

EU and the US in the European Neighbourhood

Converging Goals, Competing Interests, Room for Cooperation

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December 2008

The Transatlantic Policy Forum (TAPF) was launched as a platform for discussion between US and EU experts on several key issues impacting on transatlantic relations. This paper looks at the transatlantic cooperation in the European neighbourhood, namely within the Western Balkans, Eastern Europe and the Caucasus Area. It focuses on defining basic policy drivers for the transatlantic partners, aiming at formulating several recommendations for strengthening the transatlantic cooperation.

The goals of both the US and EU are complementary (or overlapping), but often minimally coordinated (also when implemented on the ground). The cooperation of the EU and US in the European neighbourhood should be given a fresh boost. The upcoming political period could allow for enlarging the scope for more effective EU-US cooperation and coordination. If the scenario of minimal EU-US cooperation in the European neighbourhood prevails, both actors would strive to secure the cooperation with some important countries and for alternate routes for energy imports to Europe. They would be avoiding the clashes with local (non-democratic) regimes, searching for ad hoc supporters and strive not to put its image at risk (EU). The competing interests and structures would allow the target countries to 'cherry-pick' from the initiatives that both the EU and US would be courting them with. More ambitious cooperation and coordination could aim at addressing a wider agenda.

Identification of the scope of the policy problem

The EU neighbourhood is a strategic area both for the EU and the US. While the US is focusing mostly on security (namely counterterrorism and energy security¹), stability and economic cooperation, the EU follows additional interests in the field of migration management, good governance, administrative reforms or its future enlargement; the interests following from its geographic proximity.² The goals of both the US and EU are

¹ European neighbourhood has been perceived by the George W. Bush administration namely in terms of a different energy axis (south and north dimension) linking the Caspian Sea, the Black Sea and the Mediterranean sea; and including also the Middle East.

² It seems both transatlantic partners have shifted towards a more security driven agenda, devoting more attention to issues such as counterterrorism, migration management (as a security problem), energy, and less attention to long term issues of governance, democracy or conflict resolution.

complementary (or overlapping), but often minimally coordinated. In this paper, Russia is seen as a crucial factor in the European neighbourhood but not a subject.

The EU is facing several tensions at the moment. First, an increasing awareness of an urgent need to speak with one voice on the international scene on a number of key issues, such as Iran or energy security versus member states' priority given to the bilateral relations with the third countries, leading to the inconsistent and counter-productive positions, particularly in relations with major neighbours like Russia. With the Lisbon Treaty ratification on hold, the qualitative leap of the EU's foreign-policy making provided for in the treaty by introducing new institutions and tools remains to be seen; however, new treaty in place also does not mean that the EU members will have a single view but merely one place that may articulate the lack of consensus, which will remain the prevailing mode of decision-making. Second, there are several competing discourses in the EU on the future arrangements of the relations with its neighbour countries. One aims at discussing and drawing EU borders, achieving EU *finalité* in a geopolitical sense.³ For the rest of the neighbours without a membership prospect or ambitions, the umbrella initiatives such as *The Barcelona Process: Union for the Mediterranean*⁴ are envisaged. The other discourse promotes keeping an accession prospect open not only for the current candidate countries (the Western Balkans and Turkey) but also for the Eastern neighbours; within this discourse the *European Neighbourhood Policy (ENP)* is rather seen as a specific step preceding the EU accession, a bilateral tool for managing EU relations with a potential candidate; the recent *Eastern Partnership Initiative*⁵ works covertly in this direction. And a new discourse is emerging⁶, calling for more diversified relations with the EU neighbours by creating a range of external contractual frameworks, which would be structured as mutually permeable concentric circles; on the basis of fulfilling certain criteria, the countries could move from one status to another;⁷ the Eastern neighbours would be offered an area based on common policies (similarly to Russia's four spaces), specific joint decision-making mechanism and enhanced financial assistance. The third tension can be observed in balancing the multilateral approach embodied in the enlargement policy and partly ENP⁸ (EU as a normative power, projecting its norms, rules and ideas), which is slowly losing incentives and appeal due to various reasons, with the customized approach and bilateral agreements, preferences and interests; such an ad hoc approach may in fact be a broader possibility for the EU itself.⁹ Overall, the EU currently does not speak with one voice, either internally or among its members on the European neighbourhood.

³ This discourse is represented by some of the 'old' EU member states (France, Germany, and Belgium); an idea to establish a 'wise men' group on the issue tabled by French president Nicolas Sarkozy can serve as an example. Certain scepticism of the other EU member states towards this initiative has been reflected by turning the 'wise men group' into 'high level reflection group' with a very restricted mandate. These countries have historically considered the EU more as a political community not as a market, insisting a political community needs borders.

⁴ French initiative aiming at strengthening the Barcelona Process – cooperation with North African and Middle Eastern neighbours both institution and content-wise. Some argue it is a tool for establishing another type of partnership with Turkey, replacing its full EU membership.

⁵ *Eastern Partnership Initiative*, a Polish-Swedish proposal to strengthen the 'Eastern dimension' and cooperation with Ukraine, Moldova, Georgia, Armenia, Azerbaijan and to a certain extent with Belarus. The project involves visa facilitation with a prospect for visa-free movement, free trade zone for services and agricultural products, closer cooperation in the field of transport, environment and border control. Documents presented so far do not mention prospects for EU membership for those countries; the initiators believe that the initiative could attract more attention to the region and consequently raise the chances for EU membership at least for Ukraine and Moldova. Ukraine doubts the project and would like to continue rather on the bilateral bases, not to be involved in a regional group or block (Cianciara 2008).

⁶ The European Parliament, or its part, being an active proponent (European Parliament, 2008)

⁷ The Commission's proposal of a strengthened neighbourhood policy is not seen as sufficient in this respect.

⁸ ENP was conceived with the looming 2004 'big bang' enlargement as a policy for the new Eastern neighbours in order to avoid a commitment to further enlargement; it has been designed as a weak multilateral umbrella policy containing strong bilateral components.

⁹ Within this process, some changes in the EU vocabulary have been gradually introduced with democracy and democratization being replaced by good governance, especially when dealing with the Mediterranean neighbours.

In the last years, the US has been largely focused on the wars in Afghanistan and Iraq, as part of its global war on terror. It has adopted a differentiated approach towards the countries of the European neighbourhood, pursuing a series of disparate policies toward individual states and several regions (the Balkans, Middle East¹⁰). It has established very close ties with some of the countries (Morocco, Egypt, Israel, Azerbaijan, and Albania) or considers them of enormous strategic importance but not a political priority (Ukraine). With others the relationship is not seen as so strategically important (Armenia, Tunisia) or even very complicated (Syria, Libya, and Belarus). It tried to give these policies coherence, but generally came to the conclusion that the countries of the Black Sea region or Maghreb were too different to have an overarching regional approach. The selective approach was based mostly on prioritizing security and counterterrorism issues.¹¹

The main challenges

Black Sea Region¹² is the area of strategic interest (security, stability) both to the EU and the US¹³, with Russia as a key factor influencing the developments in the region¹⁴. The region has become a new strategic frontier in terms of energy security, frozen conflicts, trade links, migration management, non-proliferation and other key policy areas. The issue of the frozen conflicts is gaining enormous importance after the armed crisis between Russia and Georgia in August 2008; the existing peacekeeping and negotiating formats proved dysfunctional with Russia using the UN and Organisation for Security and Co-operation in Europe peacekeeping mandates to legitimise its military build-up in the region. In response to the crisis in Georgia, the US let the EU to take the lead, sharing the similar view on the response.¹⁵

The region itself is highly heterogeneous with differing interests and aspirations of the countries involved; the EU has problems with adopting the 'regional concept or approach'. Also the 'advocates' of the region, Romania and Bulgaria, have experienced difficulties in giving substance to their foreign policy after EU accession, with the Black Sea Synergy discourse remaining largely on paper;¹⁶ they have not been able to promote effectively the region, EU policy change and the EU-US cooperation vision (Romania). Although the EU (like the US) did not perceive Russia's 'peace-keeping' troops in Abkhazia as a neutral force, it was reluctant to deploy missions elsewhere in the region before August 2008. With a worsening situation on the ground in early 2008, the EU actions, in search for a balanced approach, were largely limited to issuing statements calling for restraint with little impact on either side. The EU and its member states, despite the crucial importance of the region energy

¹⁰ The concept of a 'New Middle East', a political framework initiative of the George W. Bush administration announced in June 2006 in Tel Aviv, aimed at general political and economic transformation of the newly defined region.

¹¹ A strategy enhanced by 9/11, which also added a new dimension to the relations with Bosnia and Herzegovina and with Albania to a certain extent.

¹² The regional concept involves Romania, Bulgaria, Republic of Moldova, Ukraine, Russia, Azerbaijan, Armenia, Georgia and Turkey.

¹³ See for example (Asmus, Dimitrov, Forbrig (eds.) 2004), (Hatto, Tomescu 2008)

¹⁴ The August 2008 crisis between Russia and Georgia has several implications for regional security and stability – Russia has seriously undermined its position as peacekeeper and mediator in the settlement of conflicts; Russian moves have shown its determination to stymie the Euro-Atlantic aspirations of some countries in the region (Ukraine, Georgia, Moldova); the fact that this military incursion was partially explained by the need to protect Russian citizens in South Ossetia and Abkhazia creates a worrying precedent, given that many post-Soviet states still have a large population of Russian citizens.

¹⁵ Whether it was a good example of coordination of the transatlantic partners is hard to assess now; however, the prevailing security perception in the region is that only the US can face Russia, Europeans are too weak to lead and to provide enough guarantees for living alongside Russia.

¹⁶ The Black Sea Forum of the civil society and NGOs as an exception

security-wise, stick to the ENP tools and democracy and human rights discourse but in fact, there is lack of EU vision towards the region.

The US moves in the region are based on bilateral relations; it quite recently opened military bases in Romania and Bulgaria¹⁷ using bilateral agreements with the respective governments as a legal bases. The US prioritizes democratic reform in addition to security ties; it utilizes its strength in security issues to develop bilateral relations, working from the tenet that democratic states are less likely to go to war with other democratic states. The US approach to democracy promotion is rather selective and tends to prioritize strategic, security oriented, concerns (the EU follows more stability oriented goals). When engaging, the US is rather focusing on the support of (liberal) opposition actors against incumbent regimes (whereas the EU is adopting a more politically 'neutral' approach to political changes but promoting a more comprehensive process of political change; being so minimal and loose in its commitment EU's results have been less visible so far).

The main challenges are:

- Competition with Russia; many in the region look at building their alliances and future prospects primarily through the lenses of relations with Russia (impact of the Georgia crisis on the political developments in Ukraine).
- Lack of EU strategy for the region
- Agreement over energy security related projects in the region

Ukraine's strategic position has been recognized both by EU and the US (a buffer zone discourse), and the pro-democratic changes supported by both actors.¹⁸ The strategic orientation of the country (pro Euro-Atlantic integration vs. neo-Kuchma orientation – West as a counterweight to Russia¹⁹) has not been fully stabilized, yet. The conflict in Georgia influenced seriously the situation in Ukraine – without any direct Russian involvement the 'pro-European' majority in the parliament dissolved. The Ukrainian public supports the prospect of EU membership; the support to NATO membership remains very low in the Eastern part of the country.²⁰ The civil society is an active player in the process of Euro-Atlantic integration but remains weak in terms of influencing the policy-making processes.

Ukraine falls under ENP roof; the EU is reluctant to provide the country with an EU membership prospect. The 'deep integration' is envisaged in the new 'free trade area plus agreements' (FTA+), the first of which is being offered and negotiated with Ukraine.²¹ The question remains whether a promise of a deeper integration will be a sufficient external anchor for domestic reform policy, given the current political situation. The Eastern

¹⁷ The official reasoning for establishing these bases is a strategic positioning vis-à-vis the Middle East.

¹⁸ The US maintained good relations with the Kuchma's administration, too. EU concluded the Partnership and Cooperation Agreement with Ukraine in 1998.

¹⁹ (Bogomolov, Sherr, Moshes, Larrabee 2007)

²⁰ Support for NATO membership is low due to anti-NATO propaganda from Russia. Pro-NATO government forces in Ukraine have not done a good job at explaining what NATO means today to the population. In June of this year the PM Tymoshenko government decided to launch a NATO public awareness campaign for the 2008-2011 period (CSIS 2008); the future of this programme is questionable since the PM has been turning away from 'Euro-Atlantic' projects after the recent developments.

²¹ The Czech Presidency (first half of 2009) envisages the conclusion of the agreement with Ukraine in its priorities; with regard to the current political development in the country it is however rather improbable.

Partnership initiative, promoted by the upcoming Czech EU Presidency, aims at improving the situation. Following the US discourse and perception of some EU member states, it seems Ukraine is considered to be the EU's 'homework' as the US prepares to engage more in Georgia.

The main challenges are:

- Energy security; dependence on Russian resources, transit country - inefficient and deteriorating infrastructure; about 80 percent of Russian oil and gas exports transit in Ukraine.
- Stability of democratic institutions and constitutional ambiguities (different power centres emerging within the administration without lack of clear division of competences), judicial independence, good governance, transparency, corruption²², the ability of political elites to seek and maintain consensus and human rights guarantees.²³
- EU and NATO membership prospects; sensitivity of the Ukrainian elite and the delicate details of the NATO question (public opinion).

Vis-à-vis the region (but also other parts of the EU neighbourhood), it seems the EU's **ENP** has to be revised.²⁴ There are various problems starting with insufficient transformative potential²⁵; ENP countries dislike being gathered under one policy roof and ENP is not working well as a political label. There are also difficulties in delivering on some of the ambitious policy aims (mobility of persons, for example, or agriculture); the EU is failing to offer attractive short-term incentives. There were no achievements on these problems for over a year in the EU. The prevailing answer to the question how to improve EU's performance seems to be an emphasis on sub-regional initiatives and further differentiation among the countries.²⁶

The EU and the US share similar, largely overlapping goals in the **Western Balkans**, with strengthening democracy, stability, enforcing the rule of law, bringing war criminals to justice, accession to the Euro-Atlantic structures, market reform, reducing corruption, minority rights or the reforms of the security sectors in the centre; the region has become a cornerstone of transatlantic cooperation in the EU neighbourhood.

²² The Tymoshenko government has moved to tackle corruption by targeting VAT refunds and customs operations at the beginning of the year and trying to remove RosUkrEnergo from gas dealings between Russia and Ukraine.

²³ (Jarabik, Solonenko 2008)

²⁴ ENP's essential offering is increased stability through close political cooperation with the Union together with a share in the internal market in return for the adoption of the European Union's regulation and regulatory systems and of its fundamental values. The new incentives are needed; For ENP countries in North Africa and the Middle East, where the legal basis for accession at present does not exist in the EU Treaties, the new incentives are likely to be in the area of additional financial assistance and progress in the areas of migration and justice and home affairs. For the countries of Eastern Europe, which do have a perspective of accession under the Treaties, the discussion of future policy design is under way.

²⁵ Ukraine but also Morocco, which is asking for an advanced partnership status

²⁶ In order to improve the policy, the European Commission is also borrowing from the enlargement policy toolbox and tries to customize it for the neighbouring countries; the ENP countries could participate in the EU agencies and people to people programmes and activities in the future, designed according to the pre-accession strategies. Another trend, observable on the side of EU institutions, is to involve more the corporate actors who benefit from the stability of the neighbourhood.

The US sees the Balkans increasingly as a European issue, its policy toward the region has been largely characterized by a 'policy of neglect' in recent years, with the exception of Kosovo; but with the independence proclamation and recognition of the country, it seems the US consider its job done. Washington's attention has been focused elsewhere (Iraq, Iran, North Korea) and it seems the US is comfortable, unlike in the past, with the EU taking the lead.²⁷

The EU gave all states of the Western Balkans – Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia a specific prospect for EU membership (Thessaloniki Declaration) and unlike the case of Turkey, it has not been disputed; Stabilization and Association Agreements have been signed with all countries of the region with the exception of Kosovo.²⁸ Accession negotiations are in progress with Croatia²⁹ (since October 2005) and Macedonia has also been granted candidate status (December 2005). There is no concrete and clear picture of how an independent Kosovo will be integrated in the European Union, it is equally clear that its future will be within the EU framework. A clear set of rules for the visa free regime for all West Balkan countries, as well as candidate and neighbouring countries should be set by the EU (as well as realistic intermediate strategies, which are lacking). This is extremely important, especially for Serbia, which has been isolated. The ability to travel and study in the rest of Europe will generate feelings of inclusion and more positive attitudes about the Euro-Atlantic community. These countries need to feel that they belong to this community.

The main challenges are:

- Self-sustainable Kosovo;³⁰ to bring durable security to Kosovo is only a precondition for good governance.
- The developments in Serbia; maintaining a democratic and Euro-Atlantic perspective for the country, especially post-Kosovo independence and during the deliberations of the International Court of Justice on the legality of the decision. Serbia could become preoccupied with a pending ICJ decision, which could distract politicians from reforms.
- The fragile and dysfunctional structure of Bosnia-Herzegovina, the lack of clear EU intermediate strategy and the upcoming deliberations in the Peace Implementation Council.³¹
- Self-sustaining stability in the Balkans in the long run;
- The impact of the EU's 'enlargement fatigue'³² on the reform pace in the region.

²⁷ It applies also to the military engagement and previous concerns over NATO weakening; The EU is gradually taking over the operations conducted in the region within the NATO framework, with the exception of the KFOR mission in Kosovo, where the NATO presence is envisaged to continue at least in the short run. The US has sought to reduce the costs of its commitments to the region in time, in part due to competing priorities. SFOR mission was concluded in December 2004, no US combat troops remain in Bosnia. About 16,000 NATO troops remain in Kosovo as part of KFOR, including 1,600 US soldiers (Woehrel 2008). US Secretary of Defence Robert Gates announced on October 9 that US troops will remain in Kosovo until October 2009.

²⁸ The current framework of EU-Kosovo relations is the so-called SAP tracking mechanism.

²⁹ The outgoing Slovene presidency was blocking progress on the negotiations with Croatia over unsettled issues of borders and territorial waters; the original intentions to conclude the talks in the first half of 2009 are slowly fading away (Kral, Bartovic 2008).

³⁰ The positions of the EU member states on Kosovo independence differed; some have not recognized Kosovo so far (Romania, Hungary, Slovakia, Spain, and Portugal).

³¹ The Dayton framework seems to be outdated and hampering further progress of the country. The EU and the US should support the current UN/EU high representative to press on constitutional reforms with a long-term goal of changing BiH from its current state based on ethnic/national principle to a country based on a civic principle (Kral, Bartovic 2008).

While the US sees **Turkey** primarily from a strategic perspective and exclusively as a foreign policy issue, and as such tends to be less concerned with the details of Turkey's domestic political situation, the EU's approach is more complex (although it acknowledges its strategic importance - ties with key Middle Eastern actors Iran, Syria, Iraq, Israel, PA, too) given the candidate status of the country for EU membership; for the EU the context of Turkish EU accession is also a domestic politics issue and thus the importance of Turkey's domestic situation is exponentially higher. Turkey is crucial in terms of energy security both for the EU and the US, as it is a pivotal player in efforts to bring Caspian oil and gas to world and European markets.

The country has emerged with a strong government from 2007 early elections, and although the overwhelming victory of AKP has been expected with some concerns, it has not deviated seriously from the commitment to meet the EU accession criteria despite the diminishing reform ethos and several internal problems³³. The accession of Turkey is being de-coupled from the Western Balkans as a 'special case'; some EU governments, notably France³⁴, Germany and Austria are questioning any prospect of Turkish EU membership. The accession negotiations on the crucial eight chapters were stalled, there are several chapters France refuses to negotiate upon and generally, there is a slow pace in the talks over the open chapter or the ones that could be potentially opened. Turkey also agreed to attend the launch of the Union for the Mediterranean. The development of the relations with the EU has a serious impact on the public opinion in the country; favourable image of the EU in Turkey has stabilized at 49 percent in Spring 2008 after four years of continuous decline, yet only 58 percent of Turks (as oppose to 82 percent in 2007) felt that Turkey's EU membership would be beneficial to the country³⁵.

The US wants to anchor Turkey to the West for strategic reasons and thus also favours Turkey's EU membership.³⁶ The US regards Turkey as a strategic ally in war on terrorism, a partner vital for US security;³⁷ however, the relations have been deteriorating since 2003 due to the Iraq campaign. After the 2007 elections the lukewarm relations worsened further at the end of the year with Turkish anti-PKK operations in Northern Iraq but improved again after the official visit of Turkish PM and President to the US at the beginning of 2008.³⁸ Also the level of support to the US dropped significantly in Turkey over time.

Main challenges in relations to Turkey:

- EU accession process; re-launch of the negotiations on the crucial eight chapters with the EU, the chapters France refuses to negotiate upon and the generally slow pace in the talks over the open chapter or the ones that could be potentially opened.
- Settlement of the Cyprus issue

³² Following the public opinion and the debate before the French and Dutch referenda on the EU Constitutional Treaty when the enlargement was taken hostage by the 'no' camps, some of the EU member states started promoting the enlargement policy to slow down.

³³ A call to ban the AKP and its failure last summer, for example.

³⁴ In relation to Turkey, there is a feeling the project of Mediterranean Union has been devised to keep Turkey outside the EU gates and to offer it a different kind of partnership in a different framework.

³⁵ Eurobarometer 69 Spring, 2008

³⁶ US backing of the Turkish EU aspirations is usually driven by a vision of Turkey as 'a constructive bridge between Europe and the Islamic world', a discourse also by some in Europe, too.

³⁷ Both by providing an access to Iraq through Turkish Incirlik air base and by cooperation on its counterterrorism efforts, namely against emerging Jihadi formation loosely connected to Al Qaeda or Turkish Hezbollah.

³⁸ President George W. Bush labelled PKK publicly a common enemy.

- Lack of some political freedoms; consistent pressure on the AKP government is necessary in order to keep the reform pace particularly in the area of human and minority rights and the rule of law; a need to re-engage in debate over a new constitution.
- Possibly different sets of priorities of the new US administration in US–Turkish relations but according to some experts, major modifications of the alliance are not envisaged.

EU Enlargement policy has been for a long time the EU's principal democratization strategy – a powerful tool, able to deliver a real regime change the US could hardly achieve even by employing enormous resources, but it has been clear for some time it is no longer such a powerful incentive for democratic reforms in the neighbourhood. Besides Croatia, and Macedonia or Montenegro, further enlargement is unlikely in the mid-term perspective, not least while the EU seeks to ratify and then implement the Lisbon Treaty. Without the incentive of enlargement, the EU needs to combine a values-based approach with other realistic incentives to stimulate good governance and democratisation in its neighbourhood.

Transatlantic Cooperation

The actions of the EU and US in the European neighbourhood are complementary, but rarely coordinated, with the exception of the Balkans and Belarus to a certain extent; there is no intensive EU-US cooperation in the ENP area. The objective to spread democracy worldwide, articulated by the current US administration is compatible with the EU's wish to see the democratisation of its wider neighbourhood, however, both discourses have experienced gradual erosion and remake in interactions with the actual policy takers.

Possible points of convergence

- **Energy security** – a joint interest in securing the flow of the energy resources to Europe, at least to Turkey (competing pipeline projects); the US is mostly interested in transport capacities and securing the routes (but also in fair and consistent treatment of foreign investors in the Russian market), the EU as a consumer (some member states are 100% dependent on Russian imports) in reaching a complex deal with Russia, allowing for transposition of its regulatory framework on Russian energy market and companies. Energy security is one of the main factors influencing the EU and US relations with the countries in the Caucasus. The issue is viewed differently within Europe. The West Europeans tie energy security to climate change and the CEE member states are more concerned with Russia's manipulation of energy resources for political gain.
- **Self-sustaining stability in the Balkans in the long run**; with the responsibility shifting towards the EU.
- **Need for a Black Sea Region strategic concept**; the region has become a new strategic frontier for the EU, the US and Russia in terms of energy security, frozen conflicts, trade links, migration management, non-proliferation and other key policy areas.

- **A need to ease Russian pressure on neighbouring states;** however, the positions on accelerating the integration of the respective states into the Western structures diverge. There is a divergence between the US and EU over missile defence and NATO enlargement.
- **Certain synergy of interest in the Mediterranean area;** with the EU adopting gradually a principle of differentiation and with very similar goals (security, energy, counterterrorism, migration management).
- **Belarus** – there is a synergy of policy goals and institutionalized coordination of donor activities in the country. However, the recent moves by the EU to normalize official relations with Belarusian representation were not reciprocated by the US.

Possible points of divergence

- **NATO Enlargement** is an important conditionality tool; despite the pressure from the US side, many EU members held back from offering Ukraine and Georgia a NATO Membership Action Plan at the Bucharest summit on 4 April 2008, with the developments in Georgia, the issue has become crucial.
- **Policy towards Russia**, not least because of diverging positions of the EU member states. The US preferably needs Russia for stability in the world, security and counterterrorism efforts, the EU aims primarily at energy security; the US policy on Russia can change with the new administration and so can the incoherent EU policy after the bargaining over the energy package (linking the internal and external aspects of the relations with Russia into one strategy); however, it seems the ethos for a single policy towards Russia is waning. On the other hand, Russia's recent aggressive foreign policy has been shifting US thinking a bit away from engagement, however future US policy toward Russia will depend on new administration and Russia's behaviour.
- **Recognition of Kosovo** – some of the EU member states have not recognized Kosovo independence so far; the problem is rather intra-EU then across the Atlantic.
- **Strategic approach** – the EU strategy towards the neighbourhood was designed on the basis of a multilateral structure and complex relations, including also a strong bilateral component; with the tendency towards emphasising the differentiation principle and with lack of coordination, EU has been adopting a similar approach to the US, a competition of interests is more likely to emerge.

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