



# REVIVING EASTERN PARTNERSHIP:

POST-2020 OVERVIEW

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EUROPEAN LIBERAL FORUM



**FRIEDRICH NAUMANN  
FOUNDATION** For Freedom.

Moldova

Denis CENUȘĂ  
Vano CHKHIKVADZE  
Leonid LITRA

# **REVIVING EASTERN PARTNERSHIP: POST-2020 OVERVIEW**

Chişinău, 2019



**Coordinators:**

Sergiu Boghean  
Raimar Wagner

**Authors:**

Denis CENUȘĂ  
Vano CHKHIKVADZE  
Leonid LITRA

**Editor:**

Sophia Kleinsasser

**Cover image:**

Vasile Botnaru

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**ABBREVIATIONS:**

AA – Association Agreement

BSEC – Black Sea Economic Cooperation

CIS – Commonwealth of Independent States

CoE – Council of Europe

CSOs – Civil Society Organizations

DCFTA – Deep and Comprehensive Free Trade Agreement

EaP – Eastern Partnership

ECtHR – European Court of Human Rights

EIB – European Investment Bank

ENPARD – European Neighbourhood Programme for Agriculture and Rural Development

EU – European Union

EUAM – EU advisory mission

EUBAM – EU Border Assistance Mission to Moldova and Ukraine

EUMM – European Union Monitoring Mission

GUAM – Organization for Democracy and Economic Development

GDP – Gross Domestic Product

HAC – High Anti-corruption Court

LGBTI – Lesbian, Gay, Bisexual, Trans, and Intersex people

OSCE – Organisation for Security and Co-operation in Europe

ODIHR – Office for Democratic Institutions and Human Rights

PESCO – Permanent Structured Cooperation

SEPA – Single European Payment Area

SME – Small and Medium Business Enterprise

VLAP – Visa Liberalisation Action Plan

## **INTRODUCTION**

Launched in May 2009, the Eastern Partnership represents the Eastern dimension of European Union's neighbourhood policy. The initiative comprises the deepening of relations – though in a differentiated manner – between the EU and the six eastern neighbouring countries – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Due to full implementation of Association Agreements (AAs), since 2016-2017, Georgia, Moldova and Ukraine pursue the legal, economic and overall political integration and association with the EU.

This current policy paper analyses the Eastern Partnership, its achievements and its failures on the 10<sup>th</sup> anniversary of its launch in Prague, Czech Republic. Assessing the current state of relations between the European Union and the Associated countries (3 AAs), a variety of benefits but also shortcomings are depicted.

This paper provides enough data to prove that the EaP has been and still remains an important framework for promoting the Associated countries' further integration into the EU; however, it has reached the point where a deep and comprehensive review is needed, since almost all the juicy carrots derived from the EaP have already been taken by Moldova, Georgia, and Ukraine.

The future of the EU's relations with these 3 AAs includes a clear mismatch between the ambitions of the latter and the offers that the former is able to make. The EU does not see the Associated countries as future EU member states, whereas the three of them have set EU membership as a high priority and are engaged in deep reform agendas. This paper intends to encourage further European integration, avoiding the impediments that can be witnessed in the Western Balkans' accession negotiations, for example. The EaP region and the 3 Associated countries could be persuaded to follow ambitious reforms envisaged by the AA/DCFTA and other existent and future bilateral agreements. But for that to happen, the EU should stand firm and work towards creatively, continuously improving their European integration.

## **METHODOLOGY: WHAT? HOW? WHY?**

This policy paper intends to offer a fresh perspective about the future of the Eastern Partnership dimension of EU foreign policy. Taking into account the abundance of papers already dedicated to this topic, the present document seeks to adopt a distinct policy approach.

**What?** On the one hand, the paper grasps the measures undertaken within the EaP, which have had a greater impact on the “freedom paradigm” of those countries engaged in the most advanced dialogue with the EU – Moldova, Ukraine, and Georgia – otherwise referred to as the 3 Association Agreement countries. Therefore, this paper does not attempt to assess all the activities designed and implemented by the EU together with the Associated countries. Rather, the inputs comprising “freedoms” in the political, economic, and social fields are to be highlighted. On the other hand, emphasis will be laid on formulating policy recommendations that derive from discussions with local stakeholders in Moldova, Ukraine, and Georgia. The time horizon targeted here corresponds to the duration of the newly elected European Parliament and the European Commission, along with the 7-year Multiannual Financial Framework.

**How?** The background for this paper represents the opinions collected from diverse focus groups organised in Chişinău, Kiev, and Tbilisi in the spring and summer of 2019. The team of experts consulted members of the public in each of the three cases using “EU Café” format discussions. The opinions obtained from these focus groups are reflected in this policy paper.

**Why?** Inspired by the content of the “EU Café” discussions, the authors of this policy paper firstly seek to outline the major achievements and failures, which the EU has registered in relation to the Associated countries. Subsequently, country-based and general recommendations are suggested, specially tailored to the most liberal views within the European Parliament. These arguments and recommendations emphasise and mainly concern improving, upgrading, or complementing existing EU actions, corresponding to the liberal approach in the political, economic, and social fields.



## MOLDOVA<sup>1</sup>

Over the last 10 years of belonging to the EaP and 5 years of implementation of the Association Agreement (AA), Moldova has managed to establish closer relations than ever with the EU. Politically, the dialogue has deepened and reached high levels of credibility, although it was ultimately damaged by vested interests infiltrating democratic institutions. A slow recovery began in the second half of 2019 when the new government's prioritization of good governance, fighting corruption and upgrading rule of law started to restore ties with EU. In contrast to these worsened political aspects, the evolution of bilateral trade and gradual integration with EU economic standards have served to strengthen exports destined for Europe. From visa liberalisation to physical mobility ensured by more reliable transportation connections and the knowledge-based bridges offered by educational mobility, EU-Moldova people-to-people contacts have benefited from steady growth. Finally, European integration has turned into a development model accepted by all political forces, regardless of geopolitical preferences.

### 1. Taking stock of main achievements

#### *Political freedoms*

The political dialogue between Moldova and the EU includes a strong commitment to the rule of law, as secured by the Association Agreement and enforced by the conditionality principle tied to budgetary and macro-financial support. The major platforms for bilateral dialogue – the AA and visa liberalisation – have underpinned the EU's engagement with justice reform, democratic institutions, and anti-corruption measures. To this end, the EU offers technical – via the renewed EU High Level Advisory Mission – and financial assistance,<sup>2</sup>

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<sup>1</sup> Denis Cenusa is a PhD candidate and Researcher at the Institute for Political Sciences at JLU-University (Germany), affiliated with the Moldovan think tank Expert-Grup, contributor to the IPN News Agency and since 2016 is part of the team of the EaP Civil Society Forum that develops the EaP Index.

<sup>2</sup> Project concerning Efficient Prevention and Fight Against Corruption in Justice for 2018-2020, <https://eu4moldova.md/en/sector/29>



as well as teams up with the CoE/Venice Commission and the OSCE/ODIHR in pushing for democratic reforms.

EU investment in democratic institutions has involved advocacy for re-establishing the proportional voting system, after its arbitrary deactivation in 2017 when the then-ruling Democratic Party voted for the introduction of mixed voting, based on which 51 Members of the Parliament out of total 101 were voted in uninominal districts. This was suspected to benefit vested interests and stood against the rule of law political pre-conditions required for EU financial assistance. Conditionality leverage and the suspension of financial assistance have represented some of the most effective tools the EU possesses to sanction the democratic backlash, e.g., the questionable invalidation of 2018 mayoral election results in Chişinău. Due to the disproportionate interpretation of this online agitation on election day, the courts annulled the outcome of the whole election process.

Further implementation of the 2012 anti-discrimination legislation is an essential prerequisite for the visa-free regime, but it will also increase legal protections for and help de-stigmatise vulnerable groups (women, Roma, people with HIV/AIDS, LGBTI). The EU supervises Moldova's implementation of this obligation under international mechanisms for preventing torture, violence against women, and the overall execution of the ECtHR decisions.<sup>3</sup>

Noticeably, engagement with civil society constitutes a prominent effort on behalf of the EU, favouring alternative domestic supervision over governmental reform agendas, the quality of good governance, and the functioning of political rights and liberal values. With financial support from the EU, 4 projects dedicated to empowering civil society will be run between 2019 and 2022.<sup>4</sup>

### *Economic freedoms*

According to 2018-2019 data, more than 70% of Moldovan exports are shipped to the EU and over 50% of imports are of European

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<sup>3</sup> 2018 EU Annual Report on Human Rights and Democracy in the World.

<sup>4</sup> <https://eu4moldova.md/en/sector/27>

origin. The Association Agreement has lifted 91% of tariff barriers for Moldovan goods. Growing exports to the EU have produced revenues of €367 million in the first five years of the DCFTA, bringing in €320 million of investments in the private sector and concomitantly more than 15,000 export-related jobs.<sup>5</sup> Private investments and restrictions applied to former traditional markets (e.g., Russia) have stimulated agri-food exports to European consumers, predominantly to Romania, with 45% overall growth.<sup>6</sup> The EU has provided financial assistance to about 6,000 enterprises, contributing to the creation of 3,000 new jobs and 10 business incubators.<sup>7</sup>

There are 24,290 European standards developed by the European standardization bodies and applied to industry production and management, approved at the national level and representing about 90% of the whole body of EU standards.<sup>8</sup> Due to the transposition of EU standards and technical regulations, Moldovan goods can grow more competitive on foreign markets outside Europe.

The energy market has been reshaped through internal liberalisation and external interconnection processes. The EU supports the interconnection of electricity with Romania (€100 million by 2024), and indirectly assists the construction of gas interconnection by a Romanian company eligible for accessing EU loans. At the same time, via membership in the Energy Community and AA provisions, the “unbundling” of the Moldovan energy sector is moving forward while the demonopolization of energy imports takes place.

### *Freedom of movement*

The visa liberalisation that entered into force in April 2014 has accelerated Moldovans’ ability to travel with biometric passports to the Schengen states. Almost 60% of the population, or 2.1 million persons,

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<sup>5</sup> IPRE, Expert-Grup, Shadow Report: EU – Moldova Association Agreement. Five years of implementation. Progress. Constraints. Priorities, 2019, [http://ipre.md/wp-content/uploads/2019/10/Shoadow-Report\\_5-years-AA\\_ENG\\_Final.pdf](http://ipre.md/wp-content/uploads/2019/10/Shoadow-Report_5-years-AA_ENG_Final.pdf)

<sup>6</sup> EU, Association Implementation Report on Moldova, September 2019.

<sup>7</sup> Facts and Figures about EU-Moldova relations, [https://eeas.europa.eu/sites/eeas/files/factsheet\\_moldova\\_30.09.19\\_eng.pdf](https://eeas.europa.eu/sites/eeas/files/factsheet_moldova_30.09.19_eng.pdf)

<sup>8</sup> IPRE, Expert-Grup, Shadow Report: EU – Moldova Association Agreement. Five years of implementation. Progress. Constraints.

have experienced the visa-free regime. The EU's Visa Suspension Mechanism introduced in 2017 encompasses strict monitoring of the technical conditions' implementation and migration and border management, as well as political conditions (e.g., anti-corruption).

The accession to the European Common Aviation Area (2012) and the subsequent liberalisation of civil aviation transportation has led to the diversification of operating companies and itineraries, as well as a significant decrease in ticket prices due to more competition. Over the last 7 years, the total amount of passengers who travelled from Chişinău Airport more than doubled – 2,830,000 passengers in 2019<sup>9</sup> compared to 1,122,260 passengers in 2012.<sup>10</sup> Additionally, the EU intends to further invest in the rehabilitation of 700 km of roads and the procurement of public transportation in Chişinău and Bălţi municipalities, which account for more than half the country's population. Qualitative railway improvement is the target of EU investments, as well.

Youth and student mobility ensured by the EU through Erasmus+ benefited approximately 2,500 students and academic staff between 2015 and 2019. Moreover, another 3,000 youth have participated in external activities of non-formal education, backed by EU financial support.<sup>11</sup>

## **2. Lessons to be learned**

### *Political freedoms*

Over the last 10 years of EaP development, the political regime in Moldova has moved from the gradual oligarchizing of political power to a sharp decline in democratic institutions caused by “state capture”. The latter is characterised by the massive politicisation of state institutions, the presence of oligarchic interests in the decision-making process, and last but not least the court cancellation of elections in

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<sup>9</sup> IPRE, Expert-Grup, Shadow Report: EU – Moldova Association Agreement. Five years of implementation. Progress. Constraints. Priorities.

<sup>10</sup> Chişinău Airport, <http://www.airport.md/news-en/5376/>

<sup>11</sup> Facts and Figures about EU-Moldova relations.

Chişinău, the capital city of Moldova. The EU showed reluctance to terminate its financial assistance in 2017 after proportional voting was annulled, a violation of conditionality terms. Only after the results of mayoral elections in the capital were cancelled in 2018 did the EU suspend government assistance, channelling it instead to local authorities, media, and civil society.

Based on shortcomings in 2014-2015, the EU ended its budgetary support for the implementation of justice reform.<sup>12</sup> Serious failures in the field of human rights unveiled the illegal expulsion of 7 Turkish teachers to Turkey in 2018, based on requests from the Turkish authorities citing their suspected belonging to the Gulen group, in full violation of international and national provisions.<sup>13</sup> Thus, preventive actions should be prioritised on the EU's agenda, in addition to "early warning systems" developed in crucial areas: rule of law, market economy, and civic freedoms.

### *Economic freedoms*

The least developed area regarding trade remains the unresolved issue of animal-origin production, in which there are no eligible exports to the EU apart from honey and fish. Neither agri-food safety nor the quality of infrastructure is robust enough to overcome the non-tariff barriers.

Political instability and an unreliable reform agenda led to the interruption of EU financial assistance twice, in 2015 and 2018. However, with some exceptions, both budgetary and macro-financial assistance were returned to Moldova once the political and sector conditionality was fulfilled.

Undermined anti-corruption mechanism, exercised by National Anti-Corruption Centre, increased the inability to prevent serious

<sup>12</sup> EU cuts budget support programme for justice reforms, [https://eeas.europa.eu/delegations/moldova/33723/moldova-eu-cuts-budget-support-programme-justice-reforms\\_en](https://eeas.europa.eu/delegations/moldova/33723/moldova-eu-cuts-budget-support-programme-justice-reforms_en)

<sup>13</sup> Amnesty International Moldova, <https://www.amnesty.org/en/latest/news/2018/09/moldova-seven-people-deported-to-turkey-despite-major-human-rights-concerns/>

crimes in the banking sector. They were uncovered only in late 2014 – though the signals had been visible for a long while before that – and measuring up to 15% of the country’s GDP, was politically tolerated to a significant degree by the EU. That was radically revised after 2014 with the introduction of closely monitored political and sector conditionality.

Other economic areas affected by inconsistent and weak reforms pushed by the EU include the energy sector and the “unbundling” procedures (of suppliers and transporting companies) that are conducive for the market liberalisation. Improperly addressed energy issues still maintain the country’s very high dependency on external suppliers.

### *Freedom of movement*

The major problems recorded up to the present have unveiled not only deviations in the migration of Moldovan citizens, but also the extent to which the administration of strategic infrastructure facilitates the travelling abroad.

As for 2018,<sup>14</sup> the EU-monitored migration criteria concerning the implementation of visa liberalisation conditions registered the following irregularities: denied entry – 6,638; illegal stay – 11,220; asylum applications – 3,835). These shortcomings are rather insignificant as a share of Moldova’s population of 2.7 million, representing less than 1%, but they still indicate persistent and even worsening trends in migration behaviour.<sup>15</sup> The deterioration of rule of law in 2017-2019<sup>16</sup> also considerably alarmed the EU, which has requested visible results in “anti-corruption and anti-money laundering”<sup>17</sup> measures.

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<sup>14</sup> IPRE, Expert-Grup, Shadow Report: EU – Moldova Association Agreement. Five years of implementation. Progress. Constraints. Priorities.

<sup>15</sup> Cenusa, Visa liberalization in Moldova after five years: weaknesses of good governance and comparisons to Ukraine and Georgia, Info-Prim News Agency, April 2019, <https://www.ipn.md/en/special/97944>

<sup>16</sup> EU, Association Implementation Report on Moldova, September 2019.

<sup>17</sup> EU, Second Report under the Visa Suspension Mechanism, December 2018.

The questionable concession of the country's only international airport (Chişinău Airport) in 2013, against the ruling of the Constitutional Court and in only a semi-transparent manner, has endangered its sustainable development. Currently, ownership over the airport is being disputed between a private investor and the government. Besides, the EU has to realistically assess the underlying roots of migration irregularities being committed by Moldovan citizens and to furthermore suggest preventive and corrective measures, apart from communication campaigns. Without proper management of the strategic transportation infrastructure, any further multilevel integration with the EU will be problematic. Non-offshore companies based in the EU should be encouraged to participate in attempts at privatization.

### 3. Recommendations to be enacted for Moldova:

#### *Political freedoms*

**Increasing efficiency and transparency in fighting high and low-level corruption in parallel.** The inflow of foreign investments and reinvestment of profits depends on the functioning rule of law. Apart from de-politicisation of the prosecutor's office and the courts, a strong culture of anti-corruption has to be promoted. A free online platform for monitoring the evolution of high-level corruption cases is necessary, together with the introduction of the strictest measures against corruption in educational institutions (schools, universities). Efficiency and creativity in all communications concerning the public and individual costs of corruption – via *anti-corruption public diplomacy* – should prevail over the abundant and rudimentary display of data, thus avoiding oversaturation and alienation.

**Supporting the online integrity of the public sector and political infrastructure.** Capacity building of the national agency responsible for assets and income verification is a solid investment in bolstering state institutions, protecting them from the infiltration of corrupt public servants, criminality, and oligarchic groups. Reinforcing the monitoring capabilities of the central electoral authority will improve

accountability and, along with it, the internal democracy of the multi-party system.

**Empowering media literacy to educate liberal democratic views.** A free media landscape plays a fundamental role in critically scrutinizing democratic institutions. This requires the complete demonopolization of the advertising market, which will liberate resources to build up independent media with local resources. Consequently, the emphasis of European funds can focus mainly on strengthening media literacy and liberal values in education in order *to support democratic thinking and defeat anti-liberal external propaganda.*

#### *Economic freedoms*

**Increasing state capacities in the competition area.** Strengthening the institutional capacities of the competition regulator (investigation, annual reporting on state aid) should complement the unveiling of data about state aid, shifting away from the current closed-doors online system of data collection. To discourage uncompetitive business behaviours, *publicised data about problematic enterprises should co-exist with fully operational leniency tools.*

**Fluidization of the labour market - bringing talent back and attracting needed workers.** Fiscal stimulation represents a way to persuade businesses with foreign participation to offer paid internships to Moldovan students who have graduated in Europe. *Creative platforms for start-ups in modern services can be used to persuade private investment and labour interests among the (young) emigrant population.* The modernisation of immigration procedures is a prerequisite for such labour market support (a “one-stop shop”), achievable with their overall revision and the implementation of the Migration and Asylum Strategy for 2016-2020.

**Increasing transparency in the administration of public assets.** Performing internal and external audits and obligatory annual reporting, by use of diligence criteria for assessment, with the involvement all enterprises that are fully or partially managed by the



state.<sup>18</sup> *Developing a State Enterprises Transparency Index/Ranking* that aims at motivating good governance and incentivizing public-private investments.

**Fully-operationalise the online public procurement system (MTender).** Extending the participation in MTender of institutions and enterprises with state participation, at both central and local levels, is essential. It *implies capacity building activities to enable online purchasing/payroll (equipment, staff)*. This system has to visualise completely free data about: scheduled and launched tenders, ongoing procurement contracts, the status of performed procurements – fulfilled fully, partially, or failed – and blacklisted companies.

**Reforming the legal framework governing the land.** Removing existing loopholes, which administer the relationship between local owners and foreign investors, and creating a transparent market; encouraging mixed-capital economic activities to *restore and modernise local farming, prevent rural depopulation, and uphold sustainable regional development*.

#### *Freedom of movement*

**Modernising physical mobility.** Alignment with the EU acquis concerning transport safety and security has to be prioritised while furthering the liberalisation of civil aviation and railway transportation. *Upgrading cross-border transport infrastructure* – through repairing roads, streamlining railways, and establishing commonly managed checkpoints with Romania and Ukraine – *will speed up and make greener the intra-regional movement of people and goods*.

**Intensifying educational and cultural mobility for youth.** Participation by students and young researchers in European educational programmes such as Erasmus+ translates to the exchange and building of pan-European knowledge. Representation of participants *requires diversification to reach students and universities* from across the country, *including those from traditionally pro-Russian regions* (Transnistrian region, Gagauz autonomy).

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<sup>18</sup> The Public Property Agency has included 220 enterprises in the Register of Public Patrimony as for January 2019.

## GEORGIA<sup>19</sup>

The Eastern Partnership has helped Georgia to enhance its connectivity with the European Union and promote mobility and people-to-people contact through the abolition of short-term visas for Georgian citizens, as well as to provide its students with the opportunity to pursue their education in leading European universities. At present, Georgian research and education entities can participate in scientific programmes funded by the EU through Horizon 2020. The Eastern Partnership, through the visa liberalisation process, has helped Georgia to improve existing legislation, adopt new ones, and carry out reforms in different policy fields.

### 1. Taking stock of main achievements

#### *Political Freedoms*

Evolving from the European Neighbourhood Policy, the Eastern Partnership launched in Prague, Czech Republic in 2009 to draw clear dividing lines between the European neighbours of the EU on its Eastern flank and the neighbours of Europe to the South. Being a joint initiative of the EU and EaP countries, it offered these Eastern partners political linkage and economic integration together with the enhancement of people-to-people contact. In signing the legally binding Association Agreement (AA) with the Deep and Comprehensive Free Trade Area, Georgia became **politically anchored** to the European Union and committed to harmonising its national legislation to that of the EU in order to benefit from the opportunities enshrined in the AA/DCFTA.

In order to somewhat match the growing ambitions of Georgia, the EU has recently launched a high-level meeting with the participation of the College of Commissioners on one side and representatives of the Georgian executive branch on the other. This could be seen as an

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<sup>19</sup> Vano Chkhikvadze works as an EU Integration Program Manager at Open Society Georgia Foundation (OSGF). He holds a master's degree from the College of Europe in European Advanced Interdisciplinary Studies and from the Georgian Institute of Public Affairs in Policy Analysis.

attempt to imitate an EU-third country summit format and as a credit to Georgia, labelled by the EU as frontrunner of the Eastern Partnership.

The Association Agreement has also assigned a particular role for **civil society** in the process of EU integration, creating the EU-Georgia Civil Society Platform to meet and exchange views intended for, and consisting of, representatives of civil society both on the side of the EU – including Members of the European Economic and Social Committee – and that of Georgia, including representatives of the national platform Eastern Partnership Civil Society Forum.

### *Economic Freedoms*

Georgia is the **biggest recipient** of EU grants assistance, receiving up to €120 million (approximately €32 per capita) annually for the prioritised promotion of: (1) Economic Development and Market Opportunities; (2) Strengthening Institutions and Good Governance; (3) Connectivity, Energy, Environment, and Climate Change; and (4) Mobility and People-to-People Contacts.

The EU is one of the biggest donors in Georgia. One direction taken by the EU's financial support is the agricultural sector, which is also high on the agenda of the Georgian government. The agricultural sector employs 38.9% of the country's workforce. Since 2013, the EU has supported Georgia's agricultural development through the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) with a total budget of €179.5 million in 2013-2022. However, the share of agriculture in the country's GDP decreased from 8.1% in 2013 to 6.6% in 2018. Exports of agricultural products to the EU decreased from €187 million in 2015 to €116 million in 2018, and the share of agribusiness in the total economic output has also been decreasing – from 17.7% in 2013 to 14.8% in 2018.

The AA/DCFTA have become pull factors for **regulatory approximation and institutional capacity building**. Namely, national legislation in the fields of regulatory technical inspection of vehicles, toy safety, food safety, construction materials, etc. is being harmonised

with that of the European Union. The agreement is also a push factor for improving Georgian national legislation in the field of labour safety. This field is a very vulnerable one for the country: from 2011-2018, 1,081 people were injured and 376 died in the workplace due to poor labour safety regulations and supervision.

The EU has also co-signed a document with Georgia on the administrative **arrangement of emergency management services**, which would help Georgia to prepare for the more effective protection of property and the environment against disaster. This could be seen as a tangible benefit for Georgia and its society, as whenever the scale of an emergency overwhelms the response capabilities of a participating country, the EU Civil Protection Mechanism enables coordinated assistance from other participating states. These include all EU Member States, Iceland, North Macedonia, Montenegro, Norway, Serbia, and Turkey.

### *Free movement*

Signatory to the European Common **Aviation** Area Agreement, Georgia has been harmonising its national legislation with that of the EU acquis in an aim to gradually liberalise the EU-Georgia air connection, expand the capability of its airports, and attract new airlines. Georgia has so far managed to attract two low-cost airlines, thanks to liberalised tariffs, flying to Kutaisi, the third-largest city. After signing the European Common Aviation Area Agreement in 2010, the number of passengers served annually by Kutaisi airport has increased from some 7,000 (in 2010) to 617,000 (in 2018).

**The visa liberalisation** process has been the most effective dimension of EU-Georgia relations. The reasons are twofold: *Firstly*, with the visa liberalisation action plan (VLAP), the EU managed to push some crucial and painful reforms in Georgia, like adopting and implementing anti-discrimination legislation, setting up legal and institutional frameworks to ensure personal data protection, improving border management documents and infrastructure, etc. *Secondly*, implementing the Visa Liberalisation Action Plan (VLAP) and the positive as-

assessment on the part of the EU has brought about tangible benefits to the citizens of Georgia, giving them the opportunity to travel for up to 90 days, visa-free, in the EU and Schengen member states. More than 300,000 Georgian citizens have benefitted from visa-free travel to the Schengen area since March 2017 when the short-term visa requirement was abolished.

The EU integration process and access to EU programmes have also had a positive impact on higher **education** in Georgia. Since 2015, as many as 32 Georgian universities are involved in the Erasmus+ Credit Mobility Programme, which allows Georgian students to study in various universities accredited by EU member states. As an Erasmus+ Credit Mobility Programme beneficiary, Georgia takes 6<sup>th</sup> place out of 141 countries. In 2015-2019, overall 4,755 Georgian students have had opportunity to study in the European Union, whereas over the same period Georgian universities have attracted 2,725 students from EU member states.

With access to **Horizon 2020**, the EU's research and innovation programme, Georgian research institutes, universities, and individual researchers have gained opportunities to participate in scientific projects together with research organisations from the European Union. In three years (2016-2019), Georgian research and scientific organisations have participated in 40 Horizon 2020 projects and received funds amounting to €3.3 million.

## 2. Lessons to be learned

### *Political freedom*

A decade after its launch, the Eastern Partnership has not managed to become a game-changer in Georgia or a push factor to carry out irreversible reforms in the fields of the judiciary, rule of law, fight against corruption, etc. On the one hand, it could be argued that the EaP's lack of *finalité* is the cause – when a policy does not have an end goal, it could be viewed as an eternal process, unlike visa liberalisation. It does not promise EU membership as incentive, even to the best

performing country. On the other, there might be a lack of political will on the part of the Georgian authorities to carry out genuine and thorough reforms; rather, they attempt to imitate the process.

At the political level, the Association Agreement has not helped to push for reforms in the judiciary field or the fight against corruption. The US State Department, in its Human Rights Report of 2018, stressed that: *“although the constitution and law provide for an independent judiciary, there remained indications of interference in judicial independence and impartiality. Judges were vulnerable to political pressure from within and outside of the judiciary.”*<sup>20</sup>

The EaP has fallen short in responding to the main threat of Georgian statehood – occupation. It has missed the strong security dimension. The European Union Monitoring Mission (EUMM) remains only as a peacekeeping mission in Georgia, and it is also a co-mediator in the Geneva International Discussions on Georgia’s territorial conflicts. However, the occupation of Abkhazia and South Ossetia continues, and there are incidents taking place alongside the occupation line almost on a daily basis. Neither the EU nor Georgia can stop the Russian-backed “borderization” process, which seeks to transform the administrative borderline between the Tskhinvali region as well as Abkhazia and Georgia proper into an international border. This process entails the erection of barbed-wire fences together with border signs and surveillance cameras. As a consequence, the fence divides 34 villages.<sup>21</sup>

When it comes to corruption, Georgia is maintaining its successful fight against petty corruption, ranking in 41<sup>st</sup> place among 168 countries and outperforming eight EU member states: Bulgaria, Croatia, Greece, Hungary, Italy, Malta, Romania, and Slovakia. However, the main challenge is elite corruption: a clear demonstration is former Prime Minister and billionaire Bidzina Ivanishvili’s influence on state decision-making processes to his own advantage. According to a sur-

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<sup>20</sup> The US Department of State’s Human Rights Report on Georgia 2018, <https://www.state.gov/wp-content/uploads/2019/03/GEORGIA-2018-HUMAN-RIGHTS-REPORT.pdf>

<sup>21</sup> “Behind barbed wire” report by Amnesty International from 03.07.2019, <https://www.amnesty.org/download/Documents/EUR5605812019ENGLISH.PDF>

vey, 68.8% of the population of Georgia believes that officials use their powers for personal gain; 59% believe that officials take money in exchange for 'protecting' businesses.<sup>22</sup> The European Parliament, in its latest resolution on the implementation of the EU's Association Agreement with Georgia, was also very vocal about the independence of the judiciary and tackling high level corruption: *"high-level elite corruption remains a serious issue... [Parliament] calls on Georgia to ensure that the Anti-Corruption Agency is independent, free of any political interference and separated from the State Security Service; reiterates the importance of an effective separation of powers and a clear dissociation between politics and economic interests, and stresses that fighting corruption requires an independent judiciary and a solid track record of investigations into high-level cases of corruption, yet to be established."*<sup>23</sup>

### *Economic Freedom*

Despite the fact that EU integration has almost 80% of public support in Georgia and is enshrined in the country's constitution as a foreign policy goal, so far there have been no tangible benefits delivered to the general public. Moreover, after signing the AA/DCFTA, the Georgian economy has been performing far less effectively. In spite of its importance as a tool to promote trade between the EU and Georgia, create jobs, and improve the socio-economic situation, the AA/DCFTA has failed to bring about the realisation of this goal.

The EU is Georgia's main trade partner. Around 27% of trade takes place with the EU, followed by Turkey (13.6%) and Russia (11%). However Georgian exporters' primary destination is Commonwealth of Independent States countries. Significantly, from 2015 until 2018 Georgian products exported to the CIS market almost doubled, from

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<sup>22</sup> Survey commissioned by Open Society Georgia Foundation and International IDEA. It was carried out by the Caucasus Research Resource Centre (in Georgian), [https://osgf.ge/saqartvelos-demokratiis-mdgomareoba-da-mosakhleobis-ganwyobe-bi-demokratiuli-machvneblebis-mimart/?fbclid=IwAR1ULtEQMm6VRM6cdjEBtnNXIg\\_1hTUSXTUnEUR9jN-sF\\_ui\\_0CorMVXOEs](https://osgf.ge/saqartvelos-demokratiis-mdgomareoba-da-mosakhleobis-ganwyobe-bi-demokratiuli-machvneblebis-mimart/?fbclid=IwAR1ULtEQMm6VRM6cdjEBtnNXIg_1hTUSXTUnEUR9jN-sF_ui_0CorMVXOEs)

<sup>23</sup> European Parliament Resolution from 14.11.2018 on the implementation of the EU Association Agreement with Georgia, [http://www.europarl.europa.eu/doceo/document/TA-8-2018-0457\\_EN.pdf](http://www.europarl.europa.eu/doceo/document/TA-8-2018-0457_EN.pdf)



\$840 million to \$1.67 billion. Similarly, the increase went from \$1 billion in 2015 to \$1.95 billion in 2018 and from \$307 million to \$680 million with the BSEC countries GUAM, respectively. Meanwhile, export growth to the EU market was very sluggish: from \$644 million in 2015 to \$730 million in 2018. So far, the DCFTA has not helped in diversifying Georgian exports to the EU market. This is mainly due to the fact that Georgian producers are unable to invest in their enterprises to meet the EU's strict standards. This is particularly true in the field of food safety. In fact, Georgia can only export four animal-origin-type products to the EU – leather, wool, honey, and fish – and even that is insignificant.

The AA/DCFTA has so far fallen short in creating jobs and solving the number one problem for Georgian society, unemployment. It officially stands at 12.7%; however, according to the latest survey of the National Democratic Institute, 34% of respondents were looking for a job.<sup>24</sup> Unemployment is a push factor for migration to Turkey, the EU, and the US. In 2018, almost 20,000 Georgian citizens lodged asylum applications in the EU and Schengen member states, a remarkable increase (+63%) compared to the year before.<sup>25</sup> Additionally, the number of applications to the US Diversity Visa Program significantly increased from 32,000 in 2009 to 122,000 in 2018.<sup>26</sup>

Neither has the EaP so far managed to adequately promote substantial and irreversible political reforms (e.g., judiciary reform and independence of judges, fight against elite corruption, etc.) or boost economic growth to make Georgia more attractive for foreign direct investment (FDI). People living below the poverty line have significantly increased in number. Unemployment remains high and particularly affects youth, with every third person aged 20 to 24 looking for job. Georgia's socio-economic reforms pursued in the process of EU integration have not helped ordinary citizens escape from poverty. On the

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<sup>24</sup> "Public Attitudes in Georgia results of July 2019 survey," National Democratic Institute (NDI), [https://www.ndi.org/sites/default/files/NDI%20July%202019%20poll-Issues\\_ENG\\_For%20distribution\\_VF.pdf](https://www.ndi.org/sites/default/files/NDI%20July%202019%20poll-Issues_ENG_For%20distribution_VF.pdf)

<sup>25</sup> European Asylum Support Office.

<sup>26</sup> US Department of State – Bureau of Consular Affairs, <https://travel.state.gov/content/travel/en/us-visas/immigrate/diversity-visa-program-entry/diversity-visa-program-statistics.html>

contrary, in 2013-2017 the share of people living in extreme poverty (households living on less than \$1.25 per day) rose from 6% to 6.8%, while another 27.6% of households were living in relative poverty. Children also face this harsh reality – every third child in Georgia is living in poor conditions. Almost 27.8% of households reported that buying medicine is a problem.<sup>27</sup> In the last 12 years, the number of Georgian citizens who are beneficiaries of subsistence allowance increased from 7% to 12% (450,000 people) of the population.<sup>28</sup>

### ***Beneficiaries of Subsistence Allowance***

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b># (thousands)</b>	279	368	436	430	411	435	437	432	376	459	450	438
<b>share of population (%)</b>	7	10	11	11	11	12	12	12	10	12	12	12

### ***Free movement of people***

In the last four years, the total amount of remittances sent back to Georgia has increased by 32%. In 2018, these superseded foreign direct investment, reaching \$1.5 billion (a third of Georgia’s state budget). Due to the poor socio-economic situation in the country, the number of people leaving Georgia as labour migrants continues to increase. However, most are cases of irregular migrants who lack access to social benefits and insurance, possibly leaving them extremely vulnerable to trafficking and organised criminal groups. So far, neither the EU and its member states nor Georgia have managed to respond to this growing challenge adequately.

## **3. Recommendations to be enacted for Georgia:**

### ***Political freedom:***

**Focusing on strict reforms rather than on labelling.** Despite the fact that Georgia was labelled by the European Union as frontrunner

<sup>27</sup> UNICEF Welfare Monitoring Survey 2017, <https://www.unicef.org/georgia/media/1051/file/WMS.pdf>

<sup>28</sup> National Statistics Office of Georgia, Beneficiaries of Subsistence Allowance, <https://www.geostat.ge/en/modules/categories/55/social-protection>

of the Eastern Partnership, many shortcomings remain regarding the political implementation of the AA. Such labelling has left watchdog CSOs wringing their hands, since the Georgian authorities refer to this EU label when they are criticised for not delivering on reforms.

**Investing in joint ownership.** Bearing in mind the joint ownership of the Eastern Partnership and the fact that all five previous EaP Summits were held in the EU, this is a call for the EU Institutions and member states to organise biannual EaP Summits in highly performing EaP countries.

**Institutional socialisation with European institutional mechanisms.** This is a call for EU member states to give Georgian representatives the opportunity to attend with observer status those council and working group meetings in which the draft regulations and directives enshrined in the EU-Georgia AA/DCFTA are being discussed.

**Furthering differentiation within the EaP and a new association agenda.** Ensure a two-speed EaP by introducing broader differentiation among EaP countries. While negotiating a new EU-Georgia Association Agenda for 2021-2024, introduce more measurable indicators and benchmarks.

### *Economic Freedom*

**Reviewing the support programmes.** Despite the fact that the EU spends millions of euros in supporting Georgian agricultural development, at the macro level this sector is not performing well and its share in the country's GDP is shrinking. In this regard, the EU should review its ENPARD programme and make it more results-oriented. One of the potential focuses could be exclusively supporting those SMEs, which export to the EU market.

**Rationalizing the transfer of remittances.** In view of the growing amount of remittances sent back to Georgia by labour migrants and with the aim to facilitate such financial transfers, a discussion should be initiated about Georgia's involvement in the Single European Payment Area (SEPA).

### *Free movement of people*

Developing skilled migration. Support and promote projects in which migrants possess skills and have apprenticeship access, and provide additional training either in the country of origin or at their final destination.

Improving the accessibility of social rights. Despite the fact that migrants from Georgia and other EaP countries contribute to the various social schemes functioning in the EU member states where they reside, in most cases their pension rights remained limited. Therefore, the EU and its member states should simplify their procedures to ensure that migrants from EaP countries can easily claim social benefits, which should become easily transferrable to their countries of origin.

## UKRAINE<sup>29</sup>

The launch of the EaP in 2009 was received ambiguously in Ukraine. The main critical arguments in Ukraine against the EaP were over the initiative's insufficient ambitions, chiefly the lack of membership perspective and the lack of funds being allocated to match expectations in Kyiv. Moreover, Ukrainians saw little added value of the EaP, as even before the initiative's launch Ukraine had negotiated the Association Agreement and a visa dialogue was in place. Therefore, Kyiv already had the core elements of the EaP on the table before it existed. Considering itself a trendsetter, Ukraine finally joined the EaP in order to make use of the partnership's new instruments and strengthen regional cooperation.

In spite of having committed to the initiative, Ukraine went through a period of missed opportunities that came to a head at the 2013 EaP Vilnius Summit when president Viktor Yanukovych refused to sign the Association Agreement. The 2014 Revolution of Dignity and subsequent change in government led to a new dynamic in EU-Ukraine relations. Above all, Kyiv and Brussels signed the Association Agreement and focused on implementing the Visa Liberalisation Action Plan. It would not be an exaggeration to claim that the Association Agreement and Visa Liberalisation have been among the major achievements of the EaP.

### 1. Taking stock of main achievements

#### *Political freedoms*

A top priority of the EU and post-Maidan governments in Ukraine has been the fight against corruption. The EU had earlier extended its offer to help Ukraine curb corruption. However, it was only with the implementation of the VLAP after 2014 that some practical results were achieved. Most importantly, a much-needed anti-corruption “infrastructure” was put in place. The National Agency for Corruption

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<sup>29</sup> Leonid Litra is a Senior Research Fellow at the New Europe Center in Kyiv. He holds a master's degree in European Studies and International Relations from the European Institute of High International Studies in Nice.

Prevention, the National Anti-corruption Bureau of Ukraine, and the Specialized Anti-corruption Prosecutor were all created with EU support. Not all actors in Ukraine had a genuine interest in fighting corruption, though, which is why the creation of these institutions did not automatically result in the process of curbing corruption.

The resistance of the old system was mainly projected through the Prosecutor's Office and notably within the courts, but the parliament (Rada) has also at times been involved. For instance, the parliament of 2014-2019 voted to decriminalise illicit enrichment and exerted pressure on anti-corruption activists by obliging them to declare their assets and income just like civil servants are supposed to do. The setbacks caused by the previous legislature have already been fixed by the current Rada, which restored criminal responsibility for illicit enrichment. Despite solid legislation on fighting corruption being in place, the missing element was an independent court to deal with high-level corruption: all the investigations and cases opened by anti-corruption institutions were ending up in the hands of the old courts, considered as highly corrupt and only trusted by 14-15% of the population.<sup>30</sup> Therefore, the EU and its partners conditioned their support on progress made with the creation of an anti-corruption court. Despite attempts to disrupt the establishment of the High Anti-corruption Court (HAC), it was created and became operational as of 5 September 2019. It is noteworthy that the HAC judges were selected through a mechanism involving various independent actors, such as international partners and civil society representatives. This resulted in a court with selected judges who are believed to have outstanding integrity. As of late 2019, the entire anti-corruption "infrastructure" in Ukraine is in place, though the deliverables and a genuine process of fighting against corruption remain to be seen in 2020.

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<sup>30</sup> Социологическая группа «Рейтинг», Оценка ситуации в стране [Sociologic group "Rating", assessment of the situation in the country], 19-22 октября 2019, [http://ratinggroup.ua/research/ukraine/ocenka\\_situacii\\_v\\_strane\\_19-22\\_oktyabrya\\_2019\\_goda.html](http://ratinggroup.ua/research/ukraine/ocenka_situacii_v_strane_19-22_oktyabrya_2019_goda.html)

### *Economic freedoms*

The Association Agreement was a timely document, especially considering Russian aggression and shrinking trade relations with Moscow. Although the economic part (DCFTA) of the Agreement was delayed due to protests from the Kremlin, in the end it was fully applied. The Agreement widely compensated the loss of the Russian market and created new trade links with the EU. Since 2014, the volume of trade between Ukraine and the EU has constantly grown. Overall, EU-bound exports from Ukraine grew almost 50% from 2015 to 2018, which also made the EU Ukraine's biggest trade partner: its exports exceed \$20 billion in value annually and have reached almost 42% of total Ukraine's exports.<sup>31</sup> On top of that, almost two thirds of the 22,500 companies engaged in foreign trade activity export their goods to the EU. It is noteworthy that the structure of exports to the EU has changed as well. Ukraine has started exporting more processed products (43%) than raw materials (29%), which is clearly an indicator of a business transformation underway.

Among the greatest achievements for economic freedom has been the creation of the electronic procurement system, Prozorro, a public e-procurement platform for carrying out tenders which aims to fight corruption and ineffectiveness in public procurement. The reform of public procurement was prescribed in the Association Agreement; however, it could also have been achieved even without the AA. In a mere two years since its launch in 2016, Prozorro helped to save at least \$1.9 billion of public funds.<sup>32</sup> In 2019, the law on procurement was improved and an additional \$360 million could be saved annually.<sup>33</sup> This reform has increased the transparency of public procurement and

<sup>31</sup> Звіт Єврокомісії: обсяги двосторонньої торгівлі між ЄС та Україною склали 40 млрд євро у 2018 році, [European Commission report: the trade between EU and Ukraine amounted to 40 billion euro in 2018], [https://eeas.europa.eu/delegations/ukraine/69061/звіт-єврокомісії-обсяги-двосторонньої-торгівлі-між-єс-та-україною-склали-40-млрд-євро-у-2018\\_uk](https://eeas.europa.eu/delegations/ukraine/69061/звіт-єврокомісії-обсяги-двосторонньої-торгівлі-між-єс-та-україною-склали-40-млрд-євро-у-2018_uk)

<sup>32</sup> UNIAN: ProZorro saves \$1.9 billion of budget funds, <https://www.kyivpost.com/business/unian-prozorro-saves-1-9-billion-of-budget-funds.html?cn-reloaded=1>

<sup>33</sup> A public procurement mechanism through Prozorro to allow to save up to UAH 9 bn per annum – a bill approved, <https://www.kmu.gov.ua/en/news/mehanizm-publichnih-zakupivel-cherez-prozorro-dozvolit-zaoshchaditi-do-9-mlrd-grn-shchorichno-uhvaleno-zakonoproekt>



the trust of Ukrainians in the EU, lowering their suspicions over the use of funds allocated by Brussels.

### *Freedom of movement*

Unlike the Association Agreement and its DCFTA, visa liberalisation with the EU has had a more visible impact on ordinary citizens. Kyiv's long journey to visa liberalisation lasted almost eight years. For many years, Ukraine had tried to selectively implement reforms related to visa liberalisation and attempted to gain visa-free travel in exchange for certain political concessions. After the Euromaidan reforms, Ukraine has been quick in fixing the previously delayed reforms, and in 2017 the EU granted visa-free access for short stays to the citizens of Ukraine holding a biometric passport. Two years since the visa-free regime was enacted, fears have been washed away on both sides: EU fears about Ukrainians flooding the EU for illegal work and asylum-seekers and fears of Ukrainians who did not believe visa-free was real until it entered into force. During the two years of this visa-free existence, the contacts and travel of Ukrainians to the EU have intensified.

Overall, about 43 million border crossings have taken place, many on the basis of biometric passports. The visa-free regime has also had secondary benefits. Various low-cost airlines such as Ryanair and Wizzair have entered or expanded their presence in Ukraine, leading to a significant increase in the flow of passengers. Only in 2019, 63 new flights to Europe and other destinations were added. Not only have the airports in Kyiv introduced new flights but so have the regional airports of Lviv, Odessa, and Kharkov, as well as airports such as Kherson, Chernivtsi, and Zaporizhyya. Therefore, the mobility of Ukrainians and their freedom to travel has increased significantly following the visa-free regime's introduction.<sup>34</sup>

An increase of people-to-people contacts has also been recorded in the education and youth area. After the launch of Erasmus+ in 2014, Ukrainian students have benefitted from the programme and partici-

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<sup>34</sup> Institute for Security and Studies, *The EaP a Decade on: Looking Back, Thinking Ahead*, 2019.

pated in it actively. Between 2014 and 2019, almost 10,000 students participated in the Erasmus+ programme. To note, before the Revolution of Dignity, a little over 300 students had participated in Erasmus over a period of 10 years.<sup>35</sup>

## **2. Lessons to be learned**

### *Political freedoms*

Although anti-corruption efforts in Ukraine have topped the EU agenda, it is difficult to consider these a success. As mentioned earlier, from a legal perspective, Ukraine has adopted the necessary legislation and created all the institutions needed to deal with the fight against corruption, despite systemic resistance. It has even adopted a system of e-declarations for civil servants to make public their assets and incomes, supposedly to uncover corruption among officials. However, despite having all these anti-corruption mechanisms in place, no one has been sent behind bars. This means that, so far, the Ukrainian authorities have been more process-oriented and less results-oriented. Although it is Ukraine's responsibility to fight corruption, the process is deeply enmeshed with the EU. Thus, support for the EU in public opinion might weaken.

The Eastern Partnership is not a widely discussed topic in Ukrainian society or even in the media. It is rather a topic limited to when the EaP summits are taking place. However, Ukrainians are indeed discussing elements of the EaP initiative, such as the AA and the visa-free regime. One topic that is widely discussed but does not belong to the EaP is the security dimension. Ukraine, especially after 2014, has wanted to see the EU more engaged in the security of the region. From a Ukrainian perspective, one could quite often hear that the soft power of the EU cannot help stop Russian aggression and that we therefore need to rely on conventional elements to roll back the occupation. For the time being, the EU has not been willing or able to cope with the region's security, although Kyiv has felt the unwavering support of the EU regarding its territorial integrity via various instruments, such as sanctions

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<sup>35</sup> New Europe Center, Euromap, [www.neweurope.org.ua](http://www.neweurope.org.ua)

against Russia and financial support to Ukraine. However, the security environment has changed and all these reforms could be under threat if the region continues to struggle with Russia-sponsored conflicts.

A much older complaint of Ukraine regarding EU policies for the region is the lack of a recognized membership perspective. When the EaP was launched, it was made clear that the initiative was not about membership, only political association and economic integration. That was one of the reasons why Ukraine was sceptical about the EaP, since it perceived the initiative as an attempt to avoid and delay the discussion of membership for Ukraine and other countries with this ambition, such as Georgia and Moldova. The membership perspective was recognized by a European Parliament resolution which endorsed the right of Ukraine, in line with Article 49, to apply for membership provided that it met the Copenhagen Criteria, respected the principles of democracy, fundamental freedoms, and human and minority rights, and ensured the rule of law.<sup>36</sup> So far, it is unlikely that membership perspective will be feasible after the EaP's revision, since both the EU and Ukraine are not ready for membership. Still, it is difficult to define when exactly both parties may become ready.

### *Economic freedoms*

When analysing the cross-sector shortcomings of the EaP in Ukraine, one could mention above all the implementation of EU projects in Ukraine. Since 2014, the EU has made available more than \$15 billion in credits and grants for various programmes.<sup>37</sup> Despite Ukraine's savviness, in certain instances, about how to utilise EU funds, there are serious concerns over its absorption capacity. For instance, the EU has allocated \$22 million to Ukraine for energy efficiency, but for years Ukraine did not use a single penny from the allocated funds.<sup>38</sup> The same

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<sup>36</sup> European Parliament resolution of 15 January 2015 on the situation in Ukraine [2014/2965(RSP)], [http://www.europarl.europa.eu/doceo/document/TA-8-2015-0011\\_EN.html](http://www.europarl.europa.eu/doceo/document/TA-8-2015-0011_EN.html)

<sup>37</sup> EU offers Ukraine \$15 billion, but help hinges on IMF deal, <https://www.reuters.com/article/us-eu-ukraine-support/eu-offers-ukraine-15-billion-but-help-hinges-on-imf-deal-idUSBREA240V020140305>

<sup>38</sup> Європа пропонує Україні новий план, <https://ukr.segodaya.ua/politics/evropa-predlagaet-ukraine-novyy-plan-1091079.html>

was true for projects in other areas, such as infrastructure improvements of cross-border points. For instance, since 2014 the European Investment Bank (EIB) has signed contracts in Ukraine amounting to €3.8 billion but has only managed to disburse €0.6 billion.<sup>39</sup> These considerations create the need for better programming of EU assistance in Ukraine, which should more often come with programmes to improve absorption capacity.

### *Freedom of movement*

One of the areas that has the potential for success but has been delayed over the last six years is the Common Aviation Area Agreement between Ukraine and the EU. This should integrate Ukraine into the EU's aviation market and increase freedom of movement and people-to-people contacts. It would provide economic benefits for travellers and the aviation industry while at the same time guaranteeing high standards in safety and security. Although the Agreement was ready in 2013, its signature was delayed because of the dispute between Spain and United Kingdom over the airport in Gibraltar. Because of that dispute, Brussels is not able to sign the agreement with Kyiv and, thus, the Common Aviation Area between the EU and Ukraine does not yet exist. The anticipated Brexit should fix the issue, since once the United Kingdom leaves the EU, the Spanish version of the agreement will be automatically accepted.<sup>40</sup> The delay in signing this agreement has been the subject of wide criticism in Ukraine against the EU, underlining the concern that the EU's credibility is at stake.

## **3. Recommendations to be enacted for Ukraine:**

The reform of the Eastern Partnership presents a unique opportunity to update the initiative so that it increases the level of support and influence from the EU and stays relevant for the EaP countries. From

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<sup>39</sup> Anhel, Who is aiding Ukraine?, 16.10.2019, [https://3dcftas.eu/op-eds/who-is-aiding-ukraine?fbclid=IwAR0Ve\\_9y8rDrDQmGMDIWJQzvMgyEprRRWQbj\\_IFCjnYg6XCatY3T8oHj5F6A](https://3dcftas.eu/op-eds/who-is-aiding-ukraine?fbclid=IwAR0Ve_9y8rDrDQmGMDIWJQzvMgyEprRRWQbj_IFCjnYg6XCatY3T8oHj5F6A)

<sup>40</sup> Mingarelli, Ukraine, EU Might Sign Common Aviation Area Agreement Before 2020, <https://ukranews.com/en/news/644873-mingarelli-ukraine-eu-might-sign-common-aviation-area-agreement-before-2020>

a Ukrainian perspective, the most relevant changes need to take place in the areas of security, membership perspective, youth, EU decision-making processes, and increased funding combined with assistance in absorption capacity. The EU could also consider some new elements of integration for the most advanced EaP countries. For the last two years, Ukraine has actively promoted greater integration in the energy market, digital market, customs area, and the fields of domestic and justice affairs. These elements could be made available as integration markers for the Associated countries, which are willing to continue furthering their gradual integration into the EU.

### *Political freedoms*

***Giving Ukraine a stake in the policy-shaping process.*** Something that Kyiv has been reflecting on is the policy-making process in Brussels. As a signatory country to the Association Agreement, Ukraine is also committed to implementing most EU legislation that touches upon state affairs in every single field. The *acquis* implementation requires equivalence, not homogeneity, but still is a must for Ukraine and likewise for European Economic Area and European Free Trade Area countries (Norway, Iceland, Lichtenstein). Unlike the countries mentioned above, Ukraine has no access to shaping the legislative process, despite its obligation to adopt legislation. In order to facilitate this process, Ukraine has to be given the right to consultations on important EU initiatives that would become laws and then be implemented by Ukraine.

***Keeping the membership perspective alive as a political principle.*** At the same time, Ukraine would like to see more openness on the EU membership perspective. The political elite is aware of the constraints that exist in making a commitment to membership. However, the membership perspective has to be kept alive as a political principle so that (at times) painful and unpopular reforms could be put into motion. The EU's inability to clearly acknowledge this membership perspective for Ukraine keeps the responsibility on Brussels, instead of passing it to Kyiv.

### *Economic freedom*

#### ***Increasing funding and providing assistance in absorbing funds.***

It is widely believed that Ukraine cannot achieve significant progress in reforming its economy without the significant financial support of the EU. To that end, the EU could tailor its support to specific areas where Ukraine is lagging behind and grant access to new programmes of funding that have previously been available to Associated countries. However, this EU support should also come along with assistance in absorbing funds, as there are currently many missed opportunities due to insufficient capacities in successfully managing EU programmes. Ukrainian state institutions and local authorities would welcome technical assistance and twinning projects.

***Revising the customs rates, duty-free quotas, and the annexes of the AA.*** Ukraine plans to revise its customs rates and duty-free quotas with the EU. The need for such a revision derives from the fact that the existing rates were negotiated based on trade data from 2005-2007 and thus do not reflect the current state of economic and trade development between Kyiv and Brussels. Along these lines, Ukraine would like to continue revising the annexes of the Association Agreement, as well, like it did with Annex XXVII (on energy). The next in line to be changed are the annexes on telecommunication services and financial services.

### *Freedom of movement*

***Expanding educational exchange programmes to new universities.*** Ukrainian students are actively taking part in the Erasmus+ programme. However, not all Ukrainian universities participate in the programme due to the bureaucratic hassle related to the equivalence system of credits, etc. One option is for the EU to provide assistance to universities lacking the necessary skills to participate in EU programmes. Another is to open up EU programmes and representations of EU universities in Ukraine, which would facilitate the transfer of knowledge to students who are unable to join European programmes.

***Signing the Common Aviation Area Agreement.*** Another element, which would increase freedom of movement and economic activity, is the signing and enacting of the Common Aviation Area. The deadlock caused by the Spain-UK dispute has taken Ukraine hostage in the process. To overcome this, the EU could think about a creative approach and leave aside the Gibraltar airport until the dispute is settled.

## **GENERAL RECOMMENDATIONS:**

**1. Deeper socialisation with European institutions.** EU institutions and EU member states can ensure the participation of the 3 Associated countries in the Permanent Structural Cooperation (PESCO) projects, such as the Cyber Rapid Response Teams and Mutual Assistance in Cyber Security (CRRTs) coordinated by Lithuania or the Network of Logistic Hubs in Europe and Support to Operations led by Germany.

**2. Promoting circular migration solutions.** Search for mutually convenient economic partnerships between EU Member States and the 3 Associated countries that would envisage legally regulated seasonal migration, which targets depopulation and improves labour guarantees for workers. Consequently, incentives to breach the rules of the visa-free regime will diminish as well.

**2. Identifying and punishing human rights violations and high-level corruption perpetrators by adopting a “Magnitsky Act”.** Both at the country level for the 3 Associated countries and at the EU level, a mechanism of individual sanctions has to be adopted for punishing the trans-border crimes of high-level corruption and human rights violations. This should also comprise intensified cooperation between the national authorities in Ukraine, Moldova, and Georgia with Europol and OLAF.

**3. Investing in pan-European youth platforms and mobility tracks towards “greener” education.** Create opportunities for travel and study among young people from both the EU and EaP countries so they can interact with each other through more ambitious “Erasmus+ green” programmes and informal education platforms (trainings, paid internships, volunteer activities). Focus on learning and teaching ways to match environmental regeneration and preservation with sustainable economic growth.



**4. Harnessing digital market convergence and cyberspace protection.** The Associated countries and the EaP region as a whole represent a potential platform for mutually beneficial IT businesses/ services, projects, and joint ventures. Common platforms of cooperation should be established between the public and private sectors within the EaP countries and between them, as well as with the EU. Open government and open data have to be transformed by the crosscutting principles of cooperation in the integration of digital markets. The exchange of operational solutions to fight cybercrimes should also be advanced in the region in order to protect both the public and private sectors.

**5. Increasing cooperation in the security area.** A more active role in contributing to the regional security is necessary from EU's side. The EU's missions dedicated to activities towards the separatist regions in Ukraine, Georgia and Moldova (EUAM, EUMM, EUBAM) have to be effectively fortified and expanded both in human resources, policy-related and time framework. Additionally, the participations of 3 Associated countries in the Permanent Structured Cooperation (PESCO) on cyber security, military exercises and training, and disaster relief have to become part of the corresponding Association agendas.



*Denis Cenușă* is a political scientist from Moldova, who works as Researcher at the Institut für Politikwissenschaft, Justus-Liebig-Universität (Germany). He is affiliated to “Expert-Grup” Think-tank in Moldova, and is a weekly contributor at “Info-Prim” Moldovan News Agency. Since 2016, he belongs to the coordinating team responsible for drafting EaP Index. Denis authored and co-authored numerous analytical articles, papers, and reports.



*Vano Chkhikvadze* works as EU Integration Program Manager at Open Society Georgia Foundation (OSGF). He focuses on EU-Georgian relations and runs the projects promoting Georgia’s integration into the European structures. He holds MA degree from College of Europe. Before joining OSGF he worked at International Organization for Migration and European Stability Initiative.



*Leonid Litra* is a Senior Research Fellow at the New Europe Center in Kyiv (Ukraine) and previously served as Research Fellow at the Institute of World Policy (Ukraine) and Deputy Director at the Institute for Development and Social Initiatives in Chisinau (Moldova). He has authored publications on the democratisation of the post-Soviet space, European integration and frozen conflicts, and regularly contributed to Freedom House’s Nations in Transit Report and the Bertelsmann Transformation Index. He was a Carnegie Research Fellow at Yale University in 2009 and holds a Master’s degree in International Relations and European Studies from the European Institute of High International Studies in Nice (France).



The European Liberal Forum (ELF) is the official political foundation of the European Liberal Party, the ALDE Party. Together with 46 member organisations, we work all over Europe to bring new ideas into the political debate, to provide a platform for discussion, and to empower citizens to make their voices heard.

ELF was founded in 2007 to strengthen the liberal and democrat movement in Europe. Our work is guided by liberal ideals and a belief in the principle of freedom. We stand for a future-oriented Europe that offers opportunities for every citizen.

ELF is engaged on all political levels, from the local to the European. We bring together a diverse network of national foundations, think tanks and other experts. At the same time, we are also close to, but independent from, the ALDE Party and other Liberal actors in Europe. In this role, our forum serves as a space for an open and informed exchange of views between a wide range of different actors.



The Friedrich Naumann Foundation (FNF) is a German political foundation that promotes liberal democracy, rule of law, economic freedom and respect for human rights. Working hand-in-hand with its local partner organisations, the Foundation provides policy consultation as well as educational programmes for interested members of the general public, NGOs and governmental agencies worldwide. In so doing, it aims to contribute towards a freer, more peaceful and more open world society where people live freely and in peace.

FNF was founded in 1958 by Theodor Heuss (1884-1963), the first president of the Federal Republic of Germany. The Foundation was named after Friedrich Naumann (1860-1919), a pioneer in German liberal politics. Mr. Naumann believed that for democracy to function at its best, civic education is needed to create a politically informed and educated citizenry who know how to participate in democratic process and have a say on the direction of their nation.

The foundation operates in 62 countries around the world, giving knowledge and advice to voters, NGO activists, academics, economists, politicians and policy makers. It works together with local NGOs, civil-society organisations and educational institutions to share knowledge and to bring about peaceful and positive changes to their respective societies.

Republic of Moldova is a Project Country part of the sub-region Southeast Europe where FNF has been active over ten years.

The painting on the cover is entitled 'borders of freedom'. This painting is about wine and is painted with wine – a new technique that I discovered and developed. It was originally designed for the great winemaker Vistor Bostan, who some years ago launched a wine blend with grapes from Moldova, Ukraine and Georgia and was looking for a fitting label design. Although the design was not selected and I missed the chance to have my oenographic definition of freedom drawn on hundreds of thousands of bottles, I am very grateful because he motivated me to look for the graphic expression of a disturbance imposed also by my job as a journalist. Anyone who wonders about their role in the world must also wonder what does 'freedom' mean? In childhood and throughout our youth, we try to push the boundaries of freedom as far as we can; we seek the expression of freedom in centrifugal movement. But the wisdom of age teaches us that true freedom is centripetal. This is the origin of the famous definition of freedom, whereby the sum of freedoms is achieved by the freedom of each and every one of us.

**Vasile BOTNARU,**

*journalist and painter from Republic of Moldova.  
Director of the Chisinau office of Radio Free Europe.*