EXECUTIVE SUMMARY

The European Neighbourhood Policy (ENP) has suffered from a “conception-performance gap”. It was conceived with the vision of creating a ‘ring of friends’ at Europe’s borders but after one decade of implementation, the European Union (EU) is surrounded by a ‘ring of fire’. This policy paper reviews the ENP’s first decade, analyses how the review of November 2015 addresses the conception-performance gap and formulates recommendations for the policy’s future implementation.

1. From a ‘ring of friends’ to a ‘ring of fire’

During its first decade, the ENP has become a valuable platform for closer political and economic integration with a number of neighbouring countries. Yet, it failed to fulfil its key aims of promoting peace, stability and prosperity. The 2015 ENP review addresses this conception-performance gap by lowering the EU’s ambition and refocusing the policy on stabilisation and joint interests in the fields of security and migration. It seeks to improve the ENP’s performance through increased focus, differentiation, flexibility and ownership.

2. Towards implementation: four cleavages

The 2015 ENP review adjusts the policy’s conception to the realities in the neighbourhood. But whether the EU will be able to influence these realities will depend on the ENP’s implementation. This paper identifies four cleavages that are likely to shape the policy’s future performance:

- Pragmatic differentiation vs. normative indifference
- New priorities vs. old quest for coherence
- Static multilateralism vs. functional flexibility
- Technocratic logic vs. geopolitical game

3. Shaping a more strategic ENP

To shape a more strategic ENP that strikes the necessary balance between values and interests the EU should:

- **Fully endorse variable geometry** by offering substantial financial and political incentives to the ENP ‘frontrunners’ and maintaining a normative threshold with the less ambitious neighbours.
- **Effectively connect policy agendas** by reinforcing the strategic and financial linkages between the ENP, the EU’s Common Foreign and Security Policy and migration policy.
- **Keep the member states seized** by presenting a political roadmap with concrete proposals for thematic frameworks that would complement the ENP’s multilateral frameworks.
- **Engage constructively with geopolitics** through gradual and selective economic cooperation with the Eurasian Economic Union and by preparing the way for a robust diplomatic process on European security with Russia.
# INHALTSVERZEICHNIS

## INTRODUCTION: THE ENP’S CONCEPTION-PERFORMANCE GAP

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## Shaping a more strategic ENP

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INTRODUCTION: THE ENP’S CONCEPTION–PERFORMANCE GAP

The EU suffers from a “conception-performance gap” in its foreign policy. Essentially, it depicts its role as that of a unified and effective international actor. However, in its policy performance it often fails to live up to this image due to the lack of pooled sovereignty, common political will, shared resources or adequate instruments. What is true for EU’s external action at large applies to the European Neighbourhood Policy (ENP) in particular.

The ENP was conceived with the aim of creating a ring of peaceful, stable and prosperous friends at Europe’s borders. The neighbours were to be drawn closer to the EU’s values through its ‘power of attraction’. A review of the first decade of implementation shows that this conception was based on misguided, often Eurocentric assumptions and that the ENP failed to attain its core objectives.

Acknowledging the mismatch between the ENP’s conception and performance, Commission President Jean-Claude Juncker made the overhaul of the ENP a priority of his term. In November 2014, he tasked the Commissioner for ENP and Enlargement Negotiations, Johannes Hahn, to take stock of the ENP and to “suggest a way forward” within the first year of his mandate. One year later, Commissioner Hahn and the High Representative of the Union for Foreign and Security Affairs, Federica Mogherini, presented the review of the ENP.

This review sets the tone for a more realistic, strategic and pragmatic ENP. It acknowledges that the EU’s leverage in the neighbourhood is limited. It identifies stabilisation as a key strategic priority and reorients the policy towards shared interests in the fields of security and migration. The review thus adapts the ENP’s conception to the realities and challenges in the neighbourhood. However, the more pressing question is whether the EU will be able to adapt its performance and live up to these challenges.

The review seeks to improve the ENP’s performance through increased focus, differentiation, flexibility and ownership. Yet, a range of questions concerning implementation remain. This policy paper identifies four cleavages that are likely to shape the ENP’s performance in the months and years to come:

• Pragmatic differentiation vs. normative indifference
• New priorities vs. old quest for coherence
• Static multilateralism vs. functional flexibility
• Technocratic logic vs. geopolitical game

The paper outlines how the EU could engage with these cleavages to shape a more strategic ENP that strikes the necessary balance between interests and values. The overarching aim is not to bridge an abstract gap between conception and performance, but to use the ENP more effectively in order to address the pressing challenges the EU and its neighbours are currently facing.

1. From a ‘ring of friends’ to a ‘ring of fire’

In 2003, the EU was under the impression that the continent had “never been so prosperous, so secure nor so free”. It designed the ENP to build “a zone of prosperity and a friendly neighbourhood – a ‘ring of friends’ - with whom it enjoys close, peaceful and co-operative relations”. One decade later, the overwhelming impression is that the EU’s neighbourhood has turned into a ‘ring of fire’. Has the ENP failed and what lessons have been drawn after one decade of implementation?

1.1. The initial conception: a ‘ring of friends’

The ENP was officially launched in 2004 and conceived as a reaction to the EU’s eastward enlargement. Its core objective was to avoid the creation of new dividing lines at the new borders. The ENP aimed at fostering peace, stability and prosperity in sixteen neighbouring countries through political, security, economic and cultural cooperation. From the outset, the policy has been situated at the interface of interests and values. The EU has based privileged partnerships with its neighbours on the mutual commitment to (supposedly) shared values such as the respect for human and minority rights, the rule of law and the principles of market economy. At the same time, the promotion of stability and peace in the neighbourhood has always been one of the few truly shared interests of the EU’s external action.

The ENP’s implementation was originally to be guided by three central principles:

- The first was joint ownership referring to the aim of negotiating the priorities of the EU’s partners jointly and in a bilateral format.

- The second principle was differentiation, whereby the ENP was to adapt the bilateral relations to the partners’ differing circumstances, priorities and interests.

- The third principle, the use of ‘soft/positive conditionality’, consisted of providing incentives rather than hard benchmarking or negative sanctions. Thus, in return for the pursuit of joint values and interests, the EU offered a “significant degree of integration”, including through a stake in the internal market, financial support, participation in key aspects of EU policies and programmes, upgraded political co-operation and visa facilitation.

These principles were to be put into action through the ENP ‘methodology’, modelled on the EU’s enlargement policy (see table 1).
TABLE 1: The ENP methodology (as of 2015)

<table>
<thead>
<tr>
<th>STRATEGY PAPERS</th>
<th>Documents outlining ENP priorities presented unilaterally by the HR and Commission on an annual basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENP ACTION PLANS (SOUTH) / ASSOCIATION AGENDAS (EAST)</td>
<td>Bilateral agreements between the EU and the partner countries outlining the partner’s political and economic reforms for the next three to five years</td>
</tr>
<tr>
<td>SINGLE SUPPORT FRAMEWORK</td>
<td>Country-specific financial programming documents in line with Action Plans or Association Agreements</td>
</tr>
<tr>
<td>PROGRESS REPORTS</td>
<td>Yearly reports by the HR and Commission assessing the progress made towards the objectives outlined in the Action Plans and Association Agendas</td>
</tr>
</tbody>
</table>

Source: EEAS, 2015

During the first decade, the ENP’s resources and tools expanded. In 2000-2003, the total funding for the Eastern and Southern neighbourhood under TACIS and MEDA amounted to €3.72 billion. In 2007, the EU merged these financial instruments into the European Neighbourhood and Partnership Instrument (ENPI), later renamed European Neighbourhood Instrument (ENI). Under this instrument, the EU allocated €11.81 billion to the ENP partners for 2007-2013 and €15.4 billion for 2014-2020. The EU also developed the Policy’s multilateral dimension. In 2008, the Union for the Mediterranean (UfM) was established as an intergovernmental framework bringing together the EU member states and 14 Mediterranean countries. One year later, the EU established the Eastern Partnership (EaP) to foster regional cooperation with and among the six Eastern ENP countries (see table 2).

TABLE 2: The ENP’s multilateral frameworks at a glance

<table>
<thead>
<tr>
<th>FRAMEWORK</th>
<th>NON-EU MEMBERS</th>
<th>THEMATIC PRIORITY AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union for the Mediterranean</td>
<td>Albania, Algeria, Bosnia and Herzegovina, Egypt, Israel, Jordan, Lebanon, Mauritania, Monaco, Montenegro, Morocco, Palestine, Tunisia, Turkey</td>
<td>Business Development, Transport &amp; Urban Development, Energy, Environment &amp; Water, Higher Education &amp; Research, Social &amp; Civil Affairs</td>
</tr>
<tr>
<td>Eastern Partnership</td>
<td>Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine</td>
<td>Democracy, good governance and stability, Economic integration and convergence with EU sectoral policies, Energy security, Contacts between people</td>
</tr>
</tbody>
</table>

Source: UfM Secretariat and EEAS, 2016

1.2. Today’s reality: a ‘ring of fire’

The ENP has served as a platform for closer political and economic integration with a number of neighbours. The EU has concluded Association Agreements including Deep and Comprehensive Free Trade Agreements (DCFTAs) with Georgia, Moldova and Ukraine. Negotiations on DCFTAs with Morocco and Tunisia are ongoing, and so are preparatory talks with Egypt and Jordan. The EU has also developed its cooperation in the field of migration and has concluded Mobility Partnerships with Armenia, Azerbaijan, Georgia, Jordan, Moldova, Morocco and Tunisia. Since April 2014, Moldova has benefitted from visa-free travel to the EU. Meanwhile, Georgia and Ukraine are advancing in the implementation of their Visa Liberalisation Action Plans. The EU has also reinforced its cooperation in foreign and security policy with some ENP partners. Ukraine, Georgia, Moldova and Morocco have, for instance, signed Framework Participation Agreements, which allow them to participate in CSDP missions and operations.

9. Ibid.
However, the overwhelming perception is that the ENP has failed to fulfil its key objectives, namely to foster peace, stability and prosperity. By 2014, ten ENP countries were directly affected by intra-state, inter-state, or frozen conflicts. To the East, the Russo-Georgian war, the annexation of Crimea and the hybrid war destabilising Eastern Ukraine have illustrated Russia’s growing readiness to shield its zone of influence against EU or NATO integration dynamics. The Arab uprisings of 2010-2011 have thoroughly destabilised the Southern neighbourhood.

As a response to the monumental changes in the Southern neighbourhood, the EU presented an ENP review in 2011. It raised the policy’s ambition by calling for deep and sustainable democracy, stronger involvement in protracted conflicts, enhanced cooperation with civil society and strengthened regional initiatives. The review intensified the call for differentiation, positive and negative conditionality (‘more for more’ and ‘less for less’) and emphasised the need for greater focus. The EU provided additional funds worth around €1 billion from the common budget and created new instruments such as the European Endowment for Democracy for civil society support. However, the 2011 ENP review has been perceived as rushed and lacking impact.

In the following years, the situation in the Southern neighbourhood worsened. The Syrian civil war turned into one of the worst humanitarian crises since World War II. It created a power vacuum that allowed the Islamic State (ISIS) to take over large parts of Syria and Iraq. In 2014, Libya’s democratic transition failed, leaving the country with two competing governments and a growing ISIS presence. Since then, the terrorist organisation has claimed the responsibility for attacks in European and neighbouring countries including in France, Belgium, Denmark, Tunisia, Turkey, Egypt and Libya.

This regional conflagration has triggered massive displacement. Relatively stable countries such as Lebanon, Jordan, Tunisia or Morocco have been directly affected by the refugee flows from Syria. Since 2014, the EU has faced unprecedented flows of migrants and refugees from Syria, Northern and Sub-Saharan Africa. These developments have illustrated just how interlinked the EU’s internal security and stability is with that of its neighbourhood. This fact has also become clear to Europe’s public. Eurobarometer polls from November 2015 showed that the citizens considered immigration and terrorism the two most important issues facing the EU.

1.3. The 2015 review: a pragmatic re-conception

In 2014, Commission President Jean-Claude Juncker made the ENP’s overhaul one of the political priorities of his term. Accordingly, High Representative Federica Mogherini and Commissioner for ENP and Enlargement Negotiations Johannes Hahn launched a comprehensive consultation process on the ENP’s future orientation in March 2015. They triggered the process with a Joint Consultation Paper that outlined some of the key lessons learnt from the past decade and included a total of 71 questions. The EU received over 250 responses from a whole range of stakeholders including member state and partner governments, think tanks and academics as well as business and civil society organisations. The publication of the ENP review in November 2015 closed the consultation process (see Box 1).
The 2015 review is characterised by a more pragmatic and realistic tone. It clearly recognises the limits of the EU’s leverage and acknowledges that the ENP cannot solve all the challenges in the region. Instead, its ambition is to “play a part in helping to create the conditions for positive development”. The document underlines that the main political priority for the next three to five years is stabilisation. In terms of policy areas, three priorities stand out: economic development for stabilisation, security, and migration.

Four principles are to guide the implementation of the new ENP:

- First, the review reiterates the call for greater differentiation in line with the partners’ differing ambitions, abilities and interests.

- Second, it emphasises the need for stronger mutual ownership. This implies refocusing bilateral relations on mutual interests and ensuring deeper engagement by the member states through a stronger role of the Council, joint programming and the nomination of member states as ‘lead partners’ for selected initiatives or reform efforts.

- Third, it calls for a tighter and more relevant focus. The aim is to replace the ENP Action Plans through agreements on a narrower set of so-called ‘partnership priorities’. To alleviate the ENP methodology, the annual progress reports should be replaced by a new style of assessment focused on the attainment of jointly agreed goals.

- Fourth, it announces greater flexibility in the use of the available instruments and resources. This includes the offer of more flexible trade agreements to partners that are not seeking to conclude a DCFTA. The review also introduces the idea of a ‘flexibility cushion’ within the ENI to respond to urgent conflict-related or humanitarian needs.

The review contains a relatively generic section that stresses the aim of promoting EU and universal values at home, through the ENP and with “countries from all regions”. At the same time, it underlines that the current methods for value promotion in the ENP “are regarded by some as ineffective and by others as obstacles to equal partnership”. Human rights and democracy remain agenda items of political dialogue with the partners, which will take place in “mutually agreed formats”. While the country reports will focus on jointly agreed goals, the ENP’s value-related aspects will regularly be assessed in separate reports.

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12. Ibid., p. 5.
13. Ibid., p. 5.
The review calls on the High Representative and the Commission to deepen the EaP and the UfM. In addition, it suggests exploring new formats that would allow the EU to reach out to and engage the neighbours of its neighbours. The review introduces the option of “thematic frameworks” that would bring together interested EU member states, neighbours from the East or South and other regional players or organisations in an ad hoc fashion to discuss transnational challenges with a particular focus on migration, energy and security. These frameworks could also include actors from civil society and the private sector.

The 2015 ENP review represents the most comprehensive overhaul of the policy since its initial conception. It aims at rebalancing and upgrading the bilateral relationship with the ENP partners. The review has lowered the EU’s ambition and has marked a shift away from the ‘enlargement lite’ approach. The ENP is thus moving away from its transformative ambition and adopting a more transactional approach. The document has set the tone for a more realistic, focused and strategic ENP, but – as before – the key will lie in the policy’s implementation.

2. Towards implementation: four cleavages

The review testifies to an intensive and inclusive learning process. It has answered many of the questions raised by the Joint Consultation Paper of March 2015. However, some questions remain unaddressed and many answers are still vague. The risk is that the policy’s re-conception does not induce improved performance. The following four cleavages are likely to shape the new ENP’s implementation.

2.1. Pragmatic differentiation vs. normative indifference

**“THE ENP IS ALREADY HIGHLY DIFFERENTIATED IN TERMS OF BILATERAL RELATIONS AND RESOURCES”**

Differentiation has been a key feature of the ENP from the outset and has been underlined in many of its documents. In fact, the ENP is already highly differentiated in terms of the structure of its bilateral relations and the distribution of resources (see table 3). Some countries such as Libya and Syria have remained at the margins of the ENP; others such as Tunisia have been offered privileged ENP partnerships. Partners like Israel do not receive significant funding under the ENI while others, such as Morocco or Palestine, have been allocated over €1 billion for 2014-2020.

So what does the review’s renewed emphasis on differentiation really mean? The replacement of the ENP Action Plans with narrower agreements on partnership priorities will not change much for countries such as Ukraine, Moldova and Georgia as their relations with the EU are already guided by the priorities outlined in the respective Association Agreements and Agendas. In the course of 2016, the EU will negotiate new “compacts” with Lebanon and Jordan covering mobility, aid and trade. The narrower partnership priorities will thus mainly serve to put the EU’s bilateral relations with countries such as Algeria or Belarus on a new basis.

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The renewed focus on differentiation is in line with the partners’ preferences on the one hand, and the recognition that the EU’s leverage is limited on the other. However, the risk is that this new form of pragmatic differentiation becomes an excuse for the EU’s normative indifference or inconsistency. Partnership priorities could well represent lowest common denominator outcomes between EU and partner governments. The latter may opt for an “à la carte” ENP and exclude sensitive issues related to frozen conflicts, democracy and human rights.

This new normative indifference is also reflected in the review’s neglect of conditionality. During the review process, the issue was subject to controversy. The Baltic countries as well as most Central and Eastern European member states were in favour of underlining the ‘more for more’ principle or the ‘incentive-based approach’ with a view to the associated neighbours in the East. However, Mediterranean member states such as Italy, France and Spain opposed this emphasis to avoid a patronizing approach and a marginalisation of the Southern neighbours vis-à-vis the more integrated Eastern ones. This controversy was nurtured by different interpretations of the ‘more for more’ principle. Some member states such as Poland have a broader understanding of the principle as potentially including an accession perspective while others such as Germany view it more narrowly in terms of financial incentives.

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**Source:** EEAS, 2016; European Commission, 2015

* PCAs are replaced by the AA/DCFTAs.
** Israel receives limited funding from the ENI due to its level of economic development.
*** The EU has suspended bilateral cooperation in May 2011. ENI funds are, however, used in response to the Syrian crisis.

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**TABLE 3 – ENP differentiation in practice**

<table>
<thead>
<tr>
<th>PARTNER COUNTRY</th>
<th>ENI - INDICATIVE ALLOCATION IN € MILLION (2014-2020)</th>
<th>AA / PARTNERSHIP AND COOPERATION AGREEMENT (PCA)</th>
<th>AA / DCFTA</th>
<th>ACTION PLAN / ASSOCIATION AGENDA</th>
<th>MOBILITY PARTNERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palestine</td>
<td>1,833-2,241</td>
<td>Interim Association Agreement on Trade and Cooperation</td>
<td>no</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Morocco</td>
<td>1,323-1,617</td>
<td>yes</td>
<td>negotiations ongoing</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Ukraine</td>
<td>up to 1,000</td>
<td>/*</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Egypt</td>
<td>756-924</td>
<td>yes</td>
<td>exploratory discussions</td>
<td>dating from 2007</td>
<td>no</td>
</tr>
<tr>
<td>Tunisia</td>
<td>725-886</td>
<td>yes</td>
<td>negotiations ongoing</td>
<td>“Action Plan for a Privileged Partnership”</td>
<td>yes</td>
</tr>
<tr>
<td>Moldova</td>
<td>610-744</td>
<td>/</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Georgia</td>
<td>610-744</td>
<td>/</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Jordan</td>
<td>567-693</td>
<td>yes</td>
<td>preparing for negotiations</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Lebanon</td>
<td>315-385</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Armenia</td>
<td>252-308</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Algeria</td>
<td>221-270</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>139-169</td>
<td>yes</td>
<td>no</td>
<td>dating from 2006</td>
<td>yes</td>
</tr>
<tr>
<td>Belarus</td>
<td>129-150</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>negotiations ongoing</td>
</tr>
<tr>
<td>Libya</td>
<td>126-154</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Israel</td>
<td>/*</td>
<td>yes</td>
<td>no</td>
<td>dating from 2005</td>
<td>no</td>
</tr>
<tr>
<td>Syria</td>
<td>bilateral cooperation suspended***</td>
<td>signature on hold</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
</tbody>
</table>

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The review only mentions the ‘more for more’ principle once, stating that it was successful in countries committed to reforms, but that “it has not proven a sufficiently strong incentive to create a commitment to reform, where there is not the political will”. Negative conditionality (‘less for less’) does not appear at all. However, the financial logic underpinning ENP conditionality remains unchanged. The ENI Regulation of 2014 makes the level of financial support dependent on the country’s needs and absorption capacity, but also on the partner’s commitment and progress towards “political, economic and social reform objectives” and “deep and sustainable democracy”. It specifies that 10% of the financial envelope is to be allocated in accordance with the two latter criteria. In December 2015, the Council underlined that the implementation of reforms “will continue to guide the allocation of funds under the ENI umbrella programme, in line with the incentive based approach”.

The de facto continuity in the EU’s approach to conditionality raises two questions. First, how can the EU foster sustainable reforms in partner countries that are interested in closer political and economic association? The recent past has shown that the 10% margin available under the umbrella programme is not sufficient to incentivise deep and sustainable reform in countries such as Ukraine or Moldova. The corruption scandal involving the latter’s so-called ‘pro-European’ elite is only one sad example in this regard. The review mentions the aim of creating an economic area with partners entering a DCFTA. However, it may take ten to fifteen years and a range of painful domestic reforms until this project becomes reality. The only tangible short-term incentives for the more committed partners are thus visa liberalisation and the promise to “increase opportunities for political dialogue at ministerial level”.

The second question is how the EU will deal with countries that simply lack the political will to implement reforms? The 2015 review uses a fluffy formula, stating that the EU will “explore more effective ways to make its case for fundamental reforms, including through engagement with civil, economic and social actors”. It is unclear what this means in practice, especially as no additional resources or instruments for civil society support are mentioned.

The ENP review seeks to enhance the member states’ ownership through a stronger role of the Council, joint programming, and the designation of lead partners. These proposals can be seen as attempts by the EU institutions to politicise the ENP and to address the often-observed lack of coherence between ENP and national initiatives. In its Conclusions on the ENP review of December 2015, the Council stated that it would “remain seized of the review process”. It called on the High Representative and the Commission to engage with the partner countries and to present progress to the Council, which would conduct a regular high-level dialogue on the ENP’s delivery.

The emphasis on increased member state ownership raises two sets of questions. The first is how coherence between EU and national measures can be ensured in practice. Though the member states largely share the same values, their interests and threat perceptions with regard to the neighbourhood continue to differ. Will they really subordinate these interests to a joint ENP agenda? The second set of questions concerns the side effects of a more politicised ENP: Will joint programming trigger new turf wars between the Council, the EEAS and the Commission? What will the concept of ‘lead partners’ entail? Will it induce the member states to Europeanise important bilateral initiatives or will they rather attempt to upload parochial national interests to the EU-level?

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22. Linkevicius, Linas „How to fix Moldova“, ECHOver, 8 February 2016.
24. Ibid., p. 5.
2.2. New priorities vs. old quest for coherence

In addition to its traditional focus on economic cooperation, the new ENP will concentrate on security and migration. These are important priorities in light of the conflicts and massive displacement in the EU’s neighbourhood. However, the ENP’s contribution to addressing these challenges might be limited.

When it comes to security and migration, the review mostly refers to guidelines or activities in other policy frameworks. On counter-terrorism and counter-radicalization it mentions the European Agenda on Security. The fight against cyber-crime is to be guided by the EU’s Cybersecurity Strategy and the Budapest Convention on cybercrime. In the field of migration, the review mentions the Mobility Partnerships and the visa liberalisation and facilitation dialogues. However, it adds a range of measures from the European Agenda on Migration, European Council Conclusions, the High-level Conference on the Eastern Mediterranean/Western Balkans route and the Valletta Summit on Migration. The review thus conveys the impression that the ‘important stuff’ is happening elsewhere.

The ENP has always been a composite policy with a range of objectives (peace, stability, prosperity) cutting across different functional areas. Coherence can thus be understood as the ENP’s ‘meta-principle’. Yet, the new focus on security and migration is likely to magnify the existing coherence challenges. An effective ENP contribution to these fields will require intense coordination with a range of players in the European Commission, the EEAS, the member states, EU agencies and relevant International Organisations.

The fact that the ENP’s new priority areas stretch beyond the policy’s reach also raises a fundamental question: Does the EU really need the ENP as an umbrella for its relations with neighbouring countries? The ENP seems to be moving more towards traditional foreign policy, which implies cooperating bilaterally with third countries in different areas and in line with the EU’s values and interests. The 2015 review represents a step in this direction, but a step that the EU has only taken halfway.

2.3. Static multilateralism vs. functional flexibility

The review is vague regarding the future of the ENP’s multilateral dimension. It mentions the EaP and the UfM as valuable platforms for dialogue, cooperation and effective donor co-ordination. Regarding the EaP, it calls for further deepening in line with the commitments taken at the 2015 Riga Summit. Priorities thus include strengthening of institutions and good governance, mobility and people-to-people contacts, market opportunities and interconnections. With the exception of energy security, these priorities directly reflect the EaP’s thematic platforms and thus suggest continuity (see table 2). The UfM receives even less attention. The review simply commits the EU to giving “priority, wherever suitable, to the UfM in its regional cooperation efforts”.

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27. European Commission and High Representative “ENP Review”, op. cit., p. 3.
28. Ibid., p. 18.
The neglect of the multilateral frameworks reflects the fact that these have failed to foster substantial intra-regional cooperation. The countries grouped under the regional umbrellas are too different from one another and in terms of their relations with the EU (see table 3). This is particularly the case for the UfM, which includes a broad range of neighbours and EU candidate countries with diverse historical, cultural and ethnic backgrounds. The fact that this heterogeneity represents an obstacle to meaningful cooperation could be seen during the informal UfM ministerial meeting on 26 November 2015. Though the foreign affairs ministers discussed ‘high politics’ challenges such as terrorism, extremism and illegal migration, their concrete cooperation agenda focused on low-politics items such as inclusive growth and youth employment; sustainable development and women empowerment.29

The review implicitly recognises these limitations by calling for more sub-regional cooperation and flexible thematic frameworks. Yet, it remains vague on both accounts. The thematic frameworks should build on “existing structures” and provide “a regular forum” for the discussion of joint policy programming and investment. At the same time, they should be implemented through “ad hoc meetings”. It is unclear how institutionalised these frameworks should be and where the balance between continuity and flexibility will lie. Migration, energy and security are mentioned as priority areas for the establishment of thematic frameworks. The question is how the new frameworks will relate to existing cooperation platforms, such as those on energy in the UfM and EaP or the Rabat and Khartoum processes in the field of migration. The overarching question is whether these new functional frameworks will complement or “sound the death knell to the static formations of countries that were artificially lumped together in the EaP and the UfM”.30

2.4. Technocratic logic vs. geopolitical game

Modelled on the EU’s enlargement policy and implemented by the Commission, the ENP has been characterised by a technocratic logic. Though recent years have seen a forceful return of geopolitics in the neighbourhood, the 2015 review continues to eschew it.31 It mentions the need to “strengthen the resilience of the EU’s partners in the face of external pressures and their ability to make their own sovereign choices”.32 However, it is unclear what resilience means and how it can be strengthened in practice. The review notes that the EU’s relations with Russia “have deteriorated as a result of the illegal annexation of Crimea and Sebastopol and the destabilisation of eastern Ukraine”.33 Yet, it does not include a vision on the future of EU-Russia relations, apart from the rather general statement that “several issues” in the region would benefit from “constructive cooperation” once “conditions allow”.34

The document is even vaguer when it comes to the relations between the EU and the Eurasian Economic Union. This relationship is relevant, given that three EaP countries have concluded DCFTAs with the EU, while two have joined the Eurasian Economic Union. The review does not even mention the Eurasian Economic Union. It just states that gradual economic integration through the DCFTAs “will also contribute to the long-term goal of a wider area of economic prosperity based on World Trade Organisation (WTO) rules and sovereign choices throughout Europe and beyond.”35 This is an implicit reference to the free trade area stretching from “Lisbon to Vladivostok” that both President Vladimir Putin and Chancellor Angela Merkel have alluded to in the past.36

The one facet of geo-economics where the review is somewhat more concrete is energy. It underlines the need to strengthen energy cooperation, both as an economic and as a security measure, with the aim of enhancing the partners’ “energy sovereignty”.37 The review lists concrete initiatives such as “establishing gas reverse flow

29. Union for the Mediterranean, „43 member states give strong political support to the UfM“, Barcelona, 27 November 2015.
31. Dworkin and Wesslau, “Ten talking points from the new ENP”, op. cit.
33. Ibid., p. 10.
34. Ibid.
35. Ibid., p. 8.
37. European Commission and High-Representative “ENP Review”, op. cit., p. 11.
capacity to Ukraine, completing the Southern Gas Corridor and making best use of the new energy discoveries”. It also addresses the EU’s ambition to enhance full energy market integration with Moldova, Ukraine and Georgia through the Energy Community. Yet, when it comes to one of the key players in the field of energy, namely Russia, the review is again vague: the EU “could consider reframing the energy relationship with Russia […] when the conditions are right”.

3. Shaping a more strategic ENP

The Treaty on European Union commits the Union to the promotion of its values in its “special relations” with neighbouring countries (Art. 8) as well as with the “wider world” (Art. 3(5)). Striking a balance between interests and values is part of every good foreign policy and strategy. Durable stability cannot be attained to the detriment of human rights and fundamental freedoms. This is a lesson that the EU had to learn during the Arab uprisings in 2010-2011 as well as during the Maidan protests in Ukraine in 2014. It should not have to re-learn it in a few years’ time. In line with this general point, the ENP’s implementation could be rendered more strategic in four ways.

3.1. Fully endorse variable geometry

The 2015 ENP review marks a change in perspective on the EU’s relations with its neighbours. It used to be based on the idea of a ‘multi-speed neighbourhood’ where all the partners are seeking closer association with the EU and are willing to align with its values, even if at different speeds. The review has replaced this vision with one of ‘variable geometry’, and has thereby acknowledged that some partners are drawn closer to the EU whilst the ties with others will remain rather loose. A more strategic implementation of the ENP would imply adapting the EU’s approach and resources to this vision of variable geometry. In this context, three groups of ENP countries should be distinguished:

- The first group includes the ‘frontrunners’ that are seeking closer political and economic association with the EU. Georgia, Moldova, Ukraine, Tunisia and Morocco are part of this group.

- The second group comprises countries, which are not (yet) as closely associated with the EU, but which have a structured bilateral relationship based on ENP Action Plans. Jordan, Lebanon and Armenia can be considered part of this group.

- The third group includes Syria, Libya, Algeria, Belarus, Egypt and Azerbaijan which have largely remained at the ENP’s margins and with which bilateral relations will have to be put on a new basis.

For countries in group one, the EU should reinforce the incentive-based approach and provide additional resources. The indicative ENI allocation of €5 billion for the five ENP frontrunners for 2014-2020 is still far below the €11.7 billion allocated to the seven candidate countries in the same period. To incite sustainable and often painful domestic reform, the EU would have to raise the ENP envelope and the share of resources available under the umbrella programme. An alternative would be to redistribute the available resources among the partners. In this case, allocations should more heavily reflect the level of ambition of the partnerships, rather than standard indicators such as population or level of development. The political developments in Moldova in 2015-2016 have shown that the group of ENP ‘frontrunners’ is by no means set in stone. These developments also underlined the need for a targeted application of the financial ‘less for less’ logic to sanction reform stagnation or corruption.

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38. Ibid.
39. Ibid., p. 12.
40. Israel and Palestine constitute special cases as the EU’s bilateral relations with both countries are heavily influenced by the Middle East Peace Process.
To offer incentives for sustainable reform to ENP frontrunners, the EU and the member states should also develop options for the medium-term that go beyond association, but are below full membership. The EU could, for instance, offer a new status of “associate membership” similar to that previously proposed to Turkey. An associate membership could be centred on the Customs Union and entail institutionalised cooperation in selected policy areas. The exact nature and scope of this cooperation would have to be negotiated among the member states. But overall, the possibility of an associate membership would fit into a broader trend of European integration which moves towards greater internal differentiation.

This trend has been accelerated by the negotiations surrounding the British EU membership and is likely to continue regardless of the outcome of the referendum in June 2016.

Meanwhile, the EU should bundle the ENP and other fields of EU external action to enable countries in group two to join the ‘frontrunners’ in the medium-term. The new comprehensive ‘compacts’ the EU is negotiating with Lebanon and Jordan are good steps in this direction. For instance, the EU is easing its rules of origin and thus granting Jordan better access to the Single Market in return for the opening of its labour market to Syrian refugees. In theory, this deal could provide relief to the refugees while encouraging investment and job creation. The EU is also negotiating a new bilateral agreement with Armenia based on “shared common values and strong commitment to democracy, human rights, rule of law”. With this agreement the EU could demonstrate that closer association in the context of the EaP and membership in the Eurasian Economic Union membership are indeed compatible.

With countries in group three, the EU will have little choice but to move towards more flexible relationships focused on a limited number of shared priorities. All of these countries fall under the category of authoritarian regimes. Though the EU’s transformative impact is limited, it should avoid backing authoritarian stability, which tends to go hand in hand with violent repression and human rights violations. The joint strategic priorities should thus consistently include minimum requirements in terms of human rights, fundamental freedoms and the rule of law, which will have to be backed by coordinated and robust EU and member state diplomacy. The EU will also have to develop better ways to cooperate directly with civil society. This will require a case-by-case approach based on in-depth analyses of the key internal drivers of positive change and the regimes’ strategies to neutralise external democracy support. Finally, the EU should further reduce the share of budget support to these countries and reorient its cooperation towards project-based approaches.

3.2. Effectively connect policy agendas

Countries such as Libya or Syria will, for the foreseeable future, primarily be viewed through a security or migration lens. The link between the ENP, the CFSP/CSDP and migration policy will thus have to be strengthened at the highest strategic level. In December 2015, the Council underlined that the findings of the ENP review process should feed into the EU’s new Global Strategy on Foreign and Security Policy that is to be published in June 2016. A simple but clear finding of the ENP review process is that this strategy should have an unambiguous focus on the EU’s neighbourhood. While some member states such as Germany have been in favour of a more global strategic outlook, it is unlikely that the EU’s limited leverage will be enhanced through an additional geographic dispersion of priorities and resources.

The link between the ENP, security and migration should also be strengthened at the lower strategic and operational levels. The EU’s regional strategies can serve as a vehicle to foster synergies. A good example was the EU Regional Strategy for Syria and Iraq as well as the ISIL/Da’esh threat, which listed a broad range of short and long-term measures and allocated €166 million under the ENI (2015-2016) to security-related objectives.

ground, the EU should rely more on its delegations to identify measures that could be financed under the ENI to complement other EU activities in the field of security or migration. Valuable attempts in this regard were made in Libya in 2013-14 when ENI funds were allocated to civilian security sector reform as well as the development of a rights-based migration management and asylum system. However, most of these activities had to be suspended in 2014 due to the deteriorated political and security situation.

As the above indicates, an important precondition for the creation of synergy effects is the more flexible and conflict-sensitive use of ENI funds. The proposal to create an ENI flexibility cushion for “conflict and post-conflict needs; refugee support; crises and disaster response; and for security and stabilisation programmes” thus goes in the right direction. Commissioner Hahn indicated that this cushion could include 10% of the ENI funds, which would be equivalent to €1.54 billion, based on the financial envelope for 2014-2020. This amount would be substantial and could complement the funds available under the Instrument contributing to Stability and Peace (€2.34 billion for 2014-2020).

However, the funding gaps in the international response to the refugee crisis in the Southern neighbourhood are substantial. The flexibility cushion will thus not be sufficient to act as the necessary bridge between short-term humanitarian aid and longer-term development cooperation. Continued underfunding will worsen the regional humanitarian crisis and raise the numbers of refugees headed towards Europe. It is thus in the EU’s very interest to design additional, flexible funding options for the neighbourhood before the mid-term review of the EU’s external funding instruments due in 2017.

The EU’s regional Trust Funds could complement the flexibility cushion as vehicles for the more flexible allocation of EU resources. A good example is the EU Trust Fund in response to the Syrian crisis, where the Commission re-allocated a total of €500 million from longer-term ENI programmes and the Instrument for Pre-Accession. However, the member states have so far been reluctant to contribute to the EU Trust Funds as they fear a loss of influence in the decision-making process and are concerned about their efficiency. The Commission will thus have to develop more inclusive management arrangements that allow for effective programming and implementation.

3.3. Keep the member states seized

The review commits the EU to discuss the proposals and develop the recommendations contained in the Communication with partners over the course of 2016. To create political momentum and keep the member states ‘seized’, the Commission, the EEAS and the Dutch Council Presidency could draw up a political roadmap on the ENP’s future orientation and present it to the Council in the first half of 2016. This roadmap should propose a calendar for the agreement of the new partnership priorities.

A clearer agenda would allow for strategic, multi-level preparation, which could enhance the degree of coherence between ENP and national measures. Member state representatives could distil joint priorities and identify potential synergies with national bilateral measures or activities. Preparation at the country level under the chairmanship of the EU delegation could facilitate the identification of ‘lead partners’ and concrete and feasible initiatives on the ground.

A political roadmap on the ENP’s future orientation could also start to fill the concept of thematic frameworks with content by proposing concrete areas and formats for transregional cooperation. With migration, energy and security, the review has already identified important priority areas. More concrete cooperation fields could include

50. Hahn, Johannes, Commissioner for ENP and Enlargement Negotiations, Speech at the College of Europe, 17 September 2015, Bruges.
52. Hauck, Volker; Knoll, Anna and Herrero Cangas, Alisa, “EU Trust Funds – Shaping more comprehensive external action?”, European Centre for Development Policy Management, Briefing Note No. 81, November 2015.
border management, energy efficiency and transit, counter-terrorism as well as arms and drug control. Thematic frameworks should function as complementary or more flexible tools for cases where existing regional cooperation frameworks are ineffective or politically blocked. They can serve to integrate relevant neighbours of the neighbours such as Russia, Turkey and Iran or to exclude obstructive partners.

Thematic frameworks could also be used as tools to increase the EU’s own flexibility. Instead of integrating all 28 member states, they could comprise ‘core groups’ of interested and willing member states to ensure effective functional cooperation on priorities that are shared by a limited number of stakeholders. An example for such a flexible format is the 5+5 Defence Initiative, which promotes security cooperation in the Western Mediterranean among five EU member states (France, Italy, Malta, Portugal and Spain) and five North African countries (Algeria, Libya, Mauritania, Morocco, and Tunisia). Core groups can allow for more effective and timely cooperation on selected issues. However, they have clear limitations when it comes to tackling indivisible collective action problems such as transregional migration flows or the fight against transnational terrorism.

3.4. Engage constructively with geopolitics

The Russo-Georgian war of 2008 was soon forgotten as Europeans rushed back to ‘business as usual’ with Russia. This mistake should not be repeated in the case of Ukraine. The EU member states must continue to firmly condemn the annexation of Crimea. Meanwhile, it should maintain unity in exerting diplomatic and economic pressure on Russia to push for a full implementation of the Minsk Agreements. The EU should also apply political pressure on Ukraine to fulfil its part of the deal, while boosting financial and technical support for the country’s difficult path to reform.

In the medium-term, a constructive diplomatic dialogue with Russia on the future of the European security order will be necessary. At the 2016 Munich Security Conference, the Russian Prime Minister Dmitry Medvedev underlined the “need to launch an intensive dialogue on the future architecture of Euro-Atlantic security” and recalled that the final Helsinki Act was signed at a time when differences were even more pronounced. A good basis for a robust diplomatic dialogue is the report prepared by an expert panel in the framework of the Organization for Security and Cooperation in Europe (OSCE). It recommends an OSCE-led diplomatic process based on the Helsinki principles, in particular equal sovereignty, to restore trust and build a new model of co-operative security in Europe.

Such a diplomatic process will require a great deal of ‘strategic patience’. However, bilateral and confidential consultations should already start under Germany’s OSCE chairmanship in 2016. In the context of such a dialogue, the Europeans should exchange views with Russia on the future of the EaP. This will not mean that Russia will welcome the EaP or that the EU will bow to Russia’s ‘red lines’. However, an open dialogue could, at the very least, reduce miscommunication and foster a better understanding of the existing disagreements.

The vision of a pan-European free trade area based on WTO rules will only materialise in the longer term. The trilateral talks on Ukraine’s DCFTA, which resulted in the Russian decision to suspend its obligations towards Ukraine under the Commonwealth of Independent States Free Trade Agreement, showed to what extent zero-sum thinking still prevails in Moscow. The Eurasian Economic Union is still more of a political than an economic tool. So far, it has not made substantial progress in facilitating trade and reducing internal non-tariff barriers to trade.

54. 5+5 Defence, Homepage, 2016.
59. For a good overview on the trilateral talks, see: European Commission, “The trilateral talks on DCFTA implementation”, 2015.
Clearly, the Russian and European visions of a common economic space stretching from ‘Lisbon to Vladivostok’ are very far apart.

Nonetheless, the EU should start a constructive dialogue with Russia to gradually lower zero-sum thinking and foster convergence between these competing visions. Selective economic cooperation with the Eurasian Economic Union could lead to the approximation of norms, standards and rules and lower other barriers to trade. This cooperation could take place in different formats:

- The European Commission could intensify its cooperation with the Eurasian Economic Commission that currently only takes place at the ‘technical level’. Through a regular and more high-level dialogue, the EU could empower the Eurasian Economic Commission and foster regulatory convergence.  

- The EU could set up a panel of trade experts from the EU, the EaP and the Eurasian Economic Union to analyse the existing trade regimes in the pan-European area and to identify the most pressing technical obstacles to trade and investment.

- The EU could use the new thematic frameworks as economic fora bringing together government and business representatives from the EU, the EaP and the Eurasian Economic Union. Considering the parallel development of the EU’s Energy Union and the Eurasian Economic Union’s regional energy market, energy trade, investment and transit would be priority areas for cooperation.

CONCLUSION: BEYOND THE CONCEPTION-PERFORMANCE GAP

During the first decade, the ENP has suffered from a marked conception-performance gap. The initial vision was too idealistic; the resources were too limited; and the EU was too often incoherent. With the 2015 ENP review, the EU has acknowledged this gap. It has turned away from the idealistic vision and lowered the policy’s ambition. The review represents the most comprehensive re-conception of the policy since its beginning.

However, there are a range of potential obstacles to effective ENP performance. Despite the number of crises, the EU has not raised the level of resources. The new form of pragmatic differentiation could easily turn into a justification for normative inconsistency. The ENP’s new policy priorities are bound to magnify the existing coherence challenges. The thematic frameworks might turn the multilateral frameworks into empty shells. Meanwhile, the EU seems to neglect the realities of the ‘ring of fire’ as the ENP continues to eschew geopolitics.

The aim for the ENP’s next decade should not be to maintain a balance between lowered ambitions and mediocre performance. The challenges facing the EU and its neighbours are far too important for that. The EU institutions and the member states should use the coming months to shape a more agile, political and strategic ENP that effectively links up with other areas of the EU’s external action. In light of the blurring lines between the EU’s internal and external challenges, this exercise does not serve some kind of idealistic vision; it lies at the very heart of its interests.

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