

## Rendez-vous with Eastern Europe

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The EU has now set the calendar for multiple top-level political meetings to review progress of the European Neighbourhood Policy (ENP) and Eastern Partnership (EaP): an EaP ministerial this November, an ENP ministerial in February 2011 to conclude the policy review currently underway, and an EaP summit in Budapest in May 2011 to which the forthcoming Hungarian rotating Presidency attaches high importance. With all these political pre-commitments now made, officials should be at work on the ‘deliverables’ for these important events.

But it is not evident that they will have much of real note to report. It is quite likely that no new association agreements will be signed, because that is conditioned on concluding deep and comprehensive free trade agreements (DCFTAs), which are nowhere yet in prospect; there will be no real breakthrough on visa liberalisation since this is framed as a long-term matter (which usually means at least five years), and no major results to report from the multilateral sectoral platforms of the EaP, etc. As of today, one might expect bland declaratory conclusions along the lines “there has been a lot of progress, but much remains to be done”.

What should be done? The EU for its part should rethink its posture on both the free trade and visa issues, which are the two key areas where something could be done promptly and which would mean something tangible for the partner states.

On the economic side, the DCFTA proposition is the flagship initiative. But the flagship is not moving. The negotiations with Ukraine that have been going on for two years seem to be stuck. Negotiations with Georgia have not even begun, being obstructed by a set of pre-conditions imposed by the EU. Regarding Ukraine there may be problems on both sides. It is far from clear whether the new leadership, which includes several oligarchs in high government positions, actually wants a free trade deal, or whether it prefers a mix of considerable protection and minimum transparency in its trade policies. The Ukrainian side for its part complains that the EU will not offer agricultural market access commensurate with the liberalisation it would have to accept on industrial goods. But the Georgian case is quite different: this country has already established free trade unilaterally with the whole world, and merely asks the EU to reciprocate. To which it receives advice to engage in a lot of EU ‘*acquis*’ compliance first, going way beyond the requirements for exporting to the EU.

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An example is EU food safety standards which would be extremely expensive to apply to the whole of the Georgian economy. On the other hand, Georgian exporters of fruit, vegetables and wine can work on getting certification of their export production lines without applying the whole EU *acquis* to the whole of the agri-food sector. The Commission's DG Trade is implicitly treating the Eastern partners as if they were accession candidates, while the Council of Foreign Ministers is unwilling to offer membership perspectives. The EU institutions seem to have forgotten already the painful experiences of the new member states – “we would never have applied many of the EU's regulations without it being part of the accession package politically and financially”.

The concept of ‘Deep and Comprehensive Free Trade’ should be reconsidered and adapted to the circumstances of the Eastern partners, bearing in mind also that the Mediterranean partners were granted free trade without this Deep and Comprehensive addition. It is all looking like a delaying tactic: make the conditions so severe that they will not agree, and so leave them in indefinite limbo. A better idea would be to have as an optional template a Basic Free Trade Agreement (BFTA) for the time being, starting soon. The degree of mandatory EU *acquis* compliance would be limited to that strictly required for trade; to go further would be an option that would receive EU encouragement and assistance, but not an obligation or pre-condition. Otherwise no policy movement will mean no free trade deliverables.

The visa liberalisation issue has become a matter of dialogue over ‘long-term road maps’, which means nothing to the people of Eastern Europe for the time being, and so no deliverables here either. Apparently France is even trying to block the opening of these dialogues for Moldova and Ukraine. But there could be possibilities for substantial short-run progress. One idea advocated by the EU-Russia Industrial Round Table (for Russia, but this is equally relevant for the Eastern partners) is that anyone who has received a short-term visa twice should be virtually automatically granted a five- or ten-year multi-entry visa (the US does ten-year visas). The point is that the individual who has had two short-term visas will have been interviewed twice, and will have shown evidence of having correctly applied the rules (no overstays). The so-called ‘visa facilitation’ of recent years has failed to deliver perceptible benefits, and certainly not overturned the negative impact of the new EU member states having to introduce visas.

The good news technically is that December 2010 will see the entry into operation of the much-delayed Schengen visa data base, which means that consulates everywhere will be able to access the visa history of applicants on-line. In addition, the border posts of Schengen countries already have on-line access to the Schengen Information System which identifies individuals who are on the visa black list. These technical facilities assure that the consulates issuing multi-entry visas have the means to check against people who may have abused the short-term visa rules. How about a deliverable here for May 2011?

Both of these two examples belong to the same policy paradigm currently being practiced by the EU: devise long, long processes of conditionality, and defer concrete benefits to the distant future. This is a travesty of what the close partnership with our nearest neighbours is meant to be about. Unless there is some sharp rethinking and policy movement in the EU institutions, requiring also movement in the mandates they receive from the member states, there will be no deliverables for Budapest in May of next year that anyone will notice. The survey of opinion about the ENP and EaP that we published last month showed that the majority of experts considered that this policy has had little or no impact. Is it going to remain that way?