European Parliament

Olivér Várhelyi

Neighbourhood and Enlargement

Hearing due to be held on Thursday 14 November at 08.00 hours.

European Parliament committee responsible: Foreign Affairs (AFET).

Olivér Várhelyi has most recently been Ambassador and Permanent Representative of Hungary to the EU, having stepped up from the post of Deputy Permanent Representative, which he held from 2011 to 2015. He has specialised in European issues throughout his career, and was part of the team that negotiated Hungary's accession to the EU, as Head of the Legal Unit at the Ministry of Foreign Affairs, and Head of the Cabinet of the Deputy Head of the State Secretary for Integration, and then in Brussels as Legal Counsellor at the Mission of Hungary to the EU. In 2003, with the Accession Treaty concluded, he became Head of the Legal Service at the Permanent Representation of Hungary to the EU.

In 2006, Várhelyi returned to Budapest, becoming Head of the European Union Law Department at the Hungarian Ministry of Justice, dealing with the implementation of European Law in Hungary. From 2008 to 2011, he worked in the European Commission, as a Head of Unit in the Directorate General for Internal Market and Services. Among other issues, he led work during that period on the proposed unitary patent for Europe.

Born in 1972, Várhelyi gained a Master's in European legal studies from Aalborg University, Denmark, and holds a law degree from the University of Szeged's Faculty of Law and Political Sciences. In 2008, he was given the Jedlik Ányos Award by the Hungarian Intellectual Property Office for his work on developing intellectual property rights in Hungary.

This Briefing has been prepared for the additional Hearings required after the conclusion of the first round in October. It is one of a set of Briefings designed to give Members of the European Parliament an overview of major issues of interest in the context of the hearings of the Commissioners-designate. The full set of Briefings can be found at: https://epthinktank.eu/commissioner_hearings_2019

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Background

A stable, secure and prosperous European neighbourhood is of strategic importance for the European Union's future. Multiple historic ties and geopolitical interests with the regions of the Mediterranean countries, Eastern Europe and Western Balkans have always been of paramount importance and the basis of bilateral and multilateral relations. The EU should be present and active across our neighbourhood, cooperating on common challenges and opportunities and providing support for essential reforms. The EU has invested in its eastern and southern neighbours' economic development, security, democracy and rule of law through its European neighbourhood policy (ENP) since 2004. Bilateral relations are complemented by regional dimensions for the south (the Union for the Mediterranean) and the east (Eastern Partnership). In each case, this multilateral track aims to encourage regional cooperation.

In line with the 2015 review of the ENP, and the Global Strategy for the European Union adopted in June 2016, the objectives of the policy are aligned with the EU's geopolitical interests and values, both of which aim to support state and societal resilience and stability. The review refocused the ENP to ensure a differentiated approach to the partner countries covered, recognising their individual aspirations while also affording joint ownership and more flexibility in the use of the relevant EU instruments. The EU mainly supports its neighbourhood partners through the European Neighbourhood Instrument (ENI), with a budget of €15 billion for 2014-2020. Furthermore, the Commission proposes to allocate €89 billion, from an overall external action budget of €123 billion in the 2021-2027 multiannual financial framework (MFF), to a new Neighbourhood, Development and International Cooperation Instrument.

Candidate countries for EU accession include Albania and North Macedonia; as well as countries with which negotiations have begun – Montenegro, Serbia, Turkey; and those promised the prospect of joining when they are ready – Bosnia and Herzegovina, and Kosovo.[1] Accession negotiations with Turkey (opened in 2005) are stalled, as the country has drifted further from EU benchmarks on the rule of law and fundamental rights. In its March 2019 resolution on the 2018 Commission report on Turkey, the European Parliament (EP) called on the Council and Commission to suspend EU accession talks with the country. Furthermore, in its October 2019 resolution on the Turkish military operation in north-east Syria and its consequences, Parliament called on the Council to consider the suspension of the trade preferences under the agreement on agricultural products and, as a last resort, the suspension of the EU-Turkey customs union.

Recent developments

In support of rules-based global governance and the development of regional cooperation, EU focus in the southern neighbourhood has been on movements against authoritarian regimes, instability triggered by Al-Qaeda and ISIL/Da'esh, and migration and refugee challenges, as well as socio-economic development, demographics and climate change. The critical situation in Algeria, Libya and Syria required particular attention. In March 2019, the EU and the United Nations chaired a Brussels III conference on 'Supporting the future of Syria and the region'. Deliberations over a broader political transition on the basis of UN Security Council Resolution 2254 made some progress in September 2019 when UN Secretary-General António Guterres announced an agreement to form a 150-member constitutional committee on Syria.

The May 2019 European Council meeting marked the 10th anniversary of the EU's Eastern Partnership, and took stock of the progress made under the 20 Deliverables for 2020 work plan, adopted in 2017. Despite all partnership countries (except Belarus) dealing with 'frozen conflicts', the EU has deepened its relations with Georgia, Moldova and Ukraine in the form of association agreements, deep and comprehensive free trade agreements, and visa liberalisation. An EU-Moldova Association Agreement (AA), including a Deep and Comprehensive Free Trade Area (DCFTA), was signed in 2014; an AA with Georgia was signed in 2017. Armenia signed a Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU in 2017, which entered

into provisional application in June 2018. In February 2017, the EU and Azerbaijan began negotiations on a new framework agreement. Belarus has also participated in the multilateral formats of the Eastern Partnership, and bilateral relations with the EU will be strengthened by the EU-Belarus partnership priorities currently under negotiation. The EU-Ukraine DCFTA became fully operational in January 2016, and the EU-Ukraine AA entered into force in September 2017.

Regarding enlargement policy in the Western Balkans, regional reconciliation and the resolution of bilateral disputes are prerequisites for any country's EU accession. In 2018-2019, increased trade and investment were observed in the region, due to bilateral agreements such as the Prespa Agreement, brokered between Greece and North Macedonia in June 2018. Visa-free regimes facilitate regional trade and people-to-people contacts, however suspension mechanisms can be triggered at any time, as some Member States have recently recalled with regard to Albania. In 2018, a controversial decision by Pristina to impose a 100 % tariff on Serbian goods sparked tensions between Kosovo and Serbia, despite EU condemnation. The main issue between the two sides remains the need to stabilise bilateral relations, which may require a more proactive EU diplomatic effort.

Priorities and challenges

As noted in the new strategic agenda 2019-2024, adopted by the European Council on 20 June 2019, the EU will continue to pursue an ambitious and realistic neighbourhood policy, and develop a comprehensive partnership with Africa to work towards global peace and stability, and promote democracy and human rights. The European Council stressed that to achieve these objectives, the EU needs to be more assertive and effective in following a strategic course of action and increasing its autonomous capacity to safeguard its interests. The EU and its Member States remain key contributors to financial support in resolving the Syrian conflict, having mobilised almost €17 billion for humanitarian, stabilisation and resilience assistance since 2011. Most of the funds are allocated outside Syria, however, mainly to refugee camps in Lebanon, Jordan and Turkey.

The EU continues to respond to democratic aspirations and desire for stability in its partner countries along its eastern and southern borders, as well as to their urgent need for jobs, rule of law, better living conditions and greater security. Of particular concern are the development of civil society, press freedom and support for human rights' defenders. Support for intercultural and inter-faith dialogue and protection of cultural and religious minorities' rights also plays an important role in reconciliation. It is likely that strong demographic pressure, conflict and subsequent refugee movements will continue to exacerbate existing social tensions and instability in the neighbourhood regions, with the threat of climate change further reinforcing migratory and demographic pressures.

Despite reaffirmed EU commitment to enlargement, Member States' positions diverge on the speed and calendar of the process. However, maintaining a credible perspective on future accession is crucial for the Western Balkan countries. In a resolution adopted on 24 October 2019, Parliament expressed deep disappointment over the failure to agree on opening EU accession talks with Albania and North Macedonia at the European Council meeting on 17-18 October. A failure to deliver on EU commitments could increase regional instability and frustration, both sources of nationalist policies, as well as boosting the influence of countries such as China, the Gulf States, Russia and Turkey in the region. The challenge therefore is to maintain a credible process to ensure a stable, democratic neighbourhood. The enlargement process is also an important lever for structural and institutional reforms, as the Copenhagen criteria play an essential role in integration.

European Parliament

Treaty basis and European Parliament competence
The legal basis for the ENP and the Parliament's competence in that regard are defined in Article 8 of the Treaty on European Union (TEU) dealing with the development of the EU's relations with its neighbouring countries. Parliament acts as co-legislator for the European Neighbourhood Instrument (ENI) adopted under Article 212(2)

TFEU. Parliament's consent is required for association agreements that may include a DCFTA, which are concluded under Article 217 TFEU. Under Article 49 TEU, the Parliament must give its consent to any new accession to the EU and to any stabilisation and association agreements concluded under Article 217 TFEU. The Parliament also acts as co-legislator for the Instrument for Pre-accession Assistance (IPA) adopted under Article 212(2) TFEU and other financial instruments such as the Neighbourhood, Development and International Cooperation Instrument, and the Guarantee Fund for External Action (GFEA).

The Parliament exercises political scrutiny and conducts dialogue with counterparts in neighbouring countries through its bilateral and multilateral parliamentary fora and instruments. The southern neighbourhood countries take part in the Parliamentary Assembly of the Union for the Mediterranean (PA-UfM), created in 2008 as a continuation of the 1995 Barcelona Process. In July 2018, meeting in Brussels, the Bureau of the PA-UfM unanimously decided to set up the PA-UfM permanent secretariat in Rome. The Euronest Parliamentary Assembly (Euronest), established in 2011, provides an inter-parliamentary forum in which Members of the European Parliament and their counterparts in the national parliaments of Ukraine, Moldova, Armenia, Azerbaijan and Georgia can forge closer political ties. Belarus has not been invited to join Euronest, because its national assembly does not yet fulfil the required democratic standards.

Furthermore, the Parliament also monitors the whole EU accession process and maintains regular bilateral relations through its delegations. A regional approach is complemented by country-specific activities, such as mediation activities and election observation missions. Parliament also supports several capacity-building programmes focusing on cooperation, such as the Jean Monnet Dialogue for Peace and Democracy. In the context of supporting human rights defenders, Ukrainian film director, Oleg Sentsov, recently freed from captivity in Russia, was awarded the 2018 European Parliament Sakharov Prize for Freedom of Thought.

FURTHER READING

Álvarez-López M., Damen M., European Neighbourhood Policy, Fact Sheets, European Parliament, 2019.

Bassot E., Nogaj M. (eds.), Mapping threats to peace and democracy worldwide: Introduction to the Normandy Peace Index, EPRS, European Parliament, 2019.

Lilyanova V., Perchoc P., Reconciliation in the Western Balkans: The difficulty of emulating the EU model, EPRS, European Parliament, 2019.

ENDNOTES

[1] This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/1999 and the International Court of Justice Opinion on the Kosovo declaration of independence.

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