

Implementation of the Concept of a Wider Europe. Lithuanian Perspective

Evaldas Ignatavičius

I believe we all agree that with the process of the EU enlargement, the Wider Europe initiative gives the EU an opportunity to define the Union's policy towards the new neighbours for the nearest 10-15 years. Thinking in this perspective, we have to have a certain dose of long-term optimism.

As we launch today's discussion on the concept of Wider Europe, we should seek answers to the following questions:

- Who are the Union's new neighbours?
- What benefits would the Wider Europe offer the EU and its new neighbours?
- What principles should apply and what instruments should be used in its implementation?

As time is precious, let us go straight to these issues.

First, who are the new neighbours?

While the main focus of the initiative is on Ukraine, Moldova and Belarus, we believe it is important to have Russia involved as an important partner in the region. The Wider Europe initiative will complement the existing EU-Russia dialogue in the PCA framework and the Northern Dimension initiative; the more so that many of the issues regarding justice and home affairs, economic cooperation, energy dialogue, and the environment are common for the region and should be addressed on a common basis if the EU wants to have a lead in these discussions.

An extension of the initiative over the coming years to embrace Southern Caucasus, i.e. Georgia, Armenia, Azerbaijan, could be considered as the EU relations with Wider Europe progress, especially with Turkey's closer integration with the EU.

Second, what would Wider Europe initiative give to the EU and to its new neighbours?

We believe that the initiative should target the following objectives:

- support for democratic and economic reforms in new neighbours, thereby ensuring, in the long run, their European choice and a European perspective; that is, giving a "meaning of the EU" to the new neighbours as an impetus for political, economic and structural reforms;
- ensuring stability and security of the EU borders, with the objective to find an answer to the major concerns in the area of justice and home affairs such as border controls, illegal migration and human trafficking, trans-border organized crime, smuggling and corruption, as well as good governance and mutual legal assistance;
- facilitating trade and promoting investment, expanding export markets for EU goods and ensuring a stable trade regime; promoting structural, administrative, and judicial reforms and approximation of national legislations with that of the EU;
- seeking new sources of energy through diversification of supply and energy transportation routes;
- narrowing the gap between the living standards across the borders, avoiding political and social tensions;
- easing environmental concerns and pursuing environmental cooperation.

Third, the principles and the route map

Let me outline some of the key principles that should apply in the implementation of the Wider Europe concept. First of all, *the principle of differentiation*, based on the level of the

countries' relations with the EU and the political will to adopt European political and economic values.

We agree that there can be no one-size-fits-all approach. At the same time, it is important to keep the gates of opportunity open for those countries. It will give them a choice, based on the principles of *self-selection and conditional*, to decide how far and how fast they are able to go. It will also give an opportunity for the EU to push harder in demanding the implementation of agreed benchmarks.

In our understanding, the "negative" (or problematic) agenda, such as justice and home affairs issues or fight against corruption, should be put forward together with the "positive" agenda, which will give answers to some of the new neighbours' political and economic expectations vis-a-vis the relations with the EU.

"Labelling" important. The countries addressed by this initiative should have a sense of perspective. That is, it should be discussed what level of the relations the EU expects to have with the new neighbours over the coming years. PGA? Neighbourhood agreement? Free trade agreement? Any of these targets should be strictly conditional on the process of political, economic, administrative and judiciary reforms and legal approximation.

Current EU candidates should be involved in the preparation of the initiative from the outset, since we, the candidates, have practical reform experience; can speak their languages; and have good links with the new neighbours' political, administrative, economic, and business establishment.

Importantly, Wider Europe should not become just another theoretical exercise. The experience of the Common Strategies indicates that there is a need for a well defined "route map" outlining priority tasks, final objectives, and step-by-step benchmarking.

It is essential to support the "route map" with an adequate mechanism of dialogue, including implementation review and monitoring. While relying on the existing PCA framework, one should bear in mind that at some stage of implementation of the initiative the question may arise - is the PCA framework enough for this task?

Adequate financial means and human resources are necessary. Increase of TACIS and other EU funds for the new neighbours should be seen as a first step, with the perspective to discuss a separate budget line in the 2007-2013 financial framework, including, specifically, the Kaliningrad region. The possibility of launching a new mechanism for technical and financial assistance for the new neighbours could also be considered, a sort of transferring the PHARE experience further to the East. Coordination of bilateral and regional assistance programmes should contribute to those efforts.

Finally, benchmarking and instruments

Existing PCA mechanism of the *political dialogue* should be used more effectively. There is a need to show more interest in the political developments of the new neighbour countries, to expand relations with their political parties, as well as the opposition, NGOs, mass media, and the academe.

Economic relations comprise an area where the new neighbours are most likely to profit from greater incentives. At the same time, it will depend on the will of those countries to support a pro-European agenda and economic reforms.

A benchmark approach will determine the step-by-step tasks. Implementation of Partnership and Cooperation Agreements will test in reality how the new neighbours apply the most favourable nation regime. Implementation of IMF programmes, efficient fiscal policy reform, acceleration of the privatisation process and creation of adequate investment climate, implementation of non-discriminatory measures, trade liberalisation, liberalisation of the agricultural policy and opening up of the service sector should be reinforced by accession to the WTO and adaptation of national legislations in line with the WTO standards.

A possibility of the free trade agreements is already foreseen in the PCAs. The economic part of the initiative should be maximalistic enough to target this objective. It is worthwhile looking into the EU experience of trade liberalisation in the Balkans, to include some possible

areas for asymmetric trade liberalization, provided the new neighbours meet the discipline of free trade.

At the same time, it is important to assess bilateral and regional arrangements existing between the new neighbours, such as the Russia-Belarus customs union.

Administrative capacity. Having in mind the experience and expertise of the EU candidate countries, we suggest considering the possibility of "twinning" projects between the central authorities of the candidate countries and the new neighbours. Lithuania is already pursuing projects with Kaliningrad and Belarus (i.e., training local authorities).

Justice and Home Affairs. Favourable travel arrangements or even opening of discussion on the possibility of a visa free regime as a long term objective should be based on the readiness of the new neighbours to provide proof of successes in combating illegal migration and organised crime; to sign readmission treaties; to strengthen border control and management, including modernisation of border crossings; to sign and ratify border agreements; and cooperation on consular issues.