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# Eastern Partnership and the Caucasus

## Strategic Input from the Region

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*With its new Eastern Partnership (EaP), the EU has opened a new chapter in European Eastern Policy, and from the very beginning it aims to involve civil society. The Eastern Partnership was initiated by the Polish and Swedish governments in the spring of 2008, and on December 3, 2008 the EU Commission presented its proposal<sup>2</sup> for an EaP that would consist of a set of bilateral and multilateral initiatives seriously stepping up relations between the EU and its Eastern neighbours.<sup>3</sup> While in the process of formulating a new European Eastern Policy, the Commission has explicitly asked the partners for their input and ideas. With the ball in the court of the governments and non-governmental experts of the partnering countries now, this paper aims to provide tangible input from a Caucasus perspective on the eve of the Prague Civil Society Summit.*

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<sup>2</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0823:FIN:EN:PDF>.

<sup>3</sup> Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

## **Making EaP visible and attractive**

The perception of the EU in the Southern Caucasus has changed significantly since the summer of 2008, when President Sarkozy brokered the cease-fire agreement between Russia and Georgia, and the Union became physically visible in form of the EU Monitoring Mission (EUMM). The EU has appeared as a new actor in the region, an equal with Russia and the United States. At the same time however, the flag of the EU in front of almost every official building in Georgia should not conceal the fact that, right now, further convergence with the EU is not a sufficiently attractive foreign policy that will win serious public support.

*The EU – a new actor in the Southern Caucasus*

All three countries in the South Caucasus face immediate problems such as poverty, insecurity and unemployment that force policy makers to plan in time frames that hardly ever exceed 50 days. Experience with the European Neighbourhood Action Plans has shown that the parts of it that address such immediate challenges are successfully adopted by the governments. Provisions that concern far-reaching legal and regulatory reforms aimed at bringing the countries to EU standards, even if implemented, still lack visible effects. It appears that without clear-cut prospects for accession to strive for, the governments in the South Caucasus are unlikely to make European integration the national priority. It therefore seems crucial to make the new EaP as attractive as possible for both the governments and the public; to give the authorities an incentive to implement medium- and long-term reforms while at the same time providing the organised public a reason to put pressure on their respective leaderships.

With the set of potential benefits included in the Commission's current proposal, it seems the South Caucasus region, especially Georgia and Armenia, have only just now started to realise that EU is ready to significantly step up its involvement in the region. The prospect of upgrading bi-lateral cooperation from Partnership and Cooperation Agreements (PCAs) to a new generation of Association Agreements is the key very attractive element of today's EaP design. There is however, still a considerable lack of recognition of what the EaP offers, especially within the expert communities in the South Caucasus. The EU and the "founding fathers" of the Eastern Partnership, namely Poland and Sweden, should invest time and resources in lobbying for their proposal in the region. Experience has shown that for European foreign policy to become effective it needs pressure from both within the EU and from the outside. Enlargement fatigue should not block the Union's Eastern Policy, and it will

*Promoting Eastern Partnership*

also be crucial to continue the external pressure from the region. It should definitely not take another war for the EU to remember the problems of its neighbourhood.

At present, there is a shortage of ideas in the South Caucasus about what kind of relationship with the EU is both desirable and achievable. Unfortunately it appears the Commission will not receive as much input as expected regarding the design of EaP. There is a danger that EaP will focus only on finally engaging Belarus and entering into a new round of negotiations with a Ukraine leadership keen on further convergence with Brussels, while forgetting the South Caucasus because the region has little in the way of response ready immediately. Since a serious European Eastern Policy cannot disregard the South Caucasus that remains the most politically instable and vulnerable region crucial to Europe's strategic interest, it is essential to keep EaP open for input. Implementing a strategic review process that is capable of adapting the EaP's institutional framework will create an impetus to foster discussion on tangible ideas about shaping relations between the South Caucasus and the EU. The EU can only benefit from such discourse and should make sure that non-governmental experts will be heard.

*Making Europe a national priority*

### **The “Norway Scenario”**

The Commission's current proposal offers a set of thematic policies that, if fully implemented, would take the EaP countries to a status comparable to that of Norway. Even though that is still short of membership, it is a very interesting offer for the partner countries. Free Trade Agreements (FTAs) with the EU, and possibly amongst each other, could seriously improve the economic situation in most of the partner countries if properly combined with efforts to foster SME development. Even more importantly, opening the visa regime so that citizens of the partner countries have opportunities to travel to and work in the EU without having to overcome significant bureaucratic and financial obstacles, would be a decisive contribution to both the economic development of these countries and societal convergence with Europe. The EU should ensure that it makes very transparent requirements for liberalising the visa regime. If communicated with the public correctly, such very attractive perspectives will certainly increase the pressure on governments to implement the required reforms.

*Prospects other than membership*

On the path to further economic integration with the partners, the EU should consider applying something similar to the Sectoral Agreement approach that makes it possible for a partner to gain access to EU

institutions of a certain sector, such as the European Energy Agency, as soon as it fulfils the requirements of that specific sector. Such an approach would make it a realistic goal for partners to implement reforms and raise procedures to EU standards in a certain sector rather than having to reform the entire political-economic system at once.

### **Core field: energy**

Energy policy is a core element in the EU's Eastern Partnership. This is particularly the case in the South Caucasus, which hosts a range of important pipelines that circumvent the Russian Federation. These include the South Caucasus natural gas pipeline (Baku-Tbilisi-Erzurum) as well as the Baku-Supsa and Baku-Tbilisi-Ceyhan (BTC) oil pipelines. The South Caucasus pipeline holds a particular strategic importance for its ability to provide natural gas to the planned Nabucco pipeline – the EU's flagship diversification project. In this context, the EaP aims to increase the EU's 'energy interdependence' with the partner countries via pipelines, electricity interconnections, and convergence of legislation.

*The Caucasus – an  
ideal partner for  
energy  
diversification*

However, due to the region's geographic location, diversity and instability, as witnessed by the recent August War, the Eastern Partnership will need a nuanced and subtle approach to shaping an energy policy for the region. This will particularly be the case, as Russia will see any EU advances on the energy front in the region as detrimental to its own interest and will feel forced to use its economic and political leverage to spoil them.

In addition, different countries will have to be engaged with different sets of policies, as countries fulfil diverging roles with regards to energy. Georgia is a key transit country, Armenia a consumer and possible transit country (if its isolation can be overcome), and Azerbaijan is an emerging regional hydrocarbon exporter as well as gatekeeper to the strategically important gas reserves of Turkmenistan. These countries will also have different interests. Georgia, for example, is keen to act as the EU's pipeline diversification route – pipelines which it hopes will tie Georgia closer to the West, thereby ensuring Western support, while Azerbaijan is interested in maximising its economic gains through lucrative long-term contracts to the EU.

*Differing roles,  
differing policies*

One policy, however, that could deliver great benefits to the entire region (without confronting the Russia challenge head-on) is tackling the region's appalling energy inefficiency – a Soviet legacy. Improving energy efficiency in the region will strengthen not only its economic competitiveness and

energy security but will also lower carbon dioxide emissions thereby mitigating climate change. In addition, energy efficiency will free up energy resources that can be exported to the EU.

Nevertheless, more hard-security energy issues will also have to be addressed by the Eastern Partnership. These include questions such as how to access the strategic reserves of Turkmenistan, tie Azeri natural gas supplies to the EU market, and particularly how to secure energy infrastructure. The latter is of particular importance, as the Southern Caucasus is very conflict-prone.

### **Involving civil society**

Apparently the EU plans to take the role of civil society a step further in EaP than in ENP. Because ENP had a more technical character, the role of civil society so far has been concentrated on monitoring government policies. With the EaP developing into a truly political initiative, the new framework involves civil society in planning, implementing and monitoring of new policies. While this is very welcome, EU leaders should understand what very different positions civil society actors are in, in each of the partner countries. 'Civil society,' in the best case, refers to organised expert communities, without necessarily extensive connections to the public in a broader sense. As their involvement can nevertheless be very important and fruitful, the EU should support these experts to develop not only their access to political decision making but also to increase their communications with the public.

*Civil society as the driving force*

The EaP's multilateral track offers a number of potentially very interesting access points for civil society involvement. In the thematic platforms and their sub-panels, including NGOs could on the one hand make use of valuable know-how in a given field that would certainly increase the effectiveness of implemented measures. On the other hand, interaction and cooperation in such panels could foster regional cooperation among civil society actors involved in the same topic. Because EU funding for civil society projects will presumably focus on the multilateral track, it will be crucial to inform the actors and include them in the topical discourse from the very beginning. It would further be sensible to make special use of civil society where it is strongest, namely in Ukraine and Georgia. Creating a platform for non-governmental experts from both countries in which they can share their experience and develop future strategies will strengthen their standing and overcome a sense of isolation that does exist among civil society activists. Such a forum should be open to participants from other

countries as soon as they emerge.

## **External Partners: Russia and Turkey in the EaP context**

Because Turkey has very close relationships with the EU and is a potential future member state it will be important to include the country in at least some elements of EaP. Naturally, the discussions on a potential 'Southern Energy Corridor' must include Turkey, and it would make much sense to also include it in the multilateral tracks on 'Democracy, Good Governance and Stability'.

*Southern Energy  
Corridor*

Ankara is becoming an increasingly important regional player in the South Caucasus. The rapprochement of Turkey and Armenia is becoming a reality, and their common border that had been closed since 1993 can be expected to open in 2009. With that on the way, it is crucial for the region that the new chance to create a more cooperative atmosphere does not fall victim to Azerbaijan feeling betrayed by Turkey and isolated in the region. There is an immediate threat that Baku might opt for energy cooperation with Russia instead of continuing to wait for Nabucco to finally take shape. The sense of isolation that is emerging in Azerbaijan could become very dangerous for regional stability, and the EU would be well advised to counter that risk by engaging all three South Caucasian states, together with Turkey, in a dialogue on regional cooperation. Turkey will also be an important player in the difficult task of coordinating EaP and the Black Sea Synergy.

Including Russia in any part of the framework of Eastern Policy is, for obvious reasons, a delicate matter in the South Caucasus, especially Georgia. However, the EU should under no circumstances allow its EaP to be taken hostage by assertive Russian rhetoric. Russian diplomats have already begun labelling EaP another attempt by the West to interfere in Russia's sphere of 'special interest'.<sup>4</sup> It will be crucial to make sure that EaP is not understood as a hostile move towards Russia, while at the same time not granting Moscow inherent veto powers over the EU's Eastern policy. The Union will have to stress again that Russia is its strategic partner, just as the Eastern Partners will become and that it does not accept any zero-sum rhetoric on this matter. Brussels should use a bottom-up approach to address democratic forces in all countries of its eastern neighbourhood with the message that nobody will be excluded from the 'European Family'.

*Bringing in Russia  
with bottom-up  
cooperation*

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<sup>4</sup> Speech of Russia's Foreign Minister Sergej Lavrov at the Brussels Forum, April 2009.

Under these circumstances it will be very important to make sure that advancing cooperation with the partners in the area of CFSP and ESDP is not misunderstood as providing them with a European security shield against Moscow. To prevent false expectations by both Russia and the partners, the EU has to be extremely sensitive in matters of security policy and will have to repeatedly stress that it is by no means pursuing an eastern policy based on exclusion.

### **Conflict resolution on a democratic basis**

The same is valid for the EU's engagement in conflict resolution in the region. Obviously, this matter cannot be ignored when dealing with the South Caucasus. The contribution of EaP to conflict resolution should be more indirect. By offering tangible European prospects for the countries in the region, based on the development of democratic principles and protection of human and minority rights, EaP should display a European sense of cooperation in the region.

*Safeguarding  
security with  
European values*

At the same time, the EU must make clear, that none of the separatist entities in the South Caucasus is excluded from EaP, not because of the territorial integrity of Georgia or Azerbaijan, but because these entities are, by nature, part of the European neighbourhood. The bottom-up approach described above should also be applied here by engaging civil society and democratic forces in, for example, Abkhazia. EaP should not be about recognising or not recognising states and regimes, but rather about proving to the people what Europe has to offer in comparison to the Kremlin.

Working towards the opening of borders between Russia and Georgia, Turkey and Armenia, Armenia and Azerbaijan and especially the de-facto borders of the entities should be the main goal of EaP in the field of conflict resolution. Only through open borders can the cooperative European spirit be appreciated. Strengthening democratic rule in the region will ultimately introduce means of conflict resolution short of armed conflict. There is and will be no shortcut solution to the conflicts in the South Caucasus, just as there is no shortcut to for the countries of the region into the EU.