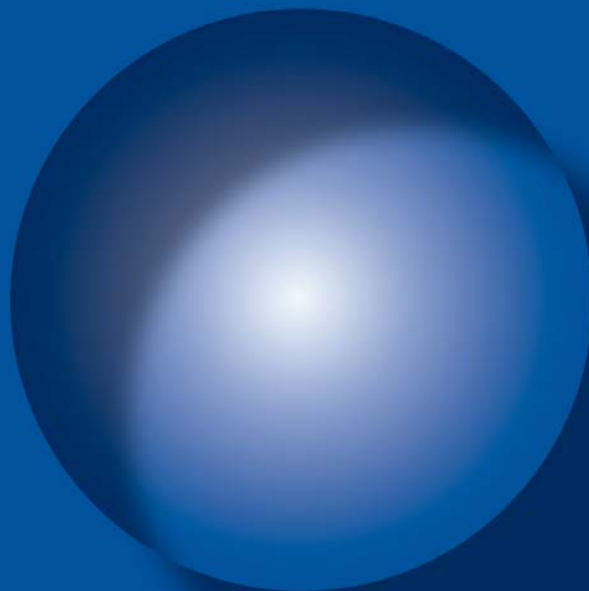


Friends or Family?

Finnish, Lithuanian and Polish perspectives on the EU's policy towards Ukraine, Belarus and Moldova

Grzegorz Gromadzki, Raimundas Lopata and Kristi Raik



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Summary of main points

- In order to promote reforms in Ukraine, Belarus and Moldova, its own interests in the eastern neighbourhood, and its founding goals and values, the EU should offer a clear membership prospect to these countries if they prove their commitment to European values and seriously aim to satisfy other criteria for membership. Currently this concerns Ukraine and Moldova whose European aspirations need active support and strong incentives from the EU. Of course, the goal of accession does not guarantee membership – fulfilment of the Copenhagen criteria must remain the key to accession.
- The EU has to continue to create a new strategy towards Belarus, aimed at actively promoting a peaceful transition to democracy. The European Neighbourhood Policy (ENP) does not offer guidance because it practically excludes Belarus as long as the country remains authoritarian. The EU needs to help the Belarusian democratic forces to prepare and conduct a coordinated, unified campaign before the presidential elections of 2006. It is at least as important to develop a long-term strategy of supporting independent NGOs, to increase public awareness about the EU and the alternatives it offers to the country, to enhance contacts with the administration and to cooperate in non-political fields such as the environment, infrastructure and social and health issues. All in all, the EU could adopt a strategy called “ND plus”: developing practical cooperation in a similar manner to the ND plus the promotion of democratisation.
- The involvement of Russia in the ENP is inevitable for two reasons: firstly, it is the only way to work against a “zero-sum game” between the EU and Russia as competing spheres of influence; and secondly, it supports the aim of using democracy promotion in the new neighbouring countries as a means of encouraging Russia to move in a similar direction. However,

the inclusion of Russia does not grant it the right of veto or imply any deal-making between the EU and Russia with respect to their common neighbours without the involvement of the latter. EU-Russia cooperation on their common neighbourhood should mean first and foremost open dialogue. This requires a clear understanding from the EU side of what it is seeking in the region.

- The Eastern member states have to work together on the EU's policies towards the East. Their basic interests are the same: a stable and secure neighbourhood, the promotion of European values in neighbouring countries, functioning relations with Russia, a more coherent EU policy towards Russia, and the EU's interest in and commitment (including funding) to the variety of countries and issues in the Eastern neighbourhood. These issues are particularly important for the new Eastern member states and Finland. Other partners in the EU's Eastern policy include the other Nordic countries, Austria, the Czech Republic, Hungary, Slovakia, Romania and Bulgaria. Most importantly, it is essential to include Germany without whom the Eastern and Northern member states would hardly be able to receive sufficient support for their positions in the Union.

- Finland, Poland and Lithuania are in a key position as countries that have been particularly active in the EU's Eastern relations – Finland through the ND initiative, and Poland and Lithuania in relation to Ukraine, Belarus and, to a lesser extent, Moldova. As the three countries continue to pursue their specific interests in the East, it is natural for Finland to maintain a leading role with regard to north-west Russia, and for Poland and Lithuania with regard to the new Eastern EU neighbours. However, the three countries should support each other's specific interests and aims. This is more than a trade-off in order to receive support for their own individual activities, since the three countries share the basic interests listed above.

- Finland's interest in the EU's policies towards the East has been largely dominated by the Northern Dimension. The new Eastern neighbours and the ENP have not been taken on board as issues that would be important for Finland per se, but have been mostly addressed from the perspective of their implications for the ND. This report calls for a change of policy: it argues that the fate of Ukraine in particular, and to a lesser extent that of Moldova and Belarus, are of tremendous significance for Finland.

The main reason for this is the huge impact that the direction of these countries will have on the future development of Russia. The Finns should therefore play a more active part in the EU's policy towards the new Eastern neighbours. This must not take place at the cost of the ND – on the contrary, it will be easier for Finland to receive support from other member states for the ND if it shows more interest in the whole Eastern neighbourhood.

- Poland's Eastern policy consists of two approaches: first, the future of Ukraine and Belarus should ideally be on a par with that of Poland, including a European (Euro-Atlantic) perspective. Second, co-operation with Russia plays a crucial role for Poland, especially in the field of energy and the Kaliningrad region of the Russian federation, but Russia is perceived as an external partner in the European integration process. The report argues that Poland should build a broader coalition within the EU for the policy vis-à-vis Ukraine, Belarus and Moldova. Co-operation with Germany is indispensable, but discussion with small member states is also vital because they can give added value to the proposals for EU policy in the region. In addition, Poland should be more active in the field of EU-Russia relations. A proactive Polish position would provide convincing proof that Poland is not an anti-Russian country.

- Lithuania, like Poland, strongly supports a proactive and coordinated EU policy aimed at bringing the new Eastern neighbours closer to the EU. It underscores the significance of Ukraine in achieving the critical mass needed for the ENP to succeed and advocates giving Ukraine a clear membership prospect. The EU needs to be actively engaged with Ukraine because it is a country of high strategic importance for the Union. Lithuania is also taking pains to influence the developments of its neighbouring country, Belarus. In particular, Lithuanians are actively engaged in co-operation with political parties, NGOs, the mass media, youth organisations and local authorities. Furthermore, Lithuania has assumed an active role in developing EU-Russia relations, in the first instance by concentrating on the Kaliningrad region. The country has also suggested enhancing co-operation on the socio-economic development of Kaliningrad within four "common spaces", underlining the importance of an integrated approach that does not compromise the shared values.

Introduction: Why should Ukraine, Belarus and Moldova be more than neighbours?¹

The failure to include the EU's new Eastern neighbours – Ukraine, Belarus and Moldova – in the European integration project could have severe consequences for all parties concerned. Above all, the inclusion of these countries is essential for the fundamental goals of integration: the promotion of European values, security and prosperity in the continent. The only truly successful means of integrating less stable and less prosperous neighbours has been enlargement. Hence, this report argues that it is membership of the EU that needs to become the clearly stated, long-term aim of EU policies towards Ukraine, Moldova and, in the even longer term, Belarus. Achieving this aim may fail due to reluctance or inability on the part of the EU or the neighbours, the negative influence of Russia, or a combination of these factors. The report explores what the EU and especially its three Eastern members – Finland, Lithuania and Poland – can do in order to avoid such failure and, in EU jargon, “to extend the sphere of stability, freedom and prosperity” further to the East.

The EU's ability to integrate its new neighbours has recently experienced a setback in the form of the faltering new Constitution. Opposition to further enlargement has been stated as one of the reasons for the internal crisis that ensued after the French and Dutch referenda on the Constitution held in late May and early June 2005. It would be premature, however, to declare an end to enlargement (not to mention to the EU itself). The EU is obviously unable to take considerable new steps in this respect without a serious discussion about its future. The vote of no confidence in the Constitution calls for increased dialogue with the public about EU policies, including enlargement. This

may slow down the integration of Eastern neighbours into the EU, but it should not stop the process of extending European values in the neighbourhood. A “no” to democratising European countries that seek membership would contradict the underlying values and goals of European integration. What is at stake is the credibility and identity of the EU.

In recent years, the EU’s role as a regional power in “the wider Europe” has become one of the main priorities of EU foreign policy. The European Neighbourhood Policy has established an overall strategy for all neighbouring countries, with the aim of creating a “ring of friends” around the Union. Yet the Eastern and Southern dimensions stand out as distinct and very different parts of the policy. Some member states, most notably Poland, have actively promoted a specific Eastern dimension of EU foreign policy, but with little success. The EU’s policy in the Eastern neighbourhood has been fragmented, incoherent and reactive rather than proactive. The European Neighbourhood Policy (ENP) marks a step towards creating a more coherent approach, but it only provides a general framework, which does not as such help to address the specific challenges in the Eastern neighbourhood.²

This report argues that the EU needs to develop a specific, proactive policy for each of the new Eastern neighbours, with the eventual aim of their full integration into the Union. The task of promoting European values, security and prosperity beyond the EU’s current borders is of particular relevance now with regard to Ukraine, Belarus and Moldova. They constitute a distinct region in the EU’s Eastern neighbourhood for several reasons. The Orange Revolution has changed not only Ukraine but also the situation in the neighbouring countries. Both Ukraine and Moldova have confirmed their European choice and willingness to carry out reforms in accordance with EU standards. The events in Ukraine are also having an effect on Belarus, the only dictatorship in Europe: the pro-democratic and pro-European opposition forces have become more active, and public support for President Lukashenka has decreased. The EU needs to assume a particularly active role with a view to the presidential elections of 2006. Finally, Romania’s probable entry into the EU in 2007 will dramatically change relations between the EU and Moldova and enhance the pro-European

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aspirations of the latter. Altogether, the area is becoming more and more distinct from other parts of the ENP, which is why the EU should view the new Eastern neighbours as more than neighbours or friends and develop a specific policy for them. (As argued below, this can be done while maintaining the framework of the ENP for the next few years.)

The practical benefits of the prospect of membership have been proved by the successful transition of Poland, the Baltic states and other new EU members. Once the pre-accession process is underway, it creates a strong motivation and determination in the candidate states to carry out political and economic reforms. Even though it is understood in Ukraine, for example, that the adoption of EU norms is necessary for the country in any case, having the perspective of membership would create an incentive of unique strength. It would also change the general atmosphere in society, helping the population to accept the difficulties of the reform process and to sustain belief in positive development. The candidate status also confers very concrete economic gains such as increased foreign investments and trade, which are spurred on by an improvement in political stability and the rule of law.

It is first and foremost the Eastern member states that can and should contribute to developing the EU's policies towards the East. There has been too little cooperation and coordination up to now among the Eastern member states in matters concerning the EU's policies towards the East. In particular, the report examines the perspectives of three countries that hold a key position: Finland, Poland and Lithuania. These three countries have been particularly active in the EU's Eastern relations – Finland through the Northern Dimension initiative, and Poland and Lithuania in relation to Ukraine, Belarus and, to a lesser extent, Moldova.

The important contribution of Poland and Lithuania to the EU's activity during the Ukrainian crisis of late 2004 demonstrated the ability of the two countries to bring added value to the EU's Eastern neighbourhood policy. Finland for its part has successfully put the Northern Dimension initiative on the EU's agenda, creating a new model for cross-border relations. The ND initiative, which continues to be Finland's main concern as regards the EU's Eastern policies, has often been seen as a model

for an Eastern dimension. The report explores the potential of joining the Finnish experience of the ND with the Polish and Lithuanian expertise and activity in relation to their Eastern neighbours, and outlines a common agenda for Eastern and Northern members on the issues of Eastern neighbourhood policy.

The report will first present a brief overview of the ENP and its main shortcomings with respect to the EU's relations with Ukraine, Belarus and Moldova. Secondly, it examines the ENP and especially the EU's policies towards its Eastern neighbours from three national perspectives: the Finnish, Lithuanian and Polish. This will provide a basis for outlining a more proactive EU policy towards Ukraine, Belarus and Moldova, placed within the broader context of the ENP and EU-Russian relations. The authors will argue that the policy needs to include dialogue with Russia, and it needs to be promoted in an active and coordinated manner by the Eastern member states in close cooperation with the Nordic countries and Germany.

The EU's response to new challenges in the East

Why does the EU lack a specific Eastern policy? – The path to the ENP

The discussion over a specific policy towards the new Eastern neighbours that came to border the EU in May 2004 started well before the enlargement took place. It was realised in the EU that the biggest ever enlargement was not only going to embrace an unprecedented number of new members, but also new neighbouring countries in the East, which posed huge new tasks and challenges to the Union.³ The EU was going to share a border with the only dictatorship left in Europe (Belarus) and with two ex-Soviet republics (Ukraine and Moldova) eager to become members, but very far from satisfying the criteria. All three countries were seen as sources of instability and threats such as illegal migration, transnational crime, infectious disease, environmental hazards, nuclear waste, and so on. The formulation of an EU policy towards these countries was further complicated by their close ties with Russia, which was determined to keep the former Soviet areas within its sphere of influence.

The views inside the EU and among the former candidate countries have been divided ever since the Eastern neighbourhood issue appeared on the EU's agenda in 2001. The then Eastern candidate countries (currently new members) favoured the idea of a separate Eastern policy or "Eastern Dimension" – with reference to the Finnish ND initiative that had been established as an EU policy in the late 1990s. The strongest proponent of the Eastern dimension was Poland.

The idea of creating a separate Eastern neighbourhood policy did receive some support among existing member states.

The first initiative concerning a new neighbourhood policy was made by Great Britain and Sweden in April 2002. It addressed only Ukraine, Belarus and Moldova, with a special focus on Ukraine. In 2002, the matter was discussed several times in the Council, which emphasised “a need for the EU to formulate an ambitious, long-term and integrated approach” towards the three Eastern European neighbours.⁴

The European Commission started to prepare its proposal for a new neighbourhood policy in the latter half of 2002. The initial discussions inside the Commission considered the option of creating a specific policy towards Eastern neighbours. However, in December 2002 the president of the Commission, Romano Prodi, launched a new neighbourhood vision including all the countries on the EU's border. His slogan of creating a “ring of friends” around the Union was evoked with the aim of projecting stability and prosperity in the neighbouring countries in a similar manner to that which had been effected previously through enlargement. The new neighbourhood policy, however, was explicitly not aimed at membership for the target countries, but was to create a new model of good neighbourly relations. Expressing a concern, shared by many in the EU, that integration will be “watered down” as a result of including an ever-growing number of countries, Prodi declared that “we cannot go on enlarging forever”.⁵

Prodi's vision was formulated in more detail in the Commission Communication “Wider Europe – New Neighbourhood”, issued in March 2003. On the basis of the Communication, the Commission prepared a Strategy Paper of European Neighbourhood Policy, which was adopted in May 2004. The ENP defines the common aims and challenges of the EU in relation to all the neighbouring countries.⁶ These include the promotion of European values (democracy, human rights, transparent governance, sustainable development, etc.), economic and social development, efficient border management, people-to-people contacts, and dealing with the threats mentioned above.

In order to address the specific needs and problems of the neighbours, the ENP stresses a differentiated approach. “Tailor-made” policies for each country are formulated in bilateral Action Plans. The first seven Action Plans, among others for Ukraine and Moldova, were launched in December 2004.⁷

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The EU-Ukraine and EU-Moldova Cooperation Councils adopted the respective Action Plans in February 2005.

The new strategy is to be supported by a new financial programme, the European Neighbourhood Policy Instrument (ENPI), which will be the main channel for EU aid to all neighbouring countries from 2007 onwards. Its primary focus will be the implementation of the ENP Action Plans. The ENPI will replace the two previous principal assistance programmes, MEDA, which covers the Mediterranean countries, and TACIS for Eastern Europe. Stressing the enhanced neighbourhood commitment, the EU will almost double the amount of aid (from EUR 8.5 billion altogether for MEDA and TACIS in 2000–2006 to 14.9 billion planned for the ENPI in 2007–2013). The creation of a single aid channel is a significant concrete indication of “putting all the neighbours in the same basket” and developing a common approach towards the neighbourhood.

Shortcomings of the ENP

The new broad strategy has had one important positive impact: it has increased the attention and commitment of various actors in the EU towards relations with neighbouring countries. That task notwithstanding, the overall strategy is of little help as far as practical work with each country is concerned. It should therefore be seen as merely a loose framework for a variety of specific policies. It includes plenty of empty space that, in the case of some neighbours, may be filled with the prospect of membership, which is not excluded from the strategy. The variation in the concrete “fillings” for different countries is indeed visible in the Action Plans.

Although the principle of differentiation is stressed in the ENP, the creation of a single category of “neighbourhood” that includes all the very different neighbouring countries is problematic. Firstly, the broad strategy does not respond to the specific aims of the neighbours. Secondly, it creates a misleading perception that a similar (although differentiated) relationship model suits all the countries. By establishing a common starting point and common framework for all the neighbours, the ENP conditions the relations in a way that may actually harm or slow down

the pursuit of the specific goals of countries such as Ukraine and Moldova. Since the southern neighbours do not have similar European aspirations to these two countries, there is a need for separate strategies.

Thirdly, a major shortcoming of the ENP is that it does not create enough incentives for the neighbours to implement reforms in accordance with EU norms. Several voices in the EU have called for a new type of treaty for neighbours that seek closer integration, such as Ukraine and Moldova (and possibly Turkey). It is, however, questionable whether any kind of alternative treaty would offer a satisfactory response to the European aspirations of these countries, and a strong enough motivation to continue reforms.

The EU's policies of enlargement share similarities with the ENP, but the most important element of enlargement – the goal of accession – is missing from the ENP. The main common denominator is the extension of EU values and norms to neighbours through conditionality. Whereas conditionality has worked effectively for countries that have had membership within reach, there is no evidence of effective conditionality in other EU external relations. The ENP does not offer carrots that would make this mechanism work. Hence, without membership on offer, it is hard to see how the Union can avoid establishing new divisions in Europe.

Fourthly, the EU's emphasis on partnership and joint ownership does not correspond to the actual relations with neighbours. Quite the contrary, the EU's position may be described as “we do not impose anything, but if you want closer cooperation, do as we say”. The ENP appears to be more dialogical than the relationship between the EU and applicant countries: While the latter have no choice but to adopt the whole set of EU norms, each ENP country negotiates a “tailor-made” plan with the Union. Conditionality is explicitly denied: “The EU does not seek to impose priorities or conditions on its partners”, “There can be no question of asking partners to accept a pre-determined set of priorities”.⁸

Yet, the original premise and main aims of the ENP constitute a policy formulated by the EU. Ukraine and Moldova, for instance, have repeatedly expressed their dissatisfaction with the way in which the ENP groups them together with

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the Mediterranean countries, but they have had to accept this framework. The conditions are defined by the EU, not the neighbours, and the closeness and depth of relations depends on the extent to which the latter adopt EU norms. This is especially valid for countries that seek membership, such as Ukraine and Moldova. What these countries themselves expect is explicit conditionality based on clear criteria that would bring them closer to the goal of membership.

Finally, being strictly conditional upon shared values, the ENP is unable to deal with countries that do not share the basic European values. The obvious problem case in this respect is Belarus, which is discussed below.

The limits of enlargement have not been reached

There are several reasons why the EU is reluctant to speak about membership for the new Eastern neighbours. Firstly, Ukraine, Moldova and even more obviously Belarus are far from satisfying the membership criteria. Therefore the EU regards it as premature to offer any target dates or concrete promises. Secondly, there is serious concern about the ability of the Union to absorb an ever-increasing number of members. It is feared that the EU will simply not be able to function with over 30 member states (including Romania, Bulgaria, Turkey and the Western Balkan countries that are already seen as potential members). It is difficult enough to adapt the decision-making structures to the current 25 members. Ukraine's size only serves to exacerbate the problem as, assuming that Turkey will eventually become a member, Ukraine would be one of eight big member states.

Thirdly, there is a considerable amount of "enlargement fatigue" in the Union, coupled with a feeling that the focus should now be on the still remaining candidates (Bulgaria, Romania, Turkey and Croatia) and the development of existing policies and structures. As mentioned in the introduction, the lengthy process of adopting the new constitutional treaty, with no guarantee of a successful outcome, also poses a stumbling block as far as the new neighbours are concerned. And last but not least, the EU – especially some of the big member states – is

concerned about the views and reactions of Russia. We will return to this problem below.

Concern over the Union's ability to function is entirely justified. It is also true that enlargement must stop somewhere. However, it cannot exclude the three Eastern neighbours that are an undeniable part of Europe. The integration of Ukraine, Moldova and Belarus is a matter that tests the EU's fundamental purpose: to safeguard peace and democracy in Europe. Exclusion would come at the expense of serious damage to the EU's credibility and identity. The EU can only be viable in future if it remains true to its basic goals and values and, at the same time, reforms itself in a way that enables it to function with a growing number of member states. Moreover, enlargement has already essentially changed the nature of the EU: it has become less coherent, with variable groups of member states preparing initiatives among themselves before bringing them to the common agenda, and with less discussion including all members. The inclusion of some or all of the three countries would not make a considerable difference to this tendency.

Three national perspectives

Finland: In need of a broader approach

The unique nature of the ND

The ND is the beloved child of Finnish EU policy – no matter how we judge its actual achievements, it has made Finland widely known as an active member state that is willing and able to promote its interests in the EU. The Finnish initiative serves as a model for other, especially small and new, member states with respect to putting their interests on the EU agenda. As the founding father of the ND, Finland feels a responsibility to continue the policy and to take a leading role in adapting it to the post-enlargement context. In order to shed light on future prospects of the ND and its linkages with the Eastern neighbourhood policy, we should take a brief look at the nature of the initiative, its achievements and problems.

The ND became part of EU foreign policy in the late 1990s. Since then, it has succeeded in bringing the specific concerns of the EU's north-eastern border regions to the attention of the whole Union. The ND activities, as defined in the two Action Plans for the years 2000 to 2003 and 2004 to 2006, have been focused on the north-western regions of Russia, ranging from the Arctic areas to Kaliningrad. The main areas of activity have been the environment, nuclear safety, social issues such as health and education, economy and infrastructure, justice and home affairs and cross-border cooperation. Among these, the environment clearly stands out as the sector which has been able to attract the largest funds.

The list of sectors illustrates one of the main characteristics of the ND: the focus on 'soft' as opposed to 'hard' security issues.⁹ The latter have been deliberately excluded. Another outstanding feature of the ND has been its emphasis on partnership or "joint

ownership”. This explicitly inclusive approach has aimed at the “involvement of all stakeholders” – not only the partner countries and the EU, but also other relevant organisations, regional and local authorities and civil society.¹⁰ Thus, the ND has been seen to create an innovative, new kind of regional approach to the EU’s external relations, which could bridge old dividing lines and increase openness and partnership at different levels of society.

The specific soft security focus and multilateral nature account for both the main strengths and weaknesses of the ND. The exclusion of hard security and other politically sensitive issues has helped to make the initiative uncontroversial and acceptable to all partners. Hence it has enabled practical cooperation in a variety of sectors and at a variety of levels, with the aim of solving perceived problems. While hard security issues tend to be politically sensitive and conflict-oriented, the amelioration of soft security problems requires and promotes cooperation. In other words, while it is common to think in terms of a ‘zero-sum’ game in the former field, in the latter it is a ‘win-win’ situation that prevails and which has characterised the ND. The exclusion of democracy promotion and human rights issues has also helped to make the ND acceptable to the Russian side.

However, it is this very focus on ‘soft’ or low political issues which has lessened the significance of the ND for the overall EU-Russia relationship. It has not touched upon politically and strategically important issues such as democracy and human rights in Russia, relations between Russia and the Baltic states, or the status of the CFE Treaty (Conventional Armed Forces in Europe) in the region. In terms of interest-based as opposed to value-based cooperation – which, as we know, is one of the key questions in EU-Russia relations – the ND clearly falls in the former category. European values are feasibly promoted indirectly through engaging Russian civil society in the ND activities, supporting education, and improving general welfare and stability.

When it comes to partnership, it has not been easy to put the principle of partnership into practice. Action Plans have been prepared by the EU, but the Russian side has not been satisfied with the extent to which it has been involved. In response to this problem, a new partnership model has been introduced in

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the fields of the environment and social and health issues,¹¹ which is likely to be followed by similar arrangements in other policy fields. The new model pays special attention to the joint preparation of activities.

The large number of actors has been as much of a burden as an asset.¹² One can speak of an overload of institutions: the preparation and implementation of the ND has involved, in addition to EU institutions and member states, the Council of Baltic Sea States, the Barents Euro-Arctic Council, the Arctic Council, and the Nordic Council of Ministers. At the same time, the ND has lacked its own organisation and budget and has drawn funding from various EU programmes, international institutions (EBRD, EIB, NIB) and participating countries.

Finnish efforts to maintain the ND

The May 2004 enlargement and the new ENP initiative have aroused serious concerns in Finland over the future of the ND. In spite of some critical voices in the Finnish discussion, which have brought into question the purposefulness of continuing the ND, the prevailing view among the political elite is for maintaining the concept. Finland has taken a leading role in preparing a new action plan, with a view to the Finnish EU presidency in the latter half of 2006, which will offer a chance to revive this issue on the EU agenda. The end of 2006 will also herald the conclusion of the current Action Plan, and hence the EU needs to decide on the future of the ND by then.

The main characteristics and priorities of the ND remain unchanged in the Finnish plans for the future, which means that the strengths and weaknesses also remain similar. The new emphasis on partnership noted above is the most significant reform. Another notable change is that the ND is becoming more closely integrated with EU-Russia relations. The geographical focus will be on north-western Russia even more clearly than before, although the ND continues to cover the whole Baltic Sea region.¹³ (Since Russia remains the only non-EU country around the Baltic Sea, the ND as a *foreign* policy of the EU can only be directed towards Russia today.)

In addition to the shortcomings examined above, one of the main weaknesses of the ND is that it has remained first and foremost a *Finnish* initiative, designed from the perspective of

specific Finnish interests and concerns. Other Nordic countries, the Baltic states and other Baltic Sea states have never opposed the ND and have taken part to varying degrees, but their engagement has been far from the level of that demonstrated by Finland. Now that Finland is leading the discussion over the future of the ND, it is paying special attention to ensuring the commitment of its partners in the EU. The EU members around the Baltic Sea are naturally the ones most interested in the ND. Sweden has been the most active country after Finland in preparing future ND activities. The Baltic countries (having a common border with Russia) are likely to become more involved, as they gradually work out their more precise policies and goals in the EU. The most important question when it comes to the involvement of EU member states is the commitment of Germany. Germany has expressed support for the continuation of the ND as an EU policy, with a stronger role for the Commission. Finland also seeks to maintain the involvement of non-EU countries such as Norway, the US and Canada.

The limits of the ND as a model for the Eastern ENP

Ever since the idea of an Eastern Dimension emerged, the ND has been seen as a model for it. First, the ND exemplifies the way in which a small member state can promote its interests and take part in shaping the EU's agenda. Second, there has been speculation over whether the form and substance of the ND could be applied in other EU relations with neighbours. This latter aspect has not, however, received concrete answers.¹⁴

On the whole, the specific nature of the ND does not seem to be particularly suited to the Eastern ENP. The main reasons for this are, firstly, that the strategic goals of the EU in relation to Ukraine, Moldova and Belarus differ substantially from those in relations with Russia: the former should be seen as potential member states, whereas the latter is a strategic partner that is not likely to become a full member. Secondly, the ND is a sub-regional policy focused on the border areas, whereas the EU's policies towards the three new Eastern neighbours are primarily policies towards these *states*. Of course, there are also sub-regional elements and cross-border cooperation in relations with the new neighbours, and with respect to these, the ND does serve as a useful model.

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The most tangible connection between the ND and the ENP is created by the ENPI, which will be the main source of funding for both as of 2007. Under the ENPI, the Eastern dimension should constitute a united block in much the same way that the Mediterranean dimension does. Otherwise, the ND and the EU have their separate policy goals and agendas in respect of the new Eastern neighbours, despite several overlapping interests and common aims such as the promotion of security and stability.

In spite of the differences, there are certain aspects in the ND that are worth emphasising in the EU's relations with its neighbours in general. First, the principle of partnership in the planning and implementation of activities is valuable for the ENP too, and it is, in fact, included in the ENP strategy. As noted above, the actual accomplishment of the principle has not proved an easy task in the ND, and it may be even more difficult under the ENP because it is largely based on the values and norms of the EU itself, which the partner countries are expected to adopt. Thus partnership tends to take an unequal, hierarchical form where the stronger side determines the rules.

Second, the multilateral nature of the ND could be applicable to some extent in the (Eastern) ENP. In relation to the new Eastern neighbours, specific attention should be paid to multi-country projects that may involve different international and/or regional organisations. Third, in relation to Belarus the EU could apply an "ND plus" model, as described in more detail below.

Why should the Eastern ENP be a priority for Finland?

While focusing on the ND, Finland has shown little interest in the new Eastern neighbours and the ENP as such – apart from their implications for the ND. Finland has followed the positions of the EU and gone along with the shifts that have taken place, for instance, in EU policy towards Ukraine. It has not been interested in assuming a proactive role towards Ukraine, Moldova and Belarus in the way that Poland and Lithuania have, nor has it specifically expressed support for the activity of the latter.

Why, then, has Finland shown little enthusiasm towards the Eastern neighbourhood policy? Firstly, the new Eastern neighbours are simply not regarded as particularly important for Finland – these countries are relatively far away, very little is known about them, and there is no history of close relations.

This is a crucial difference in comparison with the Baltic countries. Finnish policy towards the Baltic countries in the late 1980s and early 1990s was very cautious because they belonged to the Russian sphere of interest. However, the importance of the Baltic neighbours for Finland was never in doubt, and Finland gradually developed an active policy of supporting their transition and European integration.

Secondly, it is a commonly held view in Finland that, with respect to the EU neighbourhood, Finland should continue to focus its activity and resources on its own border regions. Although the official view emphasises that the ND and the ENP must not be seen as competing with each other, it is still considered to be Finland's task to defend the interests of the ND in competition over EU resources directed towards neighbouring countries.

The third reason is sensitivity towards Russian views: Finland typically avoids positions or activities that may irritate Russia or which might be considered detrimental to relations with the big Eastern neighbour. Since Ukraine, for instance, has firmly belonged to the Russian sphere of influence, Finland's involvement has been regarded as undesirable.

Finally, Finland is reluctant to become part of an "Eastern coalition" of member states in the EU. One of the reasons is, again, the hostile attitude of Russia towards such a coalition, which Russia sees as antagonistic to its interests. In addition, the Baltic countries and Poland are, by and large, not regarded as a particularly desirable reference group for Finland, which emphasises and values its Nordic identity. The suspicion concerning close ties with the Baltic countries and Poland has long historical roots, dating back to the period between the two world wars, when Finland established itself as one of the Nordic countries and rejected an alliance with its southern neighbours.

It is argued here that an active role in the Eastern neighbourhood policy of the EU, in cooperation with other Eastern member states, would enable Finland to place the aims of the ND into a new, broader framework. Finland should reassess its positions towards the Eastern ENP and develop a proactive policy in cooperation with Poland, Lithuania and other EU members with similar interests. From a Finnish perspective, the primary reason is Russia – an active policy towards Ukraine and other new Eastern neighbours would be necessary for promoting

Finland's long-term interests with regard to Russia. A western orientation and democratisation of Ukraine and other countries that are part of Russia's 'near abroad' and traditional sphere of interest would have a huge impact on Russia, above all in the form of a demonstration effect that would encourage the latter to move in a similar direction. This would obviously be a very desirable prospect from the Finnish viewpoint. Therefore Finland should actively support Ukraine and Moldova's European aspirations and promote an active EU policy towards that area.

At the same time, Finland could strengthen its position and image in the EU as an active member state by showing initiative in the Eastern ENP. Finland has a good reputation to build on, and thus its support for Polish and Lithuanian activity would definitely help to promote this issue on the EU agenda. As the ND has lost its novelty and is developing into a regional sub-field of EU-Russia relations, having minor political significance, new initiatives are needed in order for Finland to maintain a dynamic position in the EU. Activity towards the new Eastern neighbours must not take place at the expense of the ND, however. It can only be positive for the ND if Finland is active not just narrowly in its own immediate neighbourhood, but shows interest in the EU neighbourhood as a whole. Furthermore, the problems and interests of the EU in the East are closely linked with each other, and hence a comprehensive approach is useful and necessary. It is also easier for Finland to receive support from other member states for ND activities if it is active in other areas too.

Finally, the most difficult and delicate task for Finland in the Eastern ENP would be to develop the dialogue between the EU and Russia over their common neighbours. Finland's support for the Eastern ENP should be combined with aims to convince Russia that the purpose of EU policy is not to weaken Russia, and the Eastern members are not building a coalition against her.

Lithuania: Aspiring to a visible role in the Eastern neighbourhood policy

Lithuania's vision for relations with Belarus, Ukraine and Moldova
From the Lithuanian perspective, anchoring Belarus, Ukraine and Moldova in the democratic community of European states

should be the key strategic interest of the European Union. The Lithuanian position stresses that European integration has always been first and foremost a security project; and the security architecture of Europe will be incomplete as long as the EU leaves these countries outside its borders. Lithuania is concerned about the fact that, while the EU is reluctant to demonstrate that these three countries would be welcomed in the European community (once they fulfil the necessary criteria), Russia is more than ready and willing to embrace its “near abroad”. Passiveness on the EU’s part may further encourage Russia to follow an expansionist, undemocratic path rather than live up to its own rhetoric of democratisation. Moreover, one should stress that it would be wrong to assume that these countries do not have an alternative to the European project: Belarus is now following a completely different path which is leading the country further away from Europe. Ukraine and Moldova have recently been flirting with authoritarian tendencies and could well revert to them if the EU does not seize the opportunity it currently has to support their democratisation.

Lithuania started to develop its vision for future relations with Belarus, Ukraine and Moldova at the turn of 2002. This vision was based upon what had been achieved in Lithuania and in the region during the previous decade, and it was structured around three main goals: First, Lithuania’s borders should be among the most friendly and cooperative in all Europe. Second, the common interests with the Eastern neighbours in regional economic growth and prosperity must be strengthened. Third, it is in Lithuania’s foremost interests that its neighbours are democratic and peaceful both internally and in their relations with other neighbours.¹⁵

The vision has been implemented through various practical initiatives introduced by Vilnius, including for instance several Euro-regions¹⁶ and the Lithuanian-Ukrainian strategic partnership introduced in March 2002.¹⁷ Lithuania has also set up initiatives concerning the Kaliningrad region in the framework of the Northern Dimension. EU membership has considerably improved Lithuania’s opportunities and abilities to pursue its aims in relation to the Eastern neighbours.

Through its active stance in the Eastern neighbourhood, Lithuania aims to attain the status of a visible EU member state

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whose competence in this area is widely acknowledged. Just as the EU is dealing with the Mediterranean region to a great extent via Greece, Italy and Spain, it could rely on and trust the expertise and experience of its Eastern member states with respect to the Eastern neighbours. Ukraine's Orange Revolution was of great significance in proving that Lithuania can bring added value to EU policy. It is also notable that the Polish and Lithuanian leaders could push much harder in suggesting solutions to the Ukrainian crisis than Javier Solana who, as a representative of the whole EU, had to err on the side of caution and take into account the different opinions of 25 countries.

It is Lithuania's wish that, in similar cases in the future, the EU could throw its weight behind the activities of individual member states that have the necessary expertise. In other words, one of the ways to pursue an efficient Eastern policy is for the EU to support the efforts of individual members without being involved as such. At the same time, it should be remembered that not all EU member states have the same approach towards the Eastern neighbourhood policy and relations with Russia in particular. Thus, it is essential for Lithuania and other new EU countries to develop their ability to win support for their views and initiatives among other member states.

Domestic challenges to Lithuania's aims in the East

Lithuania's activity in the Eastern neighbourhood is conditioned not only by external realities, but also by its own limited human and financial resources. In the Lithuanian view, the EU's financial support for the Eastern neighbours (including Russia) should be substantially increased and it should not be less than aid allocated to the Mediterranean countries. At the moment, there is a considerable shortfall: for 2004–2006, the TACIS programme budget for Eastern Europe stands at 1.8 billion euros, while the MEDA programme for the Mediterranean stands at 2.9 billion euros (see appendix).

Furthermore, it is of key importance to maintain the firm political will to implement the planned objectives. On the eve of 2003 the internal political situation became unfavourable for the ambitious goals. A political crisis was caused by disputes over the impeachment of the newly elected President Rolandas Paksas who was suspected of violating the Constitution. The crisis had a

paralysing effect on foreign policy because the Lithuanian Constitution grants strong powers to the President in this field. It took almost a year to resolve the internal crisis, to revive the hard-won concepts and activities pertaining to the possible EU Eastern dimension, and to regain the support of the most important Lithuanian political forces for the implementation of the same foreign policy ideas adapted to the changing international environment.

The main priorities remained constant. For example, on 24 May 2004 the then Acting President, Artkras Paulauskas, emphasised once again how important it was for the EU to think about the practical steps for broader engagement with the East.¹⁸ An agreement between political parties on the main foreign policy goals and objectives for 2004–2008, signed by the leaders of 13 parties on 5 October 2004, stated that the goal of Lithuania is “to initiate and implement new formats of regional cooperation, uniting the states of Northern, Central and Eastern Europe; to support democratic processes in Ukraine, Belarus, Moldova, the countries of the South Caucasus and the Russian Federation”.¹⁹

Lithuania's partners and priorities

Lithuania has taken the initiative in promoting cooperation among member states interested in the Eastern policies of the EU. The meeting concerning EU policy towards Eastern neighbours, organised by Lithuania on 10 October 2004 in Luxembourg, with the participation of ministers of foreign affairs from Austria, Czech Republic, Denmark, Estonia, Finland, Hungary, Latvia, Lithuania, Poland, Slovakia and Sweden, was a good example of consultations among member states with similar interests in the East.

It is also important for Lithuania to support regional cooperation among the champions of democratic change in the EU's Eastern neighbourhood. Now that Ukraine, Moldova and Georgia have completed a 180-degree turn, the need for them to reinvent themselves and embed themselves in a broader European context is obvious. For nearly a decade these countries were considered a backwater of European politics: weak, corrupt, and divided. It is now in their mutual interests to seize this momentum and liberate themselves from their past. Through consolidation of such regional formats as GUAM, Ukraine,

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Moldova and Georgia can make their cause more visible in Europe. This process should, therefore, be supported – something which Lithuania actually did by attending the GUAM summit held in Chisinau in May 2005. The declaration adopted by the GUAM heads of state at the summit proves the commitment of these countries to addressing such longstanding regional issues as Transdnistria or the authoritarian regime in Belarus more effectively.²⁰

Lithuania sees Ukraine as the most important ENP partner and underscores Ukraine's significance in achieving the critical mass needed for the success of the ENP. The EU needs to be actively engaged with Ukraine because it is a country of high strategic importance for the Union. Lithuania demonstrated its special role (together with Poland) in EU-Ukrainian relations during the Orange Revolution when President Valdas Adamkus took part in negotiating a solution to the conflict. Currently the country accepts the EU-Ukraine Action Plan and the aims that have been set for closer cooperation (including increased support through TAIEX and Twinning) as the short-term basis for EU-Ukraine relations. At the same time, Lithuania advocates giving Ukraine a clear membership prospect.²¹

The fate of its neighbour, Belarus, is also a priority for Lithuania. Further evolution of the situation in Belarus depends on the development of civil society. Therefore, Lithuania is actively engaged with the practical projects of co-operation with political parties, NGOs, the mass media, youth organisations and local authorities.²² As an indication of its active role in EU policy towards Belarus, the Lithuanian government has hosted several important meetings in Vilnius. For example, in February 2005, representatives of civil society from a number of EU countries and Belarus gathered in order to assess the latter's assistance requirements. In March 2005, the government hosted a conference organised by the European Commission, bringing together representatives of the EU, member states, NGOs from various countries, and other donors and international organisations. The conference confirmed the need to enhance EU assistance to Belarusian civil society.

The development of the Kaliningrad region is also a special focal point for Lithuania. Lithuania has assumed an active role in developing EU-Russia relations with regard to the region, and

has suggested that the EU should develop co-operation on the socio-economic development of Kaliningrad within the four “common spaces”.²³ It also underlines the importance of an integrated approach that does not compromise European values. From the Lithuanian perspective, cooperation in the common neighbourhood needs to be one of the key elements of EU-Russia relations, which should help the neighbours to advance their European integration.

The question of how to involve the US in the region and, indeed, the extent to which this is even desirable, is a complicated one. The US is Lithuania’s most important strategic partner, but Lithuania’s aims in the Eastern neighbourhood are better promoted by and through the EU. The US policy towards Belarus is not very helpful to Lithuania. One way to improve the situation is to try to persuade the American allies to get more actively involved in this region, which is unlikely when one considers the more pressing problems that the US is currently facing elsewhere in the world. The other alternative is for the EU to finally take the initiative itself without waiting for American leadership as it did in the previous rounds of enlargement – the EU’s Eastern enlargement always lagged behind and was spurred on by the NATO enlargement. Ukraine, Belarus and Moldova are much more difficult cases for NATO enlargement than the Baltic states ever were.²⁴ Therefore the EU seems to be the only viable option at the moment if these countries are to be linked to the Euro-Atlantic community.

Poland: Do not forget the small member states

The principles of Poland’s Eastern policy after the collapse of communism

The main lines of Poland’s Eastern policy have remained the same since 1989. They consist of two distinct approaches towards East European countries, one towards Ukraine and Belarus and the other towards Russia. From the Polish point of view the future of Ukraine and Belarus should be as similar as possible to that of Poland. It means close relations with the two eastern neighbours and a European and Euro-Atlantic perspective for both. Russia, by contrast, is perceived as an external partner in the European

integration process. Nevertheless co-operation with Russia plays a crucial role for Polish authorities, especially in the field of energy supplies (oil and gas) and the Kaliningrad region.

This two-track policy was initiated even before the fall of Soviet Union in the form of parallel relations – towards the Soviet central authorities on the one hand and towards the Soviet republics, especially Lithuania and Ukraine, on the other. The dual policy was based on the conviction that the independence of Lithuania, Ukraine and Belarus serves to guarantee Poland's independence. Such a policy was largely prompted by fear of imperial behaviour on the part of the Soviet Union and later Russia, which was widespread among Poland's political elite.

Poland's objection to the "Russia first" policy that is frequently visible within the EU was, and is, a logical consequence of its own "two approaches" policy. Polish authorities would like to build a more balanced EU policy towards Eastern neighbours. While attempting to counterbalance the "Russia first" tendency in the EU, Poland's own Eastern policy can often be characterised as "Ukraine first". Polish authorities have tried to convince the European Commission and member states that Ukraine should be perceived as a key partner of the EU as a whole.

Meanwhile, Belarus remains an unresolved case for Poland. Polish authorities have not accepted Lukashenko's regime and have tried to develop relations with Belarusian society and promote pro-democratic changes in the country. The Belarus issue has been a delicate one for Poland due to the Polish minority who live there. The Polish government has feared that the Polish minority question could be exploited by the Lukashenko regime in Polish-Belarusian relations. Moldova, on the other hand, has played only a marginal role in Polish policy towards Eastern Europe. Poland has focused its attention on its two neighbours – Ukraine and, to a lesser extent, Belarus. This narrow focus has been both a strength and a weakness of Polish Eastern policy.

Poland was, and is, interested in stability on its eastern border. In this respect the country's policy towards Ukraine and Belarus is similar to Germany's policy towards Central and Eastern Europe around 1990 when Germany categorically supported Czechoslovakian, Hungarian and Polish aspirations to join the EU and NATO. Just like Germany then, Poland has no wish to become an EU borderland.

People-to-people contacts played a significant role in Poland's relations with its Eastern neighbours after the collapse of the Soviet Union. Poland introduced a visa-free regime with Belarus, Lithuania, Russia and Ukraine, which was crucial because between 1945 and 1991 the Polish eastern border was practically closed to ordinary citizens. Before the collapse of the Soviet Union there were, in fact, two walls. One formed the boundary between the communist bloc and Western Europe, the notorious Berlin Wall. The other, much less well-known, was the strictly guarded border between the Soviet Union and Moscow's satellite countries, including Poland. The opening of this border in the 1990s helped to overcome historical conflicts, especially between Poles and Ukrainians.

The Northern Dimension has had scant significance for Polish authorities. Even the Kaliningrad case has been perceived as a bilateral Polish-Russian issue, not as a part of the Northern Dimension framework. In spite of the fact that Poland is a Baltic Sea state, the Baltic Sea region has played a secondary role in Polish foreign policy. This situation has remained unchanged since Poland's accession to the EU.

The EU as a 'tool' for Polish Eastern policy

EU membership was perceived in Poland as a chance to promote Polish ideas about relations with Eastern Europe. Even before Poland's entry to the EU, Polish authorities tried to submit proposals concerning the EU's Eastern policy, and were even requested to do so by member states on occasion. In 2002, the Polish Ministry of Foreign Affairs prepared a non-paper on EU policy towards Eastern neighbours where it outlined the Eastern Dimension concept²⁵. The geographical scope of the Eastern Dimension included Ukraine, Belarus, Moldova and Russia. It should also be noted that the three countries were presented first and Russia second in the non-paper. It was quite evident that the paper prioritised relations with Ukraine, Belarus and Moldova, whereas Russia played a secondary role. According to the non-paper, the Eastern policy of the EU "should consist of three pillars: community (within the CFSP and External Relations), governmental (policies pursued by the member states both bilaterally and within a multilateral framework) as well as non-governmental (involving NGOs and other non-governmental actors)".

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The Polish diplomacy underlined that “the Eastern Dimension of the EU is not meant to compete with the Northern Dimension, but to be complementary to it”, but the document was unclear about a geographical division between the Eastern and Northern Dimension, since both included EU policies towards Russia.

The Polish non-paper stressed that the EU’s relations with Eastern neighbours should be developed within a coherent framework, but in an individual way. In the view of the Polish Ministry of Foreign Affairs, “the existing agreements with Ukraine and Moldova would be upgraded to association agreements”. In addition, Belarus could sign the same type of agreement if its internal political situation were to improve. According to the non-paper, all three countries should be perceived as potential EU members. EU-Russia relations were assessed positively: The paper underlined the fact that “the existing framework for co-operation is well developed and seems to function quite well”.

Yet, the Eastern Dimension concept proposed by Poland failed due to the Wider Europe/ENP concept accepted by the EU before Poland’s accession to the Union. On more than one occasion, Polish authorities suggested that the Wider Europe/ENP concept was too vast and that the EU needed a special Eastern Dimension. However, Poland did officially accept the ENP and is endeavouring to find positive elements in it. For instance, Polish authorities support the inclusion of Eastern neighbours in the Four Freedoms in the future and the more flexible assistance instruments for Eastern Europe created by the ENPI.

Poland understands that without German support it cannot promote a more proactive policy towards Ukraine within the EU. Poland’s co-operation with Germany in the field of EU policy towards Ukraine is a new phenomenon created after Polish entry to the EU but before the Orange Revolution. The first German-Polish proposals on this issue were presented on October 12, 2004. The document can be evaluated as ‘progressive’ because, among other things, it proposed a new enhanced agreement between the EU and Ukraine which would replace the PCA. The German side imposed only one condition: the proposals could not include a membership perspective for Ukraine. Poland concurred. Both countries plus Lithuania made new proposals for EU policy towards Ukraine after the Orange Revolution. One can suppose that the issue of a membership perspective for

Ukraine will be an important question in the dialogue between Poland and Germany in the future.

The dialogue with Germany also has negative consequences, however. The lack of interest in closer co-operation with smaller member states is one of the most important. Polish officials seem to assume that smaller member states will simply support German-Polish proposals and it is not necessary to involve them in the preparation of proposals.

It should be stressed that EU accession has, in fact, increased Poland's ability to be active in relation to its Eastern neighbours. The best example is Ukraine. Poland could not have played such a significant role in resolving the Ukrainian crisis during the Orange Revolution in 2004 without EU membership. The success of President Kwasniewski's mission hinged on close co-operation with Javier Solana, Secretary-General of the EU and High Representative for the CFSP, and Lithuanian president, Valdas Adamkus. The Polish efforts were a part of EU actions.

Proposals for Poland

First of all, Poland should try to build a broader coalition within the EU for the policy towards Ukraine, Belarus and Moldova. Co-operation with Germany is indispensable but discussion with smaller member states is also crucial because they can bring added value to the proposals for EU policy. Poland should promote informal discussion among smaller member states on EU policy towards Eastern neighbours. The above-mentioned meeting organised by Lithuania in October 2004 was a good example of consultations among member states interested in the EU's Eastern policies.

Secondly, Poland should be more active in the field of EU-Russia relations. A proactive Polish position would be the best proof that Poland is not an anti-Russian country. A more balanced approach to Russia on the one hand and other Eastern neighbouring countries on the other must not point to less engagement in the Ukrainian issue, but a more active role for Poland in the shaping of EU policy towards Russia.

Thirdly, Poland could evince more interest in the ND. The main area of co-operation between Poland and Finland in the framework of the ND could be the Kaliningrad region of the Russian Federation.

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Finally, people-to-people contacts remain a very important issue for Poland's policy towards Eastern neighbours. The Polish government could propose a special plan in the EU for visa facilitation concerning the Eastern neighbours, including Russia. The proposal could be prepared in cooperation with Finland, making use of Finnish experience with regard to its visa system for Russia.

Outlining a proactive EU policy towards Ukraine, Belarus and Moldova

The report emphasises the need to approach Ukraine, Belarus and Moldova as a region where developments in one country have a strong impact on the other two and argues for the integration of all three into the EU. However, it is obvious that there are considerable differences between the current situation in these countries, especially between Belarus on the one hand and Ukraine and Moldova on the other. Therefore the specific features of each country and their relations with the EU are examined briefly below, before we make some general recommendations concerning the region.

Ukraine: The Orange Revolution and beyond

Of the three new EU neighbours, the question of offering the prospect of membership is most urgent in the case of Ukraine. The country has been requesting it for many years, but while political and other criteria remained far from fulfilment, it was fairly easy and justifiable for the EU to say 'no'. The Orange Revolution and the victory of democratic forces in the presidential election of late 2004 changed all that. The strong expression of commitment to democracy and the "European choice" made by Ukrainians during the Orange Revolution came as a surprise to the EU and most outside observers. The new president, Viktor Yushchenko, has defined membership of the EU as a top priority under his leadership. He has declared that Ukraine aims to start accession negotiations in 2007.

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The EU, for its part, has welcomed the new “strategic choice of Ukraine in favour of democracy and reform”²⁶ which has “confirmed the country’s place on the European map”.²⁷ Nonetheless, the Union has so far refused to treat Ukraine as a potential member state. It underlines that the recently adopted Action Plan offers enough substance and concrete goals for the relationship. The main problem, however, is not that of practical substance, but long-term prospects and commitment on both sides. To reiterate what has already been said, only the prospect of membership will provide a strong enough incentive for reform.

As noted above, further enlargement is greeted with suspicion in the EU. It is worth noting, however, that the European Parliament has expressed strong support for Ukraine’s membership potential. Furthermore, according to a recent survey, the majority of EU citizens (55%) from the six largest member states are ready to accept Ukraine’s membership.²⁸ In comparison with Turkey, whose attachment to Europe is questioned, there is no doubt that Ukraine is a European country. Thus, the key to becoming a candidate country should be adherence to the Copenhagen political criteria: stability of institutions guaranteeing democracy, rule of law, human rights and the protection of minorities. Turkey is the most recent case to have crossed over on this basis, but it is not certain whether this will be enough in future. Ukraine will test the durability of this principle in the coming years. Yet, if the country displays similar determination to Turkey in carrying out domestic reforms, denying Ukraine the prospect of membership will no longer be justifiable from the viewpoint of the underlying principles of integration.

To date, the EU’s reaction to the Orange Revolution has been very modest in terms of concrete policy proposals. Notable shifts have taken place, however, with respect to preparing visa facilitation, starting consultations on a new, enhanced agreement, strengthening dialogue on energy issues, and promoting people-to-people contacts. The EU has also called for an increase in the loans to Ukraine from the European Investment Bank.²⁹ One of the main practical priorities of EU-Ukrainian relations is to move towards a free trade area. In order to advance in this issue, Ukraine will first have to receive market economy status and join

the WTO, which should be possible by the end of 2005. The implementation of trade regulations and economic reforms has to go hand-in-hand with administrative reform, since the low level of administrative capacity is a severe obstacle to pursuing the ambitious reform agenda of the government.

It is also important for the EU to recognise Ukraine as a major regional player in relation to other Eastern neighbours of the Union. In particular, the EU and Ukraine need to cooperate closely on the settlement of the Transdnistria conflict and the promotion of democratic transition in Belarus. Both the EU and Ukraine have recently become more active in searching for solutions to the Transdnistria conflict.³⁰ Their working together on this issue is important not only for Transdnistria, but also for the strengthening of relations between the EU and Ukraine. As regards Belarus, Ukraine is, above all, an encouraging example of the possibility of change. Ukraine should also be involved in developing the EU's policy towards Belarus.

The beginning of 2006 will mark a critical time for Ukraine's European integration. It is then that the EU will review the implementation of the Action Plan and possibly decide on new steps in the relationship in accordance with Ukraine's reform efforts. What is more, parliamentary elections will be held in Ukraine in spring 2006, which will test the commitment of the country to its European aspirations. Signals from the EU side prior to the elections will have a considerable impact on the election campaign and the outcome.

Moldova: Not only Transdnistria

Contrary to some expectations, Ukraine's Orange Revolution was not repeated in neighbouring Moldova. The country has not expressed such a strong, fresh commitment to European aspirations as Ukraine. However, Moldova does follow Georgia and Ukraine in the line-up of former Soviet republics that have set European integration as their top priority. The parliamentary elections of March 2005 were won by the ruling Communist Party, but with a new programme: the formerly strong Russian orientation was replaced with an aim to build closer ties with the EU and the US.

Moldova's most renowned problem is the Transdnistria region, which has declared independence and has its own government supported by the presence of Russian troops, but is not internationally recognised. The EU and Russia need to be among the main parties in search of a solution to the prolonged conflict. Russia, having long refused to cooperate on this issue, has recently expressed its readiness to engage in cooperation with the EU. The process must also involve Ukraine as it borders Transdnistria and has indirectly supported the illegal regime through weak border control.³¹

Moldova's integration goals offer the EU the possibility to contribute more actively to the solution of the Transdnistria problem. In March 2005, the EU appointed a Special Representative (EUSR) to Moldova, underscoring its increased commitment to settling the conflict. The main task of the EUSR is to work on the Transdnistria question. The appointment is welcomed, not least because it geographically broadens and balances the network of EUSRs.

The EU must continue its efforts to solve the Transdnistria conflict, but must not let this issue get in the way of Moldova's European aspirations and reforms. If the conflict is protracted, the EU should even consider the possibility of the future accession of Moldova, excluding Transdnistria. A precedent has been set by Cyprus, which joined the EU in 2004, excluding the northern part of the island, the so-called Turkish Republic of Northern Cyprus.³²

Moldova has generally complied with minimal rules of democracy during its period of independence since 1991. The government has not directly put the brakes on political and civic activity. However, the population is largely alienated and passive, the media is mostly controlled by the government, corruption is widespread, and the existing independent NGOs struggle to survive with virtually no domestic resources and a largely apathetic public. The EU should pay more attention to promoting media freedom, combating corruption, party-building and independent NGOs.

Many of Moldova's problems stem from the fact that it is the poorest country in Europe. The EU should therefore pay particular attention to promoting economic reforms and improving the climate for foreign investments. The probable

accession of Romania in 2007 will create new opportunities for Moldova to enhance trade with the EU and attract investments from European businesses. Moldova's ability to capitalise on these opportunities is related to the closeness of its relations with the EU and the success of political, administrative and legal reforms in bringing it closer to European standards.

Belarus: A strategy of ND plus?

The ENP framework does not provide any guidance on developing the EU's policy towards Belarus. The country's authoritarian turnabout in 1996 (when a flawed referendum was arranged by president Lukashenka in order to extend his term) led to relations with the EU being frozen. The PCA treaty between the EU and Belarus that was signed in 1995 has not been ratified. The flawed presidential elections of September 2001 and the parliamentary elections of October 2004 only served to further underpin the authoritarian nature of the regime.

In order to prevent the spread of the Orange Revolution to Belarus, the state authorities have recently tightened their control over citizens and the limitations on political and civic freedoms. There have been frequent cases of harassment against opposition politicians, journalists and NGO activists. Nevertheless, the events in Ukraine have already had an impact on Belarus, and rallied the opposition and independent NGOs in their work against the current regime. Overall support for Lukashenka has also diminished.

A far as the EU is concerned, the isolation of Belarus continues under the ENP strategy, which is strictly contingent on the values of democracy and human rights. The EU's position is that it is "willing to deepen its relationship with Belarus, including within the European Neighbourhood Policy (ENP), once the Belarusian authorities clearly demonstrate their willingness to respect democratic values and the rule of law".³³ At the same time it has been acknowledged that the EU's policy of isolation and neglect has done virtually nothing to promote change. One may even make assertions to the contrary: it has enabled Lukashenka to use the slogan "Nobody is expecting us in Europe", convincing many Belarusians that their country has no alternatives.

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Acknowledging its ineffectiveness to date, the EU has started to develop a more active policy of promoting democratisation and civil society in Belarus. The new approach has been strongly promoted by Lithuania and Poland. In the current situation, it is virtually impossible to assist the pro-democratic groups through formal channels. Therefore the EU needs to bypass the Belarus government in allocating democracy aid.

The primary aim now is to prepare for the presidential elections of 2006, supporting the pro-democratic opposition forces. One of the main problems is that the opposition is still weak and only exists outside the official political structures, which is one of the main differences between Belarus and Ukraine before the Orange Revolution. Furthermore, the links of opposition groups to the broader public are weak – one can even speak of a “democratic ghetto” of activists who often have closer links to their western donors than the local population. Lack of coordination between donors has exacerbated the situation, but efforts are currently being made to improve this aspect. All these problems were apparent during the presidential election campaign of 2001 when external aid was given to a number of opposition groups working separately and duplicating each other’s efforts. It is of crucial importance for foreign donors to aim at supporting a united pro-democratic election campaign. Furthermore, the focus of external aid on election campaigns has been a problem in itself. Apart from short-term aid before elections, there is a need for long-term assistance that supports the continuity of pro-democratic forces.³⁴

As suggested above, the policy of democracy promotion could be combined with cooperation with Belarusian authorities modelled according to the Northern Dimension. This would create a double-track strategy of “ND plus”. The “plus” refers to the democracy promotion just outlined above. The “ND” part would focus on aid allocated through official channels in the fields of the environment, social and health issues, improvement of the infrastructure and other spheres included in the ND. Because of its focus on politically uncontroversial issues, such cooperation is in principle accepted by the current authoritarian leadership. It must be noted, however, that the Belarusian government has even increased restrictions and impediments to non-political external aid.

As part of the ND type of aid, the EU should try to increase contacts with the administration at both the central and local levels. This should be seen as a means of preparing for the post-Lukashenka era that is bound to come sooner or later. Not all the people who work in the current administration are true supporters of Lukashenka by any means, and it would be practically impossible at any rate to replace all the administrative personnel once the regime changes. Through assistance to areas such as the social sector and infrastructure, the EU could also make itself more visible and known among the Belarusian people and debunk the notion that “Nobody is expecting us in Europe”. It is important for the EU to reach not only the “democratic ghetto”, but also the ordinary people.

At the same time, the strategy for supporting the opposition and promoting regime change would constitute a separate EU policy track, adding a crucial ‘plus’ to the ND model. The strategy should be supported by enhanced activities aimed at spreading information about the EU among the Belarusian population.

General recommendations for EU policy in the region

Although the ENP is trying to remove the membership issue from the agenda, the key question that the EU has to answer within the next few years remains: will it offer the prospect of membership to Ukraine, Moldova, and even Belarus, in the future. As emphasised above, a truly open-door policy is the only effective instrument for promoting reforms in neighbouring countries. Indeed, the EU has to be able to promote reforms, not just react to changes.

A typical indication of the reactive nature of EU policy is the “Let’s wait and see what the next election brings” attitude. This way of thinking should be quashed. In order to support democracy in the neighbouring countries, the EU should send clear and positive messages in the early stages of their election campaigns. Whatever the EU does or does not do influences the election results: the more it offers concrete steps and prospects that bring the neighbours closer to the Union, the more successful the pro-European, pro-democratic forces are likely to be. This is

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a highly relevant point with respect to both the parliamentary elections in Ukraine and the presidential elections in Belarus, both scheduled for 2006.

Coming back to the membership prospect, it is worth repeating that it can be offered without discarding the ENP, but by using the empty space that exists within the framework instead. There should be no clear-cut distinction between the ENP and the accession process: in the near future, Ukraine and Moldova could be acknowledged by the EU as potential member states, but they would continue to implement the ENP Action Plans while at the same time preparing for the next steps that would take them closer to membership. For the purposes of comparison, we could take a look at the steps taken by the Baltic states between 1995 and 2000:

- association agreements that state the objective of membership (signed by the Baltic states in June 1995, entered into force in February 1998) (the objective of membership was already stated in the Free Trade Agreements between the EU and the Baltic states signed in 1994),
- submitting applications for membership (late 1995),
- preparing answers to a questionnaire from the Commission concerning the readiness of applicants to adopt EU norms (1996),
- receiving the opinion of the Commission concerning the start of negotiations (in July 1997 the Commission recommended that the EU start negotiations with Estonia, but not Latvia and Lithuania at that time)
- the start of accession negotiations (Estonia in March 1998, Latvia and Lithuania in early 2000)

As we know from the previous Eastern enlargement, the process is a lengthy one and it is likely to take an even longer time for further new candidates. New agreements with Ukraine and Moldova should be signed before March 2008 when the current Partnership and Cooperation Agreements expire; their content will depend of course on the success of domestic reforms in the meantime. In any case, they are lagging more than ten years behind the Baltic countries in their relations with the EU.

In order to provide effective and systematic support for its neighbours' reform efforts, the EU should gradually move

towards the model of assistance applied to candidate countries. It is worth pointing out that the amount of aid received by candidates is decidedly larger than assistance to neighbouring countries. Moreover, there is currently a huge imbalance between the Eastern and Southern neighbourhood to the disadvantage of the former, which needs to be addressed. (See comparison of the Eastern neighbours, MEDA and Poland in the Appendix.) Changing the model of assistance not only means an increase in the volume of aid, however. Even more importantly, candidate states are systematically assisted in adopting EU norms in all spheres of society, which involves extensive changes to the legislation, administrative system, etc. Furthermore, the preaccession model also includes a thorough monitoring mechanism, which has been of great help to candidate states. As stated earlier, the adoption of this model can only take place gradually, reflecting the readiness of applicants to effectively use the assistance, and the political and budgetary realities on the EU side. A good start is the already existing plan to increase so-called twinning of civil servants between Ukraine and Moldova, based on the experience of the PHARE Twinning Programme. It would be particularly useful to develop an exchange of experts with new member states who have fresh experience of preparing for EU membership.

Strengthening contacts between the EU and the new neighbours should also be one of the key aims of EU support for civil society. The cooperation of NGOs with their partners from EU countries, participation in European networks, and study trips to the EU are effective ways of raising the level of awareness about the EU and promoting integration at grass-roots level. Assistance is also needed for developing channels and procedures for NGOs to influence both central and local authorities; promoting the cooperation and networking of NGOs at the domestic level; supporting the NGOs that provide social services and improving their cooperation with the state; and improving the English skills of NGO activists. All in all, better targeted aid for NGOs must be one of the priorities of EU policy towards the new Eastern neighbours.

It is also essential to mention visa facilitations as a matter of great practical as well as symbolic importance for ordinary people in the neighbouring countries. One of the main target groups of

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facilitated travelling should be students who are accepted by universities or high schools in the EU. At the same time, the neighbours need assistance in bringing their border controls and Customs up to European standards. The experience of the new member states is again very useful: for example, the Baltic countries built up their border controls from scratch in the 1990s and, since the late 1990s in particular, have received indispensable assistance from the EU.

Collision, collusion or open dialogue? – Engaging Russia

One of the most formidable tasks of the EU's Eastern neighbourhood policy is to involve Russia. Russia, being an EU neighbour itself, was initially included in the Wider Europe framework. However, the Russians saw this as a sign of downgrading the relationship and even abandoning the strategic partnership. The special relationship does not, according to the Russian view, fit into the framework of a neighbourhood policy that includes most of the other EU neighbours. The EU has tried to reassure Russia that it is "of course much more than a neighbour. Its geography, its size and potential, and its role in world affairs mean that our relationship with Russia has developed into a far-going strategic partnership".³⁵ EU documents have remained vague about the position of Russia in the ENP, but in practice EU-Russian relations are not part of the ENP framework.

The fact that Russia, seeing itself as a separate regional centre of power, has distanced itself from the ENP is understandable considering the nature of the policy – in spite of the emphasis on "joint ownership" and dialogue, it is after all a policy of a major regional power towards its periphery. As long as Russia remains a separate regional centre of power, the position of countries situated between the EU and Russia is an either-or question: they are integrated with one or the other. A grey zone between the EU and Russia is not a viable long-term option. The extent to which Russia itself is integrated with Europe is crucial for the countries that lie on the border between the two regional powers. It is highly likely that the EU and Russia will

continue to be two partly integrated and, to some extent, separate centres of power.

In any case, the involvement of Russia in the ENP is essential. Firstly, it is the only way to work against a “zero-sum game” and competition between spheres of influence between the EU and Russia with respect to their common neighbours. Secondly, one of the aims of the EU’s support for democratic reforms in the new Eastern neighbours is to exert pressure on Russia to move in a similar direction. Supporting the European aspirations of Ukraine in particular is a means of encouraging Russia to join the new wave of democratisation started by Georgia and Ukraine. The inclusion of Russia supports this aim.

The uncertainty of Russia’s future course has to be seen as one of the main driving forces behind enhanced cooperation between the Eastern member states. The Eastern members – especially the Baltic states and Poland – need to prove that they are not an “anti-Russian” group within the EU but, conversely, the member states that are most concerned about the Union having good relations with Russia. At the same time, these are also countries that are seriously concerned about the development of Russia in the fields of both foreign and domestic politics. It is in their interests to keep Russia high on the EU’s foreign policy agenda and to support a *common* EU policy towards her.

That policy has to include dialogue on the common neighbours of the EU and Russia. The alternatives to dialogue would be collision or collusion; it is essential to avoid both. Russia itself tends to see the position of the common neighbourhood as a matter of collision with the EU: seeking to maintain its control over the CIS countries, it considers their European aspirations as a threat to its own interests. Within the EU, Germany and France stand out as member states that have been most eager to try to avoid confrontation and show respect and understanding towards Russian concerns. Their penchant for favouring bilateral partner relations works against the development of a common EU policy.

It is at least as worrying that the special relations of some member states with Russia have shown signs of collusion over the fate of common neighbours; in other words, negotiating deals with Russia without the involvement of the countries concerned. Collusion in EU-Russia relations – or even worse, in relations

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between Russia and the large member states – worries the new Eastern member states in particular, and naturally the common neighbours of the EU and Russia as well. The EU must not allow Russia to put a stop to the European aspirations of these countries. Thus, the involvement of Russia may not mean that it would be given the right of veto over the EU's decisions; EU policy has to be decided by the EU itself.

However, in order to avoid confrontation, the EU should aim at open dialogue with Russia over their common neighbours. Good relations with Russia require that the EU consults Russia about its policies towards the new Eastern neighbours. The EU needs to take into account Russian views and interests as far as possible, but without compromising its own central principles. The dialogue can take place via the existing institutions of the EU-Russian partnership. The message to Russia should be that the EU does not wish to exclude or weaken her, and that the possible European integration of Ukraine, Belarus and Moldova is not against Russia's interests.

The degree of inclusion depends to a large extent on Russia's own development. The more Russia adheres to European norms, the easier it is to engage her in EU policy. However, if Russia continues to distance herself from the values of the EU, the possibility of collision increases and dialogue becomes more difficult.

Conclusion: Towards a common agenda of Eastern and Northern member states

Finland, Poland and Lithuania hold a key position in the EU's Eastern policies as countries that have been particularly active in this field. While Finland has predominantly focused on its own ND initiative, Poland and Lithuania have been the two most active member states in relation to the new Eastern neighbours. In future, the three countries will continue to pursue their specific interests in the East: it is natural for Finland to maintain a leading role with regard to north-west Russia, and for Poland and Lithuania in EU relations with Ukraine, Belarus and Moldova. The ND and the EU's policy towards the new Eastern neighbours will remain separate policies because of the different nature of EU relations with Russia in comparison with other Eastern neighbours. Nevertheless, the ND will be closely linked to the Eastern neighbourhood policy by similar aims and challenges in several practical areas of cooperation (e.g. border controls, visa regimes, the environment and infrastructure) and by the common financial framework (the ENPI) where the Eastern member states should speak with one voice for the Eastern dimension.

Finland, Lithuania and Poland should actively support each other's specific interests and aims and jointly promote the EU's policies in the East. This must be seen as more than a trade-off aimed at gaining support for one's own activities. As they are situated on the Eastern EU border, the three countries share the same basic interests in the Eastern neighbourhood: stability and security, the promotion of European values, functioning relations with Russia, a more coherent EU policy towards Russia, and the EU's interest in and commitment to the variety of

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countries and issues beyond its Eastern border. Increased cooperation requires Finland to take a more active position in supporting the EU's policy towards Ukraine, Belarus and Moldova, and Poland and Lithuania to contribute to the ND as a regional aspect of EU-Russia relations.

The EU's interest in and commitment to its Eastern neighbours is not only of particular importance for the three member countries that are the main focus of this report. The other most obvious partners are the other Baltic, Nordic and Visegrad countries that have already developed relatively active bilateral relations with Ukraine, Belarus and Moldova and have taken a similar, proactive position towards this area in the EU. Although the other Nordic EU members are not as directly influenced as Finland by developments on the EU's eastern border, the future of the Eastern neighbours is still more important for them than for many other EU members. Moreover, having actively supported the European integration of the Baltic countries, it is natural for the Nordics to turn their attention towards Ukraine, Belarus and Moldova now. It is also in their interests to defend the Eastern dimension of the ENP to the extent that there is competition over resources with the Southern dimension. Other natural partners for the EU's policy towards its Eastern neighbours would be Austria, Romania and Bulgaria.

When it comes to the big member states (not forgetting that Poland is one of them), it is crucial to include Germany in the group of countries promoting the EU's policies in the East. Without the backing of Germany, the Eastern and Northern member states would hardly be able to receive sufficient support for their positions in the Union. The dialogue that has taken place so far between Germany and Poland over the EU's policy towards Ukraine is welcomed from the viewpoint of all Eastern member states. However, cooperation with Germany must not be limited to dialogue between the two countries, but should also engage other interested countries – potentially up to 14 member states among 27 (more than a half!) after the accession of Romania and Bulgaria.

It is also important to remember that the EU is not the only western actor in its Eastern neighbourhood. The US is involved in both the ND and the promotion of western-oriented reforms in the EU's Eastern neighbourhood. It is of mutual interest for

the Northern and Eastern EU members to support the US involvement in the region and to promote EU-US cooperation and coordination of their activities. At the same time, it is in their interests to help the EU to adopt a leading role in Ukraine, Belarus and Moldova, since it is the EU that can offer the best possible solution for the future of these countries and which has the most suitable instruments for assisting and integrating them.

In the end, it is worth emphasising that the prospect of membership and the active support of the EU are not the most important factors that will shape the development of its Eastern neighbours. The success or failure of democratisation always depends primarily on domestic will and commitment. Thus, the domestic efforts exerted in Ukraine, Belarus and Moldova are decisive. Nonetheless, the EU can provide indispensable support and additional motivation. If it fails to do so, it will be a less credible European and international actor, and it would have to deal with the costly negative implications of instability in its immediate neighbourhood.

DO YOU WANT TO KNOW MORE?

The European Neighbourhood Policy was launched so recently that no book-length studies on the topic have appeared as yet. Good overall analyses are Marise Cremona's "The European Neighbourhood Policy: Legal and Institutional Issues" (CDDRL Working Papers No. 25, Stanford Institute for International Studies, November 2004, available at http://iis-db.stanford.edu/pubs/20738/Cremona-ENP_and_the_Rule_of_Law.pdf); and Michael Emerson's "European Neighbourhood Policy: Strategy or Placebo?" (CEPS Working Document No. 215, November 2004, available at http://shop.ceps.be/BookDetail.php?item_id=1176).

On the European Neighbourhood Policy website of the European Commission - http://europa.eu.int/comm/world/enp/index_en.htm - one can find the main documents and speeches concerning the ENP, an overview of each ENP partner country and its relations with the EU, and useful links to other sources. The most extensive lists of official documents concerning the EU's relations with the three new Eastern neighbours are provided at http://europa.eu.int/comm/external_relations/ukraine/intro/gac.htm for Ukraine,

http://europa.eu.int/comm/external_relations/moldova/intro/index.htm for Moldova and

http://europa.eu.int/comm/external_relations/belarus/intro/index.htm for Belarus.

The official website of the Northern Dimension is

http://europa.eu.int/comm/external_relations/north_dim/index.htm.

A recent and insightful study on the EU's relations with its three new Eastern neighbours is Hiski Haukkala and Arkady Moshes, *Beyond the Big Bang: The Challenges of the EU's Neighbourhood Policy in the East* (FIIA Report 9/2004, The Finnish Institute of International Affairs, Helsinki, at http://www.upi-fia.fi/julkaisut/upi_raportti/raportit/FIIA%20Report%20092004.pdf).

Up-to-date, recommended studies on Ukraine are *Will the Orange Revolution bear fruit? EU-Ukraine relations in 2005 and the beginning of 2006* (Stefan Batory Foundation, Warsaw, May 2005); and Helmut Kurth and Iris Kempe (eds.), *Presidential Election and Orange Revolution: Implications for Ukraine's Transition* (Friedrich-Ebert-Stiftung Regional office, Kyiv, 2005).

The prospects of Belarus in Europe are explored in several publications of the Stefan Batory Foundation (Warsaw), including *Belarus: Catching up with Europe* (2004) and *Belarus: Reform Scenarios* (2003).

A comprehensive overview of relations between the EU and Moldova is offered by Ann Lewis (ed.) *The EU and Moldova: On a Fault-line of Europe* (I.B.Tauris Publishers, London and New York, 2004).

A Finnish perspective on the Northern Dimension on the eve of eastern enlargement is discussed in Hiski Haukkala, *Towards a Union of Dimensions: The effects of eastern enlargement on the Northern Dimension* (FIIA Report 2/2002, The Finnish Institute of International Affairs, Helsinki, at http://www.upi-fiia.fi/julkaisut/upi_raportti/raportit/FIIA%20Report%20092004.pdf).

Lithuanian views on its eastern neighbours are examined in Jonas Daniliauskas, *The European Union and the Ukraine: Lithuanian Perspective* (Eugrimas, Vilnius, 2003; and Lithuanian Annual Strategic Review 2003, Strategic Research Center, Vilnius 2004, at http://beta.lka.lt/~serveris/biblioteka/KNYGOS/strategie_apzvalga_angl_2003.pdf).

On the positions of Poland on the EU's eastern neighbours, see Katarzyna Pelczynska-Nalecz, Alexander Duleba, László Póti & Vladimir Votápek, *Eastern Policy of the EU: the Visegrad Countries' Perspective* (Centre for Eastern Studies, Warsaw, February 2003); and Kai-Olaf Lang "Poland and the East" (SWP Comments 23, Stiftung Wissenschaft und Politik, Berlin, June 2005, at http://www.swp-berlin.org/common/get_document.php?id=1301&PHPSESSID=75301a59959005b9c15418c00f6bc129).

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¹ A draft version of the report was discussed at a seminar organised by the Finnish Institute of International Affairs on 26 April 2005 at the Embassy of Finland in Kyiv. The authors wish to thank all the participants of the seminar for fruitful comments and suggestions. We also thank Rasmus Tiderman, an intern at FIIA, for his indispensable assistance.

² Altogether, the EU's policies towards the East cover four categories of countries: (1) Russia, (2) Ukraine, Belarus and Moldova, (3) three South Caucasus countries – Armenia, Azerbaijan and Georgia, and (4) five CIS countries in Central Asia. The Eastern dimension of the ENP includes the second and third group of countries.

³ See Hiski Haukkala and Arkady Moshes, *Beyond the Big Bang: The Challenges of the EU's Neighbourhood Policy in the East*. FIIA report 9/2004, Finnish Institute of International Affairs, Helsinki, 2004.

⁴ General Affairs and External Relations Council, *Presidency Conclusions*, 18 November 2002, Doc. 14078/02.

⁵ Romano Prodi, *A Wider Europe: A Proximity Policy as the key to stability*. SPEECH/02/619, Brussels, 5–6 December 2002.

⁶ Eastern neighbours: Belarus, Ukraine, and Moldova; the Southern Caucasus countries: Georgia, Armenia, and Azerbaijan; the Mediterranean countries: Morocco, Algeria, Tunisia, Libya, Egypt, Israel, Jordan, Lebanon, Syria, and the Palestinian Authority.

⁷ The other five countries were Morocco, Tunisia, Jordan, Israel and the Palestinian Authority.

⁸ *European Neighbourhood Policy: Strategy Paper*. European Commission, May 2004.

⁹ See Holger Moroff (ed.), *European Soft Security Policies: The Northern Dimension*. Programme on the Northern Dimension of the CFSP, No. 17, The Finnish Institute of International Affairs and Institut für Europäische Politik, 2002.

¹⁰ For example, *The Second Northern Dimension Action Plan, 2004–2006*, approved by the General Affairs Council on 29 September 2003.

¹¹ The Northern Dimension Environmental Partnership (<http://www.ndep.org/>) and the Northern Dimension Partnership in Public Health and Social Wellbeing (<http://www.baltichealth.org/cparticle104024-2560.html>).

¹² Nicola Catellani, "The Multilevel Implementation of the Northern Dimension", in Hanna Ojanen (ed.), *The Northern Dimension: Fuel for the EU?*. Programme on the Northern Dimension of the CFSP, No. 12, The Finnish Institute of International Affairs and Institut für Europäische Politik, 2001.

¹³ Some Finnish MEPs (Alexander Stubb and Eija-Riitta Korhola from the National Coalition Party) have called for replacing the ND with a broader Baltic Sea strategy, but their proposal has not received much support in the Finnish discussion.

¹⁴ For example, the Commission has suggested that the ND could be used as a model to encourage regional cooperation between Russia and the EU's new Eastern neighbours (*Communication from the Commission: Paving the way for a New*

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¹⁵ Janusz Bugajski and Raimundas Lopata, *Lithuania's Security and Foreign Policy Strategy*. CSIS and IIRPS, Washington, 2002, pp. 80–98.

¹⁶ “Nemunas”, “Saul”, “ėšup”, “Eers kraštas”. See Raimundas Lopata, *Euroregions: Making the Idea Work*. in Hanne-Margaret Birchenbach and Christian Wellmann (eds.), *The Kaliningrad Challenge: Options and Recommendations*. Miuinster, 2003, pp. 247–256.

¹⁷ Jonas Daniliauskas. et al., *European Union and Ukraine: Lithuanian Perspective*. Eugrimas, Vilnius, 2003, pp. 115–119.

¹⁸ Speech by H.E. Mr. Artkras Paulauskas, Acting President of the Republic of Lithuania, at Vilnius University, on Lithuania's New Foreign Policy, 24 May 2004. http://www.urm.lt/data/2/EF51153536_Paulauskasspeech.html

¹⁹ Agreement between political parties of the Republic of Lithuania on the main foreign goals and objectives of Lithuania for 2004–2008, 5 October 2004. http://www.urm.lt/data/2/EF92017755_ENpolpartiesagreementOct2004.htm

²⁰ Ministry of Foreign Affairs and European Integration of the Republic of Moldova, GUUAM Summit (Chisinau, 22 April 2005) at <http://www.mfa.md/En/GUUAM/2005-05-26RecentEventsGUUAM.html>

²¹ Ahto Lobjakas, EU: Foreign Ministers To Discuss Iraq, Ukraine, Middle East, Balkans. Radio Free Europe/Radio Liberty, 31 January 2005.

²² Ministry of Foreign Affairs of the Republic of Lithuania, Relations between the Republic of Lithuania and Belarus, http://www.urm.lt/data/5/EF229347_bel.htm

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²⁴ For a detailed account of NATO relations with new Eastern neighbours, see NATO's new role in the NIS area. Centre for Eastern Studies, Warsaw, May 2005.

²⁵ Non-paper with Polish proposals concerning policy towards the new Eastern neighbours after EU enlargement. <http://www.msz.gov.pl/start.php?page=1300000001>

²⁶ Letter by Javier Solana, EU High Representative for the CFSP, and Benita Ferrero-Waldner, EU Commissioner for External Relations, 31 January 2005.

²⁷ Benita Ferrero-Waldner, EU Commissioner for External Relations, Letter of congratulation to the new Ukrainian President, 12 January 2005.

²⁸ Euractiv, 24 March 2005, <http://www.euractiv.com/Article?tcaturi=tcm:29-137241-16&type=News>

²⁹ For a more detailed analysis on the prospects of EU-Ukraine relations see Will the Orange Revolution bear fruit? EU-Ukraine relations in 2005 and the beginning of 2006. Stefan Batory Foundation, Warsaw, May 2005.

³⁰ See Marius Vahl, “The Europeanisation of the Transdnistrian Conflict”. CEPS Policy Brief No. 73/May 2005.

³¹ Ibid.

³² In a referendum held in April 2004, the northern, Turkish part of the country approved the reunion plan which would have allowed it to join the EU together with the southern part, but the proposal was rejected by Southern Cypriots. See Amanda Akçakoca, *Cyprus: Looking to a future beyond the past*. European Policy Centre, Issue Paper No. 32, 12 May 2005.

³³ General Affairs and External Relations Council, Council Conclusions, 22 November 2004.

Appendix

EU assistance to the three new Eastern neighbours, compared with assistance to Russia, the whole Eastern neighbourhood (TACIS), Poland and the Mediterranean region (MEDA).

EU ASSISTANCE (millions of €)						
	1991-1994	1995-1999	2000-2003	2004-2006	planned 2007-2013	Total
<i>Belarus</i> ¹	61	93	52	16 (04-05)		222
<i>Moldova</i> ¹	73	92	73	n/a		238
<i>Ukraine</i> ¹	171	298	483	128 (04)		1080
<i>Russia</i> ¹	865	1 426	711	n/a		3 002
<i>TACIS total</i>	1 757	2 464	1 300	1 800		7 321
<i>Poland</i> ²	809	931	3 970	2 808		8 518
<i>MEDA total</i>	n/a	3 435	2 400	2 900		8 735
<i>ENPI total planned</i>					14 900	14 900

¹ EU assistance to Belarus, Moldova, Ukraine and Russia includes the TACIS programme, macro-economic assistance, humanitarian assistance and food delivery programmes.

² EU pre-accession assistance to Poland includes the PHARE, SAPARD and ISPA programmes.

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