

Non-paper

with Polish proposals concerning policy towards new Eastern neighbours after EU enlargement

Ministry of Foreign Affairs
of the Republic of Poland,
January 2003

Poland has welcomed the initiation in spring this year of the discussion on the EU New Neighbours initiative, its development under the Danish Presidency and the EU's intention to involve into it the countries that will soon join the Union.

Since the beginning of the process of transformations in Central and Eastern Europe, Poland has always sought good-neighbourly relations with all its eastern neighbours and has advocated EU's active policy towards these countries as well as the Union's assistance in the reform process in Eastern Europe. Only by eradicating divisions between the enlarged Union and its eastern neighbours can stability, security and prosperity be secured at the Union's eastern borders. Poland would like to contribute to shaping Union's policy towards its future eastern neighbours understanding that, however important, this is only a part of the EU external relations and the Union's neighbourhood policy. This commitment was already expressed by the Polish Minister of Foreign Affairs in his statement opening the accession negotiations in 1998 and has been confirmed later in the paper of the Polish Ministry of Foreign Affairs of June 2001 on the EU eastern policy. The EU eastern policy should have as its main objective abolishing the existing division lines through assistance and closer co-operation with the adjacent countries that should be based on common values and interests. Though this paper focuses on the enlarged Union's relations with its direct neighbours – Ukraine, Belarus, Moldova and

Russia, there is also an evident need of strengthening the EU policy towards countries of the Caucasus and Central Asia.

Many of the ideas presented in the joint letter of the High Representative, Secretary General Javier Solana and Commissioner Chris Patten of 7 August 2002 and in the Swedish non-paper of June 2002, are consistent with the way Poland perceives the development of the eastern policy of the EU. Poland agrees with the conclusions of the GAERC of 18 November 2002, stating that the EU enlargement presents an important opportunity to advance relations with the new neighbours of the Union. Particularly welcomed is the wish of the Council to establish further conditions which would allow the EU to enhance its relations with Ukraine, Moldova and Belarus as well as its recommendation for the Commission and the High Representative to prepare relevant proposals. Drawing from Poland's experience and knowledge of the region concerned, we can perhaps bring some new, fresh ideas to the discussion.

1.

Relations with the eastern new neighbours should be developed within a coherent framework, but in an individual way. EU relations with its future eastern neighbours should be differentiated, depending on the progress of the countries concerned in their reform process, the degree of convergence of their values and foreign policies with these of the EU, and relevant to their aspirations concerning their relations with the EU. On the other hand, the countries of Eastern Europe, due to their common historical experience in the 20th century, have a lot of similar problems that result from the legacy of almost a century of communist rule. Despite opening to the West, their economies are still dependent on each other. Moreover, strong political connections exist between them. Therefore it seems reasonable for the EU to have a coherent, comprehensive framework of its eastern policy that will enable individual development of relations with each of the countries concerned, without prejudicing their final formula. This framework could constitute the Eastern Dimension of the EU and facilitate co-ordination of poli-

cies of the enlarged EU and its member states towards the EU eastern neighbours, as well as of the projects. It could allow for co-ordination and synergy of activities of the EU and regional as well as international organisations and institutions. In this respect, a more active involvement of the EU in the co-operation within sub-regional structures like the Central European initiative would be advisable. Such an umbrella (the Eastern Dimension) would also enable a more effective use of the assistance for the Eastern European states. It should furthermore facilitate a greater involvement of international financial institutions and private capital in assistance projects.

The Eastern Dimension of the EU is not meant to compete with the Northern Dimension, but to be complementary to it. It should build on the experience derived from the Northern Dimension as well as from the Barcelona Process, but also of the CEE new member states. In the course of the transformation process Polish institutions, experts and NGOs have acquired immense experience and know-how, which can be useful for our eastern neighbours. Having been involved in several bilateral and multilateral assistance projects in the Eastern European states, the Polish NGOs offer unique instruments to affect the transformation process in the countries concerned – instruments that the EU and the governmental policies of the EU Member States may not have at their disposal.

Therefore, the policy of the enlarged EU towards its eastern neighbours should consist of three pillars: community (within the CFSP and External Relations), governmental (policies pursued by the Member States both bilaterally and within multilateral framework) as well as non-governmental (involving NGO-s and other non-governmental actors).

In the mid-term perspective, the eastern policy of the EU could aim at a gradual progress towards a European space of political and economic co-operation within the area of Wider Europe. It should build on the concept of the common European economic space, already outlined in relations with Russia, including political co-operation and both a social and human dimensions. The existing agreements with Ukraine and Moldova would be upgraded to association agreements, to reflect the increased significance of

relations with these countries after the forthcoming EU enlargement as well as their aspirations. There should also be an open option for an agreement with Belarus if its internal political situation improves.

As far as Ukraine is concerned, it is in our opinion in the interest of the enlarged EU to recognise the European choice of this country, which is so important for stability and security in the eastern part of the continent. It is also in its interest to appreciate gearing long-term European policy towards the country's membership of the EU. Although Ukraine's progress in reforms and some aspects of its internal as well as foreign policy are disappointing and are a source of our concern, the policy of critical engagement, dialogue and developing co-operation combined with assistance seems for us to be the most effective and relevant. Otherwise we would risk weakening reformist and pro-European forces in Ukraine. The dialogue should be open and should touch upon the problems of concern for both the EU and Ukraine. Ukraine should have a perspective of having relations with the EU at a level and of the intensity equal to the EU relations with Russia. It should also be able to enjoy the market economy status as soon as possible.

In the case of Belarus, the principle of conditionality should mean an openness of the EU to intensify relations with the authorities, should they initiate democratic reforms. Simultaneously, the support for co-operation with pro-democratic forces and local authorities, for cross-border co-operation and people-to-people contacts, as well as assistance for small and medium sized enterprises, media and non-governmental organisations should be extended. In the present situation, the assistance should focus on the development of the civic society and the society's capability to embrace reforms.

As far as Moldova is concerned, the focus should be on assistance in solving the conflict in Transdnestria, ensuring internal stability as well as in establishing conditions for economic growth and the fight against poverty. The EU should encourage drafting and later implementation of the strategy of integration with the Union, announced by the government of Moldova.

In the long-term perspective, the countries, if they wish so and if they are capable of meeting membership criteria, should have an option of acces-

sion to the European Union, though the process of their integration would certainly be much more difficult and long-winded than that of the present candidate countries of Central and Eastern Europe (CEE). The perspective of joining the EU, however distant, would constitute for them a strong incentive to undertake efforts in furthering democratic and economic reforms.

In relations with Russia, the existing framework for co-operation is well developed and seems to function quite well. Poland supports the priorities identified by the EU and the Danish presidency in the Union's relations with Russia. In the short term, the EU should focus particularly on concluding an agreement on technical arrangements, which would implement decisions of the Brussels European Council of 24 October and the EU-Russia summit of 11 November 2002 on the package of measures for the Kaliningrad District in compliance with the Schengen *acquis* and in a way, that will not delay joining Schengen co-operation by the new member states. There is also a need for further discussion within the PCA framework with participation of the neighbouring future EU Member States, Poland and Lithuania, on the possible EU assistance for a Kaliningrad development programme, provided that such a programme is presented by the Russian authorities. In this respect Poland upholds its offer of assistance and engagement in implementation of such a programme both on a bilateral basis as well as in co-operation with Lithuania and the EU. Poland looks forward to joining other mechanisms of co-operation with Russia in vital areas, particularly in political and energy dialogue, co-operation in justice and home affairs' area as well as in drafting the concept of the common European economic space.

2.

The priorities of EU relations with new eastern neighbours should reflect their importance for the enlarged Union and address the outstanding problems. While securing integrity of the EU as well as mutual respect of sovereignty of the parties involved, the evolving European space of political and economic co-operation should comprise the following forms of co-operation of the EU with its eastern neighbours:

- Enhanced political dialogue of the EU with the countries concerned. It should be comprehensive and focus on issues of concern for both sides, including human and minority rights, democratic reforms, resolution of regional tensions and conflicts in accordance with international standards, fighting terrorism and trans-national crime, non proliferation as well as global problems. There is certainly ground for co-operation within the area of Common Foreign & Security Policy, including dialogue within the European Security and Defence Policy and possible contribution of these states to the EU missions.
- Assistance in transformations in the countries concerned should be enhanced and reformed – some ideas are presented below. The EU assistance should concentrate on the priority areas that are essential for the reform process. The obvious objectives are the furtherance of democratic reforms, development of civic society including local governments and establishment of civil control of the army. Nevertheless, these objectives will be difficult to meet if there is insufficient legal framework, if institutions are ineffective and the administration does not have adequate capacity, if the judiciary and law enforcement institutions do not work and corruption is rampant. Therefore, more effort should be made to assist these countries in coping with these problems. Another priority area of EU assistance should concern ensuring economic stability, sustainable development, furthering economic reforms in Eastern European countries, particularly improving legal and administrative environment for enterprises as well as supporting development of small and medium sized businesses. Countries in transition need external support for modernisation of their social policy, to counteract social exclusion and negative perception of the reforms in the respective societies. Finally, the Eastern European countries will need access to know-how and financial assistance to improve and modernise their management of environment.

- Development of economic co-operation that should be mutually beneficial for the EU and the Eastern European countries, contributing to economic growth, modernisation and the increase of competitiveness of economies of these countries. It has been proved, that trade and investment may be the most important factors for development. Therefore, the focus should be on facilitating trade and investment. The first step seems to be the long awaited recognition of these countries as market economies. They need further assistance in improving competitiveness of their economies, as well as preparing for WTO membership and using the opportunities it offers. After the accession of the Eastern European countries to the WTO, free trade should be established with them gradually. Free trade agreements should also facilitate a gradual harmonisation of business law in Eastern European states with the *acquis communautaire*. Moldova, which already is a member of WTO, could be the first to conclude an agreement of this kind. After free trade agreements have become operational, a possibility of further economic integration should be explored, in areas of common interest of the EU and the countries concerned. In effect, the Eastern European states would develop a more stable and business-friendly environment that would attract investments.
- Energy co-operation with Russia and Ukraine aiming at securing stable and reliable energy supply to the enlarged EU should feature high among the EU priorities. The co-operation should also focus on joint infrastructure projects in the energy sector, transport and communications. Particular importance should be given to joint infrastructure projects in the border areas and areas adjacent to the enlarged EU, e.g. border crossings, including those for local border traffic, roads, rail connections as well as sewage treatment plants. Environment and more efficient energy use are also of growing importance. Finally there is a range of potential co-operation projects making use of a unique natural environment preserved in Eastern Europe, serving both its conservation and development of the region through diversification of its economy (tourism).

- Co-operation in the area of justice and home affairs will be further expanded to tackle common problems, particularly organised crime, including drug production, smuggling and dealing, money laundering, human trafficking and sex slavery, illegal immigration as well as all forms of terrorist activities. It is in the interest of the EU to provide assistance for its Eastern neighbours in joining and observing international agreements, adoption and enforcement of relevant internal laws as well as in establishment of effective border controls with third countries. The EU as a whole and the future new member states, particularly due to their recent experience, should offer substantial assistance to the Eastern European states, in their fight against corruption and reinforcing their judicial capacity. In the near future we should find a viable solution, in conformity with the Schengen *acquis*, to allow for local border traffic. The proposals presented in September 2002 by the Commission seem to provide a good basis for such a solution. Readmission agreements should be concluded with Eastern European states. In future, if the conditions are met by the neighbouring states (efficient external border control, travel documents meeting international standards, low risk of illegal immigration), some flexibility in the of visa regime might be considered. Nevertheless, as mentioned above, it should not have any impact on the accession of the new EU Member States to the Schengen co-operation nor on the internal security within the EU.
- The EU has recognised the importance of co-operation in solving specific security problems, like the destruction of old weapons. It should be extended to cover prevention and crisis management in case of natural or man-made disasters.
- Any transformation in Eastern Europe, its rapprochement with the EU and recognition of Western values will be impossible without people-to-people contacts, cultural contacts and access to information. Therefore we should provide conditions enhancing these contacts, co-operation

between universities and schools, co-operation of regional and local authorities as well as of non-governmental organisations. Thus the EU shall facilitate dialogue of cultures and mutual understanding. The EU and other donors should concentrate their assistance on development of human capital – through scholarship schemes, placements, study visits, seminars and workshops, supporting European programmes and chairs at the universities in Eastern European states and joint projects. Poland and other prospective member states are determined to abolish obstacles for border crossing on our Eastern borders – the procedures should be less time-consuming and more comfortable. It should become the objective of the whole, enlarged EU.

3.

Poland shares the position of the EU partners, that developing co-operation with Eastern European states should be gradual and contingent on their progress in democratic reforms, respect of human and minority rights and other values that the Union is based on, respect of standards recognised by the international community in international relations, building democratic institutions and market economy, improving governance as well as fighting corruption. The conditionality principle should be applied evenly to relations with all Eastern European neighbours, neither discriminating nor favouring any of them.

4.

In order to increase the momentum of co-operation of the enlarged EU with its new Eastern European neighbours, a mid-term Action Plan for the Eastern Dimension and Action Plans for co-operation with individual future eastern neighbouring countries could be adopted. It should define further stages of co-operation, objectives and conditions to be met, priority areas as well as EU assistance instruments. Setting a road-map and specifying precise benefits resulting from reforms and development of co-operation would motivate the countries concerned to further reforms. Taking into ac-

count the risks of setting dates and targets that might be unrealistic because their meeting depending first of all on the partner countries, the Action Plans should be agreed upon in close co-operation with the countries concerned. Accordingly, they would be accompanied by their internal country action plans of developing co-operation with the EU. These Action Plans should be reviewed regularly and verified, if necessary, according to changing conditions and needs.

5.

EU's policy towards new eastern neighbours should be supported by relevant assistance programmes, which should be modelled with an innovative approach. Undoubtedly, there is a need to adjust assistance instruments to the stage of development of co-operation and progress of the countries concerned in meeting the above mentioned objectives. Even in the case of disappointing performance of authorities of the countries concerned, it is in the interest of the enlarged EU and its Eastern neighbours to keep engaged in co-operation at a relevant level and continue its assistance facilitating further reform process.

With regard to the EU assistance for its future eastern neighbours, Poland suggests considering the following proposals:

- Increase of significance of EU eastern policy after the Union's enlargement should be reflected in the assistance for its future eastern neighbours. Its value should at least be maintained on the present level, however increased if possible, and the use of available resources should be improved. This aim can be achieved through better co-ordination and synergy of the INTERREG and TACIS CBC programmes and introduction of new instruments. The present assistance should be reviewed and focused on the priority areas. Lessons from the experience should be learned and improvements should be introduced. Transferring the management of assistance programmes to EC Delegations in the recipient countries seems to be a positive step forward. Nevertheless, the application and decision-

making procedures are known to be very lengthy and complex. There is certainly a need of their simplification, while still allowing supervising whether the resources are spent properly. Providing wider information on the assistance available, criteria and procedures as well as advice on how to prepare the projects and documents would certainly help to solve the problem. Some forms of assistance are considered less effective than others – e.g. instead of hiring external consultants it might be more effective to contract an adviser that would transfer know-how to the locals and help them to prepare a report or strategy themselves.

- Due to particular needs of countries of Eastern Europe, Poland proposes the establishment of a European Democracy Fund, or of a European Freedom Fund, which would facilitate the introduction of the EU assistance programmes for countries concerned, provided by NGOs. It would have as its objective promoting democratic values in countries of Eastern Europe and transfer of know-how necessary in the transformation process. Such a fund should allow for necessary flexibility of assistance programmes, which are now too rigid due to centralised management, numerous formal requirements and lengthy procedures. Another solution could be the European Peace Corps that would capitalise on the positive experience and success of its American prototype. A lot of Polish and other European NGOs that are involved in projects in Eastern Europe would join the EU assistance programmes to a greater extent, if they were more flexible.
- In order to assist the Eastern European countries through the development of human capital, Poland suggests launching special scholarship programme for students from these countries (European Scholarship Programme) and an placement programme for university graduates and young professionals as well as for those with some experience (European Traineeship Programme). The programmes would allow the beneficiaries to gain knowledge and experience at universities, companies and

institutions in the EU countries and then to use them in their own country. Another option could be granting scholarships for students taking up distant learning courses (via Internet) at universities in the EU countries, combined with short stays at these universities.

- Other ways of assistance in human capital development may include: supporting European chairs or European programmes at Eastern European universities, as well as of joint projects carried out together with EU universities.
- Assistance programmes in institution building could facilitate study visits, twinning projects and advice on specific reforms, internships in relevant institutions of the EU Member States. There is also a need of assistance in the form of co-financing of training and seminars or conferences on common problems allowing the exchange of experiences, including joint cross-border training projects like the Polish-Lithuanian project of training public administration, border guards and customs officers from the Kaliningrad District.
- Countries in transition need strong support for developing local government structures, their capacity to perform the tasks they must accomplish in the process of decentralisation, management of social services and financing local investments. Therefore, a technical assistance in the form of know-how shared by partner local governments in EU countries, particularly new member states, will certainly be appreciated.
- To meet the immense need of information on the EU, its Member States, democratic world etc, the EU should consider assistance in the establishment of the European Information Centres in the Eastern European states. These centres should offer broadband, quick access to Internet and perhaps information materials in a multimedia form. Let's take Poland as example – Institute of High Technologies in Warsaw in co-operation with UNDP and a Japanese donor is now implementing such a project in Ukraine.

- The Eastern Dimension’s umbrella should allow the EU to co-finance and prepare a greater number of projects together with international and regional organisations, international and regional financial institutions, as well as with EU Member States and private capital.
- Extension of assistance supporting and co-financing projects of development of infrastructure linking the eastern neighbours with the enlarged EU should i.a. allow for the construction of new border crossings.
- Development of regional and cross-border co-operation with the areas adjacent to the enlarged EU should make use of the experience gained in co-operation within the framework of Euroregions and on other forums of regional co-operation like CBSS or the Central European Initiative.
- Small and medium sized enterprises are a major driving force of economic development and further reforms in Eastern European states. Therefore, they should get more significant assistance. This objective could be achieved by training courses, supporting business incubators or establishment of European Investment Fund for Eastern Europe. It would not only facilitate access to start-up capital, but first of all provide advice, information and assistance in preparing business plan and initial stages of activity of the company. Projects supporting the development of small business organisations as well as vocational associations should also prove to be useful.
- The EU’s assistance programmes should make use of the experience of the future member states and their know-how, which would also meet expectations of the Eastern European states.

6.

There is certainly a need for a more active promotion in the Eastern European states of the European Union, its forthcoming enlargement and of opportunities as well as benefits that can be derived from closer co-operation with

the EU. A concerted effort of the Member States' posts and European Commission representations can make a significant difference. Poland looks forward to co-operation with the EU, its present and new member states, in promoting the idea and knowledge of European integration in the future eastern neighbouring states and providing all possible assistance for these countries, so as to enable them to get ready for capitalising on the opportunities the EU enlargement will bring.

7.

Poland hopes to be involved, together with other interested candidate countries which will soon become members of the EU, in the process of forging the EU policy towards its future Eastern neighbours. Poland hopes to be included in the work on proposals by the High Representative and the Commission. It would be most useful both for the EU and its future member states to include the latter as active observers, after they will have signed the Accession Treaty and before their joining the EU, into existing forums of the EU's co-operation with third parties (particularly with the Eastern European countries). This would allow us to use the time left for accession in the best possible way to get ready to participate in the EU co-operation.

The Ministry of Foreign Affairs is working on more concrete proposals concerning Poland's contribution to the development of Eastern policy of the enlarged European Union – among others projects that could be included in the Action Plan, although it will depend on a further discussion and evolution of this concept.