

## Ecologic Briefs

### European Neighbourhood Policy

#### Challenges for the Environment and Energy Policy

By way of the European Neighbourhood Policy (ENP) and following the enlargement process of 2004, the EU would like to redefine its own geopolitical interests and relationship to the new neighbours. Furthermore, the new neighbouring countries of the EU should receive an offer to cooperate and build a privileged relationship with the EU. The ENP seeks to create a system of graduated cooperation and association contracts. The core of this project will be a pan-European internal market. However, the integration of other policies, most notably in the areas of security cooperation, energy and the environment, play a crucial role. Other geopolitical actors like Russia will compete with the EU on the concepts that will define the common European space of the future.



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### Challenges for the Environment and Energy Policy

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## Foreword: Europe as a Civilising Project and the Neighbourhood Policy of the European Union

What is the purpose of the European Union? For some economic ministers, it may be not much more than a free trade zone with its own flag and deregulation policy, whose right to exist is diminishing with the continued development of a world trade system. However, Jean Monnet and others in his time had higher goals: The securing of peace through cooperation and, along with this, the correction of an international order that still stems from the Peace Treaty of Westphalia. There is just as little room for misunderstood nationalism as there is for a one-sided focus on individual policy goals.

Fundamental to the EU are universal rights and principles: human rights, ecological sustainability and solidarity. This is the base for securing peace. Unjust regimes and oppression endanger peace just as much as the destruction of natural areas or the hopelessness of many people in stagnant societies. The European Neighbourhood Policy (ENP) is built on the same premises.

In the past 15 years, the existence of the EU and the hope of becoming one of its members contributed to the peaceful revolutions in Central and Eastern Europe and has given the subsequent reforms a clear perspective. Even if, henceforth, not all of the countries that now neighbour the Union will become members, the EU has an interest to further the political and economic reforms in these states. Even if they do not explicitly state the fact, Brussels is a substantial point of orientation for all those countries. Like it or not, the EU carries a decisive co-responsibility for future lifestyles, production and consumption patterns, safe, environmentally friendly and economically feasible energy systems, all in all for environmental sustainability of the structures that are now beginning to emerge in the neighbouring states. For this reason, provisions for protecting the environment in the ENP are equally important as strengthening democracy and the right of law, economic modernisation, and ensuring the fundamental rights or establishing new foreign and security policy partnerships.

Sascha Müller-Kraenner draws our attention to the challenges and opportunities before us, and – in this Ecologic Brief – explains the larger context of “Greening the ENP”.

R. Andreas Kraemer, Director of Ecologic, Berlin, May 2006

## The Environment in the Neighbourhood Policy of the European Union

As a result of the enlargement by 10 Central and Eastern European countries in 2004, Europe has reached new limits both culturally and politically. The new neighbours of the European Union (EU) are now mainly non European countries of the Middle East and North Africa. Outside the borders of the EU, the enlargement brings with it a need to reshape the political and economic relationship with other parts of the World.

By way of the European Neighbourhood Policy (ENP)<sup>1</sup> and following the enlargement process of 2004, the EU would like to redefine its own geopolitical interests and relationship to the new neighbours. Furthermore, the new neighbouring countries of the EU should receive an offer to cooperate and build privileged relationships just beneath the threshold of the EU membership status. The ENP seeks to create a system of graduated cooperation and association contracts.

However, the already existing political framework contains within it a set of contradictions.

- Should European and non European neighbours be treated equally;
- Can the EU cooperate on an equal basis with democratic as well as authoritarian regimes;
- Is Russia one neighbour amongst many or should it be entitled to a special position within the framework of a strategic partnership;
- How can a long term comprehensive policy agenda be achieved, when short term interests, be it economic or security related, rule the bilateral relations between most neighbouring countries and the EU.

Even if at the core of the Neighbourhood Policy are the economic interests within the European internal market, cooperation in other political areas, for example a common foreign and security policy, environmental and energy issues should also be bolstered. Cooperation in the area of energy policy with the Eastern European and North African states should receive particular attention from the EU. Here we chance upon diverging interests with other geopolitical players, above all the US and Russia.

<sup>1</sup>Please find all important documents: the European Commission's Website "European Neighbourhood Policy". [www.europa.eu.int/comm/world/enp/index\\_en.htm](http://www.europa.eu.int/comm/world/enp/index_en.htm).

## What is the European Neighbourhood Policy?

With the European Neighbourhood Policy (ENP) the EU is redefining its geopolitical interests as well as the relationship toward its new neighbours. Through its Communication "A Larger Europe – Neighbourhood" the European Commission created in March 2003 a new framework for EU relationships with its Eastern and Southern neighbours. The strategic goals of the ENP were defined by the Commission via a Communication on May 12th 2004. The common security strategy, approved by The European Council on December 12th 2003, concentrates principally on a series of threats that loom in the EU's immediate neighbourhood as well as on collaborative partnerships in order to manage any security crises.

In the key documents that establish the ENP, sustainable development is being referred to in a general way, without really addressing sectoral integration and the environmental implications of the wished for economic transformation processes. Civil society has not been systematically involved in the drafting of policies but will be supported in the implementation phase through the new financial mechanism.

### Bilateral Action Plans

All neighbours of the EU<sup>2</sup> who do not have immediate prospects of EU accession, should be included within the framework of a common Action Plan<sup>3</sup> in order to facilitate participation within the different activities and programmes of the EU as well as benefiting from certain financial instruments. The Action Plans will be backed up with Country Strategy Papers, Regional Strategy Papers, old and new cross-border cooperation programs, thematic programmes and the new European Neighbourhood Policy Instrument. In this regard, the EU strives to treat each of the neighbouring countries independently in order to continue to develop relationships based on equality, mutual consent, and on each individual political, economic and social state of development. The EU is not seeking a common Action Plan with Belarus and its authoritarian regime at this time. The EU has no contractual relationship with Libya. Since the political isolation of Libya has ended, the EU is striving to include it into the Barcelona Process (EUROMED) and in the medium term, begin negotiations on an association and neighbourhood agreement.

<sup>2</sup>The South Eastern European states do not fall under the ENP since the EU has given them a perspective for accession. The states that remain are: Belarus, Moldavia, Ukraine, Russia, Algeria, Egypt, Israel, Palestine, Jordan, Libya, Lebanon, Morocco, Jordan, Tunisia and Syria. In June of 2004, Armenia, Azerbaijan, and Georgia were taken up into the ENP.

<sup>3</sup>Until now, Action Plans have been made with Moldavia, Ukraine, Morocco, Jordan, Tunisia, Israel and the Palestinian National Authority and must be approved by the European Council and the national Governments of the neighbouring countries.

Regional clustering, which could be a common approach for the states of Eastern Europe and the Near East, is not foreseen. However, in practical terms, issues relating to regional balance and equality will continue to play an important role. This applies, for example, to the comparison between Ukraine and Moldova but also to the socio-economically different but politically interlinked countries such as Israel and Palestine.

### Regional Cooperation

Regional cooperation continues to exist within the Barcelona Accords (see below), the European Council, as well as other initiatives such as the Baltic Sea Council, the Central European Initiative and the Black Sea Economic Cooperation and should serve to complement the already existing bilateral neighbourhood agreements. Both regional security cooperation and the environment play leading roles in the Barcelona Accords (EUROMED); the Mediterranean Action Plan (MAP) of 1975 and the Environment Programme of the United Nations (UNEP) complement EUROMED.<sup>4</sup>

Implied, but not explicitly stated is that further applications for membership by these neighbours will, for the moment, be unsuccessful. However, by implementing these Action Plans, there is a clear signal toward the Eastern European neighbours, that they can greatly improve their prospects of EU accession. Even though in principle, these Action Plans will vary greatly from country to country, contained within them are all the elements needed for accession. These Action Plans as well as partially existing partnerships and cooperation accords of already existing agreements to cooperate could be used as a base for future partnerships.

There are already partnership, cooperation and association agreements with the majority of the Eastern European states. Common projects as well as third party projects in the region are being supported through TACIS.<sup>5</sup>

Within the Barcelona Accords, the states of the Middle East and Northern Africa are already working together with the EU. The original agreements, based primarily on economic cooperation were expanded upon in the last years in order to allow for more collaboration in security, border control and migration. The Barcelona Process is Europe's main contribution offered to the G8 initiative for the transformation of the "Greater Middle East" toward democracy, development and common security. The Barcelona Process is officially supported through the MEDA programme.

<sup>4</sup> "Joining Forces in the Mediterranean – Options for a Co-operation between MAP and EUROMED", Ecologic Briefs; [www.ecologic.de/publications/briefs](http://www.ecologic.de/publications/briefs).

<sup>5</sup> From 1995 to 1999, the MEDA Programme made, 3,435 EURO available to the EUROMED countries. The goal of this programme is to support technically and financially measures accompany economical and social transformation processes. This includes environmental cooperation. Please see also; [http://europa.eu.int/comm/external\\_relationships/euromed/meda.htm](http://europa.eu.int/comm/external_relationships/euromed/meda.htm).

## Medium Term Financial Planning – The European Neighbourhood and Partnership Instrument

At present, European Community (EC) assistance to the countries of the European Neighbourhood Policy is provided under various geographical programmes including TACIS for Russia and Eastern Europe and MEDA for the partners in the Barcelona Process, as well as thematic programmes such as EIDHR (European Initiative for Democracy and Human Rights). For the current budgetary period (2000-2006), the funds available were approximately €5.3 billion for MEDA and €3.1 billion for TACIS, as well as approximately €2 billion in European Investment Bank lending for MEDA beneficiary countries and €500 million for TACIS beneficiary countries. From 2007 onwards, as part of the reform of EC assistance instruments, the MEDA and TACIS programmes will be replaced by a single instrument – the European Neighbourhood and Partnership Instrument (ENPI).<sup>6</sup> For the next budgetary period (2007-2013), the Commission has proposed an increase in funding to match the ambitions of the policy, to €14.93 billion. The final budget is – at this point – still under negotiation. Funds allocated to individual country programmes will depend on the agreed content of the action Plans.

Cross-border cooperation will be funded in a similar way as current regional cooperation projects under the Structural Funds. This component will therefore be co-funded by the European Regional Development Fund (ERDF). The strict separation between internal and external funding instruments, operating through different rules, is thereby blurred.

The ENPI also covers Russia, although the strategic partnership approach between the EU and Russia is dubbed "the four common spaces". Assistance to accession candidates, as Turkey or Croatia, is covered by another instrument.

From an environmental point of view, the devil will be in the detail, meaning in the Action Plans. Especially large and transboundary infrastructure projects, whether in the area of transport or energy, will have to be checked thoroughly on their environmental impact.

<sup>6</sup> [http://www.europa.eu.int/comm/world/enp/funding\\_en.htm](http://www.europa.eu.int/comm/world/enp/funding_en.htm)

Proposal for a Regulation of the European Parliament and of The Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument; COM(2004)628 final.

## Ten Years after Barcelona – Does the Mediterranean matter?

The ENP complements the multilateral Barcelona Process<sup>7</sup>, which continues to be a key element of EU relations with the Mediterranean countries. With many of the same general objectives, the ENP offers additional bilateral incentives and opportunities, responding to individual countries' reform efforts.

Ten years after the Barcelona agreement as signed, a stock taking conference of the member countries in the founding city of Barcelona revealed a profound crisis of the agreement. The Arab world is mired in a difficult political and economic transformation process. At the same time, the EU's focus has shifted eastwards, especially after enlargement. That might well be due to the increasing impact of the new Member's on the Union's foreign policy perspective. However, the EU has also been frustrated by the slow progress of the implementation of the Barcelona agreements. Due to the double effect of Byzantine financial procedures as well as a lack of convincing reform projects, the MEDA fund's were never fully deployed.

Several questions should therefore be asked:<sup>8</sup>

(a) Does the Mediterranean still matter – does it represent a political and economic space that is an untapped opportunity for states and people? The Euro-Mediterranean process has not yet created a common political and economic space around the Mediterranean. Trade between EU Member States and Euro-Med partners has increased, however, the trade volume remains low compared to original expectations. Economic relationships between the non-EU Mediterranean countries remain underdeveloped. The ENP represents another attempt to create a common economic space in the region, including a single market. Politically, the region remains divided. However, the Euro-Mediterranean partnership provides a useful forum to talk about issues of common concern. Even if some hopes that were initially put into the Euro-Med process have not been fulfilled, some progress has been made on cooperation in the fields of urban development, coastal management, the protection of the environment and – most recently – police and security cooperation, to name just a few. However, progress towards the initial goal to move towards a common economic space, moves at a very slow pace. The Israeli-Palestinian conflict remains an issue of special concern to the whole region. The conflict has imposed itself upon a number of related negotiations of the Euro-Med process and thereby

<sup>7</sup> The terms "Barcelona Process" and "Euro-Mediterranean Partnership" are being used synonymously.

<sup>8</sup> [www.chathamhouse.org.uk](http://www.chathamhouse.org.uk); Conference Proceedings: "Capitalizing on Euro-Med Networks"; 12th September 2005 – 13th September 2005.

slowed down progress. On the other hand, some specific working level groups of the Euro-Med process, as e.g. the civil society forum, provide some of the few fora where Israelis can meet with its Arab neighbours. Both sides might thereby start to gain practical experience of cooperation even before a broader political reconciliation can be achieved. In general, regional Euro-Med meetings have been very useful to bring civil society organization together. EU funding has been crucial in enabling that dialogue. However, the problem of continuous follow-up and building strong lasting alliances, especially between Southern Mediterranean partners, remains. The impact of civil society organizations on the official deliberations and the implementation of the Euro-Med accords remained limited. It is dependant on the political situation and civil society participation rights in their specific home countries.

(b) Do the economic and political developments that are taking place around the Mediterranean suggest that Europe and the southern and eastern Mediterranean are converging or diverging? The Arab Human Development Report<sup>9</sup> points out that the Southern Mediterranean region as a whole lacks a strategy for the necessary transition to a knowledge based sustainable economic and social development. The report defines a number of conditions for the further development of the region. They include a modern education system that offers opportunity to a growing number of young men and women, improved governance and judicial oversight, democracy and human rights.

(c) Is the Mediterranean bound to remain a buffer between the developed and the developing world? With the Euro-Mediterranean Partnership and the ENP, as well as with a the financial instruments to support those policies, the EU explicitly follows a strategy to expand the European space of stability, security, and sustainable economic development beyond the Mediterranean's shores. A number of significant political, economic and social pressures complicate the implementation of this project. However, they produce the rationale to make further integration even more necessary. The developing countries of the Southern Mediterranean introduce the problems of the developing world into the political space of the EU. The EU neighbours both the Israeli-Palestinian conflict as well as a number of potentially violent conflicts between secular governments in the region and Islamist opposition movements. The EU cannot afford to have a ring of failed states or of states with serious internal conflicts around its borders. Most alarming to the EU is the declining lack of social cohesion in some Southern Mediterranean countries, including the fact that due to demographic developments and economic stagnation, youth unemployment has become a phenomenon of regional scale. When it comes to international migration flows, the Southern Mediterranean countries do not provide a buffer

<sup>9</sup> <http://www.undp.org>; Arab Human Development Report 2003 – Building a Knowledge Society.

zone to even poorer and more desperate countries and peoples of Sub-Saharan Africa, but have developed into a transit zone. The lack of capacities to govern growing migration flows exacerbates the problem. Organized criminal networks play a growing role in smuggling illegal migrants first to the Southern Mediterranean and then into the EU.

(d) Competition and partnership – which is the right combination? The way ahead, is the consequent development of the Euro-Mediterranean partnership inside the ENP. Within the Barcelona Accords, the Southern Mediterranean states of the Middle East and Northern Africa are already working together with the EU. The original agreements, based mainly on economic cooperation were expanded upon in the last years in order to allow for more collaboration with regards to security, border control and migration. The Barcelona Process is Europe's main contribution offered to the G8 initiative for the transformation of the "Greater Middle East" toward democracy, development and common security. The Barcelona Process is officially supported through the MEDA programme which will probably be expanded as part of the Neighborhood Policy Instrument.

## The Future EU: 35 Member States or Privileged Partnerships?

The mutual political and economic dependency between the EU and its neighbours is a reality. Even if more states were to join the Union, it is already clear that the instruments of EU accession as an all purpose weapon to be used in crisis management and economic integration have reached their limits. Other gradual forms of integration and cooperation must be put into place to supplement enlargement.

With Euro-Mediterranean collaboration as well as countless cooperation and association programmes with Eastern European States, a heterogeneous system of cooperation between Europe's neighbours is already in existence. The new European Neighbourhood Policy strives to harmonise this system of institutional regulations, political cooperation instruments and financial mechanisms.

In doing so, the following questions arise:

- Are the neighbourhood policy instruments a preliminary step toward integration until complete membership is reached?
- Is there such thing as partial membership? That is, is an institutional framework (for example, in terms of the single European market, economic membership and monetary union as well as the common foreign and security policies) just below the threshold of full membership conceivable? Could the EU's *Acquis Communautaire* be implemented partly, thereby including partner countries in parts of the Union's policies and political space?

### Privileged or Strategic Partnerships?

Currently, just beneath this EU membership threshold, the concept of privileged partnership is being discussed in connexion with Israel and Turkey. Under this caption, the German Christian Democrats want to offer participation in the European single market, GASP, and cooperation in domestic and judiciary affairs, that is, membership minus political union. For Israel, former Enlargement Commissioner Verheugen brought a privileged partnership based on these four freedoms to the table. Without mentioning names, the former president of the commission, Romano Prodi, spoke of "membership without institutions".

The EU would like to develop a strategic partnership with Russia which, depending on the development of the Russian economy and democracy, could contain numerous elements of a privileged partnership.

The European Economic Community (EEC) cooperates with some of the EU's old neighbours (Norway, Island, Liechtenstein)<sup>10</sup> who do not desire membership. The EEC is an expanded domestic market where numerous consumer protection and environmental regulations were agreed upon in the EEC-Aquis.

Through its enlargement toward the East, NATO has put itself chronologically ahead of the EU. Currently the Ukraine and Georgia have stated their interest in joining NATO. However, both country's reform processes have stalled recently. Compared to the complex EU Aquis Communautaire, membership in NATO is much easier to attain and can be seen as a preliminary step or an alternative to full EU membership.

Even membership in the Council of Europe, or the Organisation for Security and Co-operation in Europe (OSCE) could be suitable for some states, e.g. for the North African neighbours of the EU. This is the case with the Southern Caucasus and is a medium term solution below the threshold of full EU membership.

<sup>10</sup> Switzerland has signed the EEC treaty, its ratification via referendum was rejected.

## Russia – The Four Spaces

The Russian government rejected negotiations with the EU to work out a common Action Plan within the framework of the ENP. Instead, at their Summit in 2003 in St. Petersburg, the EU and Russia decided to further develop four political "spaces" within the scope of their "strategic partnership". The four spaces comprise:

- economy/energy;
- foreign and security policy;
- domestic security/judiciary;
- education/culture.

This cooperation is similar to the original structure as seen by the Commission for the partnerships within the ENP. Even the financial structure can be used. The term strategic partnership obviously has more symbolic value and puts Russia in a more important position compared to its smaller neighbours. Furthermore, Russia has no ambitions to join the EU, which is not the case with its smaller neighbours.

Russia carries out its own economic policies within the NIS zone. Belarus and Ukraine, as well as the Southern Caucasus and Central Asian countries, are important constituent parts of this project. The question that arises for the EU and especially for the Ukraine and other neighbours interested in accession is: Can such a system of overlapping integration zones work in the long term?

The development of Russia into a state governed by the rule of law and the appropriate inclusion of civil society in the shaping of Russian democracy is a condition under which Russia would not only be a good neighbour, but also a strategic partner of the EU in working on common tasks and problems. For the EU, central to the cooperation with Russia is solving regional conflicts within and at its borders, stabilising Europe's security structure and the sustainable use of Russia's energy resources. Russia has not yet ratified the European energy Charter, a pan-European initiative of the European Commission that was launched in the early Nineties. The Energy Charter would provide a framework to discuss energy transit, investment in exploration and infrastructure, as well as a coordinated environment and climate policy.



## Special Cases: Ukraine, Southern Caucasus, Israel, Morocco

Aside from Russia, there are other neighbouring states within the ENP who, implicitly take on an exceptional role.

### Ukraine

Following the presidential elections in 2004 and the subsequent transformation of the political system, the question arises, within the European Institutions, if the Neighbourhood Policy is still an adequate form of cooperation for Ukraine. Ukraine has declared that it strives for EU accession in the medium term. Poland and Slovakia, two recent EU members neighbouring Ukraine support this wish. Even if the government of Ukraine has worked out a common Action Plan within the framework of the ENP with the European Commission, they must accept that their accession is not on the immediate order of the day. Nonetheless, they do not want to be put into the same category as the North African and Near East states. Following the presidential elections, the Action Plan will most likely have to be revised without abandoning the implementation of what has already been agreed upon. Parallel to membership in the EU, for which, in the best case, there is a long term perspective, it could be politically much easier to offer the Ukraine membership in NATO in order to anchor it in the West.

Politically, Ukraine serves as a balance between the EU and Russia. Behind this policy is a double economic integration with the EU and the Russian Federation. Parallel to the ENP Action Plan, the government was holding negotiations with regards to a common economic zone (Belarus, Kazakhstan) with Russia and other members of the NIS states. Admittedly, at the moment the rules of this economic zone are not compatible with the ones of the European Union. At the same time Russia and Ukraine are striving for membership on the World Trade Organisation (WTO).

The Ukrainian export goods consist primarily of energy intensive production, for example steel and machinery. At the same time, Ukraine is an important transit country for oil and gas imports to the EU from Russia and the Caspian. The EU has a vital interest to improve the security level of Ukrainian nuclear power plants and to substitute these with conventional plants. What Ukraine expects to gain from the EU can be summarised as follows:

- The EU Action Plan must entail clear incentives for reform without creating conditionalities. If the Ukraine manages to carry out the necessary reforms, then accession to the EU should be a viable option.

- Agreement of clear goals and timetables for its markets and trade facilitation
- Facilitate the issue of visas
- Cooperation in building a permanent shelter (sarcophag) for the Chernobyl nuclear reactor.

The EU, by contrast, should expect the following steps from Ukraine:

- Progress in the creation of legal structures, the freedom of the media, the fight against corruption and the participation of civil society in the implementation process of these domestic reforms;
- Equitable access to markets for European enterprises with regards to competition from Russia;
- Orientation of Ukrainian foreign policy toward the goals of regional cooperation and multilateral cooperation.
- A guaranteed and reliable transit of energy imports from Russia and Central Asia to the EU; support for the new transit protocol of the European Energy Charter.

Analogical Challenges exist also in terms of other neighbours, most notably when it comes to modernising and expanding trans-European energy networks.

### The Southern Caucasus States

The South Caucasian states – Armenia, Azerbaijan and Georgia for the last centuries have been the object of interest to not only their powerful neighbours (Russia, Turkey, Iran) but also to powers further away (the USA, the EU) due to the region's oil reserves and its important geo-strategic location – its potential role as a transit corridor between Europe and Asia.

The three states of the South Caucasus were accepted into the ENP strategy by the European Commission only in retrospect. In the South Caucasus the strategic interests of the super powers Russia and the US come up against those of the EU. In addition to this, the region finds itself in the immediate neighbourhood of the Middle East and serves as a bridge both politically and culturally. The problems of the South Caucasus can obviously not be solved in separation from the political conditions in the North Caucasus.

As yet, the EU has no strategic concept for the entire region. The Baku-Ceyhan oil pipeline, which can be regarded as the most important infrastructure project that was recently built in the region, was planned and pushed through by U.S. interests to circumvent Russia's energy export channels. European companies have co-sponsored the project. However, the EU as a political actor as notably absent. The obvious opportunity, to build a regional energy infrastructure, was missed.

Nonetheless, it is questionable if a neighbourhood strategy that views all three states in the South Caucasus as separate from one another would be an adequate reflection of the security and political interests of the EU in this region. For this reason, future Action Plans must describe and take into consideration the role of third parties, their neighbours and Russia. Preconditions for further rapprochement of the South Caucasus states to the EU and a "European election" by the political elites of the region include solving the territorial conflicts and improving cross border cooperation between the states themselves. Non governmental organisations and other civil society actors play a key role in breaking up and discussing national taboos and differences. The EU must formulate a more consistent and longer term policy for this region and emphatically place more political conditions on economic reforms as well as arbitrate more between the states of the South Caucasus and its big neighbour Russia. For this reason, the special emissary for the South Caucasus should become more involved and receive his own infrastructure in the region.<sup>11</sup>

The ENP Action plans with Israel and Morocco build on the experiences made in the Barcelona Process. Both countries, however, have historically closer links to the EU than most of their regional neighbours. Their Action Plans should be expected to be more ambitious and detailed.

### Israel

The former EU Commissioner for Enlargement, Günther Verheugen, spoke about Israel receiving privileged partnership status with the European Union. This relationship would comprise full participation within the single European market and the so called "four freedoms" (free circulation of goods, services, capital and persons). Through its democratic and economic development, Israel differs from all of the other nations neighbouring the EU. Advocates of the privileged partnership see a promise of more influence on the Israeli position in the Middle East Peace Process because of the negotiations that take place before a privileged position is granted. Sceptics fear that a privileged position for Israel could lead to a loss in credibility for the EU in the region and discredit the neighbourhood concept. A series of security relevant procedures (amongst others admission of ethnic Arab citizens of the Member States into Israel; export of arms) must be met prior granting of the four freedoms. Unsettled issues include the matter of Israel's nuclear energy program – including the question of proliferation – as well as the water conflicts between Israel, the Palestinian Authority, and the Arab neighbours.

<sup>11</sup> Please see also: "Caucasian Preconditions for the Development of an Integrated European Policy Towards the South Caucasus"; Documentaon of the Conference of the Heinrich Böll Foundation; Tblisis, 1-2 June 2004; [www.boell.de](http://www.boell.de).

### Morocco

Morocco is the only neighbour whose accession application was rejected by the EU. This rejection was justified by citing a regulation in the EU Treaty which was interpreted as stating that "only European states" can apply to become members of the EU.<sup>12</sup> With the possible commencement of accession negotiations with Turkey, this argument loses plausibility. A setting where Morocco democratises its social system and modernises its economy is conceivable for example, in the year 2030. At this time the ethnic "face" of Europe will be more "North African" than it is today. Under these circumstances, it will be difficult to justify why a dictatorship in Belarus or an authoritarian regime such as the one in the Ukraine has the prospect of joining the EU while a socially modernised country in the Southern part of the Mediterranean does not.

A new debate must be opened within the EU if membership in the EU-Europe should be based on geographic, social and cultural aspects or if it should take into account social, economic and geo-strategic criteria as well.

<sup>12</sup> Interestingly, Algeria was present as an overseas territory of France during the founding of the EC for Coal and Steel.

## Neighbourhood Policy and European Security Strategy

The foreign and security policies of the EU will concentrate, above all, on the new neighbours and will strive to find solutions to the common problems. The question arises, if the existing regional and transatlantic security arrangements are still adequate; and to what extent must the GASP be further developed.

The European Security Strategy<sup>13</sup> sees the strengthening of security in the neighbourhood of the EU as one of its top priorities. It states that: "Even in times of globalisation, geographic aspects still play an important role. It is in Europe's interest, that the neighbouring countries are being governed responsibly. Neighbouring countries, which are ensnared in violent conflict, weak states in which organised crime finds fertile ground, war torn societies or states with an uncontrolled population explosion in the neighbouring regions are always a problem for Europe."

In Europe's neighbourhood, there are unresolved security conflicts.

When Romania joins the EU in 2007, the unresolved conflict between the Republic of Moldavia and Transnistria, (an independent province backed by Russia) will move closer to Europe. Already today, one million inhabitants of Moldavia are in possession of Romanian citizenship. The population of Moldavia will therefore join the EU economically. As yet, it remains totally unclear what this fact means for the security of Europe's outer borders.

The solution to these numerous territorial, ethnic and political conflicts in the Caucasus is not only the main challenge of the EU in its dealings with three republics of the South Caucasus, but it will also further influence the relationship between Russia and the EU. The Caucasus, and above all the conflict in Chechnya, is a barometer – irrespective of the security issues – of the state of development of Russian democracy and the effect this has on its neighbours. It is due to Russian sovereignty over the North Caucasus that there is as yet no EU Caucasus policy. Nonetheless, the EU has named a special commissary for the South Caucasus who so far has been operating only from Brussels.

The Israeli-Palestinian/Arab conflict: The ESS explains: "The solution of the Israeli-Arab conflict is a strategic priority for Europe." For a very long time the EU has been the supporter of a two state solution in order to put an end to the conflict. Furthermore, the EU is actively involved, as part of the Barcelona

Process, in more regional cooperation between all the Mediterranean countries and this includes the neighbouring countries of Israel.

Parallel to the ENP, the proximity of the neighbours to NATO plays an important role. The Ukraine and Georgia both seek membership in NATO. The cooperation of NATO with countries of the Near East, North Africa as well as the Gulf Cooperation Council will boost its efforts to bring the Near and Middle East closer to the West. Here, it is important to coordinate common foreign and security policies with those of NATO.

Regarding the protection of the environment, the neighbourhood policy should address the full range of factors related to inter and intra-state conflict, such as resource scarcity, environmental degradation, the fair and equitable allocation of transboundary resources worsening poverty, and environmental migration. Most notably, the issue of energy security, as well as the matter of nuclear energy and proliferation, provide the most obvious linkage between the Neighbourhood Policy's security and environment agenda.



<sup>13</sup>A *Secure Europe in a Better World*; <http://ue.eu.int/uedocs/cmsUpload/78367.pdf>.

## Outlines of an Environment and Energy Partnership

The protection of the environment, the sustainable use of energy resources and the creation of functioning administrative structures are part of the goals of the ENP. Furthermore the region should increase its environmental cooperation. When trade agreements are made with neighbouring states, there should be a minimal guarantee for environmental standards. To that end the environmental regulations in the Barcelona Accords, the MEDA for the Mediterranean, the agreements for cross border regional cooperation INTERREG as well as a series of projections within the TACIS programmes offer points of contact. The draft of the Action Plans for the Ukraine will strive for more nuclear security. However, in the Action Plans already finalized, environmental policies do not take centre stage.

Aside from existing programmes of the EU, an Environmental Neighbourhood Policy based on the pan European Environmental networks of the European Environment Agency and the UN-Economic Commission for Europe should be created.

The European Environmental Agency (EEA)<sup>14</sup> based in Copenhagen, is in fact a pan-European Agency National environmental agencies and scientific organisations can take part in the exchange of information and research programmes of the EEA.

Since 1991, The UN Economic Commission (5) for Europe (UN-ECE) has carried out<sup>15</sup> 5 pan European environment conferences at Minister level, the last one having taken place in Kiev in 2003. The results of this so called "Environment for Europe" (EfE) process are amongst others cross border agreements to clean air, a limit on persistent substances, the prohibition of lead containing fuels and the accession to environmental information.

### The Promotion of Good Environmental Governance

Central to the aspiring environmental partnerships should be the creation of a functioning environmental administration, with consistent legislation, as well as systematic links to the environment policies of the EU. The European Commission, for example would like to strengthen administrative structures, national environmental action plans, environmental legislation and the creation of new financial instruments.

<sup>14</sup> [www.eea.eu.int](http://www.eea.eu.int).

<sup>15</sup> [www.unece.org/env/europe/welcome.html](http://www.unece.org/env/europe/welcome.html).

The participation of citizens as well as other organised civil groups would be strengthened through improved access to environmental information, environmental impact analysis, and proper reporting. In defining the new neighbourhood instruments, it must be made certain that non governmental organisations and other civil groups can participate directly in these EU programmes.

### Environment, Health and the Protection of Resources

In some environmental and public health areas, the EU would like to arrange for sectoral Action Plans for the EU- neighbourhood. Such sectoral Action Plans were already part of the accession process with the new Member States. Environmental protection measures in cities, as well as collaboration in the areas of coastal protection and waste prevention have been facilitated within the Euro-Mediterranean Cooperation.

Of special interest to the EU are the areas of water, waste, clean air, technical standards of industrial facilities and nature protection. The EU offers help in the development of administrative structures and in prioritising sector specific investments. Aside from the Action Plans which the neighbours must coordinate separately, there are international guidelines such as the Framework of the UN Economic Commission for Europe (UN-ECE) with regards to cross border air pollution or the system of the World Natural Heritage Parks which serve as direction for political and financial prioritization.

The EU water directive (WRRL)<sup>16</sup>, which sets the framework for all EU policy with regards to protecting water bodies and regulates the water – economy is already today not orientated on the state borders, but rather on river basins such as the Danube. In the implementation process, the EU must work closely with its neighbours. It should be deliberated if civil initiatives and non government organisations from the neighbourhood countries should have access to information and participation rights when implementing this directive.

<sup>16</sup> [www.wrrl-info.de](http://www.wrrl-info.de), [www.umweltbundesamt.de/wasser/themen/wrrl-chronologie.htm](http://www.umweltbundesamt.de/wasser/themen/wrrl-chronologie.htm).

## Improvement of Regional and International Cooperation

A further goal of ENP is to push for the signing and ratification of regional and international agreements and to assure their implementation. After the ratification of the Kyoto Protocol by Russia, this protocol now becomes effective and with it, the implementation of the agreement becomes the centre of attention. Aside from financial instruments, the EU emissions trading system is the most important tool for forcing the neighbours into a sustainable use of their energy resources. If the emissions trading system were open to other member states of the Kyoto Protocol, there will be enormous incentive for the modernisation of the energy infrastructure Eastern Europe. The European Energy Charter offers a system of energy governance in the Eurasian space. However, the Charter has not yet been ratified by the Russian Duma. Ratification is in serious doubt until the open questions of energy transit and access to the closed and highly regulated Russian energy market are being clarified.

A constituent element of the Action Plans should be the promotion of energy efficiency and the use of renewable energy. More important, however, are the strategic energy partnerships with neighbouring countries, not only in terms of importing fossil fuels such as oil and gas, but also in furthering the climate policy goals of the European Union.

A number of strategic energy partnerships with neighbours form one of the pillars of the ENP. The EU imports energy from Russia, the Caspian Region, North Africa and the Near East. Through different neighbours, for example, the Ukraine and Georgia are important energy transport routes. The crux of the strategic interests of the EU is a secure and diverse energy supply. For the further development of economic relationships with its neighbours, it is important that investment in the energy sector translate into an over all economic strategy which allows the economies of neighbouring states to approach the EU single market. Regional security interests also play an important role in developing the energy sector as does the democratic development and the participation of civil society. From the point of view of environmental protection, the concerns of climate protection, clean air and water, plant security and nature protection are extremely important.

For this reason the construction of the oil pipeline from Baku (Azerbaijan) through Tbilisi (Georgia) to Ceyhan (Turkey) was stopped for a time by the Georgian Ministry for Environmental Protection because the existence of a national park was in danger. Cross border nature protection projects such as the ones between Azerbaijan and Georgia or in the Mediterranean created between states that would otherwise be in conflict with one another, engenders a culture of cooperation that serves political stability.

The experiences in the implementation of the Barcelona Accords demonstrate, however, that it can be very difficult to meet the needs of sustainable development and environmental protection within a broad cooperative effort. The main goal in Barcelona was to promote stability by means of regional cooperation and economic growth. The mission statement of sustainable development was formulated but it stands in contradiction to the expansion of transportation and the increased flow of traffic (e.g. ship transport), tourism development and the development of the as yet practically virgin coastlines, or the extension of irrigation intensive agriculture. The European Neighbourhood Policy is faced with comparable challenges if it wants to pursue the goal of including new neighbours into a well-off and stable Europe following the model of sustainability.

## Summary and Future Prospects

The European Neighbourhood Policy is the attempt to bring some order to the hitherto chaotic forms of cooperation with the highly different neighbours of the EU. As yet it is unclear if the cooperation between all the neighbours within one contractual format – one size fits all – is going to work. Eastern European countries such as the Ukraine insist on being treated as “privileged neighbours”. The Barcelona Process has not been too visible lately but should not be put on the backburner. The relations with Europe’s Mediterranean neighbours should be redefined inside ENP. The regional approach that defines the Euro-Mediterranean partnership should not be lost.

Until now, at the core of the Neighbourhood Policy are the Action Programmes. These will have to become more concrete and binding. This is true, above all for those policies which already contain concrete goals and timetables and can be bolstered by the Neighbourhood Policy. An example of this are the climate protection requirements of Kyoto or the agreements of the UN-ECE for clean air. For waste policy and others there are no such concrete internal requirements as yet. Until now, the participation of civil society players was promoted exclusively through private foundations and think-tanks. At the very latest, during the implementation and monitoring of the concerned agreements, the EU must find support in civil society partners.

If there are to be environmental transformational successes such as with the Central European countries, it will be necessary to make considerable investments in the areas of clean air, waste and waste water management, plant safety. For further investment in infrastructure, such as in the areas of energy and transportation, environmental impact should be taken into account. Here the experiences of the environmental design with regards to the structure and cohesion funds can be very useful. The budget envisaged for the entire ENP will not be sufficient for the necessary environmental investments. Attention should be paid to the fact that all environmental challenges are taken adequately into account when designing the budget. Until now, it is not clear as to what extent nature protection measures will still be financed when the LIFE programme ends. More financial margin in the EU budget can only happen if there is a fundamental reform of the costly EU structure and agriculture policy.

## List of Abbreviations

EC	European Community
EEA	European Environmental Agency
EfE	Environmental for Europe Process
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
EUROMED	Euro-Mediterranean Partnership
CFSP	Common Foreign Security Policy
NIS	Newly Independent States
MAP	Mediterranean Action Programme
MEDA	Euro-Mediterranean Partnership Programme
UN-ECE	UN Economic Commission for Europe
UNEP	UN Environment Programme
WTO	World Trade Organisation
WFD	Water Framework Directive

## Profile: Ecologic

Ecologic is a private not-for-profit think tank for applied environmental research, policy analysis and consultancy with offices in Berlin and Brussels. An independent, non-partisan body, Ecologic is dedicated to bringing fresh ideas to environmental policies and sustainable development. Ecologic's work programme focuses on obtaining practical results. It covers the entire spectrum of environmental issues, including the integration of environmental concerns into other policy fields. Founded in 1995, Ecologic is the German partner in the network of Institutes for European Environmental Policy. Ecologic acts in the public interest; donations are tax-deductible.

Ecologic provides policy consultancy, and animates and facilitates international policy processes in order to develop new approaches at interfaces between different policy fields, and also between different policy communities. This includes the creation and the fostering of international policy networks. Through its involvement in negotiating and concluding multilateral environmental agreements, Ecologic focuses on cross-cutting issues of regime design, compliance by signatories, and the application of general principles in international law. A significant part of its work focuses also on analyzing and furthering the development of the environmental policy of the European Union and its Member States. Ecologic advances innovation in European environmental governance and advocates greening the treaties constituting the European Union.

Ecologic produces numerous publications of reports and studies, among others in the Ecologic Briefs and in its book series "International and European Environmental Studies". Current developments at Ecologic are addressed in the monthly Ecologic Newsletter. The various lectures given by Ecologic's staff and the events organized by Ecologic's Conference Team also contribute to the distribution of the projects' scientific results. Ecologic regularly hosts Dinner Dialogues. This event series brings international environmental experts to Berlin for an informal debate with opinion leaders and decision-makers.

## Ecologic Dinner Dialogues on the ENP

The Ecologic Dinner Dialogues bring fresh ideas from outside of Germany to Berlin, and assist in the development of new policy approaches for the environment and sustainable development. They provide a forum for opinion leaders and decision-makers from policy and business, and from science and civil society. They are characterised by informal debates about salient topics, where ideas flow across the boundaries of countries, scientific disciplines, business and policy communities. The Dinner Dialogues are held by Ecologic in partnership with other organisations. Sponsors are acknowledged in the description of each event.

### Tony Long: The European Neighbourhood Policy and the Environment?

Since its last enlargement, the EU has redefined its geo-strategic interests in relation to its neighbours to the East and in the Mediterranean Basin. This event, "The European Neighbourhood Policy and the Environment?" aimed for an open discussion of the existing opportunities to incorporate participatory and environmental concerns in European Neighbourhood Policy (ENP). It was held in Brussels, 15 March 2005, in honour of Tony Long, Brussels Director of the WWF International European Policy Office (EPO).

For more information on this Dinner Dialogue, please see [www.ecologic.de](http://www.ecologic.de)

### Annika Weidemann: The European Neighbourhood Policy (ENP) and the Presidential Elections in the Ukraine

The EU Neighbourhood Policy in light of recent presidential election events in the Ukraine was the topic of debate at the Dinner Dialogue hosted by Ecologic and the Heinrich Boell Foundation on 14 December 2004 in Berlin. The central questions focused on the applicability of the recently negotiated EU/Ukraine Action Plan in light of changes in the Ukraine at the end of 2004. Should the EU continue or rather rethink its policy vis-a-vis the Ukraine, and offer it a European perspective? What important elements must be considered to shape future EU policy in this region? Annika Weidemann, Rainer Steenblock and Claudia Nolte were the guest speakers.

For more information on this Dinner Dialogue, please see [www.ecologic.de](http://www.ecologic.de)

For more information on European Neighbourhood Policy,  
please see the following websites:

European Commission

[http://ec.europa.eu/comm/world/enp/index\\_en.htm](http://ec.europa.eu/comm/world/enp/index_en.htm)

Heinrich Böll Foundation

[www.boell.de/en/04\\_thema/380.html](http://www.boell.de/en/04_thema/380.html)

World Wide Fund For Nature (WWF)

[www.panda.org/epo](http://www.panda.org/epo)



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