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UPGRADING THE EASTERN PARTNERSHIP

POLICY RECOMMENDATIONS FOR THE 2017 EASTERN PARTNERSHIP SUMMIT

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The authors have drawn on the discussions from the EaP Think Tank Forum and added further insights on the future of the Eastern Partnership ahead of the upcoming EaP Summit in Brussels.

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The opinions expressed in this paper are solely those of the authors and should not be taken to reflect the views of the European Union, NED or KAS.

BACKGROUND

Launched in May 2009 in Prague, the Eastern Partnership (hereinafter EaP) aimed to enhance relations between the European Union and the six countries participating in the initiative: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova (hereinafter Moldova) and Ukraine. **The main goal of the EU was to create a stable, prosperous and secure Eastern neighbourhood**, providing the eastern partners the opportunity to pursue political association and economic integration with the EU.

The **EaP has been a heterogeneous creation** since it combined states with different ambitions and was perceived in different ways by the EU and its partners. Armenia, Azerbaijan and Belarus, with some exceptions in the case of Armenia at the beginning, have considered the EaP as a practical platform with which to facilitate people-to-people contacts, sectorial and economic cooperation with the EU. Georgia, Moldova and Ukraine on the contrary have viewed the EaP as an opportunity to advance political and economic ties with the EU, that would later lead to a membership perspective. (Indeed, they recently issued a statement signed by the Georgian, Moldovan and Ukrainian speakers of Parliaments in which they called upon the EU to provide a membership perspective at the next Brussels Summit in November 2017.¹)

The **EU offered a “lighter” formula of political association and economic integration** under the Association Agreements involving a Deep and Comprehensive Free Trade Area (AA/DCFTA). At the same time, Russia’s aggressive stance in the region seriously undermined the main objectives of the EU to ensure stabilization and modernization in the EaP area.

In June 2014 **Georgia, Moldova and Ukraine** signed the AA/DCFTAs and became associated partners of the EaP. The **AA/DCFTAs** with Georgia and Moldova fully entered into force as of July 1st, 2016, while the EU-Ukraine Agreement, after it was delayed by the 2016 Dutch referendum, entered into force on the September 1st, 2017. On top of this, Georgia, Moldova and Ukraine enjoy **visa-free travel with the EU**, which, coupled with the access to the EU’s Common Aviation Area (so far open for Georgia, Moldova and soon to Ukraine), is a major, tangible achievements felt by the ordinary citizens.

Although **Armenia** joined the EEU, in October 2015 the EU has decided to initiate negotiations on a Comprehensive and Enhanced Partnership Agreement (CEPA) with Armenia, that was initialled in March 2017² and is expected to be signed at the EaP Summit in Brussels. The new EU-Armenia agreement is in fact a softer version of the AAs, without the ambitious DCFTA component, involving lighter free-trade provisions that had to be adjusted to Armenia’s commitments under the EEU. It also provides for opening talks on the Common Aviation Area and the starting of the Visa Dialogue when conditions are due. CEPA will require additional EU funding to support its implementation.

In November 2016³, the EU announced its readiness to launch negotiations on a new comprehensive agreement with **Azerbaijan**, broadening the scope of bilateral cooperation in line with the objectives of the reviewed ENP in 2015. In spite of a severe deterioration of the human rights situation in Azerbaijan over the recent years, the EU has launched the official negotiations on the new agreement in February 2017. The situation on human rights will be important in the context of the progress of the negotiations.

1 Georgia, Moldova, Ukraine Seek EU Membership Perspective, <http://civil.ge/eng/article.php?id=30247>

2 https://eeas.europa.eu/delegations/armenia/23120/joint-press-release-european-union-and-republic-armenia-initialling-eu-armenia-comprehensive_en

3 <http://www.consilium.europa.eu/en/press/press-releases/2016/11/14-azerbaijan/>

Reflections on a new bilateral contractual framework between the EU and **Belarus** are still pending. The state of democracy and human rights remains the main preoccupation of the EU in its relations with Belarus. Belarus was the only EaP country confronted by prolonged EU restrictive measures including a general arms embargo introduced in 2011, and asset freeze and travel ban for four individuals⁴. This started to change in early 2016 due to a new re-engagement policy of the EU towards Belarus. In February 2016⁵, after the release in August 2015 of all remaining political prisoners, the EU lifted restrictive measures against 170 persons and three companies affiliated to the Belarusian authorities. The EU-Belarus cooperation went beyond the interactions in the framework of the multilateral track of the EaP and regular Human Rights Dialogues. The EU pays particular attention to cooperation with local civil society organisations that are invited in different *trialogue* formats, including the EU-Belarus Human Rights Dialogue and the most recent Coordination Group launched in April 2016 as a format for structured bilateral multi-issue dialogue.

All these developments in individual EaP countries, underline a **de-facto distinction within the EaP region into Associated and non-Associated Eastern partners**, necessitating an upgraded „multi-speed” design for the EaP that acknowledges the level of ambition, engagement and commitments of the EU and individual EaP countries as provided by the respective bilateral arrangements, while keeping a solid multilateral dimension of the EaP with the involvement of the six countries in all possible configurations. Looking back at the basic EaP principles of ownership, responsibility and differentiation, EaP countries should become more active themselves in developing a “multi-layered” regional cooperation.

Despite certain successes in transposing the EaP political and normative framework into national agendas in particular of the Associated countries by means of AA/DCFTAs and visa liberalization, **actual results of transformation as perceived by society within these countries, are not yet in evidence**. There is a growing perception that AA/DCFTAs are delivering less than expected. The Associated states embarked on a vast reform process that is similar to the countries from Central Europe despite having less resources. On the one hand, unlike the countries that joined the EU and the pre-accession states, the Associated EaP countries took on almost similar responsibilities without access to the EU structural funds for modernization.⁶ On the other hand, the poor practical implementation of reforms remains a challenge that EaP countries have yet to address, particularly with regard to **the veto powers of vested interests, systemic corruption, and poor functioning state institutions**. The different foreign policy goals of the EU and Russia presented another layer of challenges.

There is a general consensus on the need to upgrade the initiative in order to make it more functional. This is precisely why the “Eastern Partnership – 20 deliverables for 2020” have been proposed to be endorsed by the upcoming EaP Summit. Hence, **the EU is aiming both at providing more tangible results to benefit the citizens in the EaP countries and at achieving the overall goals of increasing stabilisation and resilience in the EaP region** as provided by the ENP Review and the new EU Global Strategy.

The European Commission and EEAS’s desire to introduce some pragmatism into their thinking on the future of the EaP is to be welcome. **However**, pragmatism at the expense of political ambition should not undermine **the aspirations and the level of development of each individual partner**.

4 <http://www.consilium.europa.eu/en/press/press-releases/2017/02/27-belarus-arms-embargo-sanctions/>

5 <http://www.consilium.europa.eu/en/press/press-releases/2016/02/15-fac-belarus-conclusions/>

6 A bittersweet victory: Ukraine’s Association Agreement with the EU, Oksana Khomei, Alena Permakova, Dmytro Sydorenko and Balazs Jarabik, <http://www.neweasterneurope.eu/articles-and-commentary/2404-a-bittersweet-victory-ukraine-s-association-agreement-with-the-eu>

Against this background and encouraged by the desire to feed into the policy debates ahead of the upcoming EaP Summit, the following Policy Recommendations have been produced and discussed by over 60 experts from the EU and EaP countries gathered at the EaP Think Tank Forum held in Chişinău, on September 21-23, 2017.

The recommendations are addressed in particular to policy-makers from the EU institutions and its member states, as well as to all EaP governments. The first group of recommendations introduce more political and strategic elements into for the EaP, with the intention of them being incorporated into the Joint Statement of the EaP Summit. The second part refers to the EaP deliverables by 2020 and beyond, supporting or widening the scope of certain targets given the current challenges and expectations of the EaP countries.

STRATEGIC, POLITICAL AND SECURITY ASPECTS

- 1. The EU should keep an open-door policy and send a clear and frank message to the Associated EaP countries with regard to the European integration perspectives. The membership perspective needs to be alive as a political principle** if one desires to see the EaP evolve and succeed. This means that guarantees under Article 49 need to apply with respect to those partners, who thoroughly implement AA/DCFTA provisions and demonstrate enduring commitment to democratic consolidation. It will reinforce reform-minded political actors in the partner countries and hand the EU leverage to positively influence political discourse and reform process in respective states. At the same time, **the aspiring EaP countries** should work in an inclusive manner towards building a national consensus to unite society over the narrative that the ultimate goal of the implementation of the AA/DCFTAs is to transform the countries into functioning, modern and prosperous democracies. **European integration should not be a goal in itself, but rather a vehicle to secure the transformation.**
- 2. The ENP review highlights that stabilization will remain the short to medium term priority** of the EU in the EaP region. **However, the EU needs a more long-term approach not only in ensuring stability, but also in creating a proper environment for its sustainability** in EaP region, by focusing on continuous internal transformation efforts. Democratization should remain a key pre-condition for the EU's deeper engagement with all EaP partners. **The EU should discourage any actions of the vested elites** directed against this goal.
- 3. The EU should rethink how money is spent in the EaP. A better balance between budgetary and project-based support should be found.** Thus, a part of the funds from the EU budgetary support should be allocated to project based activities that would support a specific reform. **The EU should strictly follow the smart conditionality approach – no reforms, no disbursements. The EU macro-financial assistance (MFA) shall be conditioned** with concrete reform implementation measures that refer **not only to the macro-economic indicators, but also good governance, rule of law, democracy and human rights** as in the case of the EU's most recent decision on the MFA for Moldova.
- 4. The EU should pay more attention to security challenges not only by “soft power” mechanisms,** but also expand their reach and role in the settlement of the Russia-sponsored conflicts in the EaP states. The security challenges that affect the entire region demand more vision and direct engagement from the EU in terms of strengthening the cooperation across the security and defence sectors as well as on the ground presence through its CSDP missions.

5. Five out of six EaP partners are affected by conflicts. Even though conflict prevention is mentioned among the aims of the EaP 2020 deliverables, there are no targets providing for concrete measures. **The EU should support any EaP partners' initiative to strengthen cooperation and exchanges among themselves in conflict prevention, settlement and post-settlement rehabilitation.**
6. **The EU should offer the possibility for EaP states to have a greater involvement in the CSDP cooperation.** Despite the fact that a work plan is developed within the EaP CSDP panel, the Brussels Summit would be a great opportunity to solidify cooperation between EU and EaP states in this area. **The EaP countries themselves should deepen their joint cooperation in the area of security and defence capabilities,** learning from countries that are most successful in countering hybrid warfare. The EU's new Global Strategy paves the way for greater political and security integration of the EaP countries into the European Union.
7. **One of the basic preconditions to address the 'hybrid threats' is the presence of a free, open and independent media environment,** which is as important as countering external propaganda. Consequently, it is recommended that the **EU** allocates more resources to counter Russian disinformation efforts and support local independent media content in Russian/local languages. However, for any EU action in this area to be effective, **the EU should put pressure on the EaP governments to support free and pluralistic media environment in the respective countries** and address the issue of media concentration and transparent ownership.
8. Given the differences among the EaP countries, the **EU needs to employ a "multi-speed' EaP** approach that will pragmatically reflect political, economic and social dynamics found in individual partner states. A 'multi-speed' EaP shall not imply in any case a split within the EaP, **but rather a multi-layered platform for interaction between the EU and individual EaP countries, depending on their level of engagement, commitment and ambitions.**
9. One of the first examples of practical reflections of a 'multi-speed' EaP, which would also support a more visionary EU's approach towards the EaP partners, could be the implementation of a long-debated **idea for a Common Economic Area among the EaP Associated partners with the EU,** that would be gradually open to other non-associated partners considering the level of their institutional compliance. A solid package of support should be offered by the EU to sustain this process. However, before any decisions would be taken in this regards, the EU should prioritize a comprehensive assessment of all AA/DCFTA countries to evaluate the feasibility and the impact of a potential Common Economic Area, similar to the European Economic Area.
10. **The EaP should keep a solid multilateral dimension with the involvement of the six countries in all possible configurations.** Thus, **the EU and EaP partners should further develop the multilateral dimension of the EaP.** So far the EaP countries have been primarily pursuing a bilateral dialogue with the EU. Yet, the EaP became valuable as a regional platform, going beyond the EaP institutional layers such as EURONEST Assembly, EaP Civil Society Forum, EaP Business Forum. Thus, new non-institutionalised formats such as EaP Youth Forum and most recent EaP Mass Media Forum have been established and are successfully contributing to the regional identity of the Eastern Partnership.

EAP DELIVERABLES BY 2020 AND BEYOND

Cross-cutting EaP deliverables

11. Communication became a cross-cutting deliverable by 2020. This is the right step forward. However, it is not enough. **The EU should expand its Strategic Communication efforts in the region. The capacities of StratCom East Task Force should be increased through additional financial support. The EU** should increase its visibility in the EaP countries through further promoting its programs, projects and activities, provide support for independent media and media literacy of various groups and back-up initiatives aimed at reducing the polarization within the EaP countries. Moreover, **the EU and EaP countries should address the communication and visibility gap regarding the EaP countries within the EU itself.** Thus, the EU should provide for relevant implementation actions in the EU, in particular by supporting communication campaigns about the EaP within the EU member states, conduct regular surveys in the EU about EaP countries, etc.
12. **The EU should indeed contribute to strengthening resilience** in the EaP countries as provided by the ENP review. This objective should first and foremost focus on both **institutional and societal resilience against undemocratic practices of ruling elites** and address the shrinking space for civil society in the EaP countries.
13. **The EU should** pay particular attention to instruments which **protect the civic space in the EaP countries** in particular by:
 - a. putting more emphasis on **the implementation by the EaP governments of Council of Europe's best practices regarding the CSO cooperation**⁷;
 - b. carefully **reviewing the cooperation environment with civil society organisations**;
 - c. supporting the development of **early-warning tools to discourage any pressure on the civic space in the region**, and
 - d. **giving a more active role to CSOs in the monitoring of the implementation of the reforms** agenda in individual EaP countries **as well as in the oversight process of the EU assistance** disbursements for individual EaP countries.
14. **The EU should** also further support the development of think-tanks, civil society and grass roots organisations in the EaP countries. **One particular recommendation to the EU is to provide permanent support to think-tanks and CSOs, not only when the incumbent governments from the EaP countries are opposing reforms.** In this regards, EU should consider multiplying initiatives like the EaP Civil Society Fellowship program, for instance **to establish a special EaP Think Tank Facility/Fund.**
15. **The EU and the EaP countries** should consider developing **new support and inclusive co-operation programs involving other specific societal groups**, such as such as churches and different local ethnic communities.
16. **The continued support to the EaP CSF is especially important**, bearing in mind the revision of the multilateral dimension of the EaP that among others targets at better coordination and synergies between the activities of all the stakeholders such as the EaP CSF, EURONEST, CORLEAP and others. The new strategy of the EaP CSF for 2018-2020 reflects this approach and aims at EaP CSF being further integrated into the various EaP formats by enriching them with the civil society perspective and pushing for more ambitious goals for the EaP.

⁷ Guidelines on Civil Society Organizations' participation in Council of Europe's co-operation activities, please see: <https://rm.coe.int/1680656cef>

Economic development and market opportunities

17. **The EU should** be more ambitious in providing support for the implementation of the AA/DCFTAs, in particular by **establishing tailored a ‘legal approximation facility’** to support the transposition of the EU acquis in the associated countries in a most cost-effective way to address the specific, most-acute problems these countries face.
18. **The EU should support other DCFTA related aspects** that have a multiplying effect, for instance the **Vocational Educational Training (VET) programmes**. In this regard, the EU should also encourage the EaP Associated countries to better align the work-force related implications of the DCFTAs and the skills that young people are acquiring from schools and colleges in the respective countries, as well as by supporting the **alignment of national validation and qualification systems of the EaP countries with the European Qualification Framework**.
19. **The EU and EaP Associated countries should negotiate and conclude tailored Conformity Assessment Agreements to boost export opportunities to the EU**, in particular with respect to high-value industrial products.
20. **The EU should consider increasing multi-year zero-tariff quotas for the EaP states** (especially those implementing the DCFTA) in order to support modernization of various sectors by providing permanent support to the industries that lack the readiness to face asymmetric competition on the EU market.
21. **The EU should consider granting gradual access for the EaP partners to the Single European Payment Area (SEPA)**. This may become yet another game-changing objective of the EaP in the future that would (i) **bring additional benefits to citizens**, (ii) **create new opportunities for improved trade and investment**, and (iii) more importantly **be used as an important leverage on EaP governments to secure systemic reforms in the financial-banking sector**.

Strengthening institutions and good governance

22. **The EU should ensure a closer oversight on the process of fighting political and high-level corruption as well as vested interests in the associated EaP countries**. The same refers to the deliverables of the justice sector reform. **An upgraded EaP should provide for EaP partners** a special mechanism to ensure constant monitoring and conditioned support of justice sector reforms and the fight against high-level corruption. From this perspective, **the EU should keep the enlargement-like toolbox open** and draw inspiration from positive examples that managed to secure systemic reforms in the EU accession process or within EU member states. An example of this is **the Cooperation and Verification Mechanism** that was designed for Romania and Bulgaria.
23. While engaging with the existing governments from the EaP region, **the EU should seek stronger cooperation with reform-minded elites and agents of change from within the state institutions, law enforcement and regulatory bodies** to increase their independence from the vested interests. This engagement needs to be based on a thorough understanding of the political and economic context of the partner countries.

24. The EU should consider expanding its support to the local public administration reforms in the EaP countries, through the revision of the current territorial-administrative settings, both at local and regional levels. **These countries need stronger and larger territorial units which can have sufficient resilience and capacities to implement the reforms** at local and regional levels and develop strong implementing partners of various EU assistance programmes, including investments into infrastructure, SMEs, energy efficiency, provision of local public services and favourable local business environment.

Connectivity

25. The EU should offer additional financial and political support to strengthen energy independence from Russia. This should take place through **development of energy infrastructure with such elements as gas interconnectors, high-voltage transmission lines, and programmes for green energy development.** Moreover, **the EU** and the European Energy Community should closely monitor and support the effective implementation the EU's 3rd Energy Package with all EaP partner countries.

26. One of the specific added-value measures proposed already under the EaP 2020 deliverables relates to the **harmonisation of the roaming tariffs within the EaP countries**, a process which already started within the EU as for June 15, 2017. However, the EU should **review the respective targets so that it becomes more ambitious and citizens from the EaP countries could start benefiting from 'Roam-Like-At-home' by 2020.**

Mobility and people-to-people contacts

27. The EU should open Visa Dialogues with the other EaP countries provided the preconditions are in place. The EU needs to use this tool for all the EaP countries both as an opportunity to improve mobility and people-to-people contacts with the EU, as well as to leverage transformation in the respective countries. The EU should ensure that Visa Dialogues with the three EaP Associated states are used to assess progress in the implementation of the justice and home affairs reforms.

28. The EU and EaP countries should further support exchange and cooperation amongst academics, students and researchers as it plays an important role in furthering the people-to-people agenda and building up domestic capacities, in the framework or beyond the existing programs like Erasmus, H2020, Jean Monnet. It would serve the EU's and EaP states interests very well to lend **more targeted support to EaP Universities and Think Tanks.**

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