

Editorial

The European Union addressed issues of enlargement and neighbourhood policy in December. The key messages seem to be to keep the enlargement door open while tightening up on the criteria for accession, and to strengthen the neighbourhood policy.

The December European Council summit meeting endorsed the Commission's proposal to suspend some of the 'chapters' being negotiated with Turkey because of its refusal to open its ports to Greek Cypriot ships. The Commission was however seeking to avoid the possible 'train wreck', to use the words chosen by Commissioner Olli Rehn for a nightmare scenario of total breakdown. The bigger issues raised by Turkey were seriously debated in and around the summit meeting. The tone in the EU's debate on Turkey and further enlargement seems to be moderating. Advocates of using the 'absorptive capacity' argument to close the enlargement door received little encouragement from the Commission's report on the subject, beyond the obvious need for the EU to sort out its constitutional imbroglio before any substantial further enlargement. The most emotional issue is surely that over Europe's 'identity', as expressed notoriously by Giscard d'Estaing when he said (during the Convention) that Turkey's accession would mean 'the end of Europe'. Now we sense that European policy makers (not the least being Chancellor Merkel) become more sensitive to the counter argument that the democratic and secular Turkey could be a big plus for Europe that has to come to terms with its Muslim minorities and neighbourhood. It will surely take time for public opinion to move in this direction. Meanwhile Croatia is getting a clear green light to go ahead.

The proposals for strengthening the neighbourhood policy are to go for (i) 'deep' economic integration, not just simple free trade, (ii) visa facilitation for certain types of visitors, (iii) closer association of partner states with EU foreign policy initiatives, (iv) expanded financial assistance, and (v) a new regional initiative for the Black Sea region. These are on the whole plausible, evolutionary steps. However the Black Sea initiative, which is being signaled in advance for early 2007 is the most innovative. Obviously prompted by the EU's forthcoming enlargement to the Black Sea shores of Bulgaria and Romania, this has scope for lots of highly intricate diplomacy and maybe some interesting actions. The Black Sea region will now consist of every category of European state – the EU full members, the candidate (Turkey), the neighbourhood partner states, and Russia. Further, the forthcoming German Presidency of the EU has been talking of a wider Black Sea region linking also to the Caspian and Central Asia.

Michael Emerson

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European Neighbourhood Watch Index

European Council Conclusions on Enlargement Brussels, 14-15 December 2006. [Link](#)

ENLARGEMENT STRATEGY

4. As agreed at the June 2006 European Council and on the basis of the Commission communication on the enlargement strategy and its special report on the EU's capacity to integrate new members, the European Council held an in-depth debate on enlargement. The European Council agrees that the enlargement strategy based on consolidation, conditionality and communication, combined with the EU's capacity to integrate new members, forms the basis for a renewed consensus on enlargement. The EU keeps its commitments towards the countries that are in the enlargement process.

5. Enlargement has been a success story for the European Union and Europe as a whole. It has helped to overcome the division of Europe and contributed to peace and stability throughout the continent. It has inspired reforms and has consolidated common principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law as well as the market economy. The wider internal market and economic cooperation have increased prosperity and competitiveness, enabling the enlarged Union to respond better to the challenges of globalisation. Enlargement has also enhanced the EU's weight in the world and made it a stronger international partner.

6. To sustain the integration capacity of the EU the acceding countries must be ready and able to fully assume the obligations of Union membership and the Union must be able to function effectively and to develop. Both these aspects are essential for ensuring broad and sustained public support, which should also be promoted through greater transparency and better communication.

7. The European Council confirms that the EU keeps its commitments regarding the ongoing accession negotiations. The recently enhanced rules governing the accession process provide for strict conditionality at all stages of the negotiations. The European Council agrees with the improvements suggested by the Commission concerning the management and the quality of the negotiations. Accordingly, difficult issues such as administrative and judicial reforms and the fight against corruption will be addressed at an early stage. Furthermore, the results of the political and economic dialogues will be fed into the accession negotiations. The pace of the accession process depends on the results of the reforms in the negotiating country, with each country being judged on its own merits. The Union will refrain from setting any target dates for accession until the negotiations are close to completion.

8. The European Council reaffirms that the future of the Western Balkans lies in the European Union. It reiterates that each country's progress towards the European Union depends on its individual efforts to comply with the Copenhagen criteria and the conditionality of the Stabilisation and Association Process. A country's satisfactory track-record in implementing its obligations under the Stabilisation and Association Agreements, including trade related provisions, is an essential element for the EU to consider any membership application.

9. The European Council stresses the importance of ensuring that the EU can maintain and deepen its own development. The pace of enlargement must take into account the capacity of the Union to absorb new members. The European Council invites the Commission to provide impact assessments on the key policy areas in the Commission's Opinion on a country's application for membership and in the course of accession negotiations. As the Union enlarges, successful European integration requires that EU institutions function effectively and that EU policies are further developed and financed in a sustainable manner.

Turkey

10. The European Council endorses the conclusions on Turkey adopted by the Council (GAERC) on 11 December 2006.

Croatia

11. The European Council endorses the conclusions on Croatia adopted by the Council (GAERC) on 11 December 2006.

Western Balkans

12. The European Council notes that the candidate country status of the former Yugoslav Republic of Macedonia was recognition of the country's reform achievements. The European Council calls for accelerating the pace of reforms in key areas and for the implementation of the priorities identified in the European Partnership in order to progress towards the goal of moving ahead in the accession process.

13. The European Council welcomes the launch of visa facilitation and readmission negotiations with all the countries of the region with a view to concluding the negotiations as soon as possible. The conclusion of such agreements will promote people-to-people contacts between the EU and the Western Balkan countries and will increase the opportunities for travelling, especially for the younger generation. Recalling the Thessaloniki Agenda, the European Council also acknowledges the importance the people of the Western Balkans attach to the perspective of visa free movement. Furthermore, the European Council underlines the desirability of promoting people-to-people contacts by also making available more scholarships for the students of the region.

14. The European Council welcomes progress made in the Central European Free Trade Agreement, which will be signed in Bucharest on December 19, and looks forward to a regional and inclusive trade agreement. The new CEFTA will be a substantial step forward both economically and politically.

15. Serbia remains welcome to join the European Union. Recalling its Declaration on the Western Balkans of June 2006, the European Council reaffirms its continued engagement with and support to Serbia's European course. In this context, it encourages the Serbian authorities to accelerate their efforts to meet the necessary conditions, notably full cooperation with ICTY. In view of Serbia's considerable institutional capacity, the European Council is confident that Serbia will be able to accelerate its preparations on the road towards the EU once the SAA negotiations are resumed.

EU Foreign Affairs Ministers Council Conclusions on Enlargement

Brussels, 11 December 2006. [Link](#)

Bulgaria and Romania

The Council looks forward to welcoming Bulgaria and Romania as Member States on 1 January 2007 and notes with satisfaction that the process of ratification of the Accession Treaty is close to completion. In line with the Council conclusions on Bulgaria and Romania of 16-17 October 2006, the Union institutions will cooperate with both member countries and verify progress in the areas of judicial reform and the fight against corruption and organised crime after accession. This and other accompanying measures will ensure that Bulgaria's and Romania's accession to the European Union will be a success.

Turkey

The Council takes note of the Commission's report of 8 November 2006 and welcomes the findings and recommendations contained therein. Council welcomes the continued progress made by Turkey in the reform process, but regrets that the pace of reforms has slowed down in 2006. It is essential that Turkey undertakes determined efforts to intensify the reform process and to implement it with determination, so as to ensure its irreversibility and sustainability. The substantial and technical preparation of the negotiations have progressed well. The Council recalls that, in line with the Negotiating Framework, the advancement of the accession negotiations continues to be guided by Turkey's progress in preparing for accession. In this context the Council notes that further significant efforts are required to strengthen freedom of expression, freedom of religion, women's rights, minority rights, trade union rights and civilian control of the military. In line with the Negotiating Framework, Turkey also needs to commit to good neighbourly relations and to the peaceful settlement of disputes in accordance with the United Nations Charter, including, if necessary, jurisdiction of the International Court of Justice.

The Council recalls the declaration of the European Community and its Member States of 21 September 2005 and notes that Turkey has not fulfilled its obligation of full non-discriminatory implementation of the Additional Protocol to the Association Agreement.

The Council welcomes the Commission's recommendation of 29 November. In this context the Council agrees that the Member States within the Intergovernmental Conference will not decide on opening chapters covering policy areas relevant to Turkey's restrictions as regards the Republic of Cyprus until the Commission verifies that Turkey has fulfilled its commitments related to the Additional Protocol.

These chapters are: Chapter 1: free movement of goods, Chapter 3: right of establishment and freedom to provide service, Chapter 9: financial services, Chapter 11: agriculture and rural development, Chapter 13: fisheries, Chapter 14: transport policy, Chapter 29: customs union and Chapter 30: external relations.

The Council agrees that the Member States within the Intergovernmental Conference will not decide on provisionally closing chapters until the Commission verifies that Turkey has fulfilled its commitments related to the Additional Protocol.

The Council will follow up and review progress made on the issues covered by the declaration of 21 September 2005. The Council invites the Commission to report on this in its forthcoming annual reports, in particular in 2007, 2008 and 2009, as appropriate.

The Council emphasizes that the screening process will now continue and chapters for which technical preparations have been completed will be opened in accordance with established procedures, in line with the Negotiating Framework.

The Council looks forward to speedy progress on these issues."

Croatia

The Council takes note of the Commission's report of 8 November 2006 and welcomes the findings and recommendations contained therein.

The Council commends Croatia for the progress it has made in the past year. The accession negotiations have begun well and first results have been obtained. Croatia is now required to build on the progress made. The Council recalls that, in line with the Negotiating Framework, the advancement of the accession negotiations continues to be guided by Croatia's progress in preparing for accession. Particular attention should be paid to accelerating the pace of reforms in the areas of judicial and public administration reform, the fight against corruption, and economic reform. Rigorous implementation of Croatia's obligations under the Stabilisation and Association Agreement, in particular in the areas of state aid and real estate acquisition, will be essential to maintain Croatia's positive momentum on the path to EU membership. The Council welcomes Croatia's full co-operation with ICTY and emphasises that Croatia needs to maintain it. Croatia also needs to pay due attention to good neighbourly relations and regional cooperation, including making the necessary efforts towards finding solutions to outstanding bilateral issues, in particular border disputes.

Related Document:

EU Commission Report "EU Enlargement Strategy and Main Challenges 2006-2007". [Link](#)

Dear Turkey, Play it Long and Cool

by Michael Emerson

CEPS Commentary, December 2006.

How should the current impasse between the European Union and Turkey be interpreted, and how should Turkey react?

Commissioner Olli Rehn says there is no train crash, but rather a slowing down because of works on the line. The Commission manifestly seeks to avoid a crisis, while being obliged to react to the non-implementation of the Ankara Protocol. Actually one can read the measures taken – namely to freeze (or not to open) 8 out of the 35 chapters of accession negotiations – in even lower key than Olli Rehn. The so-called ‘negotiations’ are not really negotiations at all, rather a process for monitoring Turkey’s unilateral adoption of the EU acquis. Turkey can perfectly well carry on its long process of unilateral convergence on the EU acquis in any case. The Commission’s staff will be happy to remain in constant informal contact with Mr Babacan’s team. Whether this process continues in or out of formal negotiations does not really matter at this stage, and the Commission will continue to review progress in its regular reports in any case. This requires that Turkey sees these measures as contributing to the ongoing modernization of Turkey’s democracy and economic governance. Turkey already has full access to EU markets through the customs union, so this not a matter of trading market-opening concessions, but rather one of choosing anchorage on European standards to improve domestic governance.

Of course there are deeper political issues here at stake, which cannot be swept under the carpet. What are the underlying intentions of the EU and its member states? Or, even more important but harder to assess, how may the political attitudes of the EU and its member states evolve over the next ten years (the shortest conceivable time frame for accession)? As of today Turkey has a serious constituency of support in the EU. Italy, Finland, Spain, Sweden, UK among the member states, together with the Commission, which wants the negotiations to succeed (assuming a solution to the institutional questions left unanswered by non-ratification of the Constitution). The new member states are not against. This really leaves France, Germany and Austria representing the objections of ‘old Europe’, and then the special case of Cyprus.

Will the attitude of old Europe change, and if so over what time horizon? The objections of old Europe are a mix of concerns of the elites for the governability of an EU of over 30 member states (e.g. 27 + Croatia, Turkey and in due course other Balkan states) and, as regards Turkey, popular and indeed populist concerns about immigration, European identity, Islam and terrorism. On the EU’s institutional/constitutional issues there is virtual consensus over the broad need for a set of reforms in any case, with or without Turkey. These will have to be finessed through the processes of negotiation and ratification in due course, maybe soon after France’s presidential election in mid-2007.

More difficult is the immigration-European identity-Islam-terrorism nexus of issues, as currently perceived by public opinion. Europe and Turkey are both still afflicted by the 9/11 syndrome; not quite the hysteria seen in the US, but still very

serious societal tensions aggravated with the spread of suicide bombings and other terrorist attacks in Madrid, London and Istanbul, the assassinations in Holland, the vandalism in the Paris banlieues and the Danish cartoon affair. Any moderately-well informed citizens in Europe know that immigrant Turks have not been responsible for acts of violence, Turkey is not a source of radical Islam, and Turkey has the most secularized and democratic polity of any country of Muslim culture. However for some populist newspapers and politicians in Europe this is too much detail. Islamophobia, due to Osama bin Laden and various radical Islamic preachers in Europe’s mosques, is currently a rough image in the mind-set of European public opinion.

Turkish immigrant communities are caught up in this image to some degree. Objectively there could and should be a progressive transformation of these populist perceptions, and even a 180 degree turn around regarding people of Turkish origin and Turkey as a state. The post 9/11 semi-hysteria should calm down, as the global terror phenomenon is hopefully progressively overcome. But as this is done Europe and its new immigrant communities will have to come to terms with each other. This is unavoidable. The immigrant communities will not be going home. On the contrary they progressively become citizens of member states of the European Union.

At the same time we now observe the rise of moderate, non-violent Islamist political parties in the South Mediterranean Arab countries. While no-one talks there of following the Turkish model, and indeed the Kemalist inheritance in Turkey is unique, a familiar model of transformation of these Islamist parties can be detected: as they approach or reach power their agendas become increasingly ‘ordinary’ political agendas with declining religiosity in their operational programmes. The EU begins to take note of these trends. The popular legitimacy of these ‘Muslim democrats’ is evidently growing in much of the Arab-Mediterranean world, contrasting with the depressingly authoritarian if not repressive regimes presently in power there. In this context Turkey as a political and societal success story should come to be appreciated more widely. Even Pope Benedict seems to have noticed this now, and changed his mind over Turkey’s possible EU accession, which is all the more remarkable in view of his supposed infallibility.

At the same time European attitudes to immigration could and should change, and indeed have begun to do so. Europe is going to have a demographic labour shortage. East Europe has even worse demographic deficit problems. Large-scale immigration from Africa will continue to be resisted. Turkey in a decade or two will have seen its own demographic profile change, from quite rapid growth now, to zero growth by 2020. The idea then of a certain renewal of immigration from Turkey could come to be seen as a rather reasonable option. But first Europe’s policy makers have to come to terms with their looming demographic/pensions crisis. This begins to be the case, with both Germany and the UK raising the retirement age last week. But the full future impact has yet to be digested by the politicians. Germany could be the country where a change of political attitude towards the Turkish candidature could be the most crucial, as the number of German citizens of Turkish origin grows, and as the integration of second and third generations of new minority communities is progressively normalized, and the demographic deficit strikes hard.

Finally, what about the Cyprus question? While most of Europe regarded Mr Denktas as having been completely unreasonable in his time, now Mr Papadopoulos is the unreasonable party, while Mr Talat is absolutely reasonable. How should Turkey react to the unreasonable Papadopoulos? Escalate? No, better reinforce Mr Talat's reasonableness with Ankara's reasonableness. Encourage Mr Talat to continue to settle the property questions, with compensation to departed Greek Cypriot owners, and legalization of new titles. This will make the issue of redrawing the map of Cyprus increasingly obsolete. Repatriate part of the Turkish army. Northern Cyprus is ridiculously over-militarised. The visitor sees a Turkish army base behind every bush. There is no risk in, say, halving these forces. The UN green line remains, and the threat of Greek Cypriot invasion of the North is not of this world. Besides reinforcements could be called in within an hour. Mr Papadopoulos says he is interested in reviving the UN process, but all readings of Greek Cypriot claims for renegotiation (which are however not transparent) seem to be in favour of a more strongly centralized federal state, which looks like being unacceptable to the Turkish North. But the UN game will go on, since the EU says that it looks to this for a final solution, but I suspect that few really believes in this. As regards the opening of Turkish ports for Greek Cypriot ships and of Northern Cypriot ports for anyone, the status quo is in both cases politically ridiculous and of minor economic significance. For Turkey to move first would have the clear advantage of improving its reputational score even more.

So, dear Turkey, play it long and cool. Accession is a decade away in the most optimistic of cases. This has a positive side to it, since it gives time gives time for realities and above all perceptions to change. It would be completely futile and indeed counter-productive, to make the following speech (no doubt favoured by some) "either the EU gives a clear message today along the lines 'complete alignment on the Copenhagen criteria and you are guaranteed entry', or Turkey will walk away from Europeanisation and go its own way". In the meantime carry on with your huge modernization mission, with special emphasis on improving educational achievement of the bottom half of the system (the Turkish university educated elite is already famously impressive), and reform of various aspects of the judiciary and media freedoms that are still archaic (viz. Pamuk-type case). Continue alignment on the EU *acquis* unilaterally, with priority for those elements that are clearly useful for Turkey's own economic and political system.

Seeking Kant in the EU's relations with Turkey

by Senem Aydin Duzgit

TESEV Report, December 2006. [Link to Report](#)

[Abstract]

The author of the report, its supporters as well as TESEV believe that EU membership is in the interests of Turkey, the EU, and the global community. The report does not claim that Turkey is ready for EU membership; on the contrary it argues that Turkey has a lot to do, primarily regarding democratic governance, to make itself ready for membership. However the report raises deep concern about the increasingly discriminatory practices towards Turkey which violate the Enlightenment principles upon which Europe itself is founded and endanger the formation of a Europe governed by Kantian ideals.

The report demonstrates the breach of these ideals in eight main cases: discrimination in the negotiating framework, discriminatory EU discourses regarding Turkish accession, the absorption capacity debate in the Union, the Union's stance in the Cyprus conflict, double standards regarding the Copenhagen political criteria, the EU's differential treatment of two figures accused of crimes against humanity (Öcalan and Gotovina), the Union's attitude in the adultery debate in Turkey, and the visa regime applied to Turkey.

Senem Aydin Duzgit is the author of the paper which was endorsed by Hakan Altinay, Seyla Benhabib, Cem Ozdemir and Jean-Francois Leguil-Bayart.

Strengthening the European Neighbourhood Policy – Speaking Points

Press Conference by Benita Ferrero-Waldner, European Commissioner for External Relations and European Neighbourhood Policy
Brussels, 4 December 2006. [Link](#)

- Two years ago we launched the European Neighbourhood Policy to spread stability and prosperity beyond the EU's borders, and work together to support our partners' own reform programmes.

- Look at the progress reports we are publishing today, and you will see that ENP is working. The Action Plans that we have agreed jointly with our neighbours are beginning to bear fruit in ways that bring concrete benefits to our partners and ourselves.

- Take Morocco, where we have supported a national action plan on human rights, given technical support to train border forces to for better control of illegal immigration, and where our work together on aviation, ports, road transport and fisheries means better conditions for travel and trade for those on both sides of the Mediterranean.

- Or Ukraine, where we have seen the fairest elections ever held in the country with freedom of the media transformed, where we have deepened co operation on energy and negotiated agreements on visa facilitation and readmission to the benefit of both Ukraine and the EU.

- BUT two years on, experience shows there is scope to increase the impact of this policy. We can do more. We have listened to our partners and today I am making proposals responding to what they have told us.

- The Action Plans ask our partners to make demanding and costly reforms right now – but the advantages we propose in return are often for the medium or longer term.

- The German presidency aims to make ENP a key priority and this gives us an opportunity to strengthen ENP

- So we need to improve our offer – and to make it as attractive and relevant to their concerns as we can –

- First we want to step up our offer of economic and trade integration, and ensure that East and the South enjoy equal chances

- The countries of the south are already working towards free trade areas with us. Now we want to work towards deep and comprehensive FTAs with all our neighbours, going beyond free trade in goods and services to address non-tariff barriers and move towards comprehensive regulatory convergence

- Countries will move at different speeds, of course. But in the longer term, I hope we can work towards a broad Neighbourhood economic community.

- The EU's trade offer will include the products of most interest to ENP Partners. The additional effort that this entails for the EU will be outweighed by the political benefits

- It is hard to make the advantages of the Neighbourhood feel real to people who find it hard even to get a visa to travel to Europe.

- We need to examine how visa procedures can be substantially improved to make travel easier for certain categories of passenger – like students, researchers, businessmen, government officials, NGOs and – very importantly – journalists.

- This will of course need to go hand in hand with co operation on illegal migration, and border management.

- I also want to offer a new scholarship scheme for the region,

as well as exchanges to build contacts between civil society, university researchers, business people, local authorities and so on, and more cross border co operation.

- This is how we will give the Neighbourhood a human face.

- The ENP is a bilateral policy, but in the south it is supported by a regional dimension through the Euro Mediterranean partnership. The east would also benefit from strengthened regional co-operation approach, but we can't simply copy the Barcelona model.

- What I am proposing is enhanced co operation in the Black Sea region, - Black Sea Synergy, if you like - to promote dialogue on the whole range of ENP concerns.

- We don't have to reinvent the wheel. We should consider holding back to back meetings with the existing organisation Black Sea Economic Co operation Organisation to promote ministerial level dialogue between ministers of the EU and Eastern ENP countries on political issues, and the whole range of ENP concerns.

- A separate communication next year will look at this issue in more detail.

- Some of our strongest achievements under the ENP are not individual to one country, but are themes relevant to all our partners, like Energy, Transport, the Environment, Migration, and Public Health.

- So I am also proposing today that we build a thematic dimension to ENP, holding ad hoc, or regular ministerial or expert meetings with ENP partners or a more institutionalised set up if appropriate.

- This multilateral approach can usefully complement the bilateral work on which the ENP is based.

- An important step in thematic co operation is our offer to open up certain Community programmes and agencies to our neighbours, such as the environment agency and the space agency, and programmes such as research or media. The College has approved a separate Communication on this today.

- We have undertaken a comprehensive review of existing agencies and programmes to assess the scope for progress – and in the course of next year we will be work with partners on setting up the logistics for them to participate more in EU activities.

- I want to see more political co-operation with our Neighbours – that could mean a more systematic association of ENP partners with EU initiatives, such as CFSP declarations, co ordination of positions in international fora and, more parliamentary co operation.

- And I believe it should mean a more active role for the EU in conflict settlement in the region

- Between 2007-13 we have 12 billion euros to devote to the ENP countries: over 30% more than in the last budget period. Not bad! But this is still a modest sum given our ambitions to support reform in the Neighbourhood.

- We need to make our money work harder. That is why I am setting aside 1 billion euros (out of the 12 billion euros) to create two special funds.

- I propose that the EU set up a Neighbourhood Investment Fund, to which Member States could also contribute, which should be used to leverage additional lending by the International Financial Institutions. We would contribute 700 million euros from the Community budget. It is estimated that such a fund could leverage several times the amount of grant money in it. If Member States were to match our contribution, the Fund could therefore generate substantial new lending to the ENP countries – to fund infrastructure projects in areas like

energy or transport, or to support SMEs.

- I should just make clear this is in addition to FEMIP – the Facility for the Euro-Mediterranean Investment Partnership, the existing funding instrument in the Mediterranean region.
- Secondly, building on the experience of a kind of pilot that we have operated for the southern neighbours, I propose a Governance Facility for the whole ENP region. 300 million euros will be set aside to give a top-up to those partners who have made most progress in implementing their Action Plan.
- This is an ambitious agenda. It will require political will and effort on the EU side. But the potential cost of not supporting reform on our borders would be very great. I look forward to discussing today's Communication with colleagues in the Council and Parliament, and, of course, our partners themselves.

Related Documents:

- Strengthening the European Neighbourhood Policy - Strategy Paper. [Link](#)
- Overall Assessment. [Link](#)
- Sectoral Progress. [Link](#)
- Progress reports on implementation of the European Neighbourhood Policy:
[Ukraine](#) - [Moldova](#) - [Israel](#) - [Jordan](#) - [Palestinian](#)

Strengthening the European Neighbourhood Policy

European Commission Press Release
Brussels, 4 December 2006. [Link](#)

Commissioner for External Relations and European Neighbourhood Policy, Benita Ferrero-Waldner, today sets out new proposals to strengthen and further develop the European Neighbourhood Policy (ENP). The first 18 months of implementation of the ENP have shown good results. The new Communication sets out to increase the impact of the policy, by proposing ways that the EU can help partners who are willing to reform to do this faster and better, and provide incentives to convince those who are still hesitant. The new proposals are accompanied by progress reports on the Neighbourhood partners whose ENP Action Plans began to be implemented in 2005. The Communication will feed into work during the incoming German Presidency in the first half of 2007.

Commissioner Ferrero-Waldner said: "This new Communication offers attractive incentives to our Neighbourhood partners. It will bring the Neighbourhood Policy into sharper focus, concentrating on key areas of mutual interest like people to people contacts, deepening trade relations, stronger co-operation on energy, migration and visa issues as well as financial support. An important contribution will be a new Neighbourhood Investment Fund. The Neighbourhood Policy has made a positive start, but the EU can do much more. We must rise to the challenge of promoting peace, stability and economic prosperity of our neighbours. There is no better way of doing this than by supporting their political and economic reforms."

From 2007-13 the budget foreseen for the countries of the ENP is 12 billion euros, 32% more in real terms than in the last

budget period. To maximise the impact and leverage of this EU funding the Commission will propose the creation of:

- A Neighbourhood Investment Fund, to which Member States will also be invited to contribute, which would be used to leverage additional lending from the European Investment Bank, European Bank for Reconstruction and Development and other development banks. The contribution from the Community Budget would be 700 million euros. It is estimated that this fund could encourage lending of several times the amount of grant funding. If Member States were to match the EC contribution, the Fund could generate a considerable amount of concessional lending.
- 300 million euros will also be set aside for a Governance Facility, to provide additional support on top of normal country allocations to acknowledge and support the work of partner countries who have made most progress in implementing their Action Plans.

Today's Communication also proposes:

- A clear perspective for all ENP partners, eastern as well as southern, of deep economic and trade integration with the EU, going beyond free trade in goods and services to address non-tariff barriers achieving comprehensive regulatory convergence.
- Substantially improved visa procedures for certain types of visitors.
- Ad hoc or regular ministerial and expert level meetings with ENP partners on subjects like energy, transport, the environment and public health. This multilateral approach can usefully complement the bilateral work on which the ENP is based.
- Strengthened political co-operation, more systematic association of ENP partners with EU initiatives (foreign policy declarations, positions in international fora as well as participation in key programmes and EU agencies).
- A more active role for the EU in conflict-settlement efforts in the region.
- A strengthened regional approach in the east based on existing Black Sea co-operation.

State of play of ENP Action Plans

ENP partner countries	Entry into force of contractual relations with EC	ENP Country Report	ENP Action Plan	Adoption by EU	Adoption by partner country
Algeria	AA – Sept 2005	--	--	--	--
Armenia	PCA – 1999	March 2005	Agreed autumn 2006	13.11.2006	14.11.2006
Azerbaijan	PCA – 1999	March 2005	Agreed autumn 2006	13.11.2006	14.11.2006
Belarus	--	--	--	--	--
Egypt	AA – Jun 2004	March 2005	Largely agreed autumn 2006	--	--
Georgia	PCA – 1999	March 2005	Agreed autumn 2006	13.11.2006	14.11.2006
Israel	AA - Jun 2000	May 2004	Agreed end 2004	21.02.2005	11.04.2005
Jordan	AA - May 2002	May 2004	Agreed end 2004	21.02.2005	11.01.2005 02.06.2005
Lebanon	AA - April 2006	March 2005	Agreed autumn 2006	17.10.2006	Pending
Libya	--	--	--	--	--
Moldova	PCA - Jul 1998	May 2004	Agreed end 2004	21.02.2005	22.02.2005
Morocco	AA - Mar 2000	May 2004	Agreed end 2004	21.02.2005	27.07.2005
Palestinian Authority	Interim AA - Jul 1997	May 2004	Agreed end 2004	21.02.2005	04.05.2005
Syria	--	--	--	--	--
Tunisia	AA – Mar 1998	May 2004	Agreed end 2004	21.02.2005	04.07.2005
Ukraine	PCA – Mar 1998	May 2004	Agreed end 2004	21.02.2005	21.02.2005

* AA: Association Agreement

** PCA: Partnership and Cooperation Agreement

European Neighbourhood Policy – State of Play

European Commission Press Release
Brussels, 4 December 2006. [Link](#)

In 2004, the European Union adopted the European Neighbourhood Policy (ENP) to support its partners' political, economic and social reform processes and to deepen bilateral relations with them.

Today, Commission reports on the progress achieved by the first partners to have agreed ENP Action Plans with the EU: Ukraine, Moldova, Israel, Jordan, the Palestinian Authority, Tunisia and Morocco – during the first eighteen months of their implementation.

Ukraine

With the preparation and conduct of overall free and fair parliamentary elections in March 2006, accompanied by a free debate in the press, Ukraine consolidated the breakthrough in conducting a democratic election process that began with the Orange Revolution and which is also a key element of the EU-Ukraine ENP Action Plan. Considerable progress has been made towards consolidating respect for human rights and the rule of law. Initial steps have been taken in the fight against corruption and on the reform of the judiciary, which are particular challenges. There has been good co-operation between the EU and Ukraine on foreign policy, with Ukraine

aligning with EU positions on many issues. Good progress has been made on Ukraine-Moldova border management. Agreements on visa facilitation and readmission have been successfully negotiated and initialled. Progress has been made in various trade and trade-related areas, including last steps in the WTO accession process, but further reforms are needed to improve the business climate. While progress is needed on nuclear safety issues, much progress has been achieved on energy cooperation.

Moldova

Faced with a difficult internal and external situation, implementation of the Action Plan in Moldova is well underway, and the Action Plan has become the central point of reference in the domestic reform process. Good progress has been made on trade-related issues, co-operation with international financial institutions (IFIs) and on poverty reduction, but more needs to be done on the investment and business climate. Good progress has also been made on Moldova-Ukraine border management, which has positive implications for the Transnistria issue. Democratic reforms are underway and some progress is being made on governance issues, with first steps being taken also on the reform of the judiciary, the fight against corruption and organised crime, which are particular challenges. Overall, Moldova is showing commitment, but the implementation of reforms requires greater attention, including in areas with good legislative progress.

Israel

Implementing the Action Plan has begun to help better define the path and framework of EU-Israel relations while enabling the deepening and strengthening of co-operation in a wide spectrum of areas. In the course of implementing the Action Plan, EU-Israel cooperation has developed in the area of political dialogue, promoting trade and investment, justice and security, science and technology including space cooperation, as well as higher education. Furthermore, technical workshops on a large number of specific subjects relating, for example, to preventing terrorist financing, promoting judicial and police cooperation, protecting the environment, combating racism/xenophobia/anti-semitism have been organised.

Jordan

Jordan's reform priorities are laid down in its National Agenda, a long term reform-oriented programme published in November 2005, complemented by the initiative "we are all Jordan" which aims to ensure wider support from the Jordanian population. The Jordanian reform programme formed the basis of the ENP Action Plan through which the Commission supports the national efforts. Overall, Jordan has shown a real commitment to working towards a number of political and economic reforms. Results have been achieved in the fields of anti-corruption, public finance management, protection of human rights. Others are currently debated, such as reform of the electoral system. In addition, Jordan decided to converge with relevant EU *acquis* on standards for industrial products, sanitary and phyto-sanitary matters. The EU and Jordan have also increased co-operation on trade, with negotiations on liberalisation of trade in agriculture products (concluded) as well as on services (on-going). However, more needs to be done in the next four years to translate commitments into concrete progress.

The Palestinian Authority

The Action Plan is designed to provide support to Palestinian reforms and institution building in the context of preparing for a future Palestinian state. Some initially encouraging steps towards reform were realised between 2005 and early 2006, for example on public financial management. Following the formation of a Hamas-led PA government, the EU suspended political contacts and co-operation with that government, pending its acceptance of the Quartet principles. The EU would be ready to resume co-operation and further work on the Action Plan as soon as a government is formed with a programme reflecting the Quartet principles.

Tunisia

The EU-Tunisia ENP Action Plan, linked to Tunisia's own reform priorities, has become the reference framework for a deeper dialogue on economic and trade issues. Progress has been made on economic and social reforms as well as in some sectors, like transport, energy and scientific research. Less progress was registered on political issues, as evidenced by slow preparations for a subcommittee on human rights and democracy, slow progress on freedom of association and expression, and on implementing the programme for modernizing the justice system.

Morocco

There has been a significant enhancement of relations between the EU and Morocco, notably because of Morocco's real interest in the European Neighbourhood Policy as a response towards its desire for an "advanced status". The EU-Morocco ENP Action Plan is an anchor-point for Morocco's on-going reform processes. Morocco has implemented important reforms in most of the main areas of the Action Plan (e.g. liberalization of the audiovisual sector, lifting reservations to some human rights international conventions, financial sector, transport, and environment). The EU and Morocco have also reached landmark agreements in aviation, fisheries and participation in the Galileo satellite navigation system. Co-operation on migration issues has strengthened considerably and negotiations on a readmission agreement are still on-going. Morocco is a strategic partner of the EU in the fight against terrorism. The government continues to pursue political, economic and social modernisation policies which will permit the jointly-agreed objectives of the Action Plan to be attained if the pace of reforms continues. However, the modernisation of the judiciary needs to be pursued further and reducing poverty and creating jobs remain serious challenges.

Two separate reports also detail progress by partners and by the EU, looked at from the sectoral perspective, on working together on issues such as governance, political dialogue, macro-economic reforms, fighting poverty, trade and regulatory reforms as well as reform and modernization of the transport, energy, information society and environment.

With different cultures and challenges, and different levels of commitment, each partner has addressed governance issues in its own way. The enhanced dialogue on human rights that has taken place with Mediterranean partners deserves special mention. There has also been progress by several partners in the reform of electoral systems, in judicial reform and in public-sector governance. The picture is more mixed as regards respect for fundamental rights, however, with less progress by certain partners in addressing issues such as restrictions on press freedom, intimidation of NGOs, political prisoners, ill-treatment in police custody, and extra-judicial killings.

Political dialogue and cooperation with ENP partner countries has been significantly enhanced in most cases, with enhanced dialogue in sub-committees in certain cases, and greater co-operation with certain partners on CFSP issues (with two partners aligning with many of the EU's foreign policy statements) and as regards the ESDP (with one partner participating in the EU's ALTHEA military operation in Bosnia and Herzegovina).

ENP partner countries have had a mixed macro-economic experience in the last two years. Some have experienced moderate to strong growth throughout the period, while others have recovered in 2006 after a sharp decline in growth in 2005. Certain countries have been hard hit by rising energy prices and in one case by the blockage of some traditional markets. The drastic decline in all economic indicators in the Palestinian Territories remains a case apart and a major cause for concern.

Progress has likewise been mixed in fighting poverty. Some ENP partner countries have made significant progress in

strengthening social and human-resource development policies, though further sustained effort is required by all. At the other extreme, the situation in the Palestinian Territories causes grave concern. Education and health are being given increased attention in all partner countries. Most partner countries now have national sustainable development strategies in place.

Most partners have national sustainable development strategies in place or are in the process of reviewing them. National inter-ministerial structures exist in most cases, but they hold regular meetings only in a limited number of countries. A key challenge is therefore for most countries to activate the existing structures, in order to ensure a truly cross-sectoral approach to sustainable development.

Negotiations on trade are progressing with all Mediterranean partners (agriculture and services). Preparatory work is under way with Ukraine and Moldova (respectively "deep FTA" and autonomous trade preferences). Work on conformity agreements shows a promising start, while in the fields of customs or the economic regulatory framework, the ENP has made progress.

The ENP has been particularly useful with certain partners in addressing the shared challenge of migration. An agreement on readmission and visa facilitation was initialled with Ukraine in October 2006, and negotiations are being prepared with two Morocco and Moldova. Co-operation on combating organised crime, terrorism and drugs has also advanced in a number of cases.

Reform and modernisation in transport, energy, public finance management, the information society, and the environment is a challenging task, but has been pursued actively by most partners. Detailed technical dialogue, building on Action Plan priorities, has proved its worth. With the support of the Tempus programme, partner countries have pursued their reform and modernisation efforts in the area of higher education.

The reports also assess how the EU has been supporting these efforts, providing funding and sharing reform experience e.g. by providing technical advice, twinning and, progress towards opening EC programmes and agencies to ENP partners.

European Commission announces substantial increase in financial assistance to the Republic of Moldova

European Commission Press Release
Brussels, 12 December 2006. [Link](#)

At today's donor meeting organised jointly by the European Commission and the World Bank, the European Commission will be announcing that it is to more than double its financial assistance to the Republic of Moldova over the next 4 years. Under the new European Neighbourhood and Partnership Instrument (ENPI) 209 million euros will be made available over the period 2007-2010 to support the reform process and the implementation of the EU-Moldova European Neighbourhood Policy Action Plan. In addition, the Commission has made a proposal to the Council to grant macro-financial assistance of 45 million euros for 2007-2008 to address Moldova's current

balance of payment problems. This would bring the micro-financial aid to a total of 254 million euros over the next 4 years.

Commissioner for External Relations and European Neighbourhood Policy, Benita Ferrero-Waldner emphasised: "Moldova has made good progress in implementing the EU-Moldova Action Plan, but further decisive reform steps are needed in areas such as respect for human rights and fundamental freedoms, judicial reform and improving the investment climate. Enhanced financial support from donors including the EU will be an important element in helping the Republic of Moldova to continue with its reform efforts. I am therefore happy to announce the doubling of our assistance at a moment where the country is faced with a challenging internal and external situation."

The European Commission will be announcing its assistance package today at a Consultative Group Donors' meeting in Brussels hosted jointly with the World Bank. The 1-day meeting is gathering senior officials of all key donor organisations active in Moldova including the European Commission, the World Bank, the International Monetary Fund, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the United Nations. EU Member States and other leading bilateral donors, including the United States and Japan were also present. Discussions at the meeting focus on progress in the implementation of Moldova's reform agenda and future donors' programmes to support the reform process.

EU-Moldova Relations:

Total EU assistance to Moldova since 1991 has amounted to more than 300 million euros. Annual assistance budgets have increased over recent years. EC assistance is currently being provided mainly under the Tacis and Food Security Programmes (FSP) and is today fully geared towards supporting Moldova implementing the ENP Action Plan. It provides for measures focusing on:

- Institutional, legal and administrative reform (consolidation of the rule of law, approximation of legislation including the reform of the health sector, cross-border co-operation, fight against crime, support to PCA implementation, civil society development and training, statistical infrastructure, and environmental issues).
- Private sector and economic development (in particular small enterprises development in rural and urban areas)
- Alleviation of the social consequences of transition (poverty reduction, social assistance through NGOs, health and childcare).

Ethnic Targeting and Deportations Continue Across the Russian Federation

Non-Paper, Ministry of Foreign Affairs, Georgia
8 December 2006.

**2,598 Georgians deported since September 27,
2 Dead as Council of Europe Deplores Conditions;
Parliamentary Commission Investigates**

[Extract]

The Council of Europe, Helsinki Watch, and other human rights organizations have condemned the death of Manana Jabelia, a 51-year-old ethnic Georgian who had been held in deplorable conditions by Russian authorities on spurious immigration charges. Denied medication, Mrs. Jabelia, the mother of three children, passed away on December 4 and was flown back to Tbilisi tonight.

The Council of Europe says it will monitor closely the investigation Moscow police have opened into the case. Europe's top human rights organization also expressed concern about the surge in deportations of Georgian nationals following the deterioration of Russia-Georgia relations. "Ordinary citizens should not pay for disagreements between governments," the Council said. Mrs. Jabelia was at least the second Georgian to die in Russian custody since October.

Mrs. Jabelia was one of 2,598 Georgians who have received deportation orders since a wave of ethnic targeting and xenophobia was unleashed by Moscow on September 27. In addition to those summarily deported without cause, the campaign has involved Russian authorities monitoring ethnic Georgian schoolchildren; harassing authors and artists; and using all arms of the state, including tax authorities, to attack business owners and shut their enterprises.

The Parliament of Georgia last month established a Commission on October 24 to investigate the deportations and persecution of ethnic Georgians in Russia. The key findings of this investigative body are highlighted below.

Russia's efforts to destabilize the democratically elected government of Georgia established following the 2003 Rose Revolution began last year. In addition to a full economic and transport blockade that has strangled Georgia's economy and violated Russia commitments to the WTO and other international treaties, Moscow has arbitrarily doubled the price of the natural gas it sells to Georgia, while actively aiding the separatists in the Georgian territories of South Ossetia and Abkhazia.

Human rights group and political leaders around the world have condemned Moscow's deployment of brutal, xenophobic, and often unlawful tactics to punish Georgia for its pro-Western policies

European Council Conclusions on External Relations

Brussels, 14-15 December 2006. [Link](#)

46. The European Council reaffirms its resolve to strengthen the European Neighbourhood Policy (ENP) in order to consolidate a ring of prosperity, stability and security based on human rights, democracy and the rule of law in the Union's neighbourhood. In this context, the European Council welcomes the recent adoption of the ENP Action Plans for Armenia, Azerbaijan and Georgia, as well as the jointly agreed ENP Action Plan with Lebanon and the progress in negotiations with Egypt. Referring to the latest Commission communication on the ENP, the European Council endorses the conclusions of the GAERC of 11 December 2006 and invites the incoming Presidencies and the Commission to take the work forward.

47. Encouraged by the prospects for closer cooperation and political dialogue with Central Asian States the European Council invites the incoming German Presidency to take forward the work on an EU strategy on Central Asia with a view to its adoption at the European Council meeting in June 2007.

European Council Declaration on the Middle East Peace Process

Brussels, 14-15 December 2006. [Link](#)

The European Council noted with concern that the Middle East is faced with one of the worst crises in years. The Israeli-Arab conflict is at the heart of this crisis. The EU is committed to overcoming the current impasse in the peace process and to easing tensions in the broader region.

The ceasefire in Gaza is an important first step. Violations of the ceasefire must end and it should be extended to the West Bank. For the ceasefire to be meaningful and sustainable it must be consolidated through a political process. In this respect the European Council noted Prime Minister Olmert's address of 27 November. The EU welcomed the readiness of President Abbas and PM Olmert to resume dialogue, and urged them to meet soon. The European Council also invited the other members of the Quartet and the regional partners to intensify common efforts aimed at reinvigorating the peace process.

The European Council commended the efforts of President Abbas over the last six months to form a government of national unity. The EU stands ready to work with a legitimate Palestinian government that adopts a platform reflecting the Quartet principles. If such a government is formed, the EU undertakes: to resume partnership with the Palestinian government and encourage Quartet partners to do likewise; to continue, with other donors, providing financial support and to prepare, in cooperation with the new government, a long-term plan on capacity building, border management and unified and effective security forces, as well as a functioning administration.

The European Council called for the immediate release of the abducted Israeli soldier and commended efforts including by partners in the region to that effect. The European Council also called for the immediate release of Palestinian ministers and legislators detained in Israel.

The European Council noted the vital role played by the Temporary International Mechanism in providing essential relief to a large part of the Palestinian population since its launch in June 2006. The increased assistance provided by the Community Budget and by Member States bilaterally this year, and the contributions by other donors to the Mechanism are deeply valued. In view of the protracted deterioration of the socio-economic situation of the Palestinians, the European Council endorsed a further three-month extension of the mechanism until March 2007. The European Council calls for the release of Palestinian customs and tax revenues withheld by Israel.

The European Council reiterated the need for full and speedy implementation of the Roadmap. As a first step, the following priorities should be pursued, following a calendar agreed between the parties and monitored by the Quartet: full and speedy implementation of the Agreement on Movement and Access; full implementation of the Sharm-el Sheikh understandings, including the release of prisoners and resumption of security cooperation between the parties; parallel implementation by the parties of the obligations they have committed to under the first phase of the Roadmap.

These, though important, are only initial steps, and must lead to meaningful negotiations on the final status, the ultimate goal of which is an end to the occupation that began in 1967 and the creation of an independent, democratic and viable Palestinian state, living side-by-side with Israel and its other neighbours in peace and security. In that context the parties have to take concrete and immediate measures to put an end to all acts of violence, and to all activities which are contrary to international law, including settlement activities and the construction of the barrier on Palestinian land, that constitute an obstacle to the achievement of that goal. The EU will not recognise any changes to the pre-1967 borders other than those agreed by both parties.

The European Council invited the Quartet to stand ready to lead an effort by the international community to build on the outcome of successful negotiations between Israel and the Palestinians in order to reach a comprehensive settlement of the Israeli-Arab conflict, including peace agreements with Syria and Lebanon and full normalisation of relations between Israel and the Arab countries. This will require an inclusive approach involving all relevant actors; all need to engage constructively in the region to support these efforts. In accordance with the Roadmap, the Quartet, in consultation with the parties, should in due course convene an international conference to realize these goals.

The Iraq Study Group Report

United States Institute for Peace

Washington D.C., 6 December 2006. [Link](#)

Executive Summary

The situation in Iraq is grave and deteriorating. There is no path that can guarantee success, but the prospects can be improved.

In this report, we make a number of recommendations for actions to be taken in Iraq, the United States, and the region. Our most important recommendations call for new and enhanced diplomatic and political efforts in Iraq and the region, and a change in the primary mission of U.S. forces in Iraq that will enable the United States to begin to move its combat forces out of Iraq responsibly. We believe that these two recommendations are equally important and reinforce one another. If they are effectively implemented, and if the Iraqi government moves forward with national reconciliation, Iraqis will have an opportunity for a better future, terrorism will be dealt a blow, stability will be enhanced in an important part of the world, and America's credibility, interests, and values will be protected.

The challenges in Iraq are complex. Violence is increasing in scope and lethality. It is fed by a Sunni Arab insurgency, Shiite militias and death squads, al Qaeda, and widespread criminality. Sectarian conflict is the principal challenge to stability. The Iraqi people have a democratically elected government, yet it is not adequately advancing national reconciliation, providing basic security, or delivering essential services. Pessimism is pervasive.

If the situation continues to deteriorate, the consequences could be severe. A slide toward chaos could trigger the collapse of Iraq's government and a humanitarian catastrophe. Neighboring countries could intervene. Sunni-Shia clashes could spread. Al Qaeda could win a propaganda victory and expand its base of operations. The global standing of the United States could be diminished. Americans could become more polarized.

During the past nine months we have considered a full range of approaches for moving forward. All have flaws. Our recommended course has shortcomings, but we firmly believe that it includes the best strategies and tactics to positively influence the outcome in Iraq and the region.

External Approach

The policies and actions of Iraq's neighbors greatly affect its stability and prosperity. No country in the region will benefit in the long term from a chaotic Iraq. Yet Iraq's neighbors are not doing enough to help Iraq achieve stability. Some are undercutting stability.

The United States should immediately launch a new diplomatic offensive to build an international consensus for stability in Iraq and the region. This diplomatic effort should include every country that has an interest in avoiding a chaotic Iraq, including all of Iraq's neighbors. Iraq's neighbors and key states in and outside the region should form a support group to reinforce security and national reconciliation within Iraq, neither of which Iraq can achieve on its own.

Given the ability of Iran and Syria to influence events within Iraq and their interest in avoiding chaos in Iraq, the United States should try to engage them constructively. In seeking to influence the behavior of both countries, the United States has disincentives and incentives available. Iran should stem the flow of arms and training to Iraq, respect Iraq's sovereignty and territorial integrity, and use its influence over Iraqi Shia groups to encourage national reconciliation. The issue of Iran's nuclear programs should continue to be dealt with by the five permanent members of the United Nations Security Council plus Germany. Syria should control its border with Iraq to stem the flow of funding, insurgents, and terrorists in and out of Iraq.

The United States cannot achieve its goals in the Middle East unless it deals directly with the Arab-Israeli conflict and regional instability. There must be a renewed and sustained commitment by the United States to a comprehensive Arab-Israeli peace on all fronts: Lebanon, Syria, and President Bush's June 2002 commitment to a two-state solution for Israel and Palestine. This commitment must include direct talks with, by, and between Israel, Lebanon, Palestinians (those who accept Israel's right to exist), and Syria.

As the United States develops its approach toward Iraq and the Middle East, the United States should provide additional political, economic, and military support for Afghanistan, including resources that might become available as combat forces are moved out of Iraq.

Internal Approach

The most important questions about Iraq's future are now the responsibility of Iraqis. The United States must adjust its role in Iraq to encourage the Iraqi people to take control of their own destiny.

The Iraqi government should accelerate assuming responsibility for Iraqi security by increasing the number and quality of Iraqi Army brigades. While this process is under way, and to facilitate it, the United States should significantly increase the number of U.S. military personnel, including combat troops, imbedded in and supporting Iraqi Army units. As these actions proceed, U.S. combat forces could begin to move out of Iraq.

The primary mission of U.S. forces in Iraq should evolve to one of supporting the Iraqi army, which would take over primary responsibility for combat operations. By the first quarter of 2008, subject to unexpected developments in the security situation on the ground, all combat brigades not necessary for force protection could be out of Iraq. At that time, U.S. combat forces in Iraq could be deployed only in units embedded with Iraqi forces, in rapid-reaction and special operations teams, and in training, equipping, advising, force protection, and search and rescue. Intelligence and support efforts would continue. A vital mission of those rapid reaction and special operations forces would be to undertake strikes against al Qaeda in Iraq.

It is clear that the Iraqi government will need assistance from the United States for some time to come, especially in carrying out security responsibilities. Yet the United States must make it clear to the Iraqi government that the United States could carry out its plans, including planned redeployments, even if the Iraqi government did not implement their planned changes. The United States must not make an open-ended commitment to keep large numbers of American troops deployed in Iraq.

As redeployment proceeds, military leaders should emphasize training and education of forces that have returned to the United States in order to restore the force to full combat capability. As equipment returns to the United States, Congress should appropriate sufficient funds to restore the equipment over the next five years.

The United States should work closely with Iraq's leaders to support the achievement of specific objectives—or milestones—on national reconciliation, security, and governance. Miracles cannot be expected, but the people of Iraq have the right to expect action and progress. The Iraqi government needs to show its own citizens—and the citizens of the United States and other countries—that it deserves continued support.

Prime Minister Nouri al-Maliki, in consultation with the United States, has put forward a set of milestones critical for Iraq. His list is a good start, but it must be expanded to include milestones that can strengthen the government and benefit the Iraqi people. President Bush and his national security team should remain in close and frequent contact with the Iraqi leadership to convey a clear message: there must be prompt action by the Iraqi government to make substantial progress toward the achievement of these milestones.

If the Iraqi government demonstrates political will and makes substantial progress toward the achievement of milestones on national reconciliation, security, and governance, the United

States should make clear its willingness to continue training, assistance, and support for Iraq's security forces and to continue political, military, and economic support. If the Iraqi government does not make substantial progress toward the achievement of milestones on national reconciliation, security, and governance, the United States should reduce its political, military, or economic support for the Iraqi government.

Our report makes recommendations in several other areas. They include improvements to the Iraqi criminal justice system, the Iraqi oil sector, the U.S. reconstruction efforts in Iraq, the U.S. budget process, the training of U.S. government personnel, and U.S. intelligence - capabilities.

Conclusion

It is the unanimous view of the Iraq Study Group that these recommendations offer a new way forward for the United States in Iraq and the region. They are comprehensive and need to be implemented in a coordinated fashion. They should not be separated or carried out in isolation. The dynamics of the region are as important to Iraq as events within Iraq.

The challenges are daunting. There will be difficult days ahead. But by pursuing this new way forward, Iraq, the region, and the United States of America can emerge stronger.

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