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**The EU strategy of policy convergence with its neighbours in the area of trade**  
Patricia Garcia-Duran and Montserrat Millet

**Abstract**

The objective of this paper is to ascertain whether the EU is seeking policy convergence with its neighbours in the area of trade by means of EU regulations. For each trade-related topic, we carried out a content analysis of the available official documents to identify the model of relations that has been established between the EU and four neighbouring countries (Morocco, Algeria, Ukraine and Georgia). The findings indicate that Europeanization is the EU strategy in most cases. However, adaptation to European regulations is only a long-term aim. When international regulations exist in a specific area, the EU usually demands the internationalization of a country's regulations as a first step. When there are no international regulations, the convergence process is established on the basis of bilaterally developed norms. EU strategy also varies depending on the country. Its relations with Algeria are the most particular. We conclude that the EU is promoting policy convergence with its neighbours in the area of trade mainly on the basis of international and bilaterally-developed regulations.

## **The EU strategy of policy convergence with its neighbours in the area of trade**

Patricia Garcia-Duran and Montserrat Millet

The purpose of this presentation is to highlight one of the results of more extensive research on the workings of the European Neighbourhood Policy (ENP).<sup>1</sup> As expected, the European Union (EU) is promoting policy convergence with its neighbours through the ENP. Yet, within the area of trade, this is achieved mainly on the basis of international and bilaterally-developed standards rather than through EU norms.

### **1. The European Neighbourhood Policy: ‘everything but institutions’**

The ENP came about as a result of the enlargement of the EU into Eastern and Central Europe (Bataller and Jordán, 2009; Guinea, 2008; Herranz, 2007; Lefebvre, 2007; Calvo, 2005; Escribano, 2005). The aim was to create an area of stability, security and shared prosperity with the new neighbours to the East and with the Mediterranean partners, using a strategy that is similar to that of enlargement, but not as far reaching.

The ENP is considered an alternative to accession. Since its first communications on the ENP, the EU has made it clear that it is willing to offer its neighbours ‘everything but institutions’. As the European Commission (2003: 5) states: “The aim of the new Neighbourhood Policy is therefore to provide a framework for the development of a new relationship which will not, in the medium-term, include a perspective of membership or a role in the Union’s institutions”.

However, the incentives that are offered to neighbouring countries so that they build closer relations with the EU and the operating strategy that is applied appear similar in many respects to the “regatta” approach to enlargement that the EU used with Eastern European countries. First, although the framework of the ENP is plurilateral, as it is the same for all neighbouring countries, the EU establishes a bilateral relationship with each country (the differentiation principle) and promotes two regional areas. One area comes under the Barcelona Process, which involves southern Mediterranean countries such as Morocco, Tunisia, Algeria, Egypt, Libya, Syria, Jordan, Lebanon, Israel and the Palestinian Authority and has led to the recent Union for the Mediterranean (joint declaration at the Paris Summit for the Mediterranean, 13 July 2008). The other area is the East group of the ENP, in which Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine have just formed the “Eastern Partnership” with the EU (Presidency Conclusions, 19-20 March 2009).

Next, the ENP functions on the basis of two main instruments: Action Plans (AP) and the European Neighbourhood and Partnership Instrument (ENPI). The EU negotiates an Action Plan with each neighbouring country. In the AP, it defines a set of priorities and specific actions in key areas such as: dialogue and political reform, economic and trade reforms, equitable social and economic development, justice and home affairs, energy, transport, the information society, the environment and the development of civil society,

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among other factors.<sup>2</sup> The aim of the AP is to ensure the attainment of the full potential of the EU's Partnership and Cooperation Agreements with countries in Eastern Europe and in the South Caucasus, and of its Association Agreements with countries in the southern Mediterranean.

The ENPI is a new instrument that replaces the MEDA programmes for southern countries and TACIS for eastern countries and Russia. It is a more flexible instrument that is based on specific actions to promote political, economic and social reforms in the neighbouring area. These actions include cross-border cooperation, twinning with officials from EU Member State administrations, the Technical Assistance and Information Exchange (TAIEX) tool, the Governance Facility instrument and the mechanism for supporting investment. The financial envelope allocated to the ENPI for 2007-2013 is 11.181 billion euros (Regulation 1638/2006). The funds assigned to each country depend on their needs, absorption capacity and their implementation of agreed reforms.

Therefore, through the ENP the EU is committed to strengthening bilateral and regional relations with its neighbouring countries to attain economic integration, among other goals. The pace of integration depends on each country. The method is similar to the regatta approach used in the EU enlargement to the East, and determines the amount of financial aid that the country receives. This study shows that the ENP's strategy for bringing its neighbours' policies into line with European regulations is much more flexible than a formal EU accession process.

## **2. Methodology**

To determine the EU's strategy of policy convergence with its neighbours in the area of trade, we carried out an in-depth study of the following documents: Association Agreements or Partnership and Cooperation Agreements (from now on, both referred to as AA) and Action Plans (AP). When we had doubts about the meaning of aspects described in these documents, we used the following as a reference: Progress Reports (PR), Strategy Papers (SP), the National Indicative Programmes (NIP) and the MEDA, TACIS and ENPI programmes.<sup>3</sup> The AAs establish general objectives to be attained in bilateral trade and related areas and were, in many cases, drawn up prior to the neighbourhood policy. APs specify the steps required to achieve these objectives and frequently clarify the objective itself. The PR and the SP provide an overview of the development and progress of this process. Finally, the NIP and the MEDA, TACIS and ENPI programmes enable us to quantify the financial aid allocated to meet the commitments.

The aim of this content analysis was to identify the following three categories: Europeanization, Internationalization and Coordination. These three categories are taken from the theoretical approach developed by Barbé et al. (2007, 2009). These authors maintained that, although the ENP was purposefully conceived as a strategy to

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<sup>2</sup> These privileged relations between the EU and neighbouring countries should be based on commitments to shared values, particularly in the following areas: democracy, the rule of law, good governance and respect for human rights, market economy principles, free and fair trade based on regulations, sustainable development and poverty reduction (European Commission, 2004).

<sup>3</sup> All of these documents can be accessed at: [http://ec.europa.eu/world/enp/documents\\_en.htm](http://ec.europa.eu/world/enp/documents_en.htm).

encourage neighbours to form closer relationships with the EU, the EU may pursue policy convergence<sup>4</sup> in the ENP area on other bases than its norms. EU-based convergence is less predominant in the EU's relations with its neighbours than is usually portrayed in the literature.

Following Barbé's approach, the EU may promote the adoption of three kinds of standards: European, international and bilaterally-agreed. This leads to three kinds of convergence processes: Europeanization, Internationalization and Coordination. The Europeanization process occurs when the EU promotes the adoption of the *acquis communautaire*. The Internationalization process arises when the EU acts to transmit norms produced by other international institutions. The Coordination process can be found when the EU promotes *ad hoc* bilateral norms: "These might be a completely new kind of norms that attempts to regulate actors' relations in a given issue-area; norms that originate from EU regulations but are adjusted to new conditions; norms that originate from other international regimes but are adjusted or specified by both parts in order to better suit concrete situations" (Barbé *et al*, 2007: 5).

Thus, in our analysis, we considered that the model is Europeanization if the AA or the AP includes an agreement to comply with or adopt European norms. The model is Coordination if what is agreed is a negotiation or the application of different norms depending on the product, service or process. Finally, the convergence model is Internationalization if the agreement is to comply with or adopt international norms (of the World Trade Organization [WTO] or other international institutions).

This content analysis was carried out for four of the 16 neighbouring countries: Algeria, Georgia, Morocco and Ukraine. Two criteria were used to select these four countries: a purely geographic criterion and one related to progress in trade relations with the EU. Thus, from each one of the two neighbouring areas (the Eastern Partnership and the Union for the Mediterranean), we selected the country that has made most progress in trade relations with the EU and that which has made least progress. Ukraine is the only country out of the Eastern Neighbours that is negotiating a free trade area agreement and Georgia is the only country that is not yet ready to negotiate a free trade area.<sup>5</sup> Morocco is the only country of the Southern Neighbours that is negotiating an advanced free trade area agreement and Algeria is the only country in this group that has not agreed an AP with the EU.<sup>6</sup>

### 3. The area of trade

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<sup>4</sup> Barbé's group defines policy convergence as: "any increase in the similarity between one or more characteristics of a certain policy (e.g. policy objectives, policy instruments, policy settings) across a given set of political jurisdictions (supranational institutions, states, regions, local authorities) over a given period of time" (Knill, 2005: 768 as cited by Barbé *et al.*, 2009, footnote 1). The notion of 'policy convergence' is preferred to the unidirectional 'policy transfer' because "it can better capture the fact that the increasing policy similarity across different actors might be the result of a more complex interaction" (Barbé *et al*, 2009: 7).

<sup>5</sup> The European Commission carried out a feasibility study of Georgia in 2008, whose result was positive in terms of the potential benefits of the free trade area. However, the report concluded that the country was still not ready to implement the measures that this commitment would require (Progress Report Georgia, SEC[2009] 513/12, Brussels 23.04.2009).

<sup>6</sup> For more details on the progress of these countries' trade relations with the EU, see Millet *et al.* (2010).

The EU offers each of these countries the opportunity to establish a free trade area for industrial products and some agricultural products, so that in the future they can be incorporated into the internal market.<sup>7</sup> According to the European Commission (2003), economic integration in the frame of the ENP should enable these partner countries to attain the free movement of goods, services, capital and workers with the EU, in a gradual and asymmetrical manner. The aim is not just to attain a tariff reduction agreement on some products, but also to align the various trade-related areas.

Thus, in the AP and in AA signed with neighbouring countries, the section on trade includes “traditional” and “new” topics. The traditional topics are those related to the trade of goods and related aspects such as customs, technical barriers, anti-dumping regulations and sanitary and phytosanitary measures. The “new” topics are related to trade in services, intellectual property rights, the right of establishment, competition policy and public procurement.

The EU already has common regulations for all these topics and international trade law has also been extended to include several of the new topics. To the international regulations on traditional trade topics (GATT), have been added regulations on trade in services (GATS) and on trade-related aspects of intellectual property rights (TRIPS). However, there is still no international regulatory framework for the right of establishment and competition policy and the international standards that exist on public procurement have only been adopted by a small number of countries. Table 1 shows a summary of existing European and international regulations for each of these trade topics. Table 2 shows the same information in a comparative form, which illustrates that the European regulations tend to be more developed and stricter than the international ones in most areas of trade. However, as the EU is a member of the WTO, its regulations cannot contradict international ones.

**Table 1.** *European and international trade regulations*

<b>Tariff reductions</b>	Specific tariff reduction agreements in the framework of a free trade area (FTA) or commitments to negotiate a FTA in the future.
<b>Nomenclature</b>	Regulations on the classification of goods. Standardized international regulations (the Harmonized Commodity Description and Coding System) exist. The EU has its own system called Combined Nomenclature, which includes the international regulations.
<b>Customs</b>	Customs provisions are governed by specific parts of the GATT (Arts. VII to X). In addition, the EU has some of its

<sup>7</sup> The EU already has preferential trade arrangements with all the countries discussed here, as they are developing countries. These arrangements are made through the Generalized System of Preferences (Council Regulation [EC] no. 732/2008) or the Exceptional Trade Measures (Council Regulation [EC] no. 2007/2000).

	own regulations.
<b>Rules of origin</b>	These are a customs formality (Art. VIII of the GATT), but there are no standard definitions in this area, despite the mandate after the Uruguay Round of the GATT. Consequently, each country can have its own criteria for determining the origin of goods.
<b>Anti-dumping regulations</b>	International regulations on anti-dumping are governed by Art. VI of the GATT. The EU legislation is in agreement with this regulation.
<b>Technical barriers</b>	Any country's technical regulations should comply with the WTO's Agreement on Technical Barriers to Trade. To make regulations more compatible, the International Organization for Standardization (ISO) encourages the adoption of international regulations. The EU has developed its own system of standards through a process of optional or compulsory harmonization. However, 40% of its harmonized standards are a transposition of international regulations. Some countries resolve the problems in this area by signing mutual recognition agreements, generally for specific sectors.
<b>Sanitary and phytosanitary measures (SPS measures)</b>	Since 1995, the WTO has included provisions on SPS measures. These are minimum provisions that enable countries to establish stricter standards and checking and certification procedures if justified by science. The EU has introduced a very strict system in this area with which other countries' exports must comply.
<b>Freedom to provide services</b>	Trade in services is regulated by the WTO's GATS Agreement. As this is a relatively recent agreement, its development has been limited to date. Any bilaterally agreed liberalization should meet the Most Favoured Nation (MFN) requirements. If the free trade area agreements include trade in services, the agreed liberalization is excluded from the MFN principle. The EU has its own standards on trade in services, in the framework of the internal market. The Customs Union does not have to apply the MFN principle to other countries (Art. V GATS Agreement).

<b>Trade-related aspects of intellectual property rights (TRIPS)</b>	<p>These rights are regulated by the WTO's TRIPS Agreement. All WTO member countries must adopt the legislation on these rights and ensure that they are applied. This is minimum legislation and countries can apply stricter standards.</p> <p>Each EU country has its own legislation on this issue and European standards have also been created.</p>
<b>Right of establishment</b>	<p>There are no international standards on the right of establishment, except the provisions on service activities in the GATS Agreement and some provisions on Trade-Related Investment Measures (TRIMS). In general, this right is regulated bilaterally and in the interests of both parties.</p> <p>The EU standards on the right of establishment form part of the EC internal market agreement.</p>
<b>Competition policy</b>	<p>There are no international standards on competition policy. The GATT contains provisions that regulate some anti-competitive behaviour (anti-dumping, Art. VI; subsidies, Art. XVI; and Art. XVII regulates the behaviour of import and export monopolies and ensures that the protection is no greater than that of the bound tariff. It also provides guarantees of non-discrimination and national treatment). The EU has its own standards in this area, as it is a fundamental basis of the internal market regulations.</p>
<b>Public procurement</b>	<p>Public procurement is regulated by a Plurilateral Agreement subscribed to by some WTO member countries. Non-adhering countries can establish bilateral agreements to regulate access to public procurement.</p> <p>The EU has its own standards on public procurement in the internal market.</p>

Sources: Millet (2001), Muns (2005) and Ilzkovitz et al. (2007)

**Table 2.** Comparison of the requirements or areas covered by European and international standards

Trade topic	EU regulations	International regulations	Comparison
<b>Trade of goods</b>			
Tariff reductions	Ad hoc	Ad hoc	Ad hoc

Nomenclature	Yes	Yes	EU
Customs	Yes	Yes	EU
Rules of origin	Yes	No	EU
Anti-dumping regulations	Yes	Yes	The same
Technical barriers	Yes	Minimum	EU
Sanitary and phytosanitary issues	Yes	Yes	EU
<b>Trade in services</b>	Yes	Minimum	EU
<b>Intellectual property rights</b>	Yes	Yes	EU
<b>Right of establishment</b>	Yes	No	EU
<b>Competition policy</b>	yes	Minimum?	EU
<b>Public procurement</b>	yes	Minimum	EU

#### 4. Results

In this section, we describe the model of relations for each trade-related topic addressed in our study and for each of the four selected countries. In each case, the model was identified on the basis of the demands that the EU has made, which are listed for each country in Tables 1, 2, 3 and 4 of the Appendix.

To summarize and to facilitate a comparative analysis, the models of EU relations with neighbouring countries for each trade-related topic are given in Table 3. Clearly, the EU does not just use the model of Europeanization in its trade relations with the four neighbouring countries. The model of convergence of regulations that we identified differs according to the country and the specific trade-related topic.

**Table 3.** *Models of relations between the EU and Morocco, Algeria, Georgia and Ukraine in the area of trade*

<b>TRADE</b>	<b>MOROCCO</b>	<b>ALGERIA</b>	<b>GEORGIA</b>	<b>UKRAINE</b>
<b>Tariff reduction</b>	Coordination	Coordination	Coordination	Coordination
<b>Nomenclature</b>	Europeanization	Coordination	Europeanization	Internationalization and Europeanization in the long term
<b>Customs</b>	Europeanization	Coordination	Internationalization and Europeanization in the long term	Internationalization and Europeanization in the long term
<b>Rules of origin</b>	Coordination	Internationalization, Coordination	Coordination	Internationalization, Coordination
<b>Anti-dumping regulations</b>	Internationalization	Internationalization	Internationalization	Internationalization
<b>Technical barriers: standardized products</b>	Europeanization	Europeanization	Europeanization and Internationalization	Europeanization and Internationalization
<b>Technical barriers: non-standardized</b>	Coordination and Europeanization in	No demands	Coordination	Coordination



<b>products</b>	the long term			
<b>Sanitary and phytosanitary measures</b>	Internationalization and Europeanization in the long term	Coordination and Europeanization in the long term	Internationalization and Europeanization in the long term	Internationalization and Europeanization in the long term
<b>Trade in services</b>	Coordination and Europeanization in the long term.	Coordination and Europeanization in the long term	Coordination	Coordination
<b>Intellectual property Rights</b>	Internationalization and Europeanization in the long term	Internationalization and Europeanization in the long term	Internationalization	Internationalization and Europeanization in the long term
<b>Right of establishment</b>	Coordination	Coordination	Coordination	Coordination
<b>Competition policy</b>	Internationalization and Europeanization in the long term	Coordination and Europeanization in the long term	Coordination and Europeanization in the long term	Coordination and Europeanization in the long term
<b>Public procurement</b>	Coordination	Coordination and Europeanization in the long term	Coordination and Europeanization in the long term	Coordination and Europeanization in the long term

In an analysis by country, we can see that the EU uses the three models of relations with each of these four countries. In most trade areas, the same models are used in Morocco, Georgia and Ukraine. In these cases, the main model tends to be Europeanization. Algeria is an exception, as it has not yet agreed an AP and the main model applied is that of coordination.

The models of relations are only the same for some of the areas of trade. Thus, for all areas related to accessing a market (tariff reduction,<sup>8</sup> trade in services, right of establishment and public procurement), the main model is Coordination for all countries. However, in the case of Morocco and Algeria in the area of trade in services (when it goes beyond cross-border trade) and Algeria, Georgia and Ukraine for public procurement, the main long-term model is Europeanization.

In contrast, in areas of trade that are related to trade standards (nomenclature, customs, rules of origin, anti-dumping regulations, technical barriers, sanitary and phytosanitary measures) and regulations related to trade (intellectual property rights and competition policy), a predominant model of relations was only found for one case: anti-dumping regulations. The EU uses the model of Internationalization for anti-dumping regulations in the four countries. For the rest of the areas of trade, the EU uses the three models with some differences between the countries.

Thus, the current strategy of EU convergence with its neighbouring countries is flexible and varies according to the country and the trade-related topic that is considered. In addition to Europeanization, other models of relation have been established, such as coordination and internationalization. The choice of model appears to depend on two factors: whether or not there are international regulations in this area, and whether the European regulations are different from the international ones.

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<sup>8</sup> Regardless of whether neighbouring countries are World Trade Organization (WTO) members, the EU requires the application of the Most Favoured Nation principle and compliance with some WTO trade regulations. Currently, the only country that is not a WTO member is Algeria. However, Georgia and Ukraine were not members when they signed their AA.

As shown in Table 4, when the EU fully applies an international standard, countries only need to comply with this. This is the case of anti-dumping legislation. However, when the EU has standards that supplement the international ones, the main EU strategy is cautious and a two-stage process is proposed: compliance with international regulations in the short term and with European regulations in the long term. This is the case of the nomenclature, customs regulations, harmonized technical regulations, sanitary and phytosanitary measures and intellectual property rights.

In areas in which there is little or no international legislation, EU demands vary. Thus, each country applies its own provisions for competition policy, but long-term convergence with EU regulations is required. In the area of trade in services, the model of relations is coordination, to attain Europeanization in the long term. In contrast, in the case of rules of origin, Europeanization is not even requested in the long term. Finally, coordination is the model of relations for the right of establishment.

**Table 4. International regulations and model of convergence**

Trade topic	EU regulations	International regulations	Comparison	Model of convergence
Trade of goods				
Tariff reductions	Ad hoc	Ad hoc	Ad hoc	Coordination
Nomenclature	Yes	Yes	EU	Europeanization
Customs	Yes	Yes	EU	Internationalization and Europeanization
Rules of origin	Yes	No	EU	Coordination
Anti-dumping regulations	Yes	Yes	the same	Internationalization
Technical barriers	Yes	Minimum	EU	Europeanization and Coordination
Sanitary and phytosanitary measures	Yes	Yes	EU	Internationalization and Europeanization
Trade in services	Yes	Minimum	EU	Coordination
Intellectual property rights	Yes	Yes	EU	Internationalization and Europeanization
Right of establishment	Yes	No	EU	Coordination
Competition policy	Yes	No	EU	Coordination and Europeanization
Public procurement	Yes	Minimum	EU	Coordination and Europeanization

## 5. Conclusions

The model of relations that has been established between the EU and four neighbouring countries (Morocco, Algeria, Ukraine and Georgia) for every trade-related topic indicates that Europeanization is the aim of the EU strategy in most cases. However, adaptation to European rules is only a long-term objective. When international regulations exist for a specific area, the EU usually demands internationalization as a first step. When there are no international regulations, the convergence process is established on the basis of bilaterally-developed norms. EU strategy also varies depending on the country. Its relationship with Algeria is the most particular. We

conclude that the EU is currently promoting policy convergence with its neighbours in the area of trade on the basis of both international and bilaterally-developed regulations.

## APPENDIX

**Table 1.** *Model of the relations between the EU and Morocco*

<b>Morocco</b>	<b>EU demands</b>	<b>Convergence model</b>
<b>Trade of goods</b>	<p><b>Tariff reductions</b></p> <ul style="list-style-type: none"> <li>- Establishment of a free trade area (Art 6, AA, Sections 15 and 19, AP) for industrial goods and some agricultural products.</li> <li>- Negotiation of a comprehensive and deeper free trade agreement (Agreement of the Seventh Meeting of the EU-Morocco Association Council, 13 October 2008 - Doc 13653/08 DG E V MN/mrn)</li> </ul>	Coordination
	<p><b>Nomenclature</b></p> <ul style="list-style-type: none"> <li>- Adopt the Combined Nomenclature of the EU (Art. 30, AA, Section 19, AP)</li> </ul>	Europeanization
	<p><b>Customs</b></p> <ul style="list-style-type: none"> <li>- Use of the Single Administrative Document and linking of transport systems (Art. 59 AA)</li> <li>- Modernization and capacity-building of customs services (Section 21 AP)</li> <li>- Alignment of customs legislation with European standards and, in some cases, international standards (Section 21 AP) -</li> </ul>	Europeanization
	<p><b>Rules of origin</b></p> <ul style="list-style-type: none"> <li>- Rules to be applied in each case (Art. 29 and Protocol 4, AA)</li> <li>- Establish an Pan-Euro-Mediterranean Protocol (Section 19, AP)</li> </ul>	Coordination
	<p><b>Anti-dumping regulations</b></p> <ul style="list-style-type: none"> <li>- Application of Art. VI of the GATT (a system of bilateral consultations is planned before the International consultations) (Art. 24 and 27, AA)</li> </ul>	Internationalization
	<p><b>Technical barriers</b></p> <p>In Art. 40 AA and in the AP:</p> <ul style="list-style-type: none"> <li>- For standardized industrial goods: alignment with European standards and practices and, in some cases, with International standards (Section 23)</li> <li>- For non-standardized products: progressive elimination of non-tariff barriers, improvement in administrative cooperation and relations with operators, and alignment with the general standards of the EU (Section 24)</li> </ul>	Europeanization  Coordination and Europeanization in the long term
	<p><b>Sanitary and phytosanitary regulations</b></p> <ul style="list-style-type: none"> <li>- Modernize and restructure agriculture and fishing and cooperate in sanitary aspects of the products in order to establish supervisory structures, above all (Art. 54 AA, Section 25 AP)</li> <li>- Application of the WTO's agreement on Sanitary and Phytosanitary Measures (SPS measures) (Section 25 AP)</li> <li>- Gradual alignment with European regulations (Art. 40 AA and Section 25 AP)</li> </ul>	Internationalization and Europeanization in the long term
<b>Trade in services</b>	<ul style="list-style-type: none"> <li>- Follow the GATS liberalization process, particularly the principle of the Most Favoured Nation (Art. 32 AA)</li> <li>- Reciprocal liberalization of service provision in the mid- to</li> </ul>	Coordination and Europeanization in the long term

	long-term (Art. 31 AA) - Negotiation of a bilateral agreement on the basis of Art. V GATS (Section 27 AP) - Alignment with the regulatory framework of the EU in the long term (Section 27 AP)	
<b>Intellectual property rights</b>	- Apply the highest international standards (Art. 39 AA) - Attain a level of protection that is comparable with that in the EU (Section 36 AP)	Internationalization and Europeanization in the long term
<b>Right of establishment</b>	- Make reciprocal efforts to liberalize establishment (Art. 31 AA and Section 26 AP)	Coordination
<b>Competition policy</b>	(Arts. 36 to 38 AA and Sections 31 to 34 AP) - In the initial phase, Morocco must comply with GATT rules (Art. VI, XVI and XXIII) - In the second phase (after 5 years), standards shall be established that enable the competition criteria in EU regulations to be applied.	Internationalization and Europeanization in the mid term
<b>Public procurement</b>	- Gradual and reciprocal liberalization (Art. 41 AA) - Establish dispute resolution procedures (Section 37 AP)	Coordination

Sources: AP of 2005, the AA came into effect in 2000 (signed in 1996), Agreement of the Seventh meetings of the EU-Morocco Association Council, 13 October 2008 - Doc 13653/08 DG E V MN/mrn.

**Table 2. Summary of the relations between EU and Algeria**

<b>Algeria</b>	<b>EU demands</b>	<b>Convergence model</b>
<b>Trade of goods</b>	<b>Tariff reductions</b> - Establishment of a free trade area for industrial goods and some agricultural products (Art. 6, AA)	Coordination
	<b>Nomenclature</b> - No demands (Art. 29, AA)	Coordination
	<b>Customs</b> - Simplification of customs controls and procedures (Art. 63, AA) - Introduction of a Single Administrative Document similar to that of the EU (Art. 63, AA)	Coordination, Europeanization
	<b>Rules of origin</b> - Comply with GATT rules (Art. VIII) (Art. 28, AA and Protocol no. 6, AA) - The rules will be applied in each case (Art. 28, AA and Protocol no. 6, AA)	Internationalization, Coordination
	<b>Anti-dumping regulations</b> - Application of Art. VI of GATT (Art. 22, AA)	Internationalization
	<b>Technical barriers</b> - Reduce differences in standardization and certification (Art. 55, AA) - Economic cooperation aimed at helping to bring Algerian legislation in line with European regulations on the areas covered by the AA (Art. 55, AA)	Europeanization
	<b>Sanitary and phytosanitary regulations</b> - Cooperation to harmonize SPS measures and verification processes (Art. 58, AA)	Coordination and Europeanization in the long term
<b>Trade services</b>	- Mutual implementation of the MFN principle granted to other countries in accordance with the provisions stipulated in the GATS (Art. 30, AA) - Gradual liberalization of cross-border trade and special provisions for maritime transport (Art. 34, AA) - In the future, seal an agreement on trade in services, in accordance with the provisions in Art. V of GATS if there is sufficient legislative alignment between the parties with	Coordination Internationalization and Europeanization in the long term

	respect to the most relevant activities (Art. 37, AA) - Economic cooperation to help Algeria to bring its legislation into line with that of the EU in this area (Art. 56, AA)	
<b>Intellectual property rights</b>	- Ensure suitable and effective protection in accordance with the highest international standards (Art. 44, AA) - Economic cooperation to help Algeria to adopt European standards (Art. 56, AA)	Internationalization and Europeanization in the long term
<b>Right of establishment</b>	- No demands (Art. 32, AA)	Coordination
<b>Competition policy</b>	- Guarantee administrative cooperation in the implementation of respective legislation on competition (Art. 41, AA) - Economic cooperation to help Algeria to bring its legislation into line with that of the EU in this area (Art. 56, AA).	Coordination and Europeanization in the long term
<b>Public procurement</b>	- Gradual and reciprocal liberalization (Art. 46, AA) - Economic cooperation to help Algeria to bring its legislation into line with that of the EU in this area (Art. 56, AA)	Coordination and Europeanization in the long term

Source: AA signed in April 2002 that came into effect in September 2005.

**Table 3. Model of the relations between the EU and Ukraine**

<b>Ukraine</b>	<b>EU demands</b>	<b>Convergence model</b>
<b>Trade of goods</b>	<b>Tariff reductions</b> - Creation of a free trade area conditional on progress towards a market economy (Art. 4, AA, Section 27, AP) - Negotiation of a comprehensive and deeper Free Trade Agreement since February 2008 (PR, Section 4)	Coordination
	<b>Nomenclature</b> - Introduction of Combined Nomenclature (Art. 76, AA) - The AP (Section 28) qualifies and requests the application of the harmonized system, with the aim of adopting Combined Nomenclature in the long term.	Internationalization and Europeanization in the long term
	<b>Customs</b> - Application of the GATT provisions (Art. 16, AA), specifically Arts: VII, VIII and X. - Approximation of legislation in the area of customs (Art. 51, AA) - The AP (Section 28) requests alignment of customs legislation with European and international standards.	Internationalization and Europeanization in the long term
	<b>Rules of origin</b> - Application of the GATT provisions (Art. IX) (Art. 16, AA)	Internationalization and Coordination
	<b>Anti-dumping regulations</b> - Application of Art. VI of the GATT (Art. 19, AA)	Internationalization
	<b>Technical barriers</b> For standardized products: - The AA (Art. 51) establishes progressive alignment with European legislation in the area of technical standards. - The AP (Section 30) specifies that Ukraine must adopt European and/or international regulations in priority areas and European conformity procedures. For non-standardized products: - The AP (Section 31) requires the gradual elimination of restrictions on imported products and harmonization with EU regulations in the areas of import licenses and registration requirements.	Europeanization and Internationalization  Coordination
	<b>Sanitary and phytosanitary regulations</b> - The AA (Art. 60) requests progressive approximation of	Internationalization and Europeanization

	<p>SPS measures to European standards.</p> <ul style="list-style-type: none"> <li>- The AP (Section 32) specifies that Ukraine should apply the WTO's Sanitary and Phytosanitary Measures (SPS measures).</li> <li>- In a second phase, measures should be aligned with European regulations.</li> </ul>	in the long term
<b>Trade in services</b>	<ul style="list-style-type: none"> <li>- The AA (Document IV, Chapter III, Art. 37) specified progressive liberalization of cross-border trade in services.</li> <li>- Agreement on maritime transport (AA, Art. 39).</li> <li>- The AP (Section 34) requests just one area of financial services, in compliance with various international provisions, and the alignment of prudential supervision systems with European standards.</li> </ul>	Coordination
<b>Intellectual property rights</b>	<ul style="list-style-type: none"> <li>- The AA (Art. 50) requires Ukraine to subscribe to the international agreements on intellectual property rights that are applied in the EU and to ensure a level of protection similar to that of the EU.</li> <li>- The AP (Section 41) requests the adoption of TRIPS and progressive alignment with European standards.</li> </ul>	Internationalization and Europeanization in the long term
<b>Right of establishment</b>	<ul style="list-style-type: none"> <li>- Mutual implementation of the MFN and national treatment principles (AA, Document IV, Chapter II), with the exception of air and land transport.</li> <li>- The AP (Section 32) demands the progressive elimination of restrictions on establishment.</li> </ul>	Coordination
<b>Competition policy</b>	<ul style="list-style-type: none"> <li>- In the AA (Art. 49), the parties agree that legislation on competition shall not interfere with bilateral trade, both with respect to state subsidies and state monopolies.</li> <li>- The AP (Section 39) requests the adaptation of Ukraine legislation on competition to that of the EU.</li> </ul>	Coordination and Europeanization in the long term
<b>Public procurement</b>	<ul style="list-style-type: none"> <li>- The AA (Art. 55) establishes that the parties are committed to gradually and reciprocally liberalizing public procurement.</li> <li>- The AP (Section 42) requests progressive alignment of Ukraine legislation with European standards and principles.</li> </ul>	Coordination and Europeanization

Sources: AA signed in 1994 that came into force in 1998, AP of 2005 and PR of 2008.

**Table 4. Model of relations between the EU and Georgia**

<b>Georgia</b>	<b>EU demands</b>	<b>Convergence model</b>
<b>Trade of goods</b>	<p><b>Tariff reductions</b></p> <ul style="list-style-type: none"> <li>- The viability of creating a free trade area is currently being analysed by the Commission (Progress Report[(PR] 2008). The AA (Art. 9) only requires the application of the MFN to trade and the AP (Section 4.5.1) urges Georgia to comply with WTO regulations, industrial regulations and the SPS measures to improve its access to the European market via the GSP+.</li> </ul>	Coordination
	<p><b>Nomenclature</b></p> <ul style="list-style-type: none"> <li>- Introduction of Combined Nomenclature (Art. 67, AA)</li> <li>- The AP (Priority Area 2) requests the application of the new customs code in 2006 to comply with international and European standards.</li> </ul>	Europeanization
	<p><b>Customs</b></p> <ul style="list-style-type: none"> <li>- The AA (Art. 10) requests the application of GATT provisions regarding customs valuation (Art. V).</li> <li>- Approximation of legislation in the area of customs (Art. 67, AA)</li> <li>- The AP (Section 4.5.1) requests strengthening of customs</li> </ul>	Internationalization and Europeanization in the long term

	control and management.	
	<b>Rules of origin</b> - No demands in this area.	Coordination
	<b>Anti-dumping regulations</b> - Application of Art. VI of the GATT (Art. 14, AA)	Internationalization
	<b>Technical barriers</b> For standardized products: - The AA (Art. 43) establishes gradual alignment to European legislation in the area of technical standards. - The AP (Section 4.5.1) specifies the adoption by Georgia of European and/or International standards in priority areas and the adoption of European conformity procedures. For non-standardized products: The AP (Section 4.5.4) demands the progressive elimination of restrictions on imported products and the creation of a central information system for economic operators.	Europeanization and Internationalization  Coordination
	<b>Sanitary and phytosanitary regulations</b> - The AA (Art. 55) requests progressive alignment of the SPS measures with European standards. - The AP (Section 4.5.1) states that Georgia should apply the WTO agreement on Sanitary and Phytosanitary Measures (SPS measures). - In a second phase, Georgia should align with European standards.	Internationalization and Europeanization in the long term
<b>Trade services in</b>	- The AA (Document IV, Chapter III, Art. 30) requests progressive liberalization of cross-border trade in services. - Maritime transport agreement (AA, Art. 32). - The AP (Section 4.5.2) only requests compliance with specific international provisions in the area of financial services and alignment of prudential supervision systems with European standards.	Coordination
<b>Intellectual property rights</b>	- The AA (Art. 42) requires Georgia to subscribe to international agreements on intellectual property rights that the EU implements and ensures a level of protection similar to that of the EU. - The AP (Section 4.5.2) requires compliance with TRIPS and strengthening of the application of legislation, administrative and legal practices.	Internationalization
<b>Right of establishment</b>	- Mutual implementation of the MFN and national treatment principles (AA, Document IV, Chapter II), with transport and air exceptions. - The AP (Section 4.5.2) requests the progressive elimination of restrictions on establishment. - The application of European standards on the register of companies and provisions on accounting and auditing for companies.	Coordination
<b>Competition policy</b>	- AA (Art. 44) stipulates that the EU will assist in the development of legislation on competition rules, but each country shall apply its own standards. - The AP (Section 4.5.5) requests the application of current legislation on gradual convergence with the principles of the EU competition policy.	Coordination and Europeanization in the long-term.
<b>Public procurement</b>	- The AA (Art. 50) establishes that the parties are committed to gradually and reciprocally liberalizing public procurement. - The AP (Section 4.5.2) requests the progressive alignment of Georgia's legislation with European standards and principles.	Coordination and Europeanization in the long term

Sources: AA signed in April 1996 that came into force in July 1999, AP of 2006, PR of 2008.

