

Search for a new cooperation formula in relationships between the European Union and post-soviet countries



Bayramov Shahin Vagif oglu*

Ph.D.student Azerbaijan State Economic University

Abstract

Purpose - The purpose of the article is to analyze the cooperation between the post-Soviet countries and the European Union and to investigate the opportunities of the improvement of the effectiveness of this cooperation.

Design/methodology - While writing the article, inductive, deductive, statistical, historical, comparative analyses and synthesis methods have been used.

Findings - As the result of the analyses, the current situation of the cooperation between the post-Soviet countries and the EU and its development directions as well as the advantages of the European Neighborhood Policy and Eastern Partnership have been defined.

Research limitations - a complete study of the experience of all the post-Soviet countries has been impossible in the article.

Practical implications - the results of the article can be used for the development of the cooperation of the South Caucasus and Central Asian countries with the EU.

Originality/value - the subject of the article and the issues that it touches are considered to be the fields that have been scarcely researched and for this reason a number of individual ideas on the given subject have been put forward by the author.

Key words: *European Union, European Neighborhood Policy, Eastern Partnerships, post-soviet countries.*

JEL Classification Codes: *F13, F15, F42, F53, F55, F59, R11*

* Baku. AZ 1001. Istiglaliyyet str., 6.
sh.bayramov@gmail.com

1. Introduction

At present, the establishment of comprehensive economic cooperation with the European Union (EU) and its development are priority of the foreign economic strategy of all the post-Soviet countries. In spite of all the similar features, relations of these countries with the EU and their interests in these relations are quite different. Of course, this diversity is termed by their geopolitical and geo-economical situations, their efforts to develop relations with the EU, as well as their specific industrial interests.

All of the above-mentioned countries give special importance to the achievement of possibilities of making use of preference of EU programs and supports. The EU funds are directed to the acceleration of economic reforms, the transport and border infrastructure development, the implementation of environmental programs and the improvement of the efficiency of energy consumption in these countries.

The post-Soviet countries wishing to become an integral part of the European Economic Area give special importance to finding a more effective cooperation formula in this context along with the development of multilateral cooperation.

2. Partnership and Cooperation Agreements

Relations amongst transition economic countries in Post-soviet countries and the EU are regulated within the framework of the Partnership and Cooperation Agreements (PCA) bilaterally signed in 1990. These agreements, that have been realized at the EU's initiative, have been signed and ratified by Russia (*respectively, signed in 1994 and was ratified in 1997*), Ukraine (*1994 and 1998*), Moldova (*1994 and 1998*), Kazakhstan (*1995 and 1999*), Kyrgyzstan (*1995 and 1999*), Azerbaijan (*1996 and 1999*), Armenia (*1996 and 1999*), Georgia (*1996 and 1999*) and Uzbekistan (*1996 and 1999*).

The agreement between the EU and Tajikistan was signed in 2004 and is currently in the process of the ratification carried out by the members of the EU. However, Provisional Agreement regulating trade relations between Tajikistan and the EU came into force in May 2005.

The ratification and coming into the force of the corresponding agreement signed between the EU, Belarus (*1995*) and Turkmenistan (*1998*) was not possible until present as a result of the political factors.

3. The European Neighborhood Policy

The European Neighborhood Policy (ENP) was developed in 2002 and was adopted by the EU on the basis of the concept of "A wider Europe" in 2004. ENP

and the EU determine the legal framework for bilateral cooperation with their southern and eastern neighbors. ENP covers the countries that do not generally have the perspective for the EU membership, such as Armenia, Azerbaijan, Georgia, Ukraine, Moldova, Belarus, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Autonomy, Syria and Tunisia.

The main goal of the ENP is to provide stability in the EU's neighbors, to prevent the advent of new distribution lines in Europe, to agitate the European standards and values in the neighboring countries and to establish a deep economic cooperation. In other words, ENP takes into consideration not presenting the membership perspective and offering a more attractive new cooperation formula to partner countries.

During the several years of its operation, a number of changes have been made within the ENP. Thus, in December 2006 some proposals were put forward and "Strengthening the European Neighborhood Policy" document was presented by the European Commission with the purpose of strengthening ENP [1]. In addition, in 2007 the "ENP-plus" concept was put forward by Germany (*not officially published*) [2].

On December 5, 2007, the European Commission submitted the document named "A Strong European Neighborhood Policy" [3]. The document implied the issue of higher attention to the implementation of the existing responsibilities. At the same time, the special emphasis of the above mentioned document on the differentiation principle denotes that the relations of the EU with its partner countries will directly depend on the political situation of these countries, the degree of their interest in the relations with the EU, the reforms that they take into account and the level of their socio-economic development.

As the main instrument of the economic cooperation on the trade in goods and services, as well as the national legislation in conformity with the EU legislation free trade agreements will act. In the long-term perspective, the possibility of the establishment of Neighborhood Economic Community among the countries belonging to the EU and ENP is not excluded.

On February 18, 2008 the EU Council adopted its final summary referring to the ENP [4]. The document emphasized the lack of connection between being a member and the ENP and the World Trade Organization - "deep and comprehensive free trade zone", that will be open to all the members of WTO, has been defined. In addition, the necessity of the expansion people-to-people contacts, simplification of visa regime for ENP partner countries and the need to develop regional cooperation between these countries has been announced.

Within the framework of the TACIS program which is the main instrument of the support to the CIS countries by the EU in 1991-2006 - 7.3 billion euros was allocated to these countries. Starting from January 1, 2007, financial instruments have been standardized and European Neighborhood and Partnership Instrument (*ENPI*) co-

vering ENP countries and Russia has been submitted. In addition, other financial instruments like Governance Facility, which is aimed at supporting the main reforms in leading countries, and the Neighborhood Investment Fund, which is added to the loans of international financial institutions, have also come into effect.

4. EU policy in the South Caucasus

South Caucasus countries (*Azerbaijan, Georgia, and Armenia*) were included in the ENP in June 2004. The common and distinctive feature of the proposal made for South Caucasus countries by the EU is the inclusion of the element for the development assistance programs in the region. In 2007-2013, the Country Strategy Papers - CSP covering cooperation for each country have been adopted. CSP, which specify the use of EU aid, serves as a standard instrument in the EU. Besides, the National Indicative Programs (*NIP*) covering the period of 2007-2010 and reflecting the details of the EU assistance programs in each country has been adopted. At the same time, the South Caucasus countries also participate in the program of the European Instrument for Democracy and Human Rights - EIDHR aimed at the democratization projects, the promotion of the rule of law and the support of human rights.

The PCA signed between the EU and the countries of the South Caucasus provides the following mechanisms of the cooperation: Cooperation Council (*annual meetings*), Sub-Committee on Commercial, Economic and Legal Affairs, the Inter-Parliamentary Cooperation Committee. Each of these three countries and the EU agreed to a five-year ENP Action Plans on November 16, 2006.

The appointment of the Special Representative for South Caucasus of EU in 2003 (*the mandate of the resolution of frozen conflicts in the region support is included*) can be valued as EU's aim to closely participate in the ongoing process in the region.

According to the Action Plan, the democratization, human rights, socio-economic reforms, the elimination of poverty and the support for resolution of the frozen conflict can be described as the EU's priorities referring to Azerbaijan. In accordance with NIP, Azerbaijan will receive 92 million euro EU assistance during 2007-2010. The main directions of NIP over Azerbaijan cover the following spheres: democratization, the rule of law and fundamental freedoms, social and economic reforms and the harmonization of national legislation to EU standards, energy and transport. A Memorandum of Understanding signed between Azerbaijan and the EU on November 7, 2007, provides the establishment of the mechanism of energy cooperation.

The priorities of the EU in Armenia coincide with priorities of Azerbaijan. According to the NIP, during the years 2007-2010 Armenia will receive 98 million euro of EU assistance. Armenia's main area of the NIP covers the following spheres: the establishment of democratic institutions and improving governance, socio-economic reforms and poverty reduction.

According to the Action Plan, as the EU's priorities in relation to Georgia we can state the support for the democratization, human rights, the rule of law, socio-economic reforms, improvement of investment environment, poverty reduction, the settlement of frozen conflicts, internal security and regional cooperation. According to the NIP, during the years 2007-2010, Georgia will receive 120 million euro of EU assistance.

The main directions of Georgia on the NIP cover the following spheres: democratization, economic development, the implementation of the Action Plan; socio-economic reforms and poverty reduction, internal conflicts.

5. EU's Central Asia policy

The EU countries come into the conclusion that the solution to some specific problems of Central Asia is possible not through bilateral relations, but at the regional level. This approach could be considered the main peculiarities of the documents named "The EU and Central Asia: The new Cooperation Strategy" adopted in June of 2007 [5]. The strategy, the main goal of which is to strengthen the cooperation between the EU and the said region, covers the following directions: to establish a consistent dialogue at the level of foreign ministers, the realization of "European Education Initiative" aimed at the development of education systems in the region, the creation of "the EU Initiative on the Rule of Law", carrying out the constant dialogue on the energy issues.

Expansion of activities of the EU in Central Asia is conditioned with the adoption of a number of factors: the threats that could spread beyond the region (*organized crime, drug trafficking, terrorism*) continuing the search for the supply of the diversification of energy resources and transit lines; Millennium Development Goals stimulation, "the convergence" of the EU to Central Asia from the geographical point of view as a result of the inclusion of the South Caucasus countries to the ENP. The EU Special Representative on the EU Central Asia was appointed in 2005 by the aim of extending the cooperation in the field of Common Foreign and Security Policy.

In addition to the above-mentioned initiatives, in 2007-2013 EC Regional Strategy Paper for Central Asia (*EC Regional Strategy Paper for Central Asia 2007-2013*) and in 2007-2010, Central Asia Indicative Program have been prepared by the European Commission [6]. For the implementation of these goals the allocated 719 million euro funds (*for a period of six years*) are to be delivered through the Cooperation Instrument designed as a financial instrument for the EU's development assistance in 2006. As the priorities of the above mentioned programs the regional cooperation and good relations (*30-35% of the budget*), poverty reduction and improving living standards (*40-45%*), promotion of effective governance and economic

reforms (20-25%) are performed. 70% of the total allocated funds is considered to be directed towards the implementation of the bilateral programs.

The EU support to Kazakhstan in the first place will be directed to the acceleration of political, economic, legal and social reforms as well as to the improvement of the infrastructure and the cooperation in the field of energy. In November 2006, a Memorandum of Understanding on energy cooperation was signed between Kazakhstan and the EU.

As the priorities of the EU in relation to Kyrgyzstan the rural development, poverty reduction, the stimulation of social, political and market reforms and the improvement of legislation in the field of energy should be emphasized.

The EU is considered to support agricultural sector development, the establishment of an effective management system, the implementation of economic reforms and poverty reduction in Tajikistan.

As long-term priorities of the EU's relations with Uzbekistan we can show support for the democratization, human rights, civil society, the rule of law, legal reforms and regional development.

As the future priorities of the EU in relation with Turkmenistan, that currently has a weak bilateral cooperation, economic and market reforms (*especially in the field of energy*), the establishment of democratic institutions and assistance to the development of agriculture have been declared.

6. The Black Sea Synergy

The Black Sea Synergy project established at the initiative of the EU in 2007 is considered as a multilateral cooperation form attached to the bilateral forms of cooperation between the EU and its Eastern neighbors [7]. This project has appeared after the increase of EU's interests in the region with Romania and Bulgaria's EU membership. As another multilateral forum for cooperation between the EU and the investigated region the Black Sea Economic Cooperation - BSEC should be noted.

Black Sea Synergy project covers Azerbaijan, Georgia, Armenia, Bulgaria, Greece, Moldova, Russia, Romania, Turkey, Ukraine and the EU Troika. This project, which is in excess of the legal framework of the ENP, can be considered the analogue of the Northern Dimension project to some extent.

The first meeting between the countries' foreign ministers was held in Kiev in February 2008. As a result of the meeting in the adopted joint statement, it was stressed that the main objective of the Black Sea Synergy project is to extend the cooperation in both inside the Black Sea region, as well as between the EU and the above mentioned region [8].

At the same time, as the cooperation areas of the major priority transport, energy and transit infrastructure development have been stated.

7. EU's sectoral policies

The majority of researchers investigating the cooperation between the countries of the former USSR and the EU ground the arguments of the bigger importance of energy sector on the policy of the EU in the above mentioned countries. It is no coincidence that the EU and Azerbaijan, Kazakhstan and Ukraine signed a Memorandum of Understanding on energy cooperation. The main purpose of Baku Process covering Central Asia, the countries on the coast of the Caspian and Black Seas is to expand the cooperation in the field of energy security and to deepen the integration of the EU in the energy markets of the countries in the region.

As an integral part of energy policy on Eastern neighbors of the EU, it is necessary to emphasize that Ukraine and Moldova must be invited to join the European Energy Community. It should be noted that the main objective of the Union of European Energy established in 2005 was to join gas and electric energy markets of the EU, Western Balkan countries, as well as Turkey and Norway.

Another important area of the cooperation between the EU and the investigated region is the transport sector. Thus, the EU considers the CIS countries, particularly the South Caucasus and Central Asia, as the strategically important transport corridor that joins Europe with Eastern and Southern Asia. For this purpose, in the 1990s the projects, such as INOGATE (*Interstate Oil and Gas Transport to Europe*) and TRACECA (*Transport Corridor Europe-Caucasus-Asia*) were nominated by the EU and their implementation started. The main objective of the INOGATE project is to promote regional integration of pipeline systems and the facilitation of transport of oil and gas resources to European markets. The TRACECA project serves as the establishment of the transport corridor, strengthening the integration of local markets and infrastructure development. The establishment of the transport corridor TRACECA project serves to strengthen the integration of local markets and infrastructure development goals.

8. Main dilemmas for the EU

The argument accepted by all researchers is that the efforts of coordinating the interests and the expectations of neighboring countries with the EU's interests and opportunities serve as a clear challenge. Taking the diversity among the neighboring countries into account, it is possible to illustrate some common problems in the regulation of mutual relations.

The main goal of the EU in the relation with the countries included to ENP is the preparation of the cooperation proposal containing high attractiveness for economic and political reforms which can make these countries closer to European standards. However, the non-promising prospects of the EU membership for the partner coun-

tries, or the lack of political will is an important problem for lowering the importance of the proposal.

In relation to Russia, the EU firstly will issue the effort of implementation of cooperation model for constructive joint of this country to the EU. However, the existence of a non-symmetric mutual benefit in the EU - Russia relations (*especially in the energy sector*) and Russia's low interest in the "Europeanization" policy are considered the major factors that hinder the implementation of the policy of deepening the cooperation.

The main objective of the EU's relations with the Central Asian countries is initially deepening the cooperation in the field of energy in the region. However, the absence of a proper level of steps taken to improve democracy and human rights in the countries of the region, which are the main values of Europe, hampers the development of equal cooperation. In general, the reasons of the problems negatively affecting the relations between the EU and the former USSR countries come from both the EU and the partner countries.

9. Problems arising from the Eastern neighbors

Non-real or non-specific expectations. Irrespectively of the position of the EU members and the reforms that they carry out, some of the investigated countries insist on the preparation of a clear and precise plan by the EU which takes their membership in the near future into account. Some countries want adopting of non-symmetric relations in the energy sector by the EU and others wish the presentation of the EU financial assistance without a submission of any political commitment. Besides, as some countries do not demonstrate a clear position in the relation with the EU, it becomes difficult to define their concrete aims.

Using the relations with the EU for a political benefit. Many of the governments and political groups of the region see the development of the relations with the EU as a means of support to any benefit in internal processes (*internal political struggle to win*), or external relations (relations with its neighbors and to strengthen their position in the region).

Little inclination to the implementation of deeper reforms. A number of countries in the region limit the adaptation to the European standards by giving declarations (*practically poor fulfillment of previously agreed legal and institutional changes*) or they reject European values by preferring specific values (*especially in the political sphere*) throughout the country.

The passive approach. The "response policy" towards the EU has been adopted by the majority of its eastern neighbors. Thus, the above mentioned countries only respond (*or do not respond*) to the EU's initiatives and they have never made any initiatives themselves. As a rule, these countries do not put forward their ideas and

proposals for the possible solutions to the existing problems. In addition, the act of the investigated countries as passive receivers causes deepening of non-symmetric nature of the mutual relations between the EU and the countries in the region.

Non-effective management. It is necessary to note that even if there were political will for the fulfillment of the reforms and the development of the relations with the EU, the use of non-effective management mechanisms in many of these countries would cause lowering the effectiveness of the measures carried out in the cooperation with the EU.

10. Problems arising by the EU

The absence of consensus. The main problem in the implementation of many projects put forward by the EU is the difficulty of getting the consensus among the member countries. Thus, some of the member countries have limited interests in the development of the relations between the EU and its Eastern neighbors, and some of them claim that the initiatives in this area are directed against their economic and political interests. At the same time, the existence of the objective and subjective competitions between the ENP's eastern and southern directions can be explained as a logical result of different opinions among the member countries. As an example, we can note the proposals by Germany aimed at the Eastern direction of the ENP in 2006 that France insisted on their covering all of the ENP countries. However, in 2007, France agreed to establish a Mediterranean Union and in 2008, gave support to the Eastern Partnership that was the Polish-Swedish initiative.

Displaying less interest and a weak notion. The above-mentioned absence of consensus does not allow joining the ideas systematically on the relations with Eastern neighbors. Thus, the EU does not have the model with a clear and concrete target for relations with these countries. In some cases, the restriction or suspension of the initiatives clearly harm the EU's long-term interests (*for example, in 2007 the protest of France against bringing down the prices for visas for the eastern ENP partners is considered as an obstacle for the intention of the expansion of the Schengen zone*). As a result, the EU has made the habit of making indefinite and very careful proposals that is not enough to meet the requirements of the current needs and challenges.

The expansion problem. "The problem of expansion" is the fundamental factor affecting the EU's policy on Eastern partners, in particular, on the active participants of the ENP. Thus, because of the influence of public opinion in their countries, the majority of the members of the EU act against the expansion process [9]. This issue is more likely in Luxembourg, Germany and Austria. Those who are against different Balkan countries' and Turkey's EU membership contain 47-69% of Luxembourg, 52-69% of Germany and 59-81% of Austria. Not presenting the membership per-

spective has made a serious negative impact on the cooperation between the EU and neighboring countries.

The weakness of the inclination to the continuation of the institutionalization process and lack of funds. Some member countries that are geographically far from the eastern borders of the EU and the ones that have more shares in the formalization of the EU budget do not have any interest in establishing new institutes for the cooperation with the eastern partners. This causes the reduction of the inclination to funding other programs aimed at ENP and eastern partners.

Declarative approach. A number of objectives and programs of the EU have a declarative character. Thus, during the preparation of documents on various programs more attention is paid to ensuring their effective implementation. Experience shows that the actually achieved results are significantly behind that of the officially stated. In many cases, even non-productive and not specifically resulted negotiations are perceived as a main goal.

11. General principles

For getting the highest benefit it is very important that the policy of the EU towards its eastern neighbors base on some major principles. The same principles can be grouped as follows:

Differentiation. As we have already mentioned, there are significant differences between the countries in the studied region. For this reason, despite the availability of the general frames and tools that are important and effective, the EU's policy should be based on the approach, needs and the progress of the process of the reforms carried out in each partner country. The personalized partnership should form the basis of the relations between the EU and countries of the region [10]. Therefore, the policy of the EU's relations with various partners should prevent the occurrence of an artificial connection. However, it does not imply the EU's refusal to support of the development of the horizontal and regional cooperation between the partners. At the same time, the differentiation should not only base on the factor of geographical location, but also on the level of interest in cooperation with the EU. This approach should be applied particularly in relation with the Eastern partners.

Open door. The commitment of the new membership of democratic European countries that meet the requirements of the EU must be approved again by the EU. It is stressed in Article 49 of the Agreement on the Establishment of the EU. But it does not consider even the countries that meet the Copenhagen criteria to automatically be members of the EU. However, it is important to maintain and strengthen the ENP's open-end nature towards its Eastern neighbors. At the same time, the ENP partner countries should be regarded as an instrument that serves for the raise of the level in order to apply for membership in the EU.

Joint possess. The EU should provide the maximum opportunity for its Eastern partners to participate in EU's important agencies and programs. It will allow the neighboring countries to partly participate in the preparation of the EU's policy towards them. In other words, the EU should be more open for proposals submitted by its eastern partners.

Completion. The success of the policy carried out by the EU and significantly depends on an adequate policy of other European and regional organizations (e.g., *NATO, OSCE, Council of Europe, Council of the Black Sea countries, etc.*). Therefore, the policy directed towards the Eastern neighbors is one of the main elements of the negotiations between the EU and various international organizations.

More attention to the issue of implementation. In addition to the preparation of various concepts and documents on the eastern neighbors, signing bilateral and multilateral agreements, more attention should be paid by the EU to the monitoring and implementation of mutual commitments. The execution should be considered as the main criterion during the evaluation of EU's policy towards the Eastern partners.

Limited conventionality. Remaining loyal to the principle "More requirements for those who tries for more results", EU should continue the differentiation of the requirements put forward for different countries. Besides, it is natural that the European (*certain legal and political commitments taken*) and non-European (*non legal and political commitments*) countries are approached differently. At the same time, the EU's proposals addressed to its Eastern partners are distinguished in accordance with the political dialogue and the level of the institutional development (*compliance with democratic principles and standards to be expected*). However, this conventionality can be restricted during the cooperation with some countries in specific areas, such as energy or security (*for example, with the countries of Central Asia*).

12. Conclusions

As a result of our investigation, for the improvement of the EU's policy towards its Eastern neighbors the following proposals can be put forward:

Systematization of partnership relations. The structure of the multilateral policy by the EU directed towards the Eastern neighbors is likely to be completed through the improvement of the eastern direction of the ENP.

As a logical result of this, the structure of the Partnership should be so:

Enhanced European Neighborhood Policy (*EENP*) must remain as the basic framework regulating the relations between the EU and its neighbors using the institutional (*Action Plans, etc.*) and financial (*the European Neighborhood Policy Instrument etc.*) tools. In fact (*not formally*), EENP should be divided into two directions like Southern Partnership (*the Southern Mediterranean partners*) and the Eastern Partnership (*ENP Eastern partners*).

Eastern Partnership should imply giving (*associative*) status to Ukraine. At the same time, the prospect of membership should be presented to Ukraine and the creation of real free trade zone should be completed with this country.

By signing the European Neighborhood Agreement and the creation of real free trade zone, there should be carried out a deep bilateral dialogue with Moldova, Georgia and Azerbaijan.

Deepening the possibilities of a bilateral dialogue with Belarus and Armenia should be considered once again.

The Eastern Partnership must be realized in parallel with the special dialogue with Russia (*road map, the PCA-2, sector agreements, etc.*), as well as the institutional dialogue with the five Central Asian countries.

The Northern Dimension and the Black Sea Synergy projects, which cover the countries that are not the members of the EU and ENP, should be considered as extra regional directions of the Eastern Partnership.

In all cases, there should be given special importance to the development of bilateral relations between the different countries of the region and the EU.

Multi-stage integration. By presenting the integration with the concrete steps, the member and non-member countries must be less differentiated. This will make it possible to give a positive answer to the Eastern partners that make more real efforts towards joining Europe. For participation in EU projects and institutions, the creation of multilevel partnership system and individual dialogues which offers various possibilities can be considered as one of the methods.

Providing more effective proposals.

In order, to the start the above mentioned mechanisms, the fulfillment of reforms and stimulating of the adaptation to the EU standards, it is necessary for the EU's initiatives to have specific content and to consider expectations of partners.

In particular, in the future it is expedient to establish a more concrete form of the proposal on the establishment of European Neighborhood Community - ENC put forward by the European Commission [11]. We consider that reviewing the proposal and naming the ENC as the "Common European Area" would be more correct. Thus, according to the original idea of the "Wider Europe" concept, the partner countries should be enabled to benefit from the four main advantages of the overall market (*free movement of goods, services, capital and labor force*) and they should be given a chance to participate in the EU institutes and in making the EU decisions.

At the same time, it is necessary to concretize and implement the EU proposals on "a comprehensive free trade zone" that is considered the main stage of the creation of ENC.

According to the partner countries, facilitating the movement of the labor force (*including the facilitation of visa procedures*) must act as one of the main elements of the EU policy. Thus, the EU should take more decisive steps for the provision of

the simplified visa regime with the Eastern partners (*cheaper visa rates, etc.*) and even visa-free regime for several countries.

In addition to this, the cooperation in the field of the mobility is of great importance for most of the Eastern partners. On one hand, it can play an important role in meeting the growing demands for labor in many countries of the EU and on the other hand, it can legalize the migration to the EU from the partner countries. In this context, in order to achieve real free movement of labor force in the future, signing bilateral and multilateral agreements on the regulation of access to markets between the EU and partner countries is considered expedient.

Finally, the proposal for the participation in the Energy Community addressed to a number of partner countries must be concretized. Thus, this proposal must imply an active part of the EU and other individual members in the development of energy infrastructure of the partner countries along with the adoption of the EU standards and principles by partner countries.

The adoption of more flexible funding mechanism. The allocation of limited funds for the Eastern partners, as well as the performance of most member states against the increase of the funds conditions the adoption of more flexible funding mechanism. In this case, members and partner countries should pay special attention to involving funds not only from the EU budget, but also from financial institutions of Europe (*European Bank for Reconstruction and Development, European Investment Bank, etc.*) and financing specific projects together.

In general, the development of relations between the EU and its Eastern partners is very difficult to predict. It will depend on the internal stability of the partner countries, Russia's regional policy, public opinion in member countries, continuation of the EU expansion policy and other factors. The future of the cooperation will also depend on the USA and China which are the leading participants of global processes and are able to influence on the investigated region.

References:

1. Communication from the commission to the council and the European Parliament. (2006). "Strengthening European neighborhood policy", Brussels, December 4, 2006, COM, 726 final, (http://ec.europa.eu/world/enp/pdf/com06_726_en.pdf). [The official web site of the European Commission].
2. Communication from the commission, (2007). "A strong European neighborhood policy", Brussels, December 5, COM, 774 final, (http://ec.europa.eu/world/enp/pdf/com07_774_en.pdf). [The official web site of the European commission].
3. Emerson, Michael and Popescu, Nicu (2007), "European neighborhood policy

- two years on: time indeed for “ENP plus”, CEPS policy brief, No. 126, Brussels. [Michael and Popescu Emerson Niku (2007), “A two-year European neighborhood policy” Bryussel]
4. Council conclusions on European neighborhood policy, 2851st external council meeting, Brussels, February 18, 2008 (http://www.consilium.europa.eu/ue-Docs/cms_Data/docs/pressData/en/gena/-98790.pdf). [The official web site of the European commission].
 5. “The EU and the Central Asia: strategy for a new partnership”, Council of the European union, Document 10113/07, Brussels, May 31, 2007, (http://consilium.europa.eu/uedocs/cms_data/librairie/PDF/EU_CtrlAsia_EN-RU.pdf). [The official web site of the European Commission].
 6. Central Asia indicative program, (http://ec.europa.eu/external_relations/ceeca/c_asia/). [The official web site of the European commission].
 7. Communication from the commission to the council and the European parliament, “Black Sea Synergy - a new regional cooperation initiative”, Brussels, COM (2007) 160 final, April 11, 2007, (http://ec.europa.eu/world/enp/pdf/com07_160_en.pdf). [The official web site of the European commission].
 8. “A joint statement by the Ministers of foreign affairs of the countries of the European Union and of the wider Black sea area”, Kyiv, February 14, 2008, (http://ec.europa.eu/external_relations/blacksea/doc/joint_statement_blacksea_en.pdf). [The official web site of the European commission].
 9. “Special Euro barometer 255 / Wave 65.2. Attitudes towards European Union enlargement”, Brussels, July 2006, (http://ec.europa.eu/public_opinion/archives/ebs/ebs_255_en.pdf). [The official web site of the European commission].
 10. Communication from the commission, (2007). “A strong European neighborhood policy”, Brussels, December 5, 2007, COM, 774 final, (http://ec.europa.eu/world/enp/pdf/com07_774_en.pdf). [The official web site of the European commission].
 11. “Expanding the proposals contained in the communication to the European parliament and the council on strengthening the ENP”. COM (2006) 726 final of 4 December 2006. “ENP - a path towards further economic integration”, (http://ec.europa.eu/world/enp/pdf/non-paper_economic-integration_en.pdf). [The official web site of the European commission].