



## TEPSA BRIEF

# The review of the European Neighbourhood Policy: Increasing the coherence and coordination of EU external action?

by Simon Stroß<sup>1</sup>  
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### The Arab Spring and the response of the European Union

The recent events in the Arab world triggered a call for more democracy in the Southern Neighbourhood and, together with the stagnating reforms in some of its Eastern neighbours, forced the European Union (EU) to thoroughly review its European Neighbourhood Policy (ENP). Criticised for focussing on the political stability of neighbouring countries rather than on the promotion of democracy, the EU acknowledged that its former approach “has met with limited results”. The newly established European External Action Service (EEAS), which brings together officials and diplomats from the Commission, the Council and the member states and directly serves its head Catherine Ashton, the High Representative of the Union for Foreign and Security Policy/Vice President of the Commission (HR/VP), was supposed to play a key role in the review process. Ashton and her EEAS officials repeatedly stated that the ENP review is among the top three priorities of the service in its first year. In this context the question arises if the EU will use the chance to achieve one of the major objectives of the Lisbon Treaty, namely increasing the coherence of its external action. This concerns both how coherent ENP policy formulation is carried out in the EU system and to what extent the output of the review is coherent.

#### The EU's response to the Arab Spring and the ENP review: key events in 2011

- ▶ 4 February: European Council conclusions on needed "package of measures" and adapted EU in instruments in response to the Arab Spring
- ▶ 8 March: Publication of "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean"
- ▶ 11 March: European Council responds to partnership proposal
- ▶ 25 May: Publication of ENP review "A New Response to a changing Neighbourhood"
- ▶ 7 June: Establishment of "Task Force for the Southern Mediterranean"
- ▶ 20 June: Foreign Affairs Council conclusions on the ENP review
- ▶ 7 July: European Parliament adopts report on "EU external policies in favour of democratisation"
- ▶ 18 July: Council decision appointing a EU Special Representative for the Southern Mediterranean region

On 5 February 2011 the European Council called for a new partnership with countries in the Mediterranean region and assigned the HR/VP and the Commission the task “to develop a package of measures aimed at lending European Union support to the transition and transformation processes (...) and to link the European Neighbourhood Policy (...) more to these objectives.” Subsequently on 8 March the HR/VP and the Commission jointly submitted the communication “A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean”. Based on the three pillars of democratic transformation, support to civil society and sustainable and inclusive economic development, the partnership proposal consists of an incentive-based approach. This “more for more” approach implies that countries that seriously strive to undertake democratic reforms will get more EU support in reverse. The joint communication was a ‘quick shot’ that the EU published to demonstrate its capability to react timely to current developments in its

<sup>1</sup> The author is Marie Curie researcher under the Marie Curie Integrated Training Network on EU External Action (EXACT) and is currently based at the TEPSA office in Brussels. Any opinions expressed in this paper are those of the author and do not necessarily represent the position of TEPSA. The author can be contacted at: [simon.stross@tepsa.be](mailto:simon.stross@tepsa.be)

neighbourhood. Hence the prominent place of short-term actions such as humanitarian aid and border control in the partnership proposal. The Commission and the HR/VP thus gained some more time to review the overall ENP, a process which was originally supposed to be finished already in March and which finally resulted in the publication of the new strategy on 25 May. An increase in funding is foreseen with approximately 1.2 billion Euro until 2013 and additional financial resources coming from the European Investment Bank (EIB) and possibly the European Bank for Reconstruction and Development (EBRD). Key issues addressed in the ENP communication are, inter alia, the conclusion of Mobility Partnerships and Deep and Comprehensive Free Trade Areas (DCFTAs), establishing a Civil Society Facility and an European Endowment for Democracy, and enhanced sector cooperation in fields such as climate change and energy. Both the partnership proposal and the ENP review strive to bundle diverse policy spheres to achieve common objectives and thus to increase the coherence of EU external action.

### **The ENP review formulation and the role of the EEAS**

Before the inception of the EEAS on 1 December 2010, the Commission Directorate-General (DG) for External Relations was in charge of drafting the ENP and coordinating its sectoral policies. Most of the DGs' staff and competences were then officially transferred to the new service. The cabinets of HR/VP Ashton and the Commissioner for Enlargement and ENP, Štefan Füle, guided the ENP drafting process. His involvement is remarkable since the competence for the community funding instrument of the ENP (ENPI) was until recently located with the former Commissioner for External Relations. This post was merged into the HR/VP, but control of the fund was transferred to Füle's portfolio by a move of Commission president Barroso, which was considered by observers as a 'pre-emptive strike' to defend Commission competences vis-à-vis the direct grasp of EU member states. HR/VP Ashton publicly displayed her commitment to the ENP many times and her cabinet was concerned with the 'political' aspects of the review. The cabinet of Commissioner Füle, on the other hand, was intensely involved in the more 'technical' aspects, such as coordinating the different policy fields and financial instruments of the ENP. By negotiating directly with other cabinets, for instance on the use of community funds, Füle's team had a greater influence on the actual content of the ENP review. Although the shared responsibility of the two Commissioners for the ENP was not without controversies, the overall coordination worked well.

Although the ENP review was named one of the main tasks of the EEAS in its first year, the establishment of the service did not make much of a difference compared to pre-Lisbon times and even complicated matters due to the ongoing institutional reconfiguration. Although new arrangements such as the chairing role of EEAS staff in relevant Council Working Groups helped in the planning process, the EEAS officials in charge relied on their informal personal relations while some formal consultation procedures between the EEAS and the Commission are only starting to be laid down. The absence of formal procedures continues. For instance, up to now there are no detailed internal working guidelines for the cooperation of the EEAS and DG Development regarding the programming steps of development assistance. Nevertheless, where close informal ties existed before, coordination worked quite well. Furthermore, the internal working methods of the EEAS are partially elusive, as for instance the ambiguity regarding the relation of the CSDP structures to other EEAS departments shows. To sum up, the EEAS is not ready yet to add value to the formulation of EU external relations. The ENP review happened at a time in which the service still has not found its internal balance and its place among the other EU institutions.

The responsible EU actors mostly reacted swiftly to the developments in the neighbourhood, as shown by the preparation of the partnership proposal and the fast deployment of humanitarian aid in and around Libya, albeit in some instances the picture did not look so convincing. Important posts in the EEAS were only filled very late. For instance the new Director for the North African Region and the Middle East was appointed only at the end of June 2011. Likewise, it was only in June that the HR/VP announced the establishment of a new Task Force for the Southern Mediterranean composed of representatives of EU institutions, member states, EIB and EBRD. The Task Force shall improve the coherence and coordination of financial assistance to support political transformation in the region. However, who exactly will sit in it and how it will work remains unclear even for officials directly dealing with ENP. In a similar fashion, the EU Special Representative (EUSR) for the Southern Mediterranean region was first selected by Ashton in late



June and appointed by the Council only on July 18. Although the respective Council decision details the scope of the EUSR mandate and its policy objectives and financing, it remains very vague on the EUSRs relations to actors such as the task force (“contributing to [its] work”) and the EEAS (“shall work in close coordination with the EEAS”). It is surprising that further information on this issue has not been provided by Ashton and her cabinet to colleagues from the Commission either, who will directly have to deal with the new actors.

In order to be implemented to full extent, the ENP review needs the backing of the member states in the Council and, in certain policy fields, the support of the European Parliament. The EP was, similar to other stakeholders, involved in a general consultation procedure on the ENP by the Commission that started in 2010. Additionally, the EP issued respective reports on the Eastern and Southern dimension of the ENP and an own-initiative report on “EU external policies in favour of democratisation” in April 2011. In this report the EP calls for a “paradigm shift” in the EU’s approach towards partner countries, including a stronger focus on democracy promotion and support of civil society combined with political conditionality, thus being mostly in line with the Commission review. During the first half of 2011 the European Council repeatedly addressed the ENP issue in its conclusions. It set the limits of the ENP review that EU institutions in charge had to take into account, which were particularly clear in sensitive policy fields such as migration. Both the Council and the European Council endorsed the ENP review. Officials of the Commission informally state that they are so far mostly satisfied with the political support of the member states, although some controversies, for instance regarding funding issues, still remain to be solved.

### **The content of the review: policy coherence for what?**

The Commission admits that the ENP proposal does not contain a revolutionarily new approach. The “more for more” method that the EU now emphasises was already part of the ENP in the years before, although it is now put more prominently at the center of attention. Nevertheless, the ENP review looks quite ambitious. Significant changes to the former strategy include increased support of civil society through newly introduced instruments. The Commission and the EEAS could have waited until the finalisation of the new multi-annual financial framework for 2014 to 2020 to introduce these changes, but apparently they wanted to implement the modifications as soon as possible. One major problem of the whole initiative relates to the lack of consensus in the Council on the finalité of the neighbourhood policy. Some member states see the ENP as an alternative path offered to its neighbours instead of accession to the Union, while others consider the ENP as leading to membership for certain countries; a perspective not unlikely for Eastern European neighbours such as the Ukraine. A common vision including an EU grand strategy for the region is not visible.

A detailed formulation and implementation of the new instruments of the ENP is still ongoing. The medium term programme for 2011-2014 lists several promising ideas, which so far lack precise information on content, funding or actors in charge. Controversies evolving around the newly introduced European Endowment for Democracy for instance relate to its scope, tasks, location and the distinction between the Endowment and the already existing European Instrument for Democracy and Human Rights. The distribution of competences between the EEAS and Commission DGs needs to be hammered out in other areas too. Trade agreements, for example, are negotiated by DG Trade, but under the auspices of the EEAS, which will be in charge of the overall Association Agreements. To what extent the EEAS and Commission DGs will struggle for leadership and competences in this and other cases will be exciting to observe, though it is rather unlikely that the two institutions will meddle deeply into each other’s affairs. Another controversial point is the Union for the Mediterranean (UfM) which, as the ENP communication puts it, needs to be “revitalised” - one might wonder if it was ever alive. The added value of the multilateral approach of the UfM still needs to be proven and it is unclear how the complicated consultation procedures of the 43 participating governments could be improved. In addition, the new funds requested for the ENP have now to be negotiated among the EU institutions and member states. The Commission/EEAS call for increased funding of the ENP is in general supported by the EU member states but the devil is in the details. Some member states such as Germany strictly oppose redirecting unutilised parts of the EU budget to ENP projects. Generally speaking, the national capitals are hesitant to provide fresh money, despite desperate appeals by the EU institutions to do so.



Given its nature as an overarching initiative addressing many of the policy sectors of EU internal and external action, the ENP reflects different EU interests that might contradict one another. Two examples clarify this. First, the “more for more” approach might lead to problems regarding Policy Coherence for Development, a goal which the EU repeatedly stated to integrate in all policies that might affect the development prospects of partner countries. Following the ENP review one of the main tasks for EU institutions is the operationalisation of the “more for more” approach. What kind of benchmarks for democratic reforms are applied? How is the differentiation between partner countries carried out? At which stage are punitive measures à la “less for less” implemented? The EU says that it will divert assistance from governments that do not honestly follow a reform path away to societal actors, such as NGOs. It is however unclear if this can be undertaken easily and if in the end the EU will not ‘punish’ the poor for the bad governance of their national governments, thus endangering the achievement of significant poverty reduction. Contacts to and support of civil society actors might be extremely difficult in sealed countries such as Syria. Secondly, it is doubtful to what extent the migration policy of the EU towards the partner countries as outlined in the ENP review has the potential to efficiently contribute to the development prospects of partner countries. Labelled as one of the three crucial “M’s” by Ashton (together with money and market), the mobility component of the ENP should help the partner countries to benefit from the positive effects of migration, such as remittances, business contacts and education. However, looking at the strictly incentive-based conditionality that the EU wants to apply, the picture changes. Only after partner countries will have shown their determination and ability to address the security concerns of the EU, such as improving border management, mobility arrangements will be offered in return. Migration policy is one of the policy fields in which the reservations of the European public are addressed in particular, possibly to the detriment of the coherence of ENP.

## Conclusions and outlook on EU options for improving coherence

An examination of the ENP review and its planning process shows a mixed picture. The cooperation between Commission DGs, cabinets, member states and other stakeholders seems to have worked reasonably well, although factors such as the distribution of competences between the cabinets of the Commissioners Ashton and Füle problematized the process a bit. Judging results so far, the setup of the EEAS has not achieved one of its major aims: increasing the coherence and coordination of EU external action by facilitating institutional policy formulation and implementation. Instead of simplifying procedures, the new institutional configurations and a lack of well-practised work guidelines for the EEAS rather complicated the ENP review in some ways. It remains to be seen if the EEAS can showcase its anticipated added value in the implementation of ENP measures such as the upcoming revision of country action plans. With regard to the coherence of the actual ENP review output it is noteworthy that the overall objective is articulated in a more straightforward way than in pre-Arab Spring times. Many ambiguities however still persist in the ENP, ranging from the uncertainties relating to the supremacy of the “more for more” approach over member states’ interests in different policy spheres, to the general lack of a common ENP vision including an EU wide consensus on the question of finalité.

There are some steps that the EU can undertake in order to improve its capability to formulate and implement a coherent and coordinated ENP. First, clearer guidelines and formal consultation procedures for the internal working of the EEAS and for its coordination with other EU institutions have to be set. Secondly, the HR/VP needs to play a more active and assertive role in the ENP process to add to her focus on the political aspects of the policy field. Since she is the head of the EEAS and she is committed by the EU Treaties to ensure the consistency of the EU’s external action, Ashton can engage more through accelerating the institutional set up processes of the EEAS, and being more involved in coordinating the technical aspects of ENP policies. Third, the EU has to make it clear how the stated objective of the ENP and its measures are operationalised and connected to a final vision of the EU’s neighbourhood. Finally, all EU efforts have to be closely coordinated with other international strategies, such as those of the USA and the World Bank. The ENP is currently one of the most crucial external policy frameworks of the Union. Improving its coherence and coordination builds a unique chance for the EU to show the European and international audience its commitment to fulfil its role as a serious external actor and the meaningfulness of its recent institutional reforms.

