

DOI: 10.19266/1829-4286-2016-01-111-139

## **EU Policy in the South Caucasus Region: A Thorny Path to Differentiation?**

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*The article analyses the evolution of EU policy in the South Caucasus. Discussing the EU's neighbourhood programmes and assessing the evolution of the interplay between the European Union and the South Caucasus, the article investigates to what extent the EU's neighbourhood policy responds to the South Caucasian states' diverse EU-related attitudes, interests and ambitions. It provides possible explanations of underachievement of the EU's neighbourhood programmes in the South Caucasus region. The study further shows the significance of the diversification approach in boosting the effectiveness of the EU's eastward policy. The article also provides an accurate chronology of EU policy development in the South Caucasus.*

### **Keywords**

European Union, South Caucasus, European Neighbourhood Policy, Eastern Partnership, eastward policy, dissimilar interests, uniform approach, differentiation.

### **Introduction**

The development of European policies in the South Caucasus has started to evolve from the beginning of 1990s. The end of the Cold War and the collapse and fragmentation of the Soviet Union in 1991 resulted in the emergence of new geopolitical actors in the region, as well as building new independent relations of the South Caucasian states with the regional and extra-regional actors.

After a period of initial neglect, the EU's interests towards the region considerably grew over years, and starting the early 2000s the South Caucasus region gained an important place in the EU's political agenda. The growing activity of the EU's political involvement in the region was demonstrated by progressive development of a

comprehensive strategy towards the South Caucasus, appointment of an EU Special Representative in the South Caucasus, entering into the Partnership and Cooperation Agreements (PCA), inclusion of the South Caucasus countries in the European Neighbourhood Policy (ENP), and strengthening of the cooperation with the regional countries via the Eastern Partnership (EaP) programme, Association Agreements (AA) and Deep and Comprehensive Free Trade Agreements (DCFTA).

However, despite the enhanced presence of the EU in the region, numerous areas of collaboration as well as plenitude of cooperation instruments and frameworks, the effectiveness of the EU policy in the South Caucasus still remains very debatable.

Above all factors conditioning the EU's underachievement in the region, the diverse EU-related priorities of the South Caucasian states seriously hamper the effectiveness and progress of EU politics in the region. Notwithstanding that the EU has been present in the region since the dissolution of the Soviet Union through different activities, until recently it has lacked a comprehensive policy towards the region, which would adequately differentiate between the South Caucasus countries' diverse perceptions, attitudes and ambitions.

The main purpose of the present article is to investigate the EU regional policy in a situation of dissimilar national interests using the South Caucasus as a case study. The study is aimed to show how the EU policy vis-à-vis the South Caucasus relates to diverse national priorities of the regional countries.

Exploring the history and current developments of the relationship between the EU and the South Caucasus, I will examine whether the European Union has been efficiently responding to diverse EU-related priorities and ambitions of the regional countries, and whether the EU neighbourhood policy towards the South Caucasus proves to be effective. The study further shows the significance of the diversification approach in boosting the effectiveness of the EU's eastward policy.

## **Assistance Programmes**

The dismantlement of the Soviet system brought dramatic changes not only to the bipolar international system and global affairs,

but first of all to all post-Soviet republics resulting in the collapse of the economic and trade relations previously conducted within the Soviet Union. This was followed by a severe impairment of socio-economic conditions within the post-Soviet space, and the South Caucasus in particular, where the situation was worsened due to political and economic instability, ethnic conflicts, and blockades.

The EU's presence in the region in this period was in the form of a number of generous financial programmes of technical assistance and humanitarian aid. As M. Dekanoziashvili argues, "the most substantial in financial terms were the technical assistance and humanitarian aid through TACIS (Technical Assistance to the Commonwealth of Independent States) and ECHO (EC Humanitarian Office)"<sup>1</sup>. TACIS, which was launched by the EU in 1991, and included countries of Eastern Europe, Southern Caucasus and Central Asia, has become active in the South Caucasus since 1992 in the provision of technical assistance and support to regional states' governments in the process of transition to market economies and democratic societies by addressing emergency problems in the immediate aftermath of the independence<sup>2</sup>.

Further development of relations between the EU and the South Caucasus and first attempts to develop regional approach witnessed the emergence of several important regional initiatives, sponsored by TACIS programme - TRACECA (Transport Corridor Europe-Caucasus-Asia), INOGATE (Interstate Oil and Gas Transport to Europe) and RECP (Regional Environmental Cooperation Program).

Undoubtedly TRACECA was the most significant one among all the EU projects at that time. The main objective of the project, launched in 1993, was the development of economic relations, as well as trade and modern transport networks along the Europe-Caucasus-Asia line. TRACECA was designed as an extensive project aimed at supporting political and economic independence of the former Soviet states by strengthening their potential to access European and world markets through alternative transport routes, fostering regional cooperation as

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<sup>1</sup> **Dekanozishvili M.**, *The EU in the South Caucasus: By what means, to what ends?*, *Georgian Foundation for Strategic and International Studies*, Occasional Paper №2, January, 2004, p. 6.

<sup>2</sup> **Dekanozishvili M.**, *Op. cit.*, p. 7.

well as improving investment climate. Moreover, being a part of much bigger “New Silk Road”, TRACECA project holds a significant potential to change the geopolitical and geo-economic situation in a bigger Caucasus region.

The second major regional undertaking under the sponsorship of TACIS which included all three South Caucasian states encompassed INOGATE programme. The main objective of the programme, launched in the middle of the 1990s, was to promote the reconstruction, modernisation and rationalisation of oil and gas pipeline networks, to support regional integration of the pipeline systems, to assist in the transit of energy resources both within the former Soviet states and towards the European markets, as well as to attract investments into the construction of new pipeline routes.

The EU’s assistance to the regional countries was also provided through mechanisms outside of the TACIS, such as Food and Security Programme (for Georgia’s and Armenia’s benefit), European Initiative for Democracy and Human Rights (EIDHR), Rehabilitation and Macro-Financial Assistance (RMFA). Along with this, the European Commission Humanitarian Office (ECHO) spent significant funds to address the humanitarian crises in the South Caucasian states.

As seen above, in the beginning the EU’s primarily goal was focused on establishing development cooperation, providing the region with humanitarian and technical assistance, developing economic ties with the regional states, as well as building necessary infrastructure for future energy projects. Whereas the humanitarian assistance addressed challenges specifically faced by the South Caucasus countries, TACIS was meant to support the overall economic and political transition process in all post-Soviet states.

As per some estimates, from 1991 to 2000 the EU has allocated over one billion euro to the South Caucasus states<sup>3</sup>. Nevertheless, some authors argue that this did not produce the expected results mainly due to limited effect of the European allocations compared to the U.S. financial

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<sup>3</sup> **Coppieters B.**, An EU Special Representative to a New Periphery, *The South Caucasus: A Challenge for the EU* (Edited by D. Lynch), Chaillot Paper №. 65, EU Institute for Security Studies, December 2003, p. 159.

assistance<sup>4</sup>, still dominant presence of other regional actors (mainly Russia's) in the South Caucasus<sup>5</sup>, as well as the failure of political conditionality principle while distributing the funds<sup>6</sup>, and basically its uniform approach which did not take into account the individual characteristics of the states in transition, did not differentiate according to the regional state's population size, and was focused mainly on humanitarian areas<sup>7</sup>.

## Partnership and Cooperation Agreements

Bilateral relations with the South Caucasus states were established through Partnership and Cooperation Agreements between the EU and Armenia, Azerbaijan and Georgia in 1996, which entered into force on July 1, 1999. Aside from establishing political dialogue and making provision for a legal background of bilateral relationship, the ten year partnership treaty was meant to provide a wide range of issues for extensive cooperation.

The joint declaration of the presidents of the three regional states in Luxembourg in 1996 stated that the PCAs were intended to assist the successive rapprochement of the South Caucasus states to a wider area of cooperation in Europe and the neighbouring region. The main objectives of the partnership included: establishment of political dialogue, consolidation of democracy and transition to free market economies, trade and investment encouragement, and generally building of functional ties between the Union and the South Caucasian countries. However, it is noteworthy that even though the PCAs provided "political conditionality" clause in the Preamble of the Agreement, they did not say a word about

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<sup>4</sup> Lynch D., The EU: Toward A Strategy in *The South Caucasus: A Challenge for the EU* (Edited by D. Lynch), Chaillot Paper no. 65, EU Institute for Security Studies, Paris, 2003, p. 178.

<sup>5</sup> Dekanozishvili M., Op. cit., pp. 8-10.

<sup>6</sup> Lynch D., Op. cit., p. 178.

<sup>7</sup> Alieva L., "EU and South Caucasus", *CAP*, Bertelsmann Group for Policy Research, December 2006, pp. 2-3.

possible future accessions of the countries, but merely cooperation between parties<sup>8</sup>.

Apparently, these agreements did not display much differentiation as to the respective individual countries<sup>9</sup>. Examination of the content and scope of the agreements with the three regional states would reveal no difference in response to different national aspirations and concerns, as initial relations with the South Caucasus states, established through Partnership and Cooperation Agreements, were a part of general approach of the European Union to all post-Soviet states. In the framework of the PCA a Parliamentary Cooperation Committee was established, which was meant to deal with all three regional states simultaneously. In this regard, a regional delegation of the European Commission was established in Tbilisi to deal with all relevant regional issues.

As D. Lynch argues, “The initial approach, embodied in the PCAs that were reached with all former Soviet republics, used the “former Soviet Union” as a regional category of reference. The Commission’s Technical Assistance to the CIS (TACIS) programme largely reflected this vision. EU assistance objectives were determined for the whole region - an area which comprises twelve states with different geographies, political and economic systems and prospects. Differentiation in EU thinking about the former Soviet Union has been slow in coming - and the South Caucasus has come last in the list”<sup>10</sup>.

At the same time, the Declarations signed in Luxemburg acknowledged the primary importance of regional conflicts’ peaceful resolution for effectiveness of EC assistance, as well as the need for regional cooperation. However, no strategic objectives, no better fitting

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<sup>8</sup> Joint Declaration of the European Union and the Republics of Armenia, Azerbaijan and Georgia. Luxembourg, 22 June 1999. 9405/99 (Presse 202). C/99/202.; Partnership and Cooperation Agreements (PCAs): Russia, Eastern Europe, the South Caucasus and Central Asia, [http://europa.eu/legislation\\_summaries/external\\_relations/relations\\_with\\_third\\_countries/eastern\\_europe\\_and\\_central\\_asia/r17002\\_en.htm](http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17002_en.htm).

<sup>9</sup> **Halbach U.**, The European Union in the South Caucasus: Story of a hesitant approximation, *South Caucasus - 20 Years of Independence*. Friedrich-Ebert-Stiftung, p. 304.

<sup>10</sup> **Lynch D.**, Op. cit., p. 179.

approach, no political role other than those offered by the PCA framework were developed in that period<sup>11</sup>.

Thus, given the lack of incentive, political will and eagerness on both sides, expectedly PCAs did not prove successful. Aside from the EU's limited success in developing a political profile, the parties failed to achieve the aims of the agreement and develop the PCAs beyond good partnership. Overall, the EU remained low profile in the region, with no direct involvement and limited presence in negotiating mechanisms of regional conflicts, and generally undefined strategy to lead policy.

### **Towards Defined Strategy**

By the dawn of a new millennium, the EU itself has changed with an ambition to involve more actively in the external arena. Moreover, given the acknowledgment of its strategic interests in the region, the need for more viable presence in the region has come to be realised. This had its natural reflection on the EU-South Caucasus relations, when in the first half of 2001 the Swedish presidency set the region as one of its priorities.

The relationship between the European Union and the South Caucasus has changed dramatically since 2000s. The increased willingness to promote further political dialogue between the EU and the region was marked in February 2001 by the visit of the EU's highest level representatives (High Representative - Javier Solana, Swedish Foreign Minister - Anna Lindt and Commissioner - Chris Patten).

However, due to different understandings of the region, consensus among the Member States as to what sort of approach and foreign policy should be designed towards the South Caucasus has not been easy to achieve. A number of Member States still remained unconvinced on whether the EU should have more engaged policy towards regional issues arguing the dominant presence of other geopolitical actors in the region and limited capacity and added value of the EU in the regional conflicts' settlement process. It became clear that unlike other areas the South Caucasus lacks internal lobbyists among

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<sup>11</sup> **Lynch D.**, *Op. cit.*, pp. 181-182.

Member States to promote the region up to prominent position in the EU's political agenda. Moreover, due to its geographical location, it was doubted whether the region could be considered as a European neighbour at all, given that until 2004 it had no direct land or sea borders with the EU. Hence, on March 11, 2003 the South Caucasus appeared in the footnote of the Commissions' Communication "Wider Europe - Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors", indicating that South Caucasus falls outside the geographic scope of the neighbourhood initiative for the time being<sup>12</sup>.

By that time it has also been ascertained that all three regional countries had different aspirations towards the European integration. In order to deal with all the above-mentioned issues and raise its profile in the region, the EU decided to appoint a Special Representative in the South Caucasus.

### **Special Representative for the Region**

In July 2003 the Finnish diplomat Heikki Talvitie was appointed as the EU's Special Representative for the South Caucasus.

Noteworthy, the mandate did not have a traditional approach, when Special Representatives are funded by the Council, hold an office in Brussels and are directed to follow already defined strategy. This new appointment aimed not only to contribute to the EU's policy objectives in the region (mainly resolving the conflicts and ensuring regional cooperation), but, first of all, to shape and develop the EU's strategy towards the South Caucasus. Having engaged with local and regional actors, the Special Representative was to develop appropriate recommendations and prepare a final report for the Council.

Assessing the background and necessity of this new appointment, B. Coppieters in his research highlights the role of the Special Representative in the clarification of the relationship between the European Union and the South Caucasian states, as well as its mission to define new common positions of the Member States towards the region

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<sup>12</sup> European Commission. Wider Europe - neighborhood: a new framework for relations with our eastern and southern neighbors. COM (2003) 104 final, 11 March, 2003, p. 4.

on delicate geopolitical questions and ensuring continuity between the various presidencies<sup>13</sup>.

### **Baku Initiative**

Following the EU's growing energy interests in the region, at the beginning of 2000s a new platform of energy and transport cooperation - the Baku Initiative (BI) - was established as part of the TRACECA and INOGATE programmes. Started at Ministerial level in Baku in November 2004 with the participation of the European Commission and the Black Sea and the Caspian Littoral States and their neighbours,<sup>14</sup> the new programme represented an important step in drawing the South Caucasus into the orbit of EU energy interests.

Aside from development of the regional states' energy markets, the new initiative aimed at supporting the gradual integration of energy markets of the littoral states of the Black Sea, Caspian region and neighbouring countries into the EU market, ensuring energy security and efficiency, enhancing the attraction of investments for new infrastructures, as well as addressing the environmental aspects of energy production, transportation and use<sup>15</sup>.

Undoubtedly, the enhanced cooperation, realised through meetings of expert working groups, between the participating countries and the EU within the framework of this initiative plays an important role in the EU's security of energy supply by supporting the geographical diversification of the EU's energy imports, as well as facilitating the economic and social development of countries of the Black Sea and Caspian region.

Despite its limited scope with regard to the energy production and trade between the EU and the considered countries, authors argued the potential of the Baku Initiative to foster the energy relations between the

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<sup>13</sup> **Coppieters B.**, *Op. cit.*, pp. 163-165.

<sup>14</sup> Including Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan, as well as Russia and Iran as observers.

<sup>15</sup> European Commission. Baku Initiative, [http://ec.europa.eu/dgs/energy\\_transport/international/regional/caspian/energy\\_en.htm](http://ec.europa.eu/dgs/energy_transport/international/regional/caspian/energy_en.htm).

EU and energy producers of the Caspian region, and thus setting up market-based foundations for new energy supplies from the Caspian basin to European market.<sup>16</sup> However, some experts voiced their skepticism regarding the long-term impact of the programme due to lack of strategic components and the EU's excessive concentration merely on the technical cooperation.<sup>17</sup>

## European Neighbourhood Policy

The change of the EU's attitude and realisation of the importance of the South Caucasus were evidenced with the inclusion of the region in the draft EU Security Strategy, entitled "A Secure Europe in a Better World". As it was clearly stated in the document, "We should take a stronger interest in the problems of the Southern Caucasus, which in due course will also be a neighbouring region". Thus, the development of a systematic policy of preventive engagement towards the South Caucasus was outlined as one of the EU's objectives<sup>18</sup>.

Undoubtedly, this shift of the EU's attention towards the region was conditioned by a number of geopolitical and strategic assumptions, and first of all - consequences of the EU's eastward enlargement, as well as realisation of its strategic interests in the region.

The EU's 2004 enlargement highlighted the need of deeper engagement with the new eastern neighbourhood. The primary objective of the EU was to develop the European Neighbourhood Policy (ENP), "to bring some order to the EU's relations with its old and new neighbours and to ensure that the newly enlarged Union would be surrounded by a "ring of friends"<sup>19</sup>.

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<sup>16</sup> **Gültekin-Punsmann B.**, Black Sea Regional Policy Approach: A Potential Contributor to European Energy Security, *ICBSS, Policy Brief #6*, 2008, p. 10.

<sup>17</sup> **Umbach F.**, Energy Security in Eurasia. Clashing Interests in Russian Energy Security and Foreign Policy (Edited by A. Dellecker and Th. Gomart.), Taylor & Francis, 2011, pp. 27-28.

<sup>18</sup> A Secure Europe in a better world. European Security Strategy. Brussels, 12 December 2003.

<sup>19</sup> **Smith K.**, The outsiders: the European Neighborhood Policy, *International Affairs*, 2005, **81**, 4, p. 757.

The origins of the ENP date back to November 2002 General Affairs and External Relations Council and to the “Wider Europe” initiative when the need to develop appropriate policies for the EU’s forthcoming new neighbourhood was recognised. A month later, Commission President Romano Prodi declared in his speech on the readiness to offer the new neighbours “everything with the Union but institutions”<sup>20</sup>. The European Commission’s Communication of March 2003 set the fashion for what eventually to result in a new policy of neighbourhood to be adopted officially in 2004 as the “European Neighbourhood Policy”.

However, the Communication made clear that the new policy was aimed at Russia, Ukraine, Belarus and Moldova, and excluded the South Caucasus<sup>21</sup>.

This initial reluctance to include the region in the ENP resulted, as D. Lynch argues, more from a chaotic and unplanned process of neighbourhood policy making<sup>22</sup> than a deliberate decision to exclude the region from a policy framework, and can also be explained with the lack of internal advocates for the South Caucasus<sup>23</sup>.

The 2003 Rose Revolution in Georgia which launched a new reformist and pro-western foreign orientation of the country was a watershed in this process. After six months, the Commission, backed by the European Parliament, recommended the inclusion of the South Caucasus into the ENP. Interestingly enough, the inclusion targeted all three South Caucasian states, hence still reflecting the EU’s regional approach to the states<sup>24</sup>.

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<sup>20</sup> **Prodi R.**, A wider Europe: a proximity policy as the key to stability. Speech to the Sixth ECSA-World Conference, Brussels, 5-6 December, 2002. SPEECH/02/619, p. 5.

<sup>21</sup> European Commission. Wider Europe - neighborhood: a new framework for relations with our eastern and southern neighbors, COM (2003) 104 final, 11 March, 2003.

<sup>22</sup> **Lynch D.**, Op. cit., p. 172.

<sup>23</sup> **Simão L.**, EU-South Caucasus Relations: Do Good Governance and Security Go Together?, *Political Perspective*, 2011, 5, 2, p. 45.

<sup>24</sup> **Delcour L. and Duhot H.**, Bringing South Caucasus Closer to Europe: Achievements and Challenges in ENP Implementation”, *Natolin Research Papers*, Department of European Interdisciplinary Studies, March 2011, pp. 7-8; **Smith K.**, Op. cit., p. 759.

The ENP was mainly designed as a strategy to cope with new issues after the enlargement: the new security issues on the eastern borders, the need to stabilise the EU's new neighbourhood, as well as the need to achieve cohesion between the internal and external agenda of the enlarged Union<sup>25</sup>.

Without going very much into details there is, however, a need to present the ENP in a nutshell.

The Neighbourhood Policy was primarily an attempt to create a secure neighbourhood and to prevent the emergence of new dividing lines<sup>26</sup>. The ENP Strategy Paper defined the creation of sphere of shared values around the EU as a main goal of the ENP. Other areas of cooperation with the neighbour states included: a more effective political dialogue, economic and social development policy, trade and internal market, justice and home affairs, connecting the neighbourhood (energy, transport, environment, research and innovation, etc.) and people-to-people contacts. Significant attention was given to the strengthening of regional cooperation: fostering closer cooperation both across the EU's external borders and among the EU's neighbours themselves<sup>27</sup>. The Strategy confirmed the EU's desire to build a special partnership between the EU and the neighbouring countries, yet making it clear that the EU was unwilling to consider offering a perspective of accession at that time<sup>28</sup>.

The ENP was defined in the Strategy as a benchmarked, progressive and differentiated approach, reflecting the needs of the participating countries. At the same time differentiation should be based on "a clear commitment to shared values and be compatible with a coherent regional approach"<sup>29</sup>.

The individual Action Plans (APs), jointly developed by the EU and partner countries, were confirmed as a vehicle through which the policy objectives would be realised. This means that every partner-state

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<sup>25</sup> **Kahraman S.**, *The European Neighborhood Policy: The European Union's New Engagement Towards Wider Europe*, *Perceptions*, Winter, 2005, p. 3.

<sup>26</sup> European Commission. *European Neighborhood Policy Strategy Paper*, COM (2004) 373 final. Brussels, 12.5.2004, p. 3.

<sup>27</sup> European Commission. *European Neighborhood ...*, Op. cit., pp. 12-20.

<sup>28</sup> *Ibid*, p. 3.

<sup>29</sup> *Ibid*, p. 8.

could, in dialogue with the EU, choose areas in which they would like to cooperate; hence each partner country should seek different goals and have different APs. Promoting “joint ownership” of the APs should better ensure that the partners would meet the goals set out in them. Despite that “the EU doesn’t seek to impose priorities or conditions on its partners”<sup>30</sup>, the policy, however, was to be based on enlightened self-interest of the EU. Clear benchmarks, indicated in the APs would spell out “the actions the EU expects of its partners”<sup>31</sup>.

The European Neighbourhood and Partnership Instrument (ENPI) was launched in 2007 as a financial instrument to support the ENP implementation. Progress in meeting the objectives was to be monitored, assessed and reflected in progress reports. The more a partner country introduced reforms, the more assistance it was awarded to conduct them<sup>32</sup>.

Providing general assessment of the ENP, authors highlight some shortcomings of the new policy which obviously affected its effectiveness. The main criticism was in regard to the structural and operational limitations of the ENP. The most frequently cited one was the ENP’s “one size fits all” philosophy<sup>33</sup>.

Authors argue that the Neighbourhood policy was lacking credibility and leverage. In this regard K. Smith claims, that “a clearer structure and well-ordered priorities would give the EU better tools for fostering fundamental reforms in the neighbours”<sup>34</sup>. This argument is supported by other experts revealing that the ENP structure did not clearly define the character of the relations between the EU and its neighbours<sup>35</sup>.

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<sup>30</sup> Ibid.

<sup>31</sup> **Smith K.**, OP. cit., p. 763.

<sup>32</sup> European Commission, European Neighborhood ..., OP. cit., pp. 25-28.

<sup>33</sup> **Korosteleva E.**, The Eastern Partnership Initiative: A New Opportunity for Neighbours?, *Journal of Communism and Transition Politics*, 2011, **27**, 1, March, p. 11.

<sup>34</sup> **Smith K.**, Op. cit., p. 773.

<sup>35</sup> **Delcour L. and Tulmets E.**, Is the European Union an International Actor in the Making? The Neighborhood Policy as a Capability Test. *European Political Economy Review*, 7, Summer 2007, ISSN 1742-5697, p. 3; **Cornell S. and Starr F.**, *The Caucasus: A challenge for Europe*, Central Asia-Caucasus Institute. Silk Road Program, 2006, p. 74.

The ENP's credibility was seriously weakened by flaws in its scope and nature. Obviously, the geographical scope of the programme was too wide, the objectives were too ambitious, the Action Plans were often vague and illusive, and thus authors found the ENP "neither conceptually complete nor operationally stable"<sup>36</sup>.

The limitations of the ENP were also reflected in the voluntary character of the degree of integration<sup>37</sup>. Most importantly, eliminating the prospect of membership the ENP lacked any substantial incentives which were necessary when resorting to the use of conditionality<sup>38</sup>. The short-term benefits including financial assistance and the prospect of visa facilitation offered by the ENP were too limited and modest to make countries undertake difficult and painful reforms desired by the EU. In addition, the lack of political will among Member States and their diverse opinions regarding the preferable state of relations with neighbouring countries, as well as frequently biased nature of the APs in favour of the EU resulted in the ENP appearing ineffective in addressing its main objectives on spreading stability, security and prosperity in its neighbourhood<sup>39</sup>. Another considerable shortcoming highlighted by O. Sierra was "lack of attention in neighbouring states' preferences and domestic developments"<sup>40</sup>.

As regards the South Caucasus, the ENP Strategy Paper clearly identified its intention to take a "stronger and more active interest" in the region. Among the objectives to promote *inter alia* sustained commitment towards democracy, rule of law, respect of human rights, development of market economy and cooperation in energy area were underscored. The Strategy also highlighted the need of increased efforts

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<sup>36</sup> **Lippert B.**, The Discussion on EU Neighborhood Policy - Concepts, Reform Proposals and National Priorities, *Friedrich Ebert Stiftung*, International Policy Analysis, July 2007, p. 2.

<sup>37</sup> **Alieva L.**, Op. cit., p. 8.

<sup>38</sup> **Whitman R. and Wolff S.**, Much Ado about Nothing? The European Neighborhood Policy in Context, *The European Neighborhood Policy in Perspective. Context, Implementation and Impact* (Edited by R. Whitman et al.), Palgrave Macmillan. 2011, p. 13.

<sup>39</sup> **Whitman R. and Wolff S.**, Op. cit., pp. 13-15.

<sup>40</sup> **Sierra O.**, Life is a dream: EU governance in the Southern Caucasus, *Dynamiques internationales*, 2012, **6**, Fevrier p. 4.

to promote the settlement of regional conflicts and to develop good neighbourhood relations<sup>41</sup>.

After inclusion of the South Caucasus states into the ENP in 2004, the EU has been increasingly present in the region through the APs taking affect from 2006 for five year period, the opening of the Regional Delegation in Georgia in 2005 and, three years later, the opening of two Delegations in Yerevan and Baku. The EU's enhanced presence was also reflected in financial aid, which significantly increased under the ENPI.

However, all afore-mentioned general shortcomings of the ENP had their clear reflection on the implementation of EU Neighbourhood Policy in the South Caucasus. Moreover, the ineffectiveness of the EU's policy became more vivid due to the absence of regional inclusion and different national priorities of the regional states. Soon it appeared very clearly that the EU's new policy based on combination of regional approach and differentiation is counterproductive when it concerns the South Caucasus.

Assessing the ENP's implementation in the region, L. Delcour and H. Duhot argue, that given the complexity of the South Caucasus and the diverge legacies and aspirations of the regional states, the EU's twofold goal - to promote regional cooperation and to differentiate between partner countries - is even more vague when it comes to the South Caucasus<sup>42</sup>. In this regard, the EU's regional perspective vis-à-vis the South Caucasus can be illustrated through several examples: for instance, due to Baku's opening of commercial airline flights with Turkish Republic of Northern Cyprus, in violation of the EU's non-recognition policy, the signing of all three APs was delayed, despite the protests of Armenia and Georgia, underlying the ineffectiveness of linking developments in one country to the accomplished reforms in the other. Another example could be the quasi-simultaneous opening of EU delegations in Baku and Yerevan to avoid any political asymmetry between two conflicting sides in an attempt to be perceived as a balanced and neutral partner.

As L. Simao and M. Freire rightly point out, "such a regional perception has outlived its usefulness and can become counterproductive,

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<sup>41</sup> European Commission. *European Neighborhood ...*, Op. cit., pp. 11-12.

<sup>42</sup> **L. Delcour and H. Duhot**, Op. cit., p. 10.

by not recognizing neither long-standing nor recently renewed differences among these states. In addition, this regional labelling, clearly based on a geographical approach to the area, doesn't reflect the considerably distinct realities of each country in political, economic and security terms"<sup>43</sup>.

At the same time, the three ENP Action Plans signed with the EU, while directly encouraged fostering regional cooperation, set hardly compatible objectives: mainly, whereas the EU-Armenia Action Plan recalled the principle of "self-determination", the EU-Azerbaijan Action Plan insisted on "territorial integrity"<sup>44</sup>. Clearly, even though this discrepancy could be easily explained by bilateral negotiation processes and diversity of interests, they obviously undermined the promotion of regional cooperation through the ENP.

Another argument proving the ENP's ineffectiveness towards the South Caucasus is the preserving weak involvement of the EU in the resolution of regional security issues. As it was mentioned earlier, one of the key objectives of the ENP was to improve security at its new borders and promote stability and prosperity beyond. Thus, within the framework of the ENP the EU sought to stabilise the region by means of institutional cooperation, economic integration and by increasing its role in solving the regional security issues. Yet, the EU has remained outside of direct involvement in negotiation processes on resolution of regional conflicts which hinder the possibility of regional cooperation.

Acknowledging the weaknesses and failures of the Neighbourhood Policy, in December 2006 the Commission addressed the Council and the European Parliament in its Communication on Strengthening the European Neighbourhood Policy. Among other initiatives to enhance the ENP, the German strategy of the ENP Plus proposed for the EU presidency in 2007 should also be mentioned. However, more efficient measures proved necessary.

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<sup>43</sup> **Simão L. and Freire R.**, The EU's Neighborhood Policy and the South Caucasus: Unfolding New Patterns of Cooperation, *Caucasian Review of International affairs (CRIA)*, 2008, 2, 4, p. 225.

<sup>44</sup> European Commission. EU-Armenia Action Plan 2006, Available at [http://ec.europa.eu/world/enp/pdf/action\\_plans/armenia\\_enp\\_ap\\_final\\_en.pdf](http://ec.europa.eu/world/enp/pdf/action_plans/armenia_enp_ap_final_en.pdf); European Commission, EU-Azerbaijan Action Plan 2006, available at [http://ec.europa.eu/world/enp/pdf/action\\_plans/azerbaijan\\_enp\\_ap\\_final\\_en.pdf](http://ec.europa.eu/world/enp/pdf/action_plans/azerbaijan_enp_ap_final_en.pdf).

## Black Sea Synergy

In an attempt to strengthen its eastern Neighbourhood Policy in April 2007 a new regional cooperation project - the Black Sea Synergy (BSS) - was initiated. Designed to complement the ENP's bilateral cooperation schemes with wider and more defined regional coordination, the new initiative supports regional development by encouraging cooperation between the countries in the wider Black Sea region<sup>45</sup>. The Synergy offers a forum for addressing common problems while encouraging political and economic reforms with main emphasis on energy, transport, environment and security fields<sup>46</sup>.

The introduction of the Black Sea Synergy was a manifestation of the growing EU interest towards the Black Sea area and certainly facilitated enhanced attention of the EU towards the South Caucasus as well. However, the new initiative had limited success mainly due to diverse interests of the regional states.

Given its Black Sea location and more advanced democratic profile than Armenia and Azerbaijan, Georgia clearly positions itself as a Black Sea country. Having actively engaged in Black Sea cooperative efforts, Georgia considers the Black Sea Synergy framework as an opportunity to strengthen relations with the EU, as well as a potentially stable path towards EU integration<sup>47</sup>.

Azerbaijan, on the other hand, has no sense of belonging to the Black Sea region as it clearly positions itself as a Caspian state. And despite having common interest areas mainly in the key field of energy security and diversification it shows little interest vis-à-vis the Black Sea Synergy<sup>48</sup>.

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<sup>45</sup> The Black Sea region includes Greece, Bulgaria, Romania, Moldova, Ukraine, Russia, Turkey, as well as Georgia, Armenia and Azerbaijan.

<sup>46</sup> European Commission. Black Sea Synergy, Brussels, 15 March 2010.

<sup>47</sup> **Gogolashvili K.**, The EU and Georgia: The Choice is in the Context, in *The European Union and the South Caucasus. Three perspectives on the South Caucasus* (Edited by A. Schmidt et al.), Europe in dialogue, Bertelsmann Stiftung, 2009/01, p. 101.

<sup>48</sup> **Huseynov T.**, The EU and Azerbaijan: Destination unclear, *The European Union and the South Caucasus. Three perspectives on the South Caucasus* (Edited by A. Schmidt et al.), Europe in dialogue, Bertelsmann Stiftung, 2009/01, pp. 54-56.

As for Armenia, because it is not geographically a Black Sea littoral country it has no participation (both for natural geographical and political reasons) in several crucial sectors of Black Sea Synergy initiative. In almost half of the areas *inter alia* environment, energy, transport, maritime security and fisheries Armenia has no participation whatsoever. Expectedly, Armenian officials felt estranged from the Black Sea Synergy project<sup>49</sup>.

Aside from the diverse perceptions of regional states and lack of regional inclusion, obviously, Russia's confrontational position in its dealings with the individual partner countries (particularly with Georgia) has also contributed to the weaknesses and limited success of the Black Sea Synergy.

### **Eastern Partnership**

The launch of the Eastern Partnership, as an ambitious initiative for six post-Soviet countries<sup>50</sup>, has been envisaged not only to contribute to the overall strengthening of the EU's offer to partner countries through perspective of the Association Agreements and Deep and Comprehensive Free Trade Agreements, but also to address the shortcomings of the ENP.

A number of reasons pushed this initiative forward. First, the French-led Union for the Mediterranean (UfM) launched in Paris in July 2008. Second, the August war in Georgia in 2008 gave another sufficient impetus and reason for deeper engagement of the EU in the South Caucasus. As experts claim, the launch of the new initiative was clearly one of the effects of the Georgian-Russian war - a war that was perceived as the outmost symbol of the newly resurgent Russia - assertive and resourceful<sup>51</sup>.

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<sup>49</sup> **Mkrtchyan T.**, Armenia's European Future in *The European Union and the South Caucasus. Three perspectives on the South Caucasus*, (Edited by A. Schmidt et al.), Europe in dialogue, Bertelsmann Stiftung, 2009/01, p. 28.

<sup>50</sup> The programme embraces Armenia, Azerbaijan, Georgia, Moldova, Ukraine and Belarus.

<sup>51</sup> **Popescu N.**, Eastern Partnership and the South Caucasus in *Eastern Partnership for the South Caucasus* (Edited by I. Lomashvili and A. Watt). Georgian Biographical Center. Tbilisi, 2011, pp. 114-115; **Balfour R.**, Debating the Eastern Partnership: Perspectives from The European Union, *IPG* 3/2011, p. 30.

Due to the August events the region emerged in the centre of world and European politics. The French president, Nicolas Sarkozy, holding the EU presidency, engaged actively in conflict settlement between Russia and Georgia, brokering the cease-fire agreement to put an end to the war. An emergency summit on situation in the South Caucasus was convened by the EU. In addition, Brussels donors' conference under the aegis of the EU agreed on financial support for Georgia. In the conflict's aftermath, by establishing EU Monitoring Mission (EUMM), the EU became more visible in the region.

The proposal for the EaP was presented by Poland-Sweden tandem at the General Affairs and External Relations Council in May 26, 2008. After accelerated approval by the European Council in response to the war in Georgia, the Commission officially presented its proposals in December 2008.

Launched on May 7, 2009 at the Prague Summit, the Eastern Partnership is now the official policy of the European Union vis-à-vis the South Caucasus.

Following the creation of the UfM, the EaP was designed as complementing the European Neighbourhood Policy and rebalancing the EU's relations along its periphery. The proposal seeks to promote and encourage political and economic reforms that are essential in building peace, prosperity and security in six post-Soviet states by offering "more concrete support than ever before"<sup>52</sup>.

The main goal of the Eastern Partnership is "to create the necessary conditions to accelerate political association and further economic integration between the EU and interested partner countries"<sup>53</sup>, under the formula "more for more"<sup>54</sup>.

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<sup>52</sup> **Ferrero-Waldner B.**, "Eastern Partnership - an ambitious project for 21-st century European foreign policy", 20 February 2009.

<sup>53</sup> Joint Declaration of the Prague Eastern Partnership Summit. Prague. 7 May, 2009. [http://ec.europa.eu/europeaid/where/neighbourhood/eastern\\_partnership/documents/prague\\_summit\\_declaration\\_en.pdf](http://ec.europa.eu/europeaid/where/neighbourhood/eastern_partnership/documents/prague_summit_declaration_en.pdf).

<sup>54</sup> Meaning the countries with better reform record would progress toward European integration, thus providing more differentiation between the countries involved.

At the Warsaw EaP Summit in September 2011, the EU went further, declaring that EU leaders “acknowledge the European aspirations and the European choice of some partners”<sup>55</sup>.

### **Failure of the Initial Stage**

Facing the shortcomings of the ENP, the Eastern Partnership initiative in its design intended to offer more differentiation to better address partners’ individual needs and aspirations through bilateral relations with partner countries to be complemented with multilateral dimension.

On a bilateral track the EU offers the South Caucasian states the prospect of signing a new generation of Association Agreement with the EU, to replace the outdated PCAs and to reinforce the path for greater association with the EU. However, it holds out any prospect of future full membership of the European Union.

An integral part of the AA is to include individual Deep and Comprehensive Free Trade Agreements with each country, which presumes not just a free trade but significant institutional changes and adoption of large parts of the *acquis communautaire*. The intention is that the DCFTA would help to modernise the economics of the states and possibly further to form a Neighbourhood Economic Community.

Other important proposals offered through the EaP include visa facilitation negotiations and opening dialogue on visa-free travel in a long term, as well as membership in the Energy Community.

The multilateral track, aimed to encourage multilateral cooperation with the participation of the EU or third parties, to provide a mutual forum for discussion and to develop common positions and joint activities among partners, the flagship projects, all of which are cross-border and address areas of common interest, and multi-level initiatives

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<sup>55</sup> Joint Declaration of the Warsaw Eastern Partnership Summit. Warsaw. 30 September, 2011. [http://europa.eu/rapid/press-release\\_PRES-11-341\\_en.htm](http://europa.eu/rapid/press-release_PRES-11-341_en.htm).

envisaged by four thematic platforms<sup>56</sup>, represent areas where the countries can cherry-pick their participation and involvement.

The introduction of Civil Society Forum (CSF) and the EU-Neighbourhood Parliamentary Assembly (EuroNest) is another attempt to strengthen the means for collaboration beyond the ministerial level<sup>57</sup>.

Nevertheless, there is still some ambiguity as to the priorities of the EaP as well as dispute in the perceptions of the initiative both in the EU Member States and in the partner countries<sup>58</sup>. Polemics continue on the place of the EaP within the EU foreign policy. Some experts claim that the Eastern Partnership is merely duplicating already existing mechanisms of the ENP without offering anything new<sup>59</sup>.

Assessing the EaP's effectiveness and limitations, authors argue that despite some mechanisms are provided to ensure the EU's involvement in the reform process in individual partner countries, which will provide more differentiated approach rather than the ENP's "one size fits all", still, without clear-cut prospects for accession or bigger financial assistance, the EaP is not attractive for partner countries' governments and the public<sup>60</sup>.

Moreover, as per Korosteleva, "the EU clearly fails here to move beyond its Eurocentric vision of partnership"<sup>61</sup>. Apparently, in the EaP the EU was basically driven by EU priorities and interests in the first instance, which creates asymmetrical framework of partnership. Closer review of the Eastern partnership programme reveals that in reality the EU has been prioritising its own agenda, as better fitted for the outsiders' needs. This is getting obvious especially in light of rather technocratic

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<sup>56</sup> Platform I - "Democracy, Good Governance and Stability"; Platform II - "Economic Integration and Convergence with EU Politics"; Platform III - "Energy Security"; Platform IV - "Contacts between People".

<sup>57</sup> European Commission, Eastern Partnership. COM (2008) 823 final. Brussels, 3.12.2008.

<sup>58</sup> **Gromadzki G.**, A Challenging Opportunity. The EU plus Six - The Eastern Partnership, Friedrich Ebert Stiftung, November 2010, p. 1.

<sup>59</sup> **Łapczyński M.**, The European Union's Eastern Partnership: Chances and Perspectives, *Caucasian Review of International Affairs*, 2009, **3**, 2, Spring, p. 149.

<sup>60</sup> **Kempe I. et al.**, *Eastern Partnership and the Caucasus. Strategic Input from the Region*. Heinrich Böll Stiftung, South Caucasus, 2009, p. 2.

<sup>61</sup> **Korosteleva E.**, Op. cit., p. 11.

cooperation in the areas of democracy, rule of law or economy, and the priority given to energy and transport cooperation.

Experts claim that despite democracy, human rights, rule of law and good governance being the key priorities of European regional integration programmes, “the countries of the region are more interested in other aspects of cooperation with the EU: conflict resolution, trade, energy, visa-facilitation, rather than democracy”<sup>62</sup>. Obviously, given the geopolitical and economic realities, the expectations of the regional countries from the EU include short-term visible benefits, more financial assistance, trade, investments, alternative mechanisms of regional security issues’ settlement and diversification of foreign policy rather than long-term ambiguous perspectives of association, conditioned with democratic achievements of the country.

More importantly, despite the EaP was never intended as a geopolitical project, it will actually produce a decisive break in post-Soviet area threatening Russia’s economic, political, and geopolitical interests in its “near abroad”. In this regard, eliminating accession perspective the EaP does not provide any security guarantees to its Eastern partners either.

At the same time the prospect of realisation of the DCFTA is rather vague. Criticism was mainly focused on the idea that being a long-term and complex objective, the DCFTA is not delivering the short-term gains which would support the partner countries to go through costly and painful trade liberalisation reforms, which often clash with domestic economic development models<sup>63</sup>.

As for energy - another important dimension outlined in the EaP - clearly, the relationship between the EaP states and the EU revolves largely around European energy interests.

When it comes to visa liberalisation, which is likely to be the most appetising incentive on offer and the main leverage of the EU in negotiation process, it will still require the Member States commitment throughout the process to ensure that visa-free travel will become reality for all the partner countries<sup>64</sup>. In addition, keeping in mind the European

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<sup>62</sup> Popescu N., *Op. cit.*, p. 116.

<sup>63</sup> Popescu N., *Op. cit.*, p. 117.

<sup>64</sup> Popescu N., *Op. cit.*, p. 120.

refugee crisis, it is safe to assume that visa liberalisation process will be conditional for security reasons, which can make the partner countries' visa-free travel less welcome for certain Member States.

Undoubtedly, all aforementioned weaknesses have had their impact on the evolution of the EU's eastward foreign policy.

The European Union's Eastern partnership crisis started in Armenia. After around four years of pursuing a series of reforms required for the Association Agreement with the EU, on September 3, 2013, Armenia withdrew from negotiations on the AA. Instead, Yerevan joined the Russia-led Custom Union.

Subsequently, the Eastern Partnership Summit in Vilnius in November 2013 highlighted the failure of the EU's flagship programme designed to strengthen cooperation of the six post-Soviet states with Brussels due to Ukraine's and Armenia's denial to enhance further integration with the EU via the Association Agreements<sup>65</sup>. Out of six countries, only Georgia and Moldova announced that they would sign Association Agreements and free trade agreements (DCFTAs) with the EU.

After Vilnius it became obvious that the six Eastern neighbours can no longer be considered as a single bloc. At greater length, three of them (Ukraine, Moldova and Georgia) want closer relations with the EU, including a membership perspective; Armenia and Belarus have opted for Eurasian Economic Union; while Azerbaijan has lost interest in the programme, being aware that Brussels is interested in its energy supplies anyway. Apparently, this divergence of the partner countries' interests and priorities vis-à-vis the EaP is stronger reflected in the South Caucasus.

Eventually, in Vilnius the EU and its partners "reaffirm(ed) their acknowledgement of the European aspirations and the European choice of some partners"<sup>66</sup> and pledged to "support those who seek an ever

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<sup>65</sup> Ukraine's then president Yanukovich's refusal to sign the EU Association Agreement unleashed protests in Kiev prompting the Maidan movement, that led to his departure from office, and also the Russian annexation of Crimea and war in east Ukraine. The new Ukrainian authorities eventually signed the treaties in 2014.

<sup>66</sup> Joint Declaration of the Vilnius Eastern Partnership Summit. Vilnius. 29 November, 2013, Available at

closer relationship with the EU”<sup>67</sup>, albeit the war in Ukraine and the Russian factor did not make it any easier for the EU and the partners.

Regarding the evolution of relations with the three South Caucasian states, the Association Agreement and the DCFTA were signed with Georgia in June 2014. In case of Armenia, despite the initial frosty response, the EU showed willingness to be flexible and adjust its EaP partnership model, thus most forms of cooperation that are compatible with the Armenia’s EEU commitment have continued. Azerbaijan’s enthusiasm towards the EaP has still been on the wane; hence the partnership mainly centres around their energy reserves.

### **Attempts towards More Differentiation**

The Riga Summit held in the Latvian capital on 21-22 May, 2015 reaffirmed the EU’s commitment to developing strengthened and differentiated relations with its Eastern partners. The EU offered support to Eastern neighbours to help them become more resilient in the face of Russian pressure and increasing challenges to stability and security in the region. Having reviewed the early stages of implementation of the Association Agreements and Deep and Comprehensive Free Trade Agreements, signed with Georgia, Moldova and Ukraine, European leaders reconfirmed their support to the eastern partners in further implementation of AA/DCFTAs. The EU also reiterated the “European aspirations and European choice” of Ukraine, Georgia and Moldova and opened the door to a visa-free travel if requirements are met<sup>68</sup>.

In addition, the EU expressed its willingness to support other eastern partners seeking more flexible relations. As Donald Tusk, the President of the European Council, mentioned at the press conference of the Eastern Partnership Summit, “We reiterated our support to others who are seeking more tailor-made relations. We have reached an understanding with Armenia on the scope of our future relationship. We

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[http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/139765.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/139765.pdf).

<sup>67</sup> Joint Declaration of the Vilnius ..., Op. cit.

<sup>68</sup> Joint Declaration of the Riga Eastern Partnership Summit. Riga. 22 May, 2015, Available at [http://eeas.europa.eu/eastern/docs/riga-declaration-220515-final\\_en.pdf](http://eeas.europa.eu/eastern/docs/riga-declaration-220515-final_en.pdf).

should also be able to take some steps forward in deepening our critical engagement with Belarus. And we have received Azerbaijan's suggestions<sup>69</sup> regarding the renewal of the contractual basis for its relations with the EU"<sup>70</sup>.

The President Tusk also added that "energy and transport cooperation would be priorities for the coming years"<sup>71</sup> of the EaP agenda, making it clear that in the present context the cooperation on issues related to the rule of law, human rights or democracy promotion was not a main priority for the EU. European leaders also refrained from active involvement in solving the conflicts in the eastern neighbourhood having come to the conclusion that the Eastern Partnership did not provide adequate tools thereto.

One of the remarkable achievements of Eastern Partnership Business Forum in Riga was the launch of the DCFTA Facility for Small and Medium Enterprises (SMEs) by the European Commission, which will provide around two billion euro investments for small businesses in Georgia, Moldova and Ukraine<sup>72</sup>.

All in all, the Summit in Riga was rather a stocktaking exercise after Vilnius, and unsurprisingly lacked concrete initiatives or momentous announcements on redefinition of relations with the eastern neighbours, mainly due to the rising geopolitical tensions in the region, as well as some constraints and caution induced by Russia's actions. Hence, Ukraine, Moldova and Georgia did not get any promise of future membership talks with the EU.

While the European leaders took off the table even a vague prospect of future membership as part of the Riga Summit, the EU reinforced the idea of differentiation and introduced a two-tier approach

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<sup>69</sup> On the eve of the Riga Summit the Azeri foreign minister submitted a position paper proposing a strategic partnership between Baku and the EU.

<sup>70</sup> Remarks by President Donald Tusk at the press conference of the Eastern Partnership summit (22/05/2015), Available at [http://eeas.europa.eu/delegations/ukraine/press\\_corner/all\\_news/news/2015/2015\\_05\\_22\\_3\\_en.htm](http://eeas.europa.eu/delegations/ukraine/press_corner/all_news/news/2015/2015_05_22_3_en.htm).

<sup>71</sup> Remarks by President Donald Tusk...

<sup>72</sup> EU to unlock €2 billion worth of investment for small businesses in Georgia, Moldova and Ukraine. European Commission, Press release. Brussels, 21 May Available at 2015, [http://europa.eu/rapid/press-release\\_IP-15-5012\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5012_en.htm).

in its Eastern Partnership<sup>73</sup>. The main idea of the new approach is that henceforward the EU will focus most of its efforts on strengthening the relations with the three most pro-EU countries, namely Ukraine, Georgia and Moldova, whereas, Armenia, Azerbaijan and Belarus will form a more loosely associated group and will be secondary priorities. However, it is worth mentioning that no structural changes have been made in the EaP's framework during the Riga Summit.

In this regard, experts argue that merely the introduction of the two-tier approach is not enough to ensure more efficient and successful eastward policy of the EU and "there is now a need for further diversification among the group of non-Association Agreement countries because levels of motivation and ambition to cooperate with the EU vary across Armenia, Azerbaijan and Belarus"<sup>74</sup>.

At the same time, the EU still lacks clarity and consistency in its eastern partnership. This can be clearly demonstrated by double standards applied by the EU vis-à-vis Belarus and Azerbaijan, which undoubtedly undermine the EU's credibility in the region.

As generally known, Azeri president Ilham Aliyev was officially invited to participate in the Riga Summit, despite the facts of detention of human rights defenders, imposed restrictions on freedom of expression and association and day by day deteriorating conditions for civil society in Baku. The Azeri president did not attend the summit, though, apparently in protest at European complaints about Azerbaijan's human rights record. This stands in contrast to denial to invite Belarus president Alexander Lukashenko, despite his expressed interest to participate, on the grounds of having political prisoners in Belarus.

Given that Belarus is in fact a better performer on human rights than Azerbaijan, it showed how much the relationship between the EU and the eastern partners was still based on ambiguity and inconsistency. Clearly, when it comes to the EU's strategic interests, the bloc is paying

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<sup>73</sup> Two tier Eastern Partnership on the table at Riga summit, Available at <http://www.euractiv.com/sections/europes-east/two-tier-eastern-partnership-table-riga-summit-314726>.

<sup>74</sup> **Kostanyan H.**, The Eastern Partnership after Riga: Review and Reconfirm, *CEPS Commentary*, Brussels, 29 May 2015.

less attention to human rights and more to establishing economic relations.

Summing up the outcomes of the Riga Summit, it can be inferred that despite the lack of headline-grabbing new initiatives or announcements, the summit in Riga was quite a success in the sense that the EU could keep the partnership on track. Unsurprisingly, though, the Riga Summit did not provide any fundamental review of the ENP.

Taking into consideration the individual characters of the partners, Riga ensured long-awaited diversification via the Association Agreements and more flexible, tailor-made relations with non-association partners. Increased cooperation with Georgia through the Association Agreement and DCFTA was declared a major priority. An understanding was reached with Armenia on the scope of the future relationship, which later in the year resulted in official launch of negotiations on a new legal framework agreement, and talks were opened with Azerbaijan regarding the renewal of the partnership agreement with the EU.

However, addressing the geopolitical situation in the Eastern neighbourhood, including relations with Russia, the ongoing conflict in Ukraine and the annexation of Crimea, was clearly more important for the EU than upgrading the Eastern Partnership. Therefore, the outcome of the Riga Summit was limited to a number of uncontroversial issues, which did not escalate even more the tense relations with Russia. In this regard, Georgia was undoubtedly disappointed as the Riga Summit did not signal on the country's possible accession into the EU.

## **Conclusion**

Generally, the evolution of the relationship between the European Union and the South Caucasus can be divided into three stages:

- The first stage which lasted from the beginning until the end of 1990s - a period of establishment of the bilateral relationship and initial partnership - can be characterised by an inert attitude and uniform approach of the EU towards the region, as the admittedly passive interest towards the region was limited to the TACIS programme and absence of well coordinated strategy vis-à-vis the South Caucasus.

• The dawn of the twenty-first century marked the second stage of the EU's policy in the region, with profound acknowledgement of its strategic interests, emphasised willingness of more active engagement and development of a comprehensive strategy towards the South Caucasus, as well as institutionalisation of the EU's policy in the region through the ENP and the EaP. However, despite the increased interest of the EU vis-à-vis the region and enhanced presence in the region, the intensity of the EU's role and the effectiveness of its policy in the South Caucasus yet remained shallow. Among factors that contributed to this situation there were *inter alia* lack of understanding of internal regional issues and prioritising the EU's own agenda, absence of common foreign policy towards the South Caucasus among the Member States, many of which, having their own interests, were not committed to dedicating (especially in time of crisis) sufficient political, financial or security resources to achieve declared objectives in the region. Undoubtedly, Russia's role with large spectrum of levers to limit the potential effectiveness of EU politics in the region should also be considered. Nevertheless, the main responsibility of the underachievement of the EU's policy towards the South Caucasus ultimately rested with the diverse priorities of the South Caucasian states and the absence of regional cohesion, which eliminated any attempt of full regional cooperation and integration. At the same time, despite the diverse interests of the South Caucasian countries vis-à-vis the European Union, the EU lacked the policy which would efficiently differentiate between partners regarding their perceptions and attitudes, but also ambitions and readiness to cooperate with the EU. In addition, an obvious mismatch between the interests and priorities of the South Caucasian states and those of the EU has also hampered the effectiveness of EU policies. Largely considered as a failure of the EU's eastern neighbourhood programme, the Vilnius Summit highlighted all weaknesses and limitations of the Eastern Partnership's current format. After Vilnius it became clear that the European Union needed to develop a new strategy, new tools and mechanisms, which would provide enough diversification between partners regarding their interests, ambitions and readiness to cooperate with the EU, would go beyond Eurocentric interests and technocratic promotion of democracy and rule of law, and, at the same

time, would allow the EU to address the tense and complex geopolitical situation in the Eastern neighbourhood.

- The beginning of the third stage was signalled by the Riga Eastern Partnership Summit. In Latvian capital the EU came out with the official differentiation (so-called two-tier approach) between the two groups of associated and non-associated countries as a logical step in the evolution of relations since the Vilnius Summit and provided more flexible, tailor-made relations between the EU and the non-associated South Caucasian states. However, despite the EU has accepted this demand-driven flexibility in its incipient novel approach to the Eastern Partnership, more differentiation, more clarity and consistency prove necessary in the EU's relations with the non-associated countries (Armenia and Azerbaijan), to design a more productive geostrategic identity of the EU and foster more effective relations with its Eastern neighbours.

Apparently, the new revised ENP, launched by the EU Commission and the High Representative in late 2015, will turn the tide.