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“EUROPEAN NEIGHBORHOOD POLICY”

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Abstract

This Policy Internship Project has been conducted in AEPLAC with the aim of studying the process of Armenia's Euro-integration in the framework of European Neighborhood Policy. Here the emphasis is on the political and security issues. For comparative analysis Ukraine and Moldova have been chosen, which have both similarities and differences with Armenia in their Euro-integration paths. In this Policy Project it has been discussed such issues as the objectives of ENP, the relationship mode between EU and Armenia, ENP security component as well as ENP Action Plan's probable results. For overcoming some of the identified problems, there are brought some recommendations.

List of Abbreviations

AEPLAC	- Armenian European Policy and Legal Advice Centre
AP	- Action Plan
CIS	- Commonwealth of Independent States
CoE	- Council of Europe
EC	- European Commission
ECHO	- Humanitarian Aid Office of the European Commission
EIDHR	- European Initiative for Democracy and Human Rights
EMP	- Euro-Mediterranean Partnership
ENP	- European Neighborhood Policy
ENPI	- European Neighborhood and Partnership Instrument
ESDP	- European Security and Defense Policy
EU	- European Union
EUSR	- EU Special Representative
GRECO	- Council of Europe Group of States Against Corruption
IEOM	- International Election Observation Mission
INOGATE	- Interstate Oil and Gas transport to Europe
MEDA	- Euro-Mediterranean Partnership
MNPP	- Medzamor Nuclear Power Plant
NATO	- North Atlantic Treaty Organization
NGO	- Non-Governmental Organization
NIS	- New Independent States
ODIHR	- Office for Democratic Institutions and Human Rights
OECD	- Organization for Economic Cooperation and Development
OSCE	- Organization for Security and Cooperation in Europe
PCA	- Partnership and Cooperation Agreement
PHARE	- EU pre-accession assistance program
RoA	- Republic of Armenia
TACIS	- Technical Aid to Commonwealth of Independent States
TAIEX	- Technical Assistance Information Exchange Office
TI	- Transparency International
TRASECA	- Transport Corridor Europe Caucasus Asia
USSR	- Union of Soviet Socialist Republics

Introduction

After its independence in 1991, Armenia declared to be willing to become “a sovereign, democratic state, based on social justice and the rule of law” (Constitution of RoA, 1995). It is obvious that the aforementioned principles and values would not be ensured in a short period due to several factors among which the lack of both resources and experience in democratic procedures, and the war between Nagorno-Karabakh (the interests of which Armenia was safeguarding) and Azerbaijan. Nevertheless, whatever is impossible in a short period can be quite feasible in the long - run.

The collapse of the Soviet Union brought about dire economic consequences in almost all its member republics, and Armenia was not an exception. Moreover, the 1988 earthquake that had had devastating impact on Soviet Armenia’s economy, continued to have its profound negative impact in the economic situation of the newly independent republic.¹ Being dependent on outside transportation routes Armenia became blockaded by Azerbaijan and Turkey due to the military conflict over Nagorno-Karabakh, and the blockade continues till nowadays. The economy was in very bad shape. The corrupt system inherited from Soviet times, which now exists to a relatively less extent, was one of major impediments to economic and political developments. Being deprived of any democratic experience in the past as a part of an authoritarian regime (USSR), Armenia had poor record of elections, freedom of speech as well as legislative environment for both provision of democratic procedures and the development of market-oriented economy.

All the former Soviet republics, perhaps except for Turkmenistan and Belarus, started to move towards Western-style democracy-building and establishing market economy (both to a

¹ Armenia has not yet fully eliminated the housing problems caused by the earthquake.

certain extent and through a relatively unique path). The European Union (EU) was an example of proper experience of democratic, human, social and economic values as well as “one of the first pioneers who took steps to assist Newly Independent States” (European Union and Armenia 2004, p. 6) in the South Caucasus. Taking these factors into account, as well as understanding that the EU does not want to control Armenia’s economic market, but to promote its free development through partnership and collaboration, Armenia has adopted European integration as one of its main priorities especially in foreign policy.

European values are becoming more and more understandable and acceptable in Armenia, and in the choice of European integration both Armenia and the EU have their own motives: the first one wants to become more democratic and a rule-of-law-based country with market economy integrated into European markets, the latter wants to promote its interests and spread democratic values. Those interests include: markets of the new neighboring countries; and security, i.e. lack of neighbors with belligerent aspirations or engaged in a military conflict. Moreover, Europe wants to be surrounded with politically stable states having or moving towards democratic principles and values, which makes them reliable and predictable. In addition, the EU wants to augment its geopolitical presence in the South Caucasian region. One major interest as well: Europe is consuming large amount of energy while in terms of energy supply it does not have diversity. That is why the new ENP countries are interesting for the EU from energetic perspective, too. The promotion and implementation of these interests by the EU are executed through several programs (among which the most distinguished one is TACIS – Technical Aid to CIS), miscellaneous bilateral or multilateral agreements, funds and grants both in NGO and governmental levels.

In 2004 after the enlargement of the EU with the entry of ten new members, the EU faced new opportunities and challenges in terms of new neighbors and geopolitical correctives. Thus, the newly introduced European Neighborhood Policy (ENP) aimed at “ambitious objectives for partnership with neighboring countries based on strong commitments to shared values and political, economic and institutional cooperation” (European Union-Armenia Cooperation Report, 2004, p. 11). It is noteworthy that ENP is not about accession to the EU: it goes beyond existing relationships to offer a deeper political relationship and economic integration.

On June 14 2004, Armenia was included in the ENP. The ENP is a policy that offers a wide range of options to investigate, scrutinize and analyze, but in this Policy Project paper only political and security issues within the framework of ENP will be analyzed. These issues are becoming more important if to consider the prolonged conflict resolution process, and the cooperation aspects between the Europe and Armenia are mostly of such character. Of course the economic aspect of EU - Armenia cooperation must not be underestimated which in certain cases may be more worthy of examining. Nevertheless, Armenia’s economy has relatively less impact by the EU than, for example, by Russia. Even though today the EU is Armenia’s the biggest trade partner it is due to high percentage of diamond turnover. In addition, labor mobility with its consequential high amount of remittances is very high with Russia, which cannot be said about EU².

On the other hand in the political perspective (rule of law, elections, human rights and the like) Armenia is moving definitely towards Europe. Moreover, despite the fact that Armenia’s cooperation on security issues is closer with Russia, it does not automatically bring to the

² The importance of Russia’s influence comes to the fore when to consider “assets-for-debts” deals that granted Moscow an unreserved ownership of Armenia’s economic enterprises primarily in energy sector by writing off Armenia’s debts to Russia.

resolution of Nagorno-Karabakh conflict.³ In the ENP there is emphasis on security issues, which might lead to solutions of the situations not solved with Russia. Thus, for examining political and security issues in ENP context first, the experience of Ukraine will be analyzed as a country that had similar starting point as Armenia while now is a little further in terms of Euro-integration and democracy.⁴ In Ukraine's case the focus will be more on political issues rather than on security ones since Ukraine does not have a territorial conflict causing instability. After this, Moldova, as a country relatively in similar position as Armenia from ENP and democracy perspectives will be analyzed as well as a country having a territorial conflict, and then in terms of the following research questions it will be made analysis on Armenia's Euro-integration.

The research questions that will be addressed are the following:

- 1. What are the main objectives of ENP, and what are the necessary steps towards their accomplishment?**
 - a) How will ENP facilitate internal institutional, political and economic reforms?
 - b) What is the ENP security component and how significant is it in the whole context of the ENP framework between a partner country and the EU?
- 2. Is ENP constructed on the basis of horizontal relationship or is it an "I say-You do" one?**
- 3. Is ENP enhancing the role of EU as a security warrant: can it become a more active geopolitical actor in the South Caucasus?**

³ This may be because Russia does not want to allow any precedence of self-determination taking into account Chechnya

⁴ According to Freedom House (2006), democracy score of Ukraine is 3.96, Moldova has 4.96 and Armenia has 5.14. The ratings are based on a scale of 1 to 7 with 1 representing the highest level of democratic progress and 7 the lowest

4. Can the bilateral Action Plan entail more tangible results? Why?

Methodology

The methodology for this Internship Policy Project paper is the secondary analysis of the official documents concerning ENP and other relevant literature on ENP experience in CIS and East Europe. Besides, in-depth interviews with people who have become more skilled and experienced while being engaged in Euro-integration process for several years have been conducted and the results reported.

EMP

Before describing ENP, it would be useful to have a glance at a similar policy of EU concerning Mediterranean region. The European Union began formulating a "New Mediterranean Policy" in the 90s to complement bilateral cooperation with individual Mediterranean countries. EU Member States and the 12 Mediterranean Partners (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria, Tunisia, Turkey as well as EU members since 2004, Cyprus and Malta) launched the ambitious Euro-Mediterranean Partnership (EMP) in Barcelona in 1995. Often called "the Barcelona Process," this initiative is aimed to strengthen and make durable ties between the shores of the Mediterranean. The partnership has two complementary dimensions: the bilateral dimension and the regional dimension. The aim is to:

- create a common area of peace and stability through political dialogue;
- construct a zone of shared prosperity through an economic and financial partnership and the gradual establishment of a free trade zone;

- promote the rapprochement between peoples by encouraging social, cultural and human exchanges between cultures and civil societies (European Union Factsheet 2005).

ENP

The European Neighborhood Policy was introduced by the European Commission in March 2003 as a new approach of the EU towards its eastern and southern neighbors. It was developed in the context of the EU's 2004 enlargement, "with the objective of avoiding the emergence of new dividing lines between the enlarged EU" and its neighbors "and instead strengthening stability, security and well-being for all concerned" (European Commission 2004). For a general vision of what the European Neighborhood Policy is, it would be reasonable to have a glance at how it works. In the beginning, the process starts with Country Reports prepared by the Commission. These documents are the assessment of a country's political and economic situation as well as of institutional capacity. Moreover, it reports on the possible time and ways for deepening the relations with that country. The next stage is the development, with each of partner countries, of ENP Action Plans, "which are to be developed on the basis of the principles set out" by the European Commission, and which "constitute a first major step towards realizing" the ENP (Communication from the Commission: European Neighborhood Policy Strategy Paper 2004). The Action Plans are documents that

"...are negotiated with and tailor-made for each country, based on the country's needs and capacities, as well as their and the EU's interests. They jointly define an agenda of political and economic reforms by means of short and medium-term (3-5 year) priorities. They cover political dialogue and reform, economic and social cooperation and development, trade-related issues and market and regulatory reform, cooperation in justice and home affairs, sectors (such as transport, energy, information society, environment, research and development) and a human dimension (people-to-people contacts, civil society, education, public health ...). The incentives on offer, in return for progress on relevant reforms, are greater integration into European programs and

networks, increased assistance and enhanced market access” (European Commission 2004) .

The implementation of the mutual commitments and objectives envisaged in the Action Plans is regularly monitored, and, in addition, the Commission issues periodic reports. Finally, the next step could be the negotiation of European Neighborhood Agreements, which, having longer-term goals, will come to replace the present two-sided agreements, in case Action Plan priorities are met. Thus, the ENP works by this scheme.

For examining political and security issues within the framework of Armenia’s Euro-integration process we would better first look at Ukraine’s Country Report as the basis for their Action Plan, then that of Moldova, their Action Plans, after which Armenia’s case will be analyzed.

Ukraine

On 12 May 2004, the Commission of the European Communities issued “Country Report” on Ukraine. This report is an assessment of mutual relations between the European Union and Ukraine as well as the description of existing situation in certain areas in which both sides have interest for partnership. These areas include political institutions’ development based on such values as democracy, the rule of law and human rights. Besides, “regional stability and co-operation in justice and home affairs, and economic and social reforms that will create new opportunities for development and modernization, for further liberalization of trade and for gradual participation in the Internal Market” (Country Report: Ukraine 2004, p. 3) are in the areas of partnership. This report is also kind of guiding document for joint action plan’s preparation.

The legal basis of EU-Ukraine relations, providing for cooperation from political dialogue to cultural and scientific cooperation, is the Partnership and Cooperation Agreement (PCA), which was concluded in 1994 and entered into force in March 1998. The main objectives in the context of European Neighborhood Policy toward Ukraine set in this “Country Report” do not differ much from those emphasized in the “Country Reports” of EU’s indirect neighbors⁵ as Armenia. Among these set out objectives are, as mentioned above, partnership with neighboring countries based on commitments to shared values and political, economic and institutional reforms, EU’s invitation of partner countries for entering into closer political, economic and cultural relations as well as for both the enhancement of cross border co-operation and the sharing of responsibility in conflict prevention and resolution. The Union is determined, as it is stated in the Report, “to further develop partnerships with its neighbors to mutual benefit, promoting security as well as stability and prosperity” (Country Report: Ukraine 2004, p.3). The legislative approximation is of utmost significance for strengthening links between Ukraine and the EU⁶ and is one of the most significant steps that each country should undertake for the accomplishment of bilaterally set objectives.

The 1996 Constitution established a presidential-parliamentary system, but since independence, there has always been political tension having the division of executive, authority between president and prime minister,⁷ as well as the role of parliament as its source, and all these “against the background of the political, economic and legislative reform agenda” (Country Report: Ukraine 2004, p. 6). According to an International Election Observation Mission (IEOM) conclusion, even though there was recorded some progress (in terms of relative closeness to

⁵ After the 2004 enlargement, Ukraine became a direct neighbor of the European Union.

⁶ The importance of legislative approximation is recognized in article 51 of the PCA (Partnership and Cooperation Agreement)

⁷ Nowadays President and Prime Minister of Ukraine are political opponents (Prime Minister Yanukovich being pro-Russian).

meeting international commitments and standards for democratic elections), in the parliamentary elections in March 2002, Ukraine still has some substantial shortcomings such as those related to the election campaign and media coverage. Political reformers “passed an amendment to the constitution during the Orange Revolution that will transfer many of the powers now held by the presidency to the new parliament. In turn, the parliament will elect the prime minister (Walecki 2006, p. 1).

The judiciary, as stated in the Report, has not achieved efficiency: it is still susceptible to corruption and political interference. On the contrary, there has been made some progress towards civil service system while the media freedom remains one of the crucial issues for political reform in Ukraine. On the one hand, according to estimates of Freedom House, there has been substantial progress in the area of media as an achievement of Ukraine’s Orange Revolution and regime change. At the same time, the Ukrainian media lacks substantial reforms and restructuring, and most media “are still owned by leading financial and industrial groups, which means they can be used as a tool of political and economic “wars” within the country, especially during election campaigns” (Freedom House 2006, p. 3).

The relationships between the EU and Ukraine are on horizontal level. In almost every bilateral document it is emphasized the word *partnership* which implies horizontal relationship. In addition, many expressions in the provisions of EU/Ukraine Action Plan also indicate such a relationship between these two sides. Among them, for example, are “Establishing *a constructive dialogue* on visa facilitation between the EU and Ukraine, with a view to preparing for future negotiations on a visa facilitation agreement,” “enhanced *co-operation*” or “*joint efforts* towards an EU-Ukraine Free Trade Area.”

The facilitation of internal institutional, political and economic reforms has started since 1991 through various programs initiated by the EU, and among them, the outstanding one is TACIS (Technical Aid to the Commonwealth of Independent States).⁸

The security component has its own place in the relations of the EU and Ukraine and it is postulated both in the “Country Report” and “Action Plan.” The EU-Ukraine dialogue and co-operation has intensified considerably over the past years paying attention to, as well as yielding some practical results in various security issues including regional issues, conflict prevention and settlement. In addition, both sides understand “the need to jointly address global and regional security threats, including the fight against terrorism, non-proliferation of weapons of mass destruction and the existence of large stockpiles of old ammunition, in particular anti-personnel land mines” (Country Report Ukraine 2004, p. 10). Ukraine is already participating in the EU Police Mission in Bosnia Herzegovina. Ukraine puts much effort in finding solution to the Transnistria issue in the Republic of Moldova as a direct neighbor of Moldova and a mediator along with the OSCE not only because of being neighbor, but also due to the fact that more than 700 thousand ethnic Ukrainians live there. The importance of Ukraine in this issue is indicated in the Action Plan as well: “Ukraine will continue its constructive efforts as mediator in the settlement process to solve the Transnistria conflict in Moldova” (EU/Ukraine Action Plan, 2005, p. 6).

Thus, being involved in the European integration process, Ukraine has set several objectives with the EU among which are miscellaneous reforms, political dialogue, economic

⁸ The EU is the largest donor to Ukraine with total assistance since 1991 amounted more than 1.072 billion. This includes technical assistance through the TACIS program, macro-financial assistance, and humanitarian assistance, among which TASIC National Programme, TACIS Nuclear Safety, TACIS Cross-Border Co-operation, TACIS Regional Programme, Fuel gap, ECHO (humanitarian assistance), Chernobyl Shelter Fund, and Macro-financial assistance

integration, and cross-border and regional security-related cooperation. Having horizontal relationship with Ukraine, the EU facilitates the fulfillment of reforms through many programs and funds paying distinct attention to the legislative approximation as well as to the twinning⁹, the importance of which is stated in the Action Plan. The emphases set out in this document are of various contents, while in our case here there are introduced the ones of our interest:¹⁰

1 Political dialogue and reform (Democracy, rule of law, human rights and fundamental freedoms):

(1) Strengthen the stability and effectiveness of institutions guaranteeing democracy and the rule of law;

(2) Further judicial and legal reform, so as to ensure the independence of the judiciary and strengthen its administrative capacity, and to ensure impartiality and effectiveness of prosecution;

(3) Ensure the effectiveness of the fight against corruption;

(4) Ensure respect of human rights and fundamental freedoms, in line with international and European standards;

(5) Foster the development of civil society;

(6) Ensure respect for the freedom of the media and expression;

(7) Ensure respect for rights of persons belonging to national minorities;

(8) Prevention of ill-treatment and torture;

(9) Ensure equal treatment;

(10) Ensure respect of Children's rights;

(11) Ensure respect for trade unions' rights and core labor standards;

(12) Ensure international justice;

⁹ Even though twinning as a tool is very effective, as of now both in Ukraine's and Moldova's cases they are not, because so far it has not been implemented due to slow internal procedures within the EU. This point will be detailed after.

¹⁰ Each of these agreed actions is to be performed through concrete steps described in the Action Plan.

2 Regional and international issues, cooperation on foreign and security policy, WMD nonproliferation and disarmament, conflict prevention and crisis management.

(13) Further strengthen and focus political dialogue and co-operation on foreign and security policy issues;

(14) Strengthen co-operation on regional and international issues, conflict prevention and crisis management;

(15) Further develop co-operation in addressing common security threats, including combating terrorism, non-proliferation of weapons of mass destruction and illegal arms exports

The engagement in security provision cooperation makes the EU an important geopolitical actor as well as security warrant to certain extent (as a counterforce to Russia). The Action Plan hinging on the previous attainments between the two sides is a kind of advancement of existing results for more profound and hopeful relations between the EU and Ukraine.

Moldova

Moldova, like many other ex-Soviet republics, gained its independence after the breakdown of the Soviet Union and started to move towards democracy and market economy building. Western European democracies were chosen for the establishment of a new political regime and the fundamental democratic values and freedoms as priorities for the Republic of Moldova. The legal basis for EU relations with Moldova is the Partnership and Cooperation Agreement (PCA), which was signed in November 1994 and enforced in July 1998 with intention of ten years period. The essence of the PCA was to establish the bilateral relations' institutional framework, to set the principal common objectives as well as to call for activities and dialogue in a number of policy areas the both parties were and are eager to be engaged in. A new tool for helping to implement the PCA and bring Moldova closer to the EU was the jointly

adopted EU-Moldova Action Plan on 22 February 2005, through which EU and Moldova have further strengthened their bilateral relationship. The precondition for signing such a document, as mentioned above, was the Country Report by the European Commission, which is the “...assessment of bilateral relations between the Union and Moldova” (Country Report: Moldova 2004, p. 3) and which reflects progress under the Partnership and Co-operation Agreement, and describes the current situation in selected areas of particular interest for the partnership: the development of political institutions based on the values – democracy, the rule of law, human rights - underlined in the Agreement, regional stability and co-operation in justice and home affairs, and economic and social reforms that will create new opportunities for development and modernization, for further liberalization of trade and for gradual participation in the Internal Market. The report provides guidance for the preparation of joint action plans, and may also serve as a basis for assessing future progress in the Union’s relations with Moldova.

These objectives set out by the EU and Moldova are to be implemented through various means. The assistance to Moldova by EU since 1991 has been more than €250 million. This includes, according to the Country Report, TACIS program (technical assistance), together with cross-border co-operation, macro-financial aid through balance of payments loans and grants, humanitarian assistance and assistance through the Food Security Program.

Despite the fact that some modification and clarification of current legislation is still ongoing, Moldova’s legal framework provides a basis for its democratic elections. In the past few years, however, as it is stated in the Report, the practical implementation of basic democratic principles in Moldova have become under periodic attention of OSCE and Council of Europe (CoE), and they have expressed increasing concerns about this. After monitoring the 2003 local

elections, the conclusion of OSCE was that even though the elections were well-administered and generally in line with international standards, there was still much concern on such issues as “secrecy of the vote, reported intimidation of opposition candidates, the incomplete separation of party and government - including reports of misuse of public resources for campaign purposes - and about the clear bias in favor of the incumbent authorities on the State Television Channel” (Country Report: Moldova 2004, p. 6).

As the result of local government reforms entered into force in March 2003, the central government strengthened and local governments’ powers reduced. The financial autonomy of local administrations was also reduced by amendments to the Law on Public Local Administration. According to the Transparency International (TI) report on corruption (2003) Moldova had the 100th rank in the world¹¹. Corruption is the second most pressing problem in Moldova after poverty. In 2003, the conclusion of the Council of Europe Group of States Against Corruption (GRECO) was that “the Republic of Moldova is without any doubt one of the countries deeply affected by corruption” (Country Report: Moldova 2004, p. 7). Among causes cited for the high corruption level in Moldova are low level of both public awareness and ethical and professional level of public functionaries, not sufficient prevention, very low level of efficiency of the judiciary system and insufficient political willingness to be engaged in the fight against corruption. By and large, the following points (from political perspectives) are of utmost importance for reforming, thorough enforcement and further deepening in which the EU and Moldova have paid most attention to in the Action Plan:

- *Strengthen the stability and effectiveness of institutions guaranteeing democracy and the rule of law;*

¹¹ For comparison we can also mention that Armenia was in place 78 (Transparency International 2003, “Corruption Perceptions Index.”

- *Review existing legislation, so as to ensure the independence and impartiality of the judiciary, including the impartiality and effectiveness of the prosecution, and to strengthen the capacity of the judiciary;*
- *Ensure the effectiveness of the fight against corruption;*
- *Ensure respect of human rights and fundamental freedoms, including the rights of persons belonging to national minorities, in line with international and European standards;*
- *Develop and implement an appropriate legal framework for the prevention of, and the fight against, the trafficking in human beings, and for addressing the problems faced by victims of trafficking;*
- *Eradication of ill-treatment and torture;*
- *Ensure respect of children's rights;*
- *Ensure equal treatment;*
- *Ensure respect for the freedom of expression;*
- *Ensure respect for the freedom of association and foster the development of civil society.*

Transnistria, a “separatist” region (by EU definition) on the eastern Moldovan border, engaged in a war with Moldova in 1992, and after the ceasefire there was disposed a peace keeping force consisting of Russian troops and troops from the two sides along the separation line. This self proclaimed “Transnistrian Moldovan Republic” is not internationally recognized. Transnistria, being resourceful and industrial is economically sustainable and, Moldova is not attractive for it. Since 1993, the OSCE has been active in trying to broker a settlement of the Transnistrian conflict, together with the Russian Federation and Ukraine (as other formal co-mediators). That a solution to this conflict is a key to enabling the country to develop into a stable and secure neighbor of the Union is very well perceived by the EU. In the Action Plan the provisions concerning or targeted on the issue of Transnistria are defined this way:

- *Strengthen political dialogue and co-operation on foreign and security policy issues;*

- *Sustained efforts towards a settlement of the Transnistria conflict, respecting the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognized borders, and guaranteeing respect for democracy, the rule of law and human rights.*

Since the latter might be more or less relevant for Armenia's case as well (taking into account the Nagorno-Karabakh conflict), its provisions are worth a more detailed representation:

- *Constructive participation of Moldova, together with the other party and mediators in the OSCE-led negotiation process aimed at reaching a settlement of the Transnistria conflict;*
- *Effective co-operation between the EU and Moldova towards a settlement of the Transnistria conflict within agreed formats, including consultation on post-settlement arrangements and guarantees as appropriate;*
- *EU to further step up its involvement in supporting the OSCE and mediators in this process, assist the efforts of the Joint Constitutional Commission, and to prepare engagement in post-settlement scenario*
- *EU to continue its efforts to ensure the fulfillment by Russia of the Istanbul commitments with regard to Moldova;¹²*
- *Reinforce political dialogue between the EU and Moldova on the Transnistria conflict;*
- *Significant further progress with Ukraine on pending border questions along the Transnistrian border section; strengthen cooperation with Ukrainian administration including effective exchange of information about flow of goods and people across the common border. Active engagement in the trilateral talks Moldova - Ukraine - European Commission concerning measures to ensure proper management and control of Moldova's entire border with Ukraine, in particular the Transnistria section;*
- *Support the active involvement of civil society and the promotion of democratic values and respect for human rights. (EU/Moldova Action Plan 2005).*

¹² This implies the withdrawal of Russian troops from the conflict zone

From the EU involvement in the Transnistrian conflict it may be implied that even though the EU appears as an actor in the process of the conflict settlement it lacks a comprehensive strategy on Transnistria. In the EU-Moldova Action Plan, as mentioned above, a special place was given to the Transnistria issue. However, EU has repeatedly avoided any direct involvement in the conflict settlement. Here the question is Russia's status as a party at the five-party negotiations, which prevents the EU from taking a more active stand in the settlement of the conflict due to EU- Russia special relationship. Nevertheless, the EU has been contributing to its resolution through OSCE mechanisms. Here, according to Panainte (2006) there can be identified several gaps in the ENP with regard to conflict resolution.

In the first place, the "ENP lacks a crisis management component because it is a Commission-driven policy, while this area is the Council's prerogative" (Kwarciak and Panainte 2006, p. 40). The Commission's focus through ENP was not on direct EU participation in settling the conflicts but on crisis prevention and post-conflict rehabilitation. This is probably due to the fact that prevention and post-conflict rehabilitation are much easier to deal with while crisis management is more controversial especially if to take into account the factor such as Russia.¹³

Second, there is a "geographical continuity gap," as Panainte defines, meaning that the EU participated with missions in many distant areas such as Congo, Indonesia and Iraq while being not adequately attentive to its direct neighborhood.

Most of these initiatives were relatively minor, with limited impact on the evolution of the Transnistrian conflict. They often fell short of Moldovan expectations. New initiatives such

¹³ Russia is a country weary of greater EU involvement in the conflict in Moldova because of its vested interests.

as the appointment of the EU Special Representative (EUSR), are typically described, as Socor puts, “too little, very late and inhibited by a Russia-first approach” (Kwarciak and Panainte 2006, p. 41).

The Transnistrian conflict is perceived in Europe as the major problem of Moldova. As long as the country remains divided, no real progress can be achieved; all other ideas about European integration are feasible only after the conflict has been solved.

After the failure of existing mechanisms to settle the conflict, in the past two years the Moldovan government has been constantly asking the EU to send a mission into the security zone to replace the current peacekeeping force, which consists mainly of Russian military who are not impartial since they back Transnistrian leadership interests. The EU having already appointed an EU Special Representative for Moldova, is expected to “launch an EU Border Assistance Mission to Moldova and Ukraine that would monitor the border between the two countries, including the section controlled by the secessionist authorities of Transnistria” (Popescu 2005, p. 3). However important EU border monitoring may be this is not a long-term solution. The EU, Popescu (2005) contends, should help Moldova strengthen its own capacity to control the Transnistrian section of the border by launching an EU Police Mission to Moldova.

A noteworthy point can be considered the argument of Panainte (2005), that in the perception of Moldovan authorities the final outcome of the conflict is not linked to the European integration, however close that integration may be. They see these processes as two separate ones.

Hence, little success can be brought by soft foreign policy measures applied by the EU. However, Popescu (2005) considers the Transnistrian conflict one of the easiest to solve in the EU neighborhood due to the conflict’s being embedded not in ethnicity, religion or history, but

in contemporary politics and economics. By and large, the EU owns the capacity for bringing this conflict to an end, because, as Solana (2003) formulates, among other regional organizations the EU is the only one having such a wide range of instruments as political, diplomatic, humanitarian, economic and financial, police and military.

In conclusion, what can be seen from the analysis of EU involvement in the settlement of the conflict in Moldova is that: a) it lacks a comprehensive EU strategy towards Transnistria; b) the EU does not envision greater institutional ties with a reunified Moldova versus what is offered now; Moldova is not attractive economically to ordinary people in Transnistria; c) the EU relies on the OSCE mechanisms for conflict resolution and due to Russian opposition, is unwilling to send an ESDP (European Security and Defense Policy) mission to Moldova to replace current peacekeepers. However, the conflict may continue very long also taking into account the absence of prospective membership as impediment.

The relationship between EU and Moldova may be classified again more or less horizontal. Even though in the EU/Moldova Action Plan there were used expressions similar to those of in Ukraine's case (mentioned in *Ukraine* part of this Paper as supportive arguments to EU/Ukraine horizontal relationships), here there is some issue to consider, which leads to think that EU/Moldova relationship can be relatively "I-say-you-do."

In November 2003 the EU High Representative for CFSP (Common Foreign and Security Policy) Javier Solana intervened to advise the Moldovan government against accepting (Socor 2003) the so-called "Kozak memorandum" aimed at transforming Moldova into a Russian protectorate and legitimize the military presence of Russian troops on the sovereign territory of the Republic of Moldova.

Under the Kozak Memorandum laying down the principles of "federalizing" Moldova, "Moscow's proxies in Trans-Dniester receive a high overrepresentation, along with blocking powers, in the "federation's" central governing and legislative bodies" (Socor 2003, p.3). Thus, as it can be easily implied, the EU may be quite successful in solving even very intricate problems. It could impose its position on Chisinau. The top-down relationship between EU and a partner country yields more tangible results. The examples of newly entered states can support this argument since they were imposed several criteria (Maastricht, Copenhagen, Acquis etc.) and implemented more thoroughly and swiftly, while in horizontal case having some declaratory type of criteria that are not binding, truly concrete results will be either hardly or during long time attained.

The Action Plans for both countries very much resemble each other. Ukraine's Action Plan has 71 points identified in the priority areas versus 80 in that of Moldova. The numbers do not differ much and in their meanings they are almost the same, having little differences in their formulations. Probably the most conspicuous difference is that in Ukraine's Action Plan there are provisions on Chernobyl issue while in Moldova's case-on Transnistria. However, proclaiming *differentiation* towards a certain country as one of the main features of the European Neighborhood Policy the EU treats these both states similarly, with very little distinction. In spite of the fact that this may well be due to the argument that they both are in similar position and situation, they could not be as alike as they are treated: Ukraine has experienced Velvet Revolution, Moldova has not; Moldova has Transnistria issue that hinders its security and economic growth while Ukraine has not; Moldova is in worse position in terms of democracy than Ukraine while the EU's democracy promotion emphasized in the Action Plans are envisaged to be implemented through the same declaratory stipulations; and many other

differences that should have led to a more different approach to these countries. The implementation of ENP AP both in Moldova and Ukraine with similarities and some unsubstantial differences are evaluated and described by Popescu (2006, pp 3-7).

In Moldova and Ukraine there were created certain bodies as preparatory steps. In Moldova the model of intra-institutional coordination of the ENP AP implementation is “hierarchic and centralized”¹⁴. In the aftermath of the Orange revolution, in Ukraine the coordination of European affairs was – “two persons/institutions” (which later became one-body), not particularly successful due to a certain lack of coordination and a division of labor. Thus, the model of coordination is horizontal in contrast to Moldova’s hierarchic one. Before the entry into force of the Action Plans in both countries there were created parliamentary committees for European integration (Armenia as well) and European integration departments in all the ministries. Most often this happened through the renaming of the external relations departments of ministries. In both Moldova and Ukraine the institutions dealing with EU issues remain rather weak and lacking expertise. The form of the institutions dealing with EU issues often lacks content. Renaming these departments did not mean that they acquired the institutional capacity to proceed with the implementation of European norms. Both Ukraine and Moldova have separate Missions to the EU, they have been publishing reports on the progress achieved in the implementation of the ENP Action Plans. Even though civil society cannot monitor all the technical and legislative issues covered by the ENP AP, in both states NGOs were created to monitor the ENP AP implementation.

¹⁴ One single institution is responsible for coordinating the implementation of AP

The analysis of Armenia's Euro-integration will take into account whatever differences or similarities there may be found in comparison with either Ukraine or Moldova, or both.

Armenia

Though officially not claiming about EU membership desires, Armenia has constantly declared progressive integration into EU models and standards as one of main tenets of its foreign policy, and the indication of this argument is more than obvious: Armenia is steadily integrating and cooperating with the European Union, Council of Europe, NATO and other Western organizations as well as establishing and deepening bilateral relations with the individual states of the European Community. One of the first initiators (European Union and Armenia 2004) to support the newly independent Armenia after its independence in 1991 in socio-economic and political transition was the EU.

There are several reasons why Armenia tries to have more cooperation frameworks including EU. Among them are: 1) geographical location of Armenia. It plays constraining role for Armenia's economy due to the fact that the country is landlocked, and the lack of access to the sea makes Armenia very much dependent on its neighbors. 2) The absence of diplomatic relations with Azerbaijan and Turkey, which hinders economic growth. 3) The Nagorno-Karabakh conflict that hinders regional cooperation. 4) Armenia's lack of significant natural resources (especially those of energy) which definitely reduces Armenia's "weight" and increases the country's dependence on the outside world.

All these factors have led Armenia to adopt the so called "complementarity" foreign policy trying to have more or less balanced relations with all concerned external powers via provision of relatively equal opportunities. These external powers are first of all Russia and the

United States, because of their more active involvement in the region from both political and economic perspectives, as well as the European Union with its increasing engagement.

Based on our analysis of Ukraine and Moldova, let us discuss research questions for Armenia.

Research question 1: What are the main objectives of ENP, and what are the necessary steps towards their accomplishment?

The legal framework for EU-Armenia cooperation is the “Partnership and Cooperation Agreement” (PCA) signed in 1996 and entered into force in 1999 (European Union Armenia Cooperation Report 2004). This agreement is intended to guide the cooperation until 2009, and it is “renewed annually unless either party gives six months notice of withdrawal” (European Union Armenia 2004, p. 7). The PCA has the following main objectives:

- “To provide an appropriate framework for the political dialogue between the parties allowing the development of political relations;
- To support Armenia’s efforts to consolidate its democracy, develop its economy and to complete the transition towards market economy;
- To promote trade and investment and harmonious economic relations between parties thus fostering their sustainable economic development;
- To provide a basis for legislative, economic, social, financial, civil scientific, technological and cultural cooperation” (European Union Armenia Cooperation Report 2004, p. 13).

For the implementation of PCA, on 29 April 2004 the government of Armenia adopted a decree “On organizing the activities on elaborating a National Program for implementation of the Partnership and Cooperation Agreement ...” The decree “establishes a Coordinating Committee

and refers to the role of the EC-funded Armenia-European Policy and Legal Advice Centre” (AEPLAC)¹⁵ in supporting the Committee (Country Report: Armenia 2005, p.4).

The ENP Country Report on Armenia finalized in 2005 became the basis for the preparation of Armenia’s (individual) Action Plan (AP) for cooperation with the EU under ENP as was the case of Ukraine and Moldova. The European Commission, as stated in the Report (2005), gives generally positive assessment to the EU – Armenia cooperation level and Armenia’s development level in many spheres.

However, on the negative side, the emphasis was on the inadequate work of democratic institutions and the need for more approximation of the existing legislation to European norms and standards. There were identified several negative components, of which some are worth a closer representation. In its final report on the 2003 parliamentary elections, as described in the Report, OSCE/ODIHR stated that the elections showed some improvement over the 2003 presidential election in both campaign and media coverage but had shortcomings in such areas as counting and tabulation of votes. The report proposed concrete recommendations such as changes to the legislative framework, particularly the electoral code, and improvements in electoral administration.

Based on the 2003 Council of Europe report, the Country Report emphasized that “local self government remains very weak and that large elements of the European Charter remain unimplemented” (Country Report: Armenia 2005, p.7). The appointment of the Ombudsman in Armenia was also one of concerns in this document, however, now this appointment is done by the National Assembly.¹⁶ Corruption remains of serious concern, and hinging on both

¹⁵ AEPLAC is the place where I have interned for writing this Policy Internship Project paper

¹⁶ In 2005 Armenia adopted changes to its Constitution. Most of changes, among which Ombudsman’s appointment, decreased presidential power, a citizen’s right to appeal to the Constitutional Court and many others were the requirements of the Council of Europe (Constitution of RoA)

Transparency International's Corruption Perception Index in 2004, which ranked the country in 82nd place¹⁷, and a June 2004 OECD report reviewing the legal and institutional framework for fighting corruption in Armenia, the Report stated that "prosecution and conviction for bribery and corruption-related offences remain too low in the context of the reported level of corruption" (Country Report: Armenia 2005, p.8). Among other concerns there were indicated freedom of speech, freedom of assembly, the independence of the media, and NGOs that were subject to restrictions by authorities.

The continuing bilateral cooperation in the energy field really important in the framework of ENP is one other distinctive feature of Armenia Country Report. In contrast to Ukraine's case, where most attention was given to the upgrading of existing nuclear power plants, here the focus is mostly on decommissioning of the Armenian Nuclear Power Plant at Metsamor. However, as the Country Report makes it clear, in the energy field little progress has been achieved, and the EC should take into close consideration issues related to energy capacities of Armenia in case the Metsamor Plant is closed as well as on what Armenia may expect from the ENP in this perspective.

Thus, meeting the objectives set up for Armenia by EC, among which legal approximation, political, institutional and economic reforms, requires "competent and capable institutional, human and technical resources" (European Integration: Financing and Structure 2005, p. 9). The utmost importance of legislative approximation especially that of for economic co-operation between the EU and Armenia, is emphasized in article 43 of PCA. The two parties accept and recognize that "an important condition for strengthening the economic links between the Republic of Armenia and the Community is the approximation of the Republic of Armenia's

¹⁷ In 2003 Index Armenia was in 78 (Transparency International 2003), which means that the situation worsened.

existing and future legislation to that of the Community. The Republic of Armenia shall endeavor to ensure that its legislation will be gradually made compatible” with that of the Community.

Research question 1 a)

To facilitate the efforts of Armenia in accomplishing these tasks the EU has been active in assistance since Armenia’s independence (similar situation with both Ukraine and Moldova having received different amounts).The assistance has been (AEPLAC 2005) in the framework of the TACIS national program, EU Food Security Program, Nuclear safety and small scale programs, EU Initiative for Human Rights, and Exceptional Financial Assistance.

In addition, Armenia also participates in the TACIS regional programs like TRASECA (Transport Corridor Europe Caucasus Asia), INOGATE (Interstate Oil and Gas transport to Europe) and the Regional Environmental Centre for Southern Caucasus. The TRASECA Program launched at a conference in Brussels in 1993, brought together trade and transport ministers from the original eight TRASECA countries, where “it was agreed to implement a program of EU funded technical assistance to develop a transport corridor on a west-east axis from Europe across the Black Sea, through Caucasus and the Caspian Sea to Central Asia” (European Union-Armenia Cooperation Report 2004. p. 14). INOGATE is “an international program aiming at promoting the regional integration of the pipeline systems and facilitating the transport of oil and gas both within the NIS¹⁸ countries and towards the export markets of Europe” (European Union-Armenia Cooperation Report 2004. p. 14).

¹⁸ NIS – New Independent States

Overall, since 1991 the EU has provided more than 386 million euros to Armenia¹⁹. Started from the next budget cycle in 2007 (European Commission 2004), financial support for the European Neighborhood Policy and ENP countries will be provided via European Neighborhood and Partnership Instrument (ENPI). The ENPI will replace MEDA²⁰, TACIS and other existing instruments such as the European Initiative for Democracy and Human Rights (EIDHR). It will focus in particular on supporting the implementation of the ENP Action Plans.

Research question 1 b)

Both Armenia Country Report (similar to Moldova and Ukraine reports) and PCA also contain references to regional conflicts and the need for their rapid resolution thus indicating the significance of security in solving and being successful in the fulfillment of objectives in the way of integration towards Europe. Among such issues of concern are security policy issues including regional and international issues, conflict prevention and crisis management and common security threats - terrorism and its root causes, proliferation of weapons of mass destruction, illegal arms exports and trafficking.

The argument that security issues could not be ignored or paid less attention to in the framework of ENP can be supported by the fact that the EU has mentioned them several times. In the “European Neighborhood Policy” Strategy Paper the Commission states that the “privileged relationship with neighbors will build on mutual commitment to common values principally” not only within the political and economic fields, but also “essential aspects of the EU’s external action, including, in particular, the fight against terrorism and the proliferation of weapons of mass destruction, as well as abidance by international law and efforts to achieve conflict resolution” (Communication from the Commission: European Neighborhood Policy

¹⁹ Here, the grants under the TACIS Regional Program are not included (European Union-Armenia Cooperation report 2004, p. 13)

²⁰ MEDA – Euro-Mediterranean Partnership

Strategy Paper 2004, p. 3). In the “European Security Strategy” there are several indications of security provision and conflict settlement importance:

“Violent or frozen conflicts, which also persist on our borders, threaten regional stability. They destroy human lives and social and physical infrastructures; they threaten minorities, fundamental freedoms and human rights. Conflict can lead to extremism, terrorism and state failure; it provides opportunities for organized crime” (p. 4). “We should now take a stronger and more active interest in the problems of the Southern Caucasus, which will in due course also be a neighboring region” (p. 8).

The Commission’s Communication on Conflict Prevention, issued in 2001, according to Hanggi and Tanner (2005) was aimed at mainstreaming conflict prevention in the EU’s such external policies as political dialogue, development assistance, trade, humanitarian aid, and the new instruments in the field of crisis management.

In March 2006, a new EUSR (EU Special Representative) for South Caucasus replaced Heike Talvitie, who was appointed in 2003. Swedish Ambassador Peter Semneby has a broader mandate versus his predecessor, particularly in conflict resolution sphere.²¹ It can be implied that the EU’s interest in the region has not dissipated but vice versa. If Talvitie’s objective was the assistance in conflict resolution, Semneby is expected to have a contribution in the settlement of conflicts.

Thus, the security components identified above turn out to be very significant from ENP perspective among which most probably the conflict resolution – of utmost importance. This is due to the fact that it is a precondition for all other conditions to improve. The partner country of EU expects to solve the conflict with its help, while the EU tries to be involved with secure and not-belligerent neighbors. Nevertheless, ENP security component is not always direct, and as

²¹ Semneby is based in Brussels, which shows that the South Caucasus has become more significant for EU institutions, while Talvitie was based in Helsinki.

Avagyan²² puts, “the security component of ENP is indirect,” implying that security will become in the result of reforms

Research question 2 Is ENP constructed on the basis of horizontal relationship, or is it an “I-say-you-do” one?

The relationship between Armenia and the EU are horizontal, which, similar to that of Ukraine and Moldova, implies less efficiency than if it were an “I-say-you-do” one. However, from this perspective Ukraine and Moldova might have been more efficient in comparison with Armenia. For supporting this argument the example of “twinning”²³ could be brought as an advantage, but it is a theoretical advantage since it has not worked so far in Ukraine and Moldova even though their inclusion in Action Plans²⁴. *Twinning* is an EU instrument which provides the framework for accession partnerships between administrations of EU member countries on the one hand and administrations of chosen countries on the other. Moreover, twinning provides opportunities for sharing know-how and experience and for long-term cooperation between EU member countries and candidate countries.

In the Action Plans of both countries there are provisions relating to twinning, which looks like this with very little difference in formulation: “Support including technical assistance and *twinning* to meet EU norms and standards, and targeted advice and support for legislative approximation through a mechanism such as TAIEX (The Technical Assistance Information Exchange Office) (EU-Moldova Action Plan 2005, p.2). Even though twinning is included in the

²² Seyran Avagyan is advisor to President of Armenia, and is one of the respondents to our interviews.

²³ Twinning project funding is given to Member States to work with chosen countries on institution building (to legislation, administration and implementation) and infrastructure strengthening (systems and equipment). The projects usually last one to two years and require a Resident Twinning Adviser (project manager) to be stationed in the country for the duration. Short-term experts provide the technical input to the various components (Twinning and Bilateral Cooperation 2006).

²⁴ This is due to slow internal procedures in the EU which delay the implementation of twinning.

Action Plans, and Armenia has not yet signed its own Action Plan, for current situation we can conclude that Armenia does not fall back in terms of twinning as an instrument for efficient development and implementation of various reforms.

Ukraine and Moldova are relatively less efficient (in terms of meeting the EU standards and implementing reforms) than the countries that are candidates to EU accession. The case is that if the EU is really concerned with increasing a candidate country's capabilities to meet the Copenhagen and other criteria, then EU is more committed, and twinning and other instruments such as targeted advice and support for legislative approximation work surprisingly faster and more efficient, and become really conspicuous and tangible. On the other hand, in cases of Ukraine, Moldova and Armenia, the EU does not "pull" them but leaves them to grow and meet the EU standards themselves mostly providing some assistance.²⁵

For bringing another argument showing the horizontal relationship of the EU and Armenia and consequently less efficiency, the example may be the Council of Europe and Armenia relationship. This relationship may be considered top-down and quite efficient. The Council promotes certain criteria, monitors, assists and requires implementation.²⁶ For improper implementation it invokes certain mechanisms to ensure adequate reaction. But this is not the case for the EU. It may wait longer until one meets EU standards by its own through "cooperation" and "partnership."

Research question 3 Is ENP enhancing the role of EU as a security warrant: can it become a more active geopolitical actor in the South Caucasus?

²⁵ For comparison we can bring examples that Romania received 2.265 billion euros from PHARE program (institution building, compliance to Acquis and the like) during 1992-2004, while this was not the only program Romania was and is included. Total assistance to Ukraine is 1.072bln. (AEPLAC 2005, pp 162-202) Armenia received a bit more than 385 mln. The difference is more than obvious.

²⁶ These are issues mostly of political aspect – human rights democracy and rule of law. However, the role of US generally and that of USAID particularly should be appreciated.

As mentioned above, the EU both accepts the importance and tries to become more involved in the South Caucasus, thus augmenting its geopolitical role. In case of success, especially in security issues, the increased geopolitical role of the EU will be more tangible. Leaving aside such security aspects as cross-border relationship, illegal drugs and trafficking, which undeniably are parts of security policies, the main focus is to be aimed at conflict settlement perspectives.

However, to claim being interested in the region is one thing, but the extent of that interest is another thing. The points I am trying to make is that even though after some time the South Caucasus may become a direct neighbor of the EU, now it is not. Consequently, the interests the EU has in the settlement of South Caucasian conflicts (the Nagorno-Karabakh conflict being our main concern) will be less pressed than those of direct neighborhood, say the Balkans. The argument by Panainte (Kwarciak and Panainte 2006), besides the Transnistrian case, is applicable here as well, which points out the lack of ENP on crisis management component since it is a “Commission-driven” policy while the area (for Karabakh conflict) is not the sole domain of the Commission. One other important point hindering EU in security provision is its nature itself: “the EU’s nature as a hybrid intergovernmental-supranational organization would suggest that its security sector governance activities would be pursued by different institutional actors within the Union, and in different policy areas, without these always being linked to each other (Hanggi and Tanner 2005, p. 27).

Despite steadily grown development of cooperation and quite dynamic collaboration of the EU-Armenia ties, there are some other more or less objective points that come to mind as serious obstacles for the EU to become a security warrant with enhanced role. One of the obstacles is that the EU membership is very cautiously expressed political interest in Armenia.

The EU is not perceived by the Armenian leadership as a geopolitical player equal to Russia and the US. In other words, as Fulvio Attina states, “increasing organized security cooperation and the institutionalization of peaceful management of international conflicts depend on the elite’s perception of the gains” (Attina 2004, p.16). Moreover, despite the attained results, the European penetration of the region is much less than that of the Americans or Russians. Furthermore, the EU can hardly offer an unprecedented and exceptionally attractive policy unique by itself: promotion of democracy, rule of law and aid provision is what both the US and Council of Europe do. Apart from this, another constraining factor is the complex geopolitical situation in the region: whenever the EU tries to increase its presence in the South Caucasus it will meet with resistance from Russia. Armenia, bound to Russia in several ways, will try to avoid any reluctance by Russia.

In general, taking into account all the impediments and obstacles it can be implied that the European Neighborhood Policy in particular cannot make the EU a major geopolitical player. For being less pessimistic it could be said that the EU has still to do more, probably taking all the objective and subjective impeding factors into thorough consideration.

Research question 4 Can the bilateral Action Plan entail more tangible results? Why?

In March 2005 Benita Ferrero-Waldner (Commissioner for External Relations and European Neighborhood Policy), commented that the European Neighborhood Policy gives the EU an opportunity for taking relations with Armenia “up a gear” and she expressed hope that “the Council will give the go ahead to negotiate an Action Plan, so that we can work out a joint agenda for action in the coming years. Progress in our relationship will reflect the efforts and success of the country itself” (European Neighborhood Policy–Armenia 2005). On June 16,

2005, Armenia's Foreign Minister, Vartan Oskanian, handed over the draft proposals of the Armenian Government for incorporation in the Action Plan to Benita Ferrero-Waldner. According to the Armenian government, through the implementation of the Action Plan Armenia will have positive political implications, and this will bring new perspectives for Armenia's European aspirations. It provides "an unprecedented opportunity to continue, with the European support, the process of reforms in our society and to establish enhanced relations with the EU up to gradual integration into the EU internal market, and to conclude an enhanced European Neighborhood Agreement" (European Neighborhood Policy–Armenia 2005).

The Action Plan should become the major political document guiding EU-Armenia relations in the upcoming years. Its elaboration, proceeded jointly, is aimed at bringing to life reforms in a number of key priority areas, such as economy and trade, political dialogue and reforms, , justice and home affairs, energy, transport, information, technologies, environment, research and innovation, social policy, people-to-people contacts²⁷ (ENP Armenia Action Plan Summary 2006). At least theoretically, the elaboration of the Action Plan is based on the principles of differentiation (every country must be evaluated according to the progress in implementing its Action Plan) and joint ownership (Action Plans are tailor-made according to the needs of each country). Democratic reforms are considered as priority in the Action Plan of Armenia, and it is accepted by the government that success of the Action plan will largely depend on the progress in this area.

The structure of Action Plan is as follows: **1 Introduction; 2 New partnership perspectives; 3 Priorities for Action; 4 General Objectives and Actions; 5 Monitoring.**

²⁷ Without much efforts it is easily seen how much these priorities resemble to those of identified in the Ukraine's and Moldova's Action Plans

“**Introduction**” invites Armenia to enter into intensified political, security, economic and cultural relations with the EU, as well as enhanced regional and cross border co-operation constituting that Action Plan covers timeframe of 3-5 years. “**New partnership perspectives**” is about new partnership perspectives that ENP opens, including a stake in the EU’s Internal Market, and the possibility for Armenia to participate progressively in key aspects of EU policies and programmes. Besides, such mechanisms as twinning and TAIEX will be open for Armenia as well.²⁸ “**Priorities for Action**” includes these formulations:

- *Strengthening of democratic structures;*
- *Strengthening of respect for human rights and fundamental freedoms;*
- *Encourage further economic development, enhance poverty reduction efforts;*
- *Further convergence of economic legislation and administrative practices with that of the EU;*
- *Development of an energy strategy, including an early decommissioning of the Medzamor Nuclear Power Plant (MNPP);*
- *Contribute to a peaceful solution of the Nagorno-Karabakh conflict;*
- *Enhanced efforts in the field of regional cooperation;*
- *Further improvement of investment climate;*

General Objectives and Actions refers to the following:

- *Political:* political dialogue and reforms, anticorruption measures, bilateral co-operation/contacts in the field of foreign and security policy and the fight against terrorism, peaceful solution of the Nagorno-Karabakh conflict Co-operation in the field of justice, freedom and security.

²⁸ We had identified the absence of Twinning and TAIEX as shortcomings for existing situation as of now. However, the ambiguity of “will be open” provokes to think: to what extent open? In what areas open? and how thorough will it be conducted?

- *Trade related issues*: economic and social reforms, creation of favorable conditions for smooth transition from co-operation to integration.
- *Specific sectors*: transport, energy and environment, to scientific co-operation, development of the Information Society, education, training and youth, public health.

And finally **Monitoring** highlights procedures of the adoption of the Action Plan and monitoring of its implementation as well as notes that the European Commission in co-operation with the EU Council will regularly publish progress reports on Action Plan implementation, and that the Action Plan can be regularly amended (ENP Armenia Action Plan Summary 2006, pp.1-4).

Action Plan of Armenia is “undoubtedly a step forward,” as Shahgeldyan²⁹ says, but not as much as probably public officials would present. On the one hand it has an advantage over PCA in the face of the latter as not little a basis that is there are some achievements to hinge on and move forward. On the other hand, the tangibility of the would-be-attained results at the end of the Action Plan’s term, are under strict suspect due to several reasons.

Again, the geographical factor (as in the case of Nagorno-Karabakh conflict) should be brought. Armenia is too far from the EU to be urgent for the latter. Besides, it is ‘alien’ for the EU from psychological perspective, which is not the case for Ukraine and Moldova: “Both are urgent cases for the EU and in both countries the EU is seen as the primary external partner, while the ENP AP implementation has a very high political visibility for the public and is a key priority for the governments” (Popescu 2006, p. 9). Another factor impeding the thorough implementation of Action Plan and consequently the Euro-integration process is that Nagorno-

²⁹ Mher Shahgeldyan is Deputy Chair of Ad-hoc Committee on Matters of Integration in European Structures, and is one of the respondents to our interviews.

Karabakh both is not and can not be included in ENP. Armenia is very closely tied with it and it would be very difficult to move toward Europe while leaving Nagorno-Karabakh aside.³⁰

In addition to definition by Hanggi and Tanner (2005) stating that the EU is a “hybrid intergovernmental-supranational organization”, which itself is an obstacle, we can add Popescu’s argument that “EU programs to assist with ENP AP implementation are very slow to come due to internal procedures inside the EU institutions” (Popescu 2006, p. 9). He supports his argument by the example of Ukraine’s and Moldova’s deprivation (by mid 2006) of participating in *twinning* and *TAIEX* programs. The two basic instruments designed to strengthen the capacities of ENP countries in implementation of Action Plans, which were declared open, are not open yet due to slow internal procedures in the EU still leaving the ministries in Moldova and Ukraine lack of knowledge about the EU, its standards, norms and procedures. One other noteworthy problem is inter-mixed interests of other players with their own policy directives: if ENP were the only one its implementation would be much easier, but now there is always need for coordination. One more argument: the path Armenia has passed has shown little progress (than it could have recorded) which leads to be very suspicious about the tangibility of Action Plan’s results. Thus, taking into consideration all the hindering and some minor contributing arguments it can be concluded that the results will not be considerable.

Conclusion

This Policy Internship Project, conducted while interning in AEPLAC, analyzes Armenia’s Euro-integration within the framework of ENP. The ENP is neither a foreign policy, nor an enlargement policy. It is in fact a mix of domestic policy instruments, foreign policy and

³⁰ The exclusion of Nagorno-Karabakh from ENP is obviously due to the fact that it first should have international recognition

enlargement practices to support the transformation of its neighbors in line with EU standards, while not offering membership. The ENP, major step of realization of which is Action Plan, has the aim to support for institution building, trade liberalization, economic reform, legislative harmonization and contribution to conflict resolution in the neighborhood. The EU helps build institutions in the neighborhood through such policy instruments as the extension of Technical Assistance and Information Exchange Office (TAIEX) and twinning mechanisms for the ENP countries.

Analysis on Ukraine and Moldova as countries having similar starting points, but included in ENP a bit earlier, shows both similar and different achievements and problems. While having similar generally positive assessments in their “Country Reports,” Ukraine and Armenia have discrepancies as well: political tension and progress in the area of media in Ukraine’s side and weak local self government, concerns with freedom of speech and assembly, and restrictions toward NGOs on the side of Armenia. With Moldova there are discrepancies and similarities as well (e.g. in Action Plan of Moldova and in not-signed-yet Armenia Action Plan Summary): as similar policies the EU pays attention to are strengthening of democratic structures and respect for human rights and fundamental freedoms, legislative convergence and regional cooperation.

On the difference side in Armenia are identified policies towards poverty-reduction aimed economic development, development of secure and safe energy strategy. On Moldova’s side the differences are – ensuring respect of children’s rights, ensuring equal treatment and the like. One more thing: For comparing attitudes of EU towards Transnistria and Nagorno-Karabakh, for which especially Moldova was chosen conflict settlement formulations sound like this: “Sustained efforts towards a settlement of the Transnistria conflict, respecting the territorial

integrity of Moldova,” while in Armenia’s case “Contribution to a peaceful solution of the Nagorno-Karabakh conflict.”

The findings are:

The main focus of ENP are institution building, trade liberalization, economic reform, legislative harmonization and contribution to conflict resolution, and the implementation of these objectives are done through TACIS national and regional programs, EU Initiative for Human Rights, Exceptional Financial Assistance and others. However, Ukraine and Moldova have twinning and TAIEX as well since they are in the phase of Action Plan implementation.

Security component of ENP is lesser than the political and economic components, since security is not the sole domain of the European Commission. The relationship between EU and Armenia are horizontal, and as Liloyan³¹ noticed, “if it were not horizontal we would not negotiate about 1,5 year, and negotiating entails horizontality.” Besides, it yields less efficiency (than in case of accessing countries), because ENP requirements are mostly of declarative type and they are left on a country’s ambition, which means that EU does not ‘pull,’ but just supports.

The EU is able to become a major geopolitical actor in South Caucasus in the nearest future (as it is happened, e.g. in the case of Euro-Mediterranean Partnership), however, still it is not. This, as well as the implication that the results attained at the end of Action Plan’s implementation will not be considerable, is hindered by several factors.

Among them the vivid ones are geographic location and other external influences, EU internal structure making Euro-integration process in ENP countries sluggish, perception of EU’s role by internal authorities (e.g. Armenia), and lack of crisis management prerogative the European Commission has. Nevertheless, the EU can achieve more tangible results in terms of

³¹ Armen Liloyan is Head of EU division of European department of the Ministry of Foreign Affairs of RoA, and is one of the respondents to our interviews.

its interests' promotion and contribution to ENP countries to become more democratic, more secure, more predictable and economically sustained in line with the norms and standards defined by the European Community.

Recommendations

Since this Policy Internship has been conducted in AEPLAC, which, among other prerogatives, is chosen for technical and advisory assistance to the Government of Armenia within ENP, these recommendations based on the results of this project could be used by the Centre with its beneficiaries:

- **Awareness raising and visibility raising programs within both society & politicians.**

These programs will raise the level of knowledge Armenian society has. Even in Yerevan many people with higher education do not even know the difference between EU and the Council of Europe. If the country is moving towards EU, it is of utmost importance that the nation be at least aware what EU is, because otherwise it would mean that the government is integrating into Europe without its constituency. Besides, an aware citizen would be more requiring about implementation of set-out commitments. In addition, such programs will be very useful for public officials dealing with the ENP, because when the government understands that ENP does not envisage 'push or pull' actions in supporting of political and economic reforms by the EU, then it would be more active and sustainable to commitments.

- **Utilization of EU institutions in increasing regional contacts and cooperation on all levels.**

These steps will be very helpful especially in case of active involvement of civil society. Particularly in conflict settlement issues the cooperation between the civil societies of the three

South Caucasian countries may turn out to be very practical in e.g. dissipating belligerent atmospheres the Armenian and Azerbaijani nations have towards each other. ENP is the only case, as Jrbashyan³² said, in which all the three South Caucasian states are congruent.

- **Promotion of further reforms in Armenia based on the clauses laid down in official documents.**

It is very important to understand that some achievements, even if they are conspicuous, should not suffice. For this, continuing promotion of reforms based on clauses laid down in official documents between Armenia and European Community is very important. Sustainable approach to reforms' promotion may yield sustainable accomplishments and results.

- **Learn on the experience and mistakes of other states with a view of more efficient and purposeful utilization in Armenia of other EU mechanisms, such as Twinning and TAIEX.**

The mechanisms such as Twinning and TAIEX are very instrumental in the process of standard meeting and administrative reforms. However, as it was shown above, what is written on paper and what is available are not always the same (e.g. Moldova's and Ukraine's still not accessible situation). For this, to learn on the experience and mistakes of other countries will be a right decision to avoid in the future at least those mistakes and shortcomings that are experienced elsewhere.

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³² Tigran Jrbashyan is Head of AEPLAC.

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Appendix A

Questionnaire
1 What is ENP?
2 Why are we part of ENP?
3 How effective would you assess Armenia's Euro-integration in general and ENP in particular?
4 Is the status of Armenia's position in the framework of ENP equal to that of EU?
5 In which aspect, in your opinion, will the ENP be more productive: political or security issues? Why?
6 Is ENP contributing to the enhancement of the EU's role as a geopolitical actor?
7 The EU puts much effort in conflict prevention and crisis management. In your view, is there any ground that the EU can have a determinant role in the Nagorno-Karabakh issue thus increasing the level of security in the region?
8 Comparably which reforms supported by the EU have been more efficient: internal institutional, political or economic?
9 What can we expect from the Action Plan when it is signed? Is it really a step forward or no?