

THE NEIGHBORHOOD POLICY, ESSENTIAL VECTOR OF EUROPEAN TERRITORIAL COOPERATION. ROMANIA'S COOPERATION WITH MOLDOVA AND UKRAINE

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Abstract. The European Union offers to its European Neighborhood Policy partner countries deeper economic ties through trade and economic integration and has continued trade relations with most ENP partners, including Ukraine, Moldova as well as launching negotiations to extend free-trade agreements with Mediterranean partners. Romania supports the European aspirations of the countries from the Eastern Europe that are aimed by the Neighborhood European Policy – Republic of Moldova, Ukraine and the Southern Caucasus – and expresses its availability to support the implementation of the Action Plans in these countries.

Keywords: neighborhood policy, regional, cooperation, Europe

The territorial cooperation on the external borders of EU has two major components: The Cohesion Policy and the European Neighborhood Policy.

The Cohesion Policy is meant to reduce the differences between the regions and the EU member states which are better developed and those which are not; the European Neighborhood Policy represents a new approach regarding the relations between EU and its neighbors, an approach that exceeds the traditional one which is based on cooperation.

The European Neighborhood Policy does not offer to the target states (the countries of Eastern Europe and the Mediterranean countries and since 2004 the South-Caucasian countries) the perspective of accession to the EU, but it allows a privileged neighborhood relationship and a better focusing of the efforts in the fields related to the economical and social development, as well as the acquirement of the possibility to access to the internal market and to integrate in other European policies.

Starting with 2007, when Romania become member state of the European Union, the European Neighborhood and Partnership Instrument will start to function. This will represent the main financial instrument that supports the implementation of the European Neighborhood Policy. This instrument will finance common programmes which call together regions of the member states and the third states (which have no accession perspective yet) that have common border.

EUROPEAN NEIGHBORHOOD POLICY: EVOLUTION AND COMPONENTS

Aware and interested in its more and more important role abroad, the European Union has started during the last decade a more and more coherent process of regional cooperation and openness in its geographical nearness,

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defined through three interest fields: Central and Eastern Europe, Western Balkans and Mediterranean Region. The elements common to the different regional approaches have been: peace, stability, promotion of common values (especially democracy and fundamental liberties), the commercial development and integration.

The enlargement of EU brings about new dynamics in the European integration. This presents an important opportunity to take forward relations with neighboring countries based on shared political and economic values. The Union remains determined to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.

On December 2002, the Copenhagen European Council, declaring that „*the current enlargement provides the basis for a Union with strong prospects for sustainable growth and an important role to play in consolidating stability, peace and democracy in Europe and beyond*”, has specified that the European Union is interested in consolidating the relations of regional and cross-border cooperation with its neighbors, “*in order to entirely develop the potential of those regions*”¹.

The European Commission proposed the solution in March 2003, through the Communication entitled „*Wider Europe – Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors*” – in short, the project “*Wider Europe – The New Neighborhood*”. This Communication was dealing in that moment the possibilities to consolidate the relations between the Union and the neighboring states which didn’t fulfill the conditions to become EU members, as it was believed that „*enhanced interdependence – both political and economic – can itself be a means to promote stability, security and sustainable development both within and without the EU.*”² Thus, the European Commission sketches the principles of the neighboring policy of EU and emphasizes the importance given by the Union to its neighbors. According to this Communication the financial help given to the neighboring states until now, especially through the TACIS and MEDA programmes will be extra financed in the following period by a new financial instrument, *The European Neighborhood and Cooperation Instrument*, which will support the implementation of the neighborhood policy.

The new measures for the foreign policy were subsequently called “**European Neighborhood Policy**” (ENP) in the Commission’s Communication from June 2004, which represents the draft document of ENP, together with the Communication regarding the foundation of the New Neighborhood Instrument in July 2003. The year of 2004 is also significant because the ENP started to apply (the approval of the Country Reports and of the Action Plans) in the conditions of clarifying and structuring the obligation of EU with the help of the General Affairs and External Relations Council, European Parliament and European Council.

The Neighborhood European Policy represents a consolidation plan of the neighborhood relations and aims to intensify the cooperation with the UE neighboring states in order to create a flourishing neighborhood area, a ring of friends, at the Union’s borders.

¹ Council of the European Union, Copenhagen European Council, 12 and 13 december 2002. Presidency conclusions, Brussels, 29 January 2003, p. 7, Site Internet: <http://Ue.Eu.Int>

² Commission of the European Communities, Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours, Brussels, 11march 2003, p. 4

THE OBJECTIVES OF THE EUROPEAN NEIGHBORHOOD POLICY

The main objective of ENP is to share the advantages of the enlargement of EU with its neighboring states. Another objective is established with the help of *The European Strategy for Security* from 2003 that is to extend security in the neighboring area of the Union.

Among the advantages offered by ENP, we mention those regarding the social and economical development and the possibility to enter the internal market and to access to other European policies:

- education, professional training and youth;
- research;
- environment;
- culture;
- audio-visual policy.

The states comprised in the *European Neighborhood Policy* are:

- in East: Moldova, Ukraine, Belarus
- in Southern Caucasus: Georgia, Armenia and Azerbaijan
- in the Mediterranean area: Morocco, Algeria, Tunisia, Lebanon, Libya, Egypt, Israel, Jordan, Syria, Palestine.

The Partnership and Co-operation Agreement between the European Union and **Moldova** entered into force on 1 July 1998. Moldova is also a member of the Stability Pact for South Eastern Europe. The EU believes that the resolution of the Transnistrian conflict and Moldova's continuing openness regarding trade and investment, in line with its World Trade Organization commitments, will improve the prospects for poverty alleviation in the country³.

The EU's relations with **Ukraine** are based on the Partnership and Co-operation Agreement (PCA), which entered into force in 1998 for an initial period of ten years, and on the EU's Common Strategy of 1999 which originally covered four years but has been extended until December 2004. A Protocol to the Partnership and Co-operation Agreement was signed by the EU and Ukraine on 30 March 2004 to extend the application of the agreement in full to the ten new EU Member States from 1 May 2004. The EU considers Ukraine a priority partner in the European Neighborhood Policy framework. Under President Viktor Yushchenko, Kiev aims to join the EU as a member. The EU considers this a "realistic vision for the future", but for now Ukraine is not seen as a country in line for membership. In February 2005, the EU and Ukraine signed an updated three-year Action Plan on bilateral relations. In December 2005 the EU granted market economy status to Ukraine⁴.

THE EUROPEAN NEIGHBORHOOD AND PARTNERSHIP INSTRUMENT (ENPI)

This European instrument is still elaborating, and starting from 2007 it will complete the existing sources of assistance for the countries pursued in the EU neighborhood policy.

In the proposal regarding the financial perspectives and obligations for 2007-2013 the Commission includes the new *European Neighborhood and Partnership Instrument* among the six financial instruments which will support the external relations of EU after 2006.

³ The EU's new neighbours, 17 January 2007, Site Internet: <http://www.euractiv.com/>

⁴ Ibidem

According to the Commission's Communication in July 2003, the European Neighborhood and Partnership Instrument will cover, from the geographical point of view, the whole border between the EU member states, on one hand, and the states pursued in the EU neighborhood policy, on the other hand. ENPI will support the cross-border cooperation implying beneficiaries from one EU member state, at least, and one partner state. The instrument will replace all existing internal and external cross-border programmes from the member states and from the regions in the neighborhood of the future EU border.

The European Neighborhood and Partnership Instrument will be conceived on the basis of the experience stored during the establishment of the neighborhood programmes for 2004-2006. The key points of this instrument are identical with the objectives specified in the Commission's Communication in July 2003:

- promotion of the sustainable development in the regions neighbor to the border;
- common actions in order to exceed the challenges in the field: environment protection, health protection, prevention and fight against organized crime;
- the assurance of efficient and secure borders, through common actions;
- promotion of the local cross-border actions such as „people-to-people”.

FINANCING MEANS

ENPI will finance the common projects of the EU member states and of their partners from the EU neighborhood in order to complete the internal and external financing instruments that can operate only on one side of the EU border. The European Commission believes that the new Neighborhood Instrument should support the countries purposed in the field of cross-border cooperation, in some specific fields, besides those included in the present programmes. Thus, the neighborhood programmes are going to bring an increased value to the regional, transnational and cross-border cooperation.

From the structural point of view, ENPI is going to function with the help of two ways of financing.

The first one will support the cross-border cooperation. The programmes will be mostly bilateral, although the multilateral programmes, especially in the case of maritime borders, are not excluded. The representatives of national, regional and local authorities of the EU member states and of the partner states will be involved in the programmes selection stage as well as in the implementation stage. The Commission hasn't agreed yet about what kind of managerial authority would take the administration of these programmes.

The second way will offer a more flexible support to the transnational cooperation, involving actors and beneficiaries from both the EU member states and the partner states. The first cooperation fields will be: environment, energetic security, telecommunication and transport networks, health protection, prevention and fight against organized crime. In this case the Commission has the possibility to identify, select and propose for being financed the projects of a major technical or political importance. The whole area of the EU member states and the important areas of the partner states will be eligible for these programmes. The Commission will also administrate the implementation process. At the request of the partner states some executive agencies could be responsible for the implementation process, assuring thus an indirect management of the programmes.

BENEFITS OF THE EUROPEAN UNION FROM EUROPEAN NEIGHBORHOOD POLICY

A Eurobarometer Special Report on the European Neighborhood Policy shows that Europeans believe that encouraging and supporting reforms in neighboring countries will bring benefits for the EU's neighbors in terms of economic and social development as well as good governance. They also expect that promoting stability and a favorable economic environment, as well as the mutual opening of markets, will contribute to prosperity within the EU. They see overall benefits to cooperation with neighbors, particularly working together to tackle mutual challenges such as security (tackling terrorism and organized crime), environmental protection, energy and migration⁵.

EU citizens tend to have a positive perception of relations with neighboring countries (68%) and to believe that cooperation with these countries will bring mutual benefits. EU citizens consider cooperation with neighboring countries important: in fighting organized crime (90%) and terrorism (90%), in economic development (88%), energy matters (87%), environment (87%), democracy (87%), education and training (83%), research and innovation (78%) and immigration (77%).

The vast majority consider that EU assistance to neighboring countries can help to extend peace (70%) and democracy (77%) beyond the borders of the Union. There are, however, concerns (45%) that their own country's peace and stability could be endangered by promoting reforms in neighboring countries.

A majority of those questioned felt that economic cooperation with the neighbors would increase mutual prosperity (61%) and open new markets for both parties (75% for the EU and 64% for neighboring countries). This is in spite of the fact that many (81%) had concerns about the potential financial costs of supporting reforms in Europe's neighborhood⁶.

ROMANIA'S COOPERATION WITH THE REPUBLIC OF MOLDOVA AND UKRAINE IN THE CONTEXT OF THE EUROPEAN NEIGHBORHOOD POLICY

After 1st January 2007, Romania's affiliation to EU will mostly dictate the cross-border relations between Romania and the neighboring states. Thus, in the relations with Moldova and Ukraine it will be implemented a "neighborhood and partnership instrument". The Republic of Moldova and Ukraine have already showed their European aspirations. Both EU and the neighboring countries are sure that the "neighborhood policy" offers an ideal background for better relationships.

Romania supports the European aspirations of the countries from the Eastern Europe that are aimed by the Neighborhood European Policy – Republic of Moldova, Ukraine and the Southern Caucasus – and expresses its availability to support the implementation of the Action Plans of European Union – Republic of Moldova (adopted on 22 February 2005) and European Union – Ukraine (adopted on 21 February 2005).

Until now the cooperation between Romania and its two neighbors was bilateral, and the cooperation programmes, separate with the Republic of Moldova and separate with Ukraine had different implementation rhythms and European Union interests.

⁵ The European Union and its Neighbours: Press Release, Site Internet: <http://europa.eu>

⁶ European Commission, Special Eurobarometer 259: The European Union and its Neighbours, October 2006, http://ec.europa.eu/public_opinion/archives/ebs/ebs_259_en.pdf

ROMANIA – MOLDOVA NEIGHBORHOOD PROGRAMME

Today the European neighborhood policy is the main instrument of the relations of EU with the countries from the Eastern Europe, including here the Republic of Moldova. Today this policy is in the middle of an ample estimation and revision process, and at the end of December there will be a complete report, and during the German presidency of EU, in the first semester of 2007, we will see its improved form. The next step is to trace the lines that will mark the background of the relations with the European Union after 2008, after the present Action Plans with Ukraine and the Republic of Moldova are finished.

The general objective of the Neighborhood Programme 2004-2006 is to achieve the sustainable socio-economic development on the border region between Romania and Moldova by developing the principle of cross-border cooperation.

This programme has been launched on 12 April 2006. Consequently, 24 millions of Euros, from communitarian funds, are available for projects that regard the economical and social development in the border region. In order to be eligible, the applicants must be local authorities or Non Governmental Organizations which must work in the border region.

Two strategic objectives will reinforce the general objective⁷:

- to increase the overall level of cross-border social and economic cooperation,

- to improve the coherence in cross border infrastructure as it contributes to the populations' quality of life.

The Republic of Moldova needs a stable and coherent relation with Romania as European neighbor of first position and as natural ally, and also with Europe, in order to avoid this border line. Therefore, the major objective of the EU and Moldova partnership is to limit the negative consequences of EU expansion and to counteract the exclusion of Republic of Moldova. On long-term, the objective of the EU is to extend its constructive influence in order to help Moldova's transition towards a liberal market democracy, like the European neighbors.

EU expansion in 2007 – especially Romania's accession – creates the possibility to develop these relations with the Republic of Moldova. We must mention that Moldova has a unique position among the new neighbors of EU. In economical terms, the economical potential of Moldova represents only 0.03 %, and its population represent only 0.6 % of the EU population (more than that, one half of Moldova's population has already emigrated in EU countries). Therefore, it will be easier for EU to “absorb” the Republic of Moldova with minimal investments than to have an instable neighbor.

ROMANIA – UKRAINE NEIGHBORHOOD PROGRAMME

An expansion of the EU including Romania creates a new situation for the relation between Romania and the Ukraine. The EU is faced with the challenge of finding a balance between its internal safety versus its openness. Within this framework the New Neighborhood Instrument aims at addressing the challenges and opportunities arising from the proximity of in this case Romania and the Ukraine, such as economic development of the border regions, environmental problems and people-to-people contacts.

⁷ Site Internet Finanțare.ro: <http://www.finantare.ro/>

Economic links between Romanian and Ukrainian border regions are rather weak. Although the share of export and import to each other is higher in the border region in comparison with the national data, it is still insignificant. The same applies for the direct investments. The level of economic development in the border regions of both countries is rather low, with the GDP/per capita lower than the national figure.

A possible solution to accelerate the local economic development in the eligible area could be found in the development of SME sector in the region, in response to downsizing or closing down obsolete industries and to the required structural economic reforms in general.

Analyses furthermore show that the eligible area has a big potential for tourism, which could gain significantly from closer cooperation of the two countries. Although the border regions of both countries do have tourism potential, its development is hindered by⁸:

- undeveloped tourist facilities - the access to public utilities in rural areas is limited, especially in the Ukraine;
- the lack of integrated information system, which could allow traditional tourist routs to both countries;
- the lack of border cross-points;
- underdeveloped transport infrastructure.

Cross-border transport and border infrastructure are crucial to support the whole development process of cross-border regions. Efficient border management is essential for joint prosperity and security. Facilitating trade and passage, while securing borders against smuggling, trafficking, organized crime (including terrorist threats) and illegal immigration (including transit migration), will be of crucial importance. Regional and cross-border cooperation can assist in facing these challenges, in line with actions to be taken at national level.

Industrial activities (mining, metallurgy, chemistry, wood processing, cellulose and paper, etc.), deforestation and the abundant use of fertilizers and pesticides have contributed to the pollution and destruction of nature. Intensive restoration and further development of railways, roads, pipelines, investments in agro-processing sector, wood processing industry in the border region change the environmental conditions and have an impact on the ecological equilibrium in the region. On the other hand, there are some national protected areas.

Finding a balance between the required economic development and environment protection in the border region requires a joint understanding and cooperation from both sides.

To ensure sustainable development, cross border environmental management infrastructure requires development. In particular the environmental monitoring system in various sectors (water, air, waste) could be developed or upgraded. Other types of environmental protection infrastructure such as water and waste management devices should be provided, enlarged or generally improved, conditional on their explicit cross-borders value. In order to implement these investments, which are partially financed by other programs, the development of joint monitoring systems is crucial.

The global objective of the Romania-Ukraine Neighborhood Programme 2004-2006 is to improve cross-border integration between boundary regions

⁸ Neighbourhood Programme Romania – Ukraine 2004–2006, Joint Programming Document, 30 June 2005, p.11

while posing good bases for sustainable economic development.

The opportunities for cross border co-operation in the eligible regions can be converted in four intermediate/specific objectives, which are instrumental to acquire the general objective⁹:

1. strengthening existing common assets to ignite a new integrated cycle of sustainable development;
2. supporting a new cycle of sustainable development with key infrastructures;
3. develop cross-border cooperation to resurface the common socio-cultural heritage linked to the local history and environment;
4. operationally strengthen cross-border cooperation.

Future cross-border cooperation with the Republic of Moldova and Ukraine belongs to the framework offered by the European Neighborhood and Partnership Instrument. The Strategic Document regarding the cross-border cooperation during 2007-2013 (document on the table at the European Commission) gives a list of the countries and regions eligible for ENPI financing, as well as the way they are grouped in common programmes.

The Strategic Document stipulates that Romania should carry on cross-border cooperation activities financed by ENPI, together with Republic of Moldova and Ukraine, in a trilateral programme.

The eligible region of this programme will include the four Romanian counties located on the border with Moldova and the counties Tulcea and Suceava, on the Ukrainian border. Also, according to the stipulations of the project of the Strategic Document, Romania takes part in the quadrilateral cross-border cooperation with Hungary, Slovakia and Ukraine with two counties - Maramureș and Satu Mare.

The funds assigned to the common programmes for cross-border cooperation may be used to finance common projects, presented by beneficiaries belonging to one or more member states and to one or more third states.

The three types of common projects which are financed by the European Neighborhood and Partnership Instrument are:

- *simple projects*, with a cross-border effect taking place mostly or exclusively on one side of the border but for the benefit of both partners
- *complementary projects*, where an activity on one side of the border is accompanied by a similar activity on the other side;
- *integrated projects*, where partners on either side of the border contribute different elements to a single project.

Management Authorities are founded in order to administrate the cooperation programmes; they function in the member state and they are responsible for the implementation and the correctness of the financial operations carried on both in the member state and in the partner states.

Starting from 2007, in its position of member state, Romania will lodge at The Ministry of European Integration, *the Management Authority for the cooperation program with Moldova and Ukraine*.¹⁰

The programmes will be appreciated by the European Commission, but the member states will also be allowed to express their opinion. As the trilateral cooperation – Romania – Moldova – Ukraine – will be difficult, Romania has

⁹ <http://www.infoeuropa.ro/docs/Annex%20C5%20CBC%202005%20RO-UA.pdf>

¹⁰ Site Internet European Integration Minister: www.mie.ro

appealed to the European Commission and to the Commissioner for external relations, Benita Ferrero-Waldner, in order that some bilateral priorities should be accepted¹¹.

The importance of these projects lays in the fact that Romania can invest European money in order to promote its political agenda in the relations with its neighbors.

COOPERATION FOR DEVELOPMENT

Romania must build its cooperation policy for development through the cooperation with the other member states and European institutions. The national interests must be defined in the context of a new European reality.

Therefore, the Romanian cooperation for development in what regards the third countries must be conceived together with the others. Romania offers a specific contribution in what regards the neighborhood policy of EU and in the next period, starting from its knowledge, from the information in the neighboring region, it will have to offer an input to EU, to the European institutions, in what regards the development of this neighborhood policy, inclusively from the perspective of cooperation for development.

The Neighborhood Policy builds on the growing role of the European Union as an anchor of stability and modernization, which is the logical geopolitical consequence of EU enlargements. Europe cannot pull up the drawbridges in the age of globalization.

The European Neighborhood Policy is therefore, in essence, a reform policy. The aim is to use Europe's economic and political expertise to promote greater prosperity, stability and security in the neighbors to the south and east.

All this can be achieved by economic integration and through closer political relations and in particular by investing in good governance.

It is in the European interest that the neighborhood is well-governed and prosperous. Vice versa, is in EU partners' interest to have much needed EU support – both political and financial – while they are pushing through reforms. In short: the Neighborhood Policy creates a “win-win” situation¹².

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