
**Germany and the Eastern Partnership
After the Ukraine Crisis**

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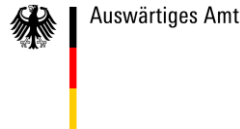
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Executive Summary

The conflict in and about Ukraine has catapulted the European Union's Eastern Partnership (EaP) into the limelight of international attention. Belittled as a bureaucratic and technical policy instrument, the European Neighbourhood Policy and the EaP as its Eastern regional dimension have within the course of a few months gained unexpected geopolitical significance. By the same token, Germany – initially reluctant to be at the forefront of the Eastern Partnership initiative – has found itself at the centre of crisis-management efforts in Ukraine. This has, however, not resulted in a change of Germany's general position towards the EaP with regard to a possible membership perspective for the most advanced countries. For Germany, the EaP remains a tool of *Ordnungspolitik* – projecting order in the neighbourhood – and not a pre-accession instrument.

The 2015 ENP review reflects Germany's position: It offers no indication of a possible membership perspective and only limited additional incentives for the associated countries Ukraine, Georgia and Moldova. From a German perspective, EU support should focus more on strengthening conditionality to avoid a backsliding in associated countries and less on additional financial incentives or cooperation formats. Despite the conflict in Ukraine, Germany remains convinced that stabilisation in the neighbourhood can only be achieved with and not against Russia.

Whether this approach is sufficient to drive the transformation process and provide stability in the neighbourhood, given Russia's increasing assertiveness, remains to be seen. For non-associated countries (Armenia, Belarus and Azerbaijan), the transformative aspirations of the ENP have been given up for a more pragmatic and transactional approach: differentiated cooperation offers these countries a new channel to engage with the EU beyond Association Agreements/Deep and Comprehensive Free Trade Areas (DCFTAs). For Ukraine, the test for German leadership beyond crisis-management will be what more Germany can do if Minsk II is not implemented and the conflict in Eastern Ukraine becomes yet another protracted and unresolved conflict in the neighbourhood.

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Introduction

The Eastern Partnership (EaP), initiated in 2008 by Poland and Sweden as the Eastern dimension of the European Neighbourhood Policy (ENP), aimed at transforming the countries East of the European Union (EU) into a prosperous and stable region following the EU example of good governance and rule of law. Through bilateral Association Agreements, including market-access in form of Deep and Comprehensive Free Trade Areas (so-called DCFTAs), as well as multilateral cooperation among the six participating EaP states (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine), a gradual integration through convergence with European norms, values and standards should create a “Wider Europe”¹ without offering an explicit membership perspective to these countries – “everything but institutions” as former Commission President Romano Prodi famously put it.²

The ENP was designed as an “alternative to geopolitics”³: Based on the experiences of enlargement policy, it combined different elements and tools in its methodology, from development policy, foreign trade policy to foreign and security policy.⁴ However, foreign and security policy as well as conflict prevention and resolution was initially less of a priority compared to the idea of domestic transformation in EaP countries through external governance. The conflict in Ukraine has brought security aspects back on the agenda: President Yanukovich’s refusal to sign the Association Agreement in November 2013 and the subsequent Euromaidan protests as well as Russian interventions in Crimea and Eastern Ukraine turned the EU into an involuntary party to a conflict about spheres of influence in the common neighbourhood with Russia.

1. European Commission, “Wider Europe – Neighbourhood: A new Framework for Relations with our Eastern and Southern Neighbours”, 11 March 2003, available at: <<http://eeas.europa.eu>>.

2. Romano Prodi, “A wider Europe – A Proximity Policy as the key to stability”, speech at the sixth ECSA-World Conference, Brussels, 5-6 December 2002, available at: <<http://europa.eu>>.

3. Stefan Lehne, “Relaunching the European Neighborhood Policy”, 12 December 2014, Carnegie Europe *Strategic Europe* blog entry, available at: <<http://carnegieeurope.eu>>.

4. Barbara Lippert, “The Discussion on EU Neighbourhood Policy – Concepts, Reform Proposals and National Positions”, FriedrichEbertStiftung Policy Paper, July 2007, available at: <<http://library.fes.de>>.

Surprisingly, not Europe's traditional foreign and security actors – France and the UK – took on a leadership role in crisis-management efforts in Ukraine. Instead, Germany stepped in, supported by France and the Swiss OSCE chairmanship in various dialogue formats. While Germany has always pursued an active Eastern Europe policy due to its geographic location, historical legacy and economic ties with the Eastern neighbourhood, it has traditionally also maintained strong ties with Russia and engaged actively in improving EU-Russia relations – leading to reproaches of a German “Russia first” policy.⁵ During the Ukraine conflict, Germany prioritized a leadership role in crisis-management efforts over its relationship with Russia, based on a principled rejection of Russia's actions as a violation of international law and the European security order.

To what extent has the conflict in and about Ukraine changed Germany's engagement within and thinking about the EaP, in particular with regard to a membership perspective for the most advanced countries? What are Germany's interests and positions in the ENP review process and the future of the EaP? These questions will be answered in the following analysis, beginning with an overview of Germany's engagement in the EaP before the Ukraine conflict, Germany's rise to leadership in crisis-management and ending with a discussion of Germany's perspective on the ENP review process and the future outlook of the EaP in general.

5. Iris Kempe, “From a European Neighbourhood Policy toward a new *Ostpolitik*. The Potential Impact of German Policy”, *CAP Policy analysis*, n°6, 2006, available at: <www.cap.lmu.de>.

Germany and the EaP before the Ukraine conflict

As Europe's biggest trading power, Germany is dependent on stable export markets and energy provision and has therefore a great interest in a stable and prosperous European neighbourhood as it is envisioned in the ENP. The ENP was launched "to create an enlarged area of political stability and functioning rule of law, and to foster the mutual exchange of human capital, ideas, knowledge and culture"⁶ with the countries bordering the EU in the East and in the South.

With the big Eastern enlargement round in 2004 approaching, Germany as well as other EU member states recognized the need for a political and institutional accommodation of the EU's relations with its neighbours, given the EU's new size and heterogeneity. Germany has thus welcomed the idea of offering countries in the European neighbourhood closer economic and political ties in order to facilitate political and systemic transformation in accordance with European values and standards.⁷

Not in a leadership role

Even though the goals and soft power instruments of the ENP fit Germany's foreign policy agenda and its civilian power identity, Germany was initially not among the key drivers of the policy. Instead, German policy-makers left the policy entrepreneurship on ENP and EaP to the Visegrád countries, Lithuania and Sweden, which enabled Germany to engage more actively in improving EU relations with Russia, since Russia rejected a participation in the ENP from the beginning.⁸ For instance, in May 2003 the "Four Common Spaces" initiative with Russia was launched at the EU-Russia summit in St Petersburg on Germany's initiative. However, Germany remained convinced that the Eastern European countries, labelled as

6. European Commission, "Wider Europe – Neighbourhood: A new Framework for Relations with our Eastern and Southern Neighbours, 11 March 2003, available at: <<http://eeas.europa.eu>>.

7. Katrin Böttger, *Die Entstehung und Entwicklung der Europäischen Nachbarschaftspolitik: Akteure und Koalitionen*, Baden-Baden, Nomos, 2010.

8. Hiski Haukkala, "Russian Reactions to the European Neighborhood Policy", *Problems of Post-Communism*, Vol. 55(5), 2008, p. 40-48.

'European neighbours' in contrast to the 'neighbours of the EU' in the Southern Mediterranean, deserved special recognition and support by the EU. Unlike Poland, Sweden and the Baltics, however, Germany did not envision this EU support to go as far as to offer the Eastern neighbours an explicit EU membership perspective.

In 2006, the Federal Foreign Office proposed an 'ENP Plus' initiative. With impressions of the Orange revolution in Ukraine still fresh on the mind of German policy-makers, Germany proposed a regional framework specifically for the East on top of the bilateral ENP dimension. Even though the initiative eventually failed, many aspects were later included in the Polish-Swedish proposal for an EaP in 2008, which was adopted by the European Council in March 2009. Again, the activities in the EU's Eastern neighbourhood and ENP were accompanied by a policy initiative towards Russia: in 2010, the EU concluded a Modernisation Partnership with Russia, based on the model of the German-Russian Modernisation Partnership from 2008. Germany has always been convinced that the Eastern neighbourhood could only be stabilised and reformed in a sustainable way when ENP instruments were accompanied by a functioning partnership between the EU and Russia.

Bilateral versus multilateral relations

Germany has supported the multilateral approach of the ENP, but at the same time has not been willing to fully align its bilateral relations with a European agenda. While ENP has a deeply enshrined value dimension and aims to apply the 'more for more' principle by granting neighbour countries more access to EU markets and formats in return for strengthening human rights and the rule of law, bilateral relations have often followed a 'more for less' logic.⁹With regard to trade, access to energy resources, security and migration, Germany has had a critical interest in holding up diplomatic and business relations with countries in the European neighbourhood without applying conditionality concerning human rights or democratic standards. This applies in particular to autocratic regimes in the Southern neighbourhood like Algeria, Morocco, Tunisia or Egypt, with whom Germany has entertained close relations despite human rights violations.¹⁰The effectiveness of the ENP has suffered from such inconsistencies between bilateral policies by EU member states and overall ENP goals.

However, this polyphony of actions has been less of an issue within the EaP. Germany's trade relations with the Eastern

9. Michael Leigh, "New Policies Urgently Needed for EU Neighborhood", GMF Blog Post, 18 November 2015, available at: <www.gmfus.org>.

10. Edmund Ratka, Deutschlands Mittelmeerpolitik: Selektive Europäisierung von der Mittelmeerunion bis zum Arabischen Frühling, Baden-Baden, Nomos, 2014.

neighbourhood countries are not of high importance and German energy imports mainly come from Russia. Looking at German imports in 2014, EaP countries rank only between the 45th (Azerbaijan) and 105th position (Georgia). Numbers on German exports to the region reveal a similar picture.¹¹ In comparison, Russia was the 10th most important country for Germany in terms of imports and the 13th most important country in terms of exports in 2014.¹²

Azerbaijan presents itself as an exception to this pattern of weak trade links and limited future trade potential, exposing Germany and the EU to a difficult tension between values and business. The wealthy but autocratic Caucasian country is an attractive business partner for Germany, especially with regard to crude oil imports and automobile and machinery exports, but it has shown no interest in domestic democratic transformation and closer political association with the EU in general, as long as conditionality with regard to human rights and rule of law is applied.

Overall, however, the balancing act between the value-based multilateral EU approach and bilateral business interests has manifested itself for Germany rather with regard to relations with Russia than with the Eastern neighbours. Therefore, Germany has been able to put a strong emphasis on civil society, foreign cultural policy and development cooperation without compromising on its strategic national interests in the region.

German engagement and presence in the EaP countries has benefited from a strong cross-partisan political consensus on the status of Central- and Eastern Europe as the “single most important region”¹³ for Germany which has resulted in a generous budget for the work of German political foundations in and on the region.¹⁴ Accordingly, the German political foundations have a strong presence in the region and cover all of the EaP countries by their activities to foster good governance, democratisation and international dialogue, although they have been less vigorous than their U.S. counterparts in supporting the “coloured revolutions” in Georgia in 2003 and in Ukraine in 2004.

11. Ranking of German imports/exports: Azerbaijan (position 45/72), Ukraine (position 51/43), Belarus (position 74/56), Moldova (position 93/91), Armenia (position 102/115), Georgia (position 105/87), data available at: <www.gtai.de>.

12. See Germany Trade and Invest's economic data for Russia, available at: <www.gtai.de>.

13. Kai-Olaf Lang, “Germany, the European Union, and their Gentle Force in the European Neighbourhood – A Comparison of Two Soft Power Engines”, in: Toms Rostoks and Andris Spruds (Ed.): *The different faces of "soft power": the Baltic States and Eastern Neighbourhood between Russia and the EU*, Latvian Institute for International Affairs, Riga, 2015, p. 49.

14. Konrad Adenauer Foundation (CDU), Friedrich Ebert Foundation (SPD), Heinrich Boell Foundation (Bündnis 90/Die Grünen), Friedrich Naumann Foundation (FDP), Hanns Seidel Foundation (CSU), Rosa Luxemburg Foundation (Die Linke).

The German Academic Exchange Service has supported exchange with over 16,000 individuals from Central- and Eastern Europe and the CIS in 2013. In addition, private endowments play an increasingly important role in entertaining dialogue fora, fostering networks and young leaderformats and facilitating political and expert level exchanges. Furthermore, German businesses have established a dense network of chambers of commerce and other German business representation offices (in Ukraine, Belarus, Azerbaijan, Georgia and Armenia). The Committee on Eastern European Economic relations (*Ostausschuss der Deutschen Wirtschaft*), which includes the most important associations of the German economy, is active in Eastern Europe as well as in the South Caucasus. Also, German development cooperation in Eastern Europe includes a broad range of support in the areas of sustainable economic development, energy efficiency, health and technical assistance to administrative reforms.¹⁵

Due to the strong and multifaceted presence and networks of German actors in the region, which exceeds the engagement of other EU countries by far, Germany has over the last years continuously exerted soft power in the Eastern neighbourhood. Germany's long-term exertion of soft power and bilateral day-to-day engagement in EaP countries has strengthened ENP policy even though the distinctive German impact on developments in individual countries cannot easily be isolated other European and bilateral efforts.

Another aspect of bilateral engagement towards the EaP countries concerns the area of security policy. The lack of a strong conflict prevention and resolution dimension in the EaP has created the need for individual initiatives by member states outside the ENP framework to contribute to conflict-resolution efforts, for instance in Moldova and Georgia (EU Monitoring Mission). The Meseberg initiative from 2010 stands out in particular. In exchange for the establishment of an EU-Russian political and security committee, Germany hoped for Russia's support in a new conflict-resolution initiative in Transnistria. However, this initiative was not coordinated within the EU and after initial interest also not welcomed anymore by Russia and therefore eventually failed.¹⁶

In sum, Germany's engagement in the EaP before the Ukraine conflict in 2013 is characterised by continuous engagement and support for the EaP, but also by a reluctance to take on a visible leadership role in policy entrepreneurship and a rejection of EaP as

15. For a more detailed overview, see: Kai-Olaf Lang, "Germany, the European Union, and their Gentle Force in the European Neighbourhood – A Comparison of Two Soft Power Engines", in: Toms Rostoks and Andris Spruds (Ed.): *The different faces of "soft power": the Baltic States and Eastern Neighborhood between Russia and the EU*, Latvian Institute for International Affairs, Riga, 2015.

16. Vladimir Socor, "Meseberg Process, Germany Testing EU-Russian Security Cooperation Potential", *Eurasia Daily Monitor*, Vol.7, Issue 191, 22 October 2010, available at: <www.jamestown.org>.

an instrument of enlargement policy. Nevertheless, Germany expressed strong support for EaP policies without undermining or circumventing European policy substantially for its own national or economic interest. Instead, Germany's soft power and close links, networks and exchanges with EaP countries as well as engagement in conflict resolution efforts have contributed positively to the relationship with the Eastern neighbours. At the same time, Eastern neighbourhood policy was always accompanied by policies towards Russia, often initiated by Germany, in a continuous attempt to build a stable neighbourhood not against, but with Russia.

The Ukraine conflict and Germany's rise to leadership

While the bureaucratic and technical process of negotiating the EaP Association Agreements including DCFTAs with Armenia, Georgia, Moldova and Ukraine was predominantly managed by the EU Commission and institutions, the first signing of an Association Agreement with Ukraine brought the EU member states (and in particular Germany) back onto the central stage in the unfolding conflict with Russia.

In the run-up to the Vilnius summit in 2013, the first indication that the signing of Association Agreements with the Eastern countries would not proceed as smoothly as hoped for by the EU was the so called Armenian “U-Turn”¹⁷: Although having already concluded the negotiations for an Association Agreement, the Armenian president announced in September 2013 after a visit to Moscow his decision to join the Russian-led Eurasian Economic Union in exchange for a reduction of Russian gas prices. Despite this warning signal that Russia was stepping up pressure on EaP countries, the refusal of President Yanukovich to sign the Association Agreement one week before the Vilnius summit in November 2013 came as a surprise to the EU, as did the subsequent Euromaidan protests in Kiev and across the country.

Euromaidan: “No mediation role for Germany”

The German government initially adopted a reserved position towards the Euromaidan protests. Frank-Walter Steinmeier, inaugurated as new foreign minister on December 17, rejected a mediation role for Germany in Ukraine and referred to EU efforts.¹⁸ Gernot Erler, the Coordinator for Intersocietal Cooperation with Russia, Central Asia and the Eastern Partnership Countries, argued for restraint in Germany's engagement and criticised former German foreign minister Guido Westerwelle for his surprise visit to Kiev in the last weeks of his

17. “EU-Officials Warn Yerevan Over U-Turn”, *RFE/RL*, 4 September 2013, available at: <www.rferl.org>.

18. “Steinmeier lehnt eine Vermittlerrolle ab”, *Die Welt*, 19 December 2013, available at: <www.welt.de>.

term in office.¹⁹ Only when the situation escalated after President Yanukovych tightened demonstration laws in January 2014 and violent clashes erupted in February has Germany intervened as part of the Weimar triangle: the three foreign ministers Steinmeier, Fabius and Sikorski negotiated on February 21 an agreement between President Yanukovych and the opposition on new presidential elections towards the end of 2014. In addition, the EU Foreign Affairs Council agreed on targeted sanctions against Ukraine.

The agreement between the government and the opposition did not last long: The disappearance of President Yanukovych on February 22 in an unclear security situation resulted in the formation of an interim government under Arseniy Yatsenyuk, which was not considered legitimate by Russia.²⁰ At the beginning of March, increased Russian troop movements in Crimea and the takeover of strategic positions on the peninsula were reported. In response, the EU suspended bilateral talks with Russia on visa matters as well as on a new Partnership and Cooperation Agreement.

Germany's stance and criticism towards Russia also became more outspoken. In a government statement in the Bundestag five days before the formal annexation of Crimea, the German chancellor Angela Merkel condemned in strong words Russia's actions and outlined a three-tier crisis-management framework: economic sanctions against Russia – facilitating talks and dialogue between Ukraine and Russia – and strengthening of the Ukrainian state. This policy was to be pursued in accordance with the EU and the U.S.²¹

A three-tier German crisis-management framework

Germany took on a leadership role in all three aspects of this crisis-management framework: The German government, together with the Swiss President and OSCE Chairperson-in-Office Didier Burkhalter, led efforts for the establishment of a trilateral contact group under the auspices of the OSCE, which eventually resulted in the Minsk process. Germany was also an important broker for a common European position in sanctions policy – both against the resistance of more reluctant and the push of more demanding member states. Furthermore, Germany has considerably contributed to efforts to

19. Gernot Erler, "In Sachen Ukraine gibt es in der EU zu viele Fehleinschätzungen", *Internationale Politik*, 12 December 2013, available at: <<https://zeitschrift-ip.dgap.org>>.

20. Russian Presidential Administration, "Vladimir Putin answered journalists' questions on the situation in Ukraine", *kremlin.ru*, 4 March 2014, available at: <<http://en.kremlin.ru>>.

21. German Federal Government, "Government Statement", 13 March 2014, available at: <www.bundeskanzlerin.de>.

stabilise and support Ukraine, with regard to financial and humanitarian assistance as well as advice and assistance for structural reforms. Consultations and visits have frequently taken place between German and Ukrainian officials, advisory groups and business associations.²²

In sanctions policy, Germany played an important role in gaining the support of EU member states for a three-tier sanctions regime. While more reluctant member states initially opposed the inclusion of economic sanctions in the EU sanctions regime, the Baltic countries and Poland favoured a stronger stance out of security concerns. Big member states had their preferential interests, too: France in the case of two mistral warships designated for Russia as well as the UK in case of financial disadvantages for the City of London. External shocks – in particular the downing of the MH17 flight in Eastern Ukraine on 17 July 2014 – played also a role in the eventual implementation of sanctions in specific economic sections on 29 July 2015.²³

Furthermore, Germany pushed from the beginning for a strong role of the OSCE and led together with the Swiss OSCE chairmanship efforts for the deployment of a Special Monitoring Mission in Ukraine in March 2014, which was later also tasked with monitoring the implementation of the Minsk agreements. Also, Germany was closely involved in the shuttle diplomacy of the Swiss OSCE chairmanship for the establishment of a trilateral contact group at the beginning of June 2014 under Swiss ambassador Heidi Tagliavini, which led to the conclusion of the first Minsk agreement on September 5, 2014 between Moscow, Kiev and pro-Russian separatists.²⁴ Since the first Minsk agreement did not lead to a lasting ceasefire in Eastern Ukraine, Germany together with France took the initiative at a meeting in the Normandy on June 6, 2014 for the establishment of an international contact group between Germany, France, Ukraine and Russia, which negotiated the Minsk II agreement on February 12, 2015.

In parallel to crisis-management efforts in Ukraine and in order to avoid more last minute attempts from the Russian side to derail the association process with other EaP countries, the signing of the Association Agreements with Moldova and Georgia was deferred to June 2014 and is provisionally applied since 1 September 2014.²⁵ Initially, the signing should take place during the Riga summit in May

22. Auswärtiges Amt, "Hochrangige deutsche Unterstützung für die Ukraine", 1 October 2015, Press release, available at: <www.auswaertiges-amt.de>.

23. European Council, "EU restrictive measures in response to the crisis in Ukraine", Press release, 18 November 2015, available at: <www.consilium.europa.eu>.

24. Christian Nünlist, "Testfall Ukraine-Krise: das Konfliktmanagement der OSZE unter schweizer Vorsitz", *Center for Security Studies Bulletin*, ETH Zürich, March 2014, available at: <www.css.ethz.ch>.

25. See Official Journal of the European Union, L259, 30 August 2014, available at: <<http://eur-lex.europa.eu>>.

2015. The interim Ukrainian government signed the political parts of the Association Agreement in March 2014 and in June 2014, after presidential elections in Ukraine, the entire Association Agreement including the DCFTA was signed. The application of the DCFTA was however postponed until 2016 (Ukrainian goods nevertheless already enjoyed access to the EU market) to avoid negative consequences for the Ukrainian economy through Russian countermeasures and to clarify concerns from Russia that EU goods could illegally be imported into Russia through Ukraine.

At the Riga summit in May 2015, Merkel acknowledged and emphasised the progress made by Ukraine and Georgia on their way to Visa Liberalisation, but refused to give the EaP forerunners Ukraine, Moldova and Georgia an EU membership perspective as Poland, Lithuania and the German Green party had argued for.²⁶ In a speech in the German Bundestag on May 21, 2015, Merkel stressed that “particularly in the given situation, the idea of the Eastern Partnership is more important than ever”²⁷. However, she also put the lid on hopes of EaP states and explicitly excluded a future membership perspective (“The Eastern Partnership is not an instrument of EU enlargement policy”²⁸), arguing that it is important not to raise expectations that cannot then be satisfied.

In sum, Germany has taken on a strong and engaged role in crisis-management efforts in Ukraine, together with France and the Swiss OSCE chairmanship, on the expense of its good political and economic relations with Russia. This is surprising not only because Germany has left crisis-management in a similar situation – during the Russian-Georgian War 2008 – to France, but also because Germany has traditionally maintained strong ties with Russia and engaged actively in improving EU-Russia relations – leading to reproaches of a German “Russia first” policy.²⁹ During the Ukraine conflict, Germany has clearly prioritised a leadership role in crisis-management efforts over its relationship with Russia, based on a principled rejection of Russia's actions as a violation of international law and the European security order. However, despite increased Russian assertiveness and the heightened geopolitical pressure for the EaP states, Germany has not changed its principled stance that the EaP is not an instrument of EU enlargement. This is also reflected in Germany's perspective and assessment of the ENP review.

26. Bündnis 90 Die Grünen, “EU-Perspektive für Östliche Partnerschaft notwendig”, press release, 20 May 2015, available at: <www.gruene-bundestag.de>, <www.ecfr.eu>.

27. German Federal Government, “Government Statement”, 21 May 2015, available at: <www.bundesregierung.de>.

28. *Ibid.*

29. Iris Kempe, *op. cit.*

The ENP-Review from a German perspective³⁰

In the context of the Ukraine conflict and other threats like terrorism and increased irregular migration emanating from the Southern neighbourhood, the Foreign Ministers of Germany, France and Poland called for a revision of the ENP by presenting their assessment of a dysfunctional ENP in their joint Weimar Triangle statement on April 1, 2014.³¹ They demanded a more political, flexible and effective ENP with a prominent role for the European External Action Service (EEAS), which should be apt to quickly react to crises in the European neighbourhood. In another line of reasoning, the three foreign ministers also called for more tailor-made offers to individual neighbours in order to raise co-ownership and an even stronger focus on people to people contacts and civil society.

Pragmatism and prioritisation

The Weimar Triangle has proven to be a very utile platform for Germany in the context of the ENP as it represents a balance of regional interests with France and Poland being the traditional leaders in the Southern and the Eastern neighbourhood respectively. In the course of the resulting ENP review process, which was launched by the Commission and the EEA in March 2015³², the Federal Foreign Office was the main driver of the German positioning and policy input, revealing the technical level of the German discourse with regard to the general ENP set-up. The Federal Chancellery, on the other hand, took the lead on the more politicised issues of crisis-management in Ukraine. The German positioning addressed five major points: a stronger politicisation of the ENP, stronger differentiation of ENP policies, stricter application of conditionality, a

30. This section is to a large extent based on interviews with German and European officials conducted between June and December 2015.

31. Auswärtiges Amt, "Building a Stronger Compact With our Neighbours: A New Momentum for the European Neighbourhood Policy – Statement by the Foreign Ministers of the Weimar Triangle", 1 April 2014, available at: <www.auswaertiges-amt.de>.

32. European Commission, "Joint Consultation Paper: Towards a New European Neighbourhood Policy", 4 March 2015, available at: <<http://ec.europa.eu>>.

better inclusion of the 'neighbours of the neighbours' and a reminder that ENP is not an EU accession instrument.

The German call for a stronger politicisation of the ENP, a closer link to Common Foreign and Security Policy (CFSP) and a more important role of EU member states, acknowledges the failure of the originally envisioned ENP approach and the resulting variety of challenges and threats to the EU and its neighbourhood. As a consequence, German policy-makers have expressed the need for a relative prioritisation of security and stability over democratic transformation, without however abandoning the concept of comprehensive political and economic partnerships between the EU and ENP countries in order to promote European values and increase people to people contacts.

This pragmatic approach is also reflected in German demands for a stronger differentiation of bilateral ENP approaches in order to accommodate different levels of ambition and capacities to reform of individual ENP partner countries.³³ Developments since 2013 have shown that the ambitions of EaP states regarding association with the EU vary greatly and require diverging responses that are at the same time in line with the interest of the EU and the EaP countries. In this regard, German policy-makers have emphasised that the value dimension should certainly not be fully uncoupled from ENP and EaP, but that Armenia, Belarus and Azerbaijan should be offered more flexible and less demanding cooperation formats below the level of Association Agreements. How and if an acceptable balance between strategic business, energy and security interests on the one hand and value promotion on the other hand can be struck remains to be seen. For the time being, Germany supports the launch of negotiations with Armenia on a new framework agreement below the level of an Association Agreement and welcomes the temporary suspension of sanctions against Belarus as a chance to improve relations with the EU.

Another aspect that has ranked high on the German agenda has been the perception that the adherence to conditionality has to be linked to a greater extent to the allocation of financial resources from the European Neighbourhood Instrument (ENI) or the progress on the implementation of Association Agreements, DCFTAs and mobility partnerships. Enforcement of the 'more for more' principle has been weak in the past, with the pure announcement of reforms often already triggering more financial or technical support. Looking at democratic backsliding and a corruption crisis in Moldova, Germany has been among the countries which admonished the need for a stricter EU approach on the application of the 'more for more'

33. German Federal Government, "The Eastern Partnership is More Important Than Ever", Government Statement in the German Bundestag, 21 May 2015, available at: <www.bundesregierung.de>.

approach in order to make ENP countries fulfil their reform announcements.

Aware of the EU's current limited leverage on reform efforts in individual countries, Germany supports the idea to strengthen ownership for reform and transformation in the ENP countries. As a consequence, Germany has refused to give the EaP frontrunners Georgia, Moldova and Ukraine additional cooperative or financial incentives to continue their path of reforms, arguing that the "more for more" approach has proven its limits and cannot replace the willingness of the political elites within the EaP countries to conduct sustainable reforms.

Besides, German policy-makers have firmly promoted a stronger inclusion and consideration of the 'neighbours of the neighbours', based on the assumption that only a stronger recognition of geographical links and power equilibriums can result in efficient policies leading to more stability in the European neighbourhood. With regard to the EaP, Germany has repeatedly emphasised that the neighbourhood can only be stabilised together with Russia and not against it – without implying that Russia should be given any veto power over the EaP states' choices of direction.

In the medium and long term, Germany is therefore in favour of looking for opportunities to engage with the Eurasian Economic Union in a way that the EaP countries do not need to choose between trade with Russia and closer association with the EU. With regard to Ukraine, Germany has therefore explicitly welcomed the trilateral talks between the EU, Russia and Ukraine which were launched in order to implement the Association Agreement and DCFTA with Ukraine. However, the Federal Foreign Office does not consider the format a blueprint that should be applied to all Eastern partners.

Germany's assessment of the ENP-Review

Generally, the German position has been that ENP does not suffer from bad instruments or procedures but that existing tools need to be used more coherently. German policy-makers therefore also do not see the need to change their stance on ENP as not being an instrument of enlargement policy. Consequently, Germany has been very satisfied with the results of the review process which the European Commission and the EEAS presented on November 18, 2015³⁴ – even though it did not offer many surprises.³⁵

34. European Commission, "Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Review of the European Neighbourhood Policy", 18 November 2015, available at: <<http://eeas.europa.eu>>.

The Joint Communication outlines a new political, pragmatic, flexible and differentiated ENP and meets all of Germany's main priorities, however to a varying extent. Germany welcomes the announcement to involve EU member states more closely in the shaping of ENP objectives and to replace ENP Action Plans, which are criticised as being too rigid and unresponsive to short term developments, by precise and interest-based Partnership Priorities. Also, the emphasis on an even stronger differentiation of cooperation and association offers is in line with German interests. The question how minimum requirements along the lines of democratisation, human rights and rule of law can be defined for countries like Belarus or Azerbaijan, which have proven unwilling to submit themselves to European conditionality, will now need to be discussed by EU policy-makers as a next step. The principle of taking into consideration and including the "neighbours of the neighbours", however, was not as prominently and broadly represented in the final Communication as Germany had hoped for. Some EU member states like Sweden or the Baltics have strongly criticised the idea to give Russia any kind of influence on EaP issues. Accordingly, the principle was mentioned only with regard to policy areas like migration, energy and security.³⁶

In total, the "new ENP" presents not many surprises, but a new pragmatism and prioritisation with a strong focus on stabilisation and conflict management. The EU no longer sustains its aspiration to act as a transformative power in the Eastern region with a strong value dimension, but chooses a more pragmatic transactional approach, focusing on stability.³⁷ However, new policies and initiatives are not to be expected by 2017 due to fixed financial allocation of European Neighbourhood Instrument (ENI) funds, and no announcements have been made to increase funding before that. New medium and long term ENP priorities can therefore only be implemented after the mid-term review in 2017.³⁸

35. Rosa Balfour, "Making the Most of the European Neighbourhood Policy Toolbox", German Marshall Fund of the United State blog entry, 18 November 2015, available at: <www.gmfus.org>.

36. European Commission, "Joint Consultation Paper: Towards a new European Neighbourhood Policy", 4 March 2015, available at: <<http://ec.europa.eu>>.

37. Anthony Dworkin and Fredrik Wesslau, "Ten talking points from the new ENP", *ECFR Commentary*, 20 November 2015, available at: <www.ecfr.eu>.

38. Stefan Lehne, "Toward a European Neighborhood Realpolitik?", *Strategic Europe* blog entry, Carnegie Europe, 19 November 2015, available at: <<http://carnegieeurope.eu>>.

Outlook: The future of the EaP and the role of Germany

Six years after the launch of the EaP, the results are mixed. The EaP countries are de facto split in two groups of associated and non-associated countries. On the one hand, Ukraine, Georgia and Moldova have signed Association Agreements including DCFTAs with the EU – the most far-reaching instrument the EU has to offer apart from membership. For Ukraine, however, this took place at the cost of its territorial integrity. By now, all three associated countries have territorial conflicts, which give Russia leverage over the development of these countries and make closer integration with the EU more difficult. On the other hand, Belarus, Armenia and Azerbaijan have a varying degree of interest in closer integration with the EU as well as challenging domestic outlooks, but may seek cooperation among other reasons to increase their room for manoeuvre in light of greater Russian assertiveness in the neighbourhood.

Against the backdrop of a greater politicisation and increased geopolitical pressure for the EaP countries, demands for greater strategic clarity in the EU's EaP policy have been voiced in particular by Poland, Sweden and the Baltic States. While Germany has taken on a strong and engaged leadership role in crisis-management efforts in Ukraine, on the expense of its good political and economic relations with Russia, this has not translated into more boldness towards the EaP in general.

Germany's general position has not changed with regard to the question of a membership perspective for the most advanced EaP countries – firstly, out of concern that neither the Eastern countries are far enough in their development for a membership perspective, nor has the EU the absorption capacity for further enlargement, given the number of internal crises the EU is currently facing. Secondly, a membership perspective could also be perceived as a further provocation by Russia and might put the Eastern countries at a greater risk of Russian interference, with only limited capabilities on the side of the EU to react. Therefore, for Germany, “geostrategic caution” seems to be the appropriate choice of the moment.³⁹

39. Thomas de Waal, Richard Youngs, “Reform as resilience: An Agenda for the Eastern Partnership”, Carnegie Endowment for International Peace article, 14 May 2015, available at: <<http://carnegieendowment.org>>.

Germany's position is also reflected in the ENP review, which includes many of Germany's initial positions and interests. The strategic ambiguity about the finalité of the policy is also part of the new ENP, which offers no indication of a possible membership perspective and only limited additional incentives for the associated countries Ukraine, Georgia and Moldova. For non-associated countries, the transformative aspirations of extending EU rules and norms have been given up for a more pragmatic and transactional approach. Whether this approach is sufficient to drive the transformation process in associated countries, to re-invigorate the relationship with non-associated countries and to provide stability in the neighbourhood given Russia's increasing assertiveness remains to be seen.

From Germany's perspective, stabilisation in the neighbourhood can only be achieved with and not against Russia, even after the unfolding of the conflict in Ukraine. As a consequence, it is important from a German perspective to soften the new dividing lines within the EaP between associated and non-associated countries through differentiated cooperation offers, and to find in the mid- and long-term ways to reduce the integration competition between the EU and Russia by cooperating where necessary and possible, without giving Russia a veto right. However, as Thomas de Waal and Richard Youngs point out, the danger of this approach is that "in the future, the partnership looks set to resemble a framework of negotiated order, within which Russia has a de facto if not a formal voice."⁴⁰ For Ukraine, the test for German leadership beyond crisis-management and towards conflict-resolution will be what more Germany can do if the Minsk process fails and the conflict in Eastern Ukraine becomes yet another protracted and unresolved conflict in the neighbourhood.⁴¹

40. *Ibid.*

41. John Lough, "Ukraine crisis Prompts a Sea Change in Germany's Russia Policy", Chatham House Expert comment, 24 November 2014, available at: <www.chathamhouse.org>.

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