



TEXTS ADOPTED

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Association Agreements / Deep and Comprehensive Free Trade Areas with Georgia, Moldova and Ukraine

European Parliament resolution of 21 January 2016 on Association Agreements / Deep and Comprehensive Free Trade Areas with Georgia, Moldova and Ukraine (2015/3032(RSP))

The European Parliament,

- having regard to the Association Agreements / Deep and Comprehensive Free Trade Areas (AAs/DCFTAs) between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, Moldova and Ukraine, of the other part,
 - having regard to its previous resolutions on Georgia, Moldova and Ukraine, and to its recent resolution of 9 July 2015 on the review of the European Neighbourhood Policy¹,
 - having regard to the Joint Declaration of the Eastern Partnership Summit held in Riga on 21 and 22 May 2015,
 - having regard to the progress reports on the implementation by Georgia and Ukraine of the Visa Liberalisation Action Plan of 18 December 2015,
 - having regard to the recommendations of the European Economic and Social Committee on integrating civil society into policy-making and reform processes,
 - having regard to Rule 123(2) and (4) of its Rules of Procedure,
- A. whereas Georgia, Moldova and Ukraine have all ratified the Association Agreements (AAs), which encompass Deep and Comprehensive Free Trade Areas (DCFTAs), thus choosing the path of closer political and economic integration with the European Union and undergoing ambitious reforms in numerous areas, including democracy, good governance, the rule of law and human rights;
- B. whereas the EU acknowledges the European aspirations of the three countries and emphasises the added value of the AAs in their reform processes;

¹ Texts adopted, P8_TA(2015)0272.

- C. whereas good governance, democracy, the rule of law and human rights remain at the core of the European Neighbourhood Policy (ENP) and represent a fundamental commitment, in particular on the part of the three countries that have signed AAs with the EU;
 - D. whereas Russia remains involved, directly or indirectly, in conflicts and internal divisions touching all three of the association countries – the occupied territories of Abkhazia and South Ossetia/Tskhinvali Region in Georgia, the Transnistria issue in Moldova, and Russia’s annexation of Crimea and involvement in the conflict in the eastern parts of Ukraine;
 - E. whereas visa-free travel between the EU and Moldova was introduced in April 2014, and whereas the latest Commission reports of December 2015 indicate that Georgia and Ukraine now meet the requirements set in the Visa Liberalisation Action Plans;
 - F. whereas the EU’s engagement with the Eastern Partnership countries has been met with strong resistance and aggressive reactions from the Russian Federation, such as retaliatory measures against the association countries; whereas the EU and its Member States have adopted a series of sanctions and restrictive measures against the Russian Federation and Russian officials;
1. Stresses the importance of the Association Agreements (AAs), with their Deep and Comprehensive Free Trade Area (DCFTA) components; welcomes the progress achieved to date, and insists that the implementation of these AAs/DCFTAs and the related Association Agendas must be a top priority for the EU and the three partners; stresses that the Council of the European Union unanimously signed the AAs;
 2. Welcomes the efforts made by Georgia, Moldova and Ukraine in ensuring that national legislation approximates EU standards based on AA/DCFTA commitments; points out that success in doing this depends on many factors, including a stable political environment, strategic thinking, concrete plans for reforms, and good use of financial and technical international support;
 3. Supports, in this connection, the committed and multi-faceted financial and technical assistance provided by the EU and other financial institutions to Ukraine and Georgia, but stresses that the EU’s financial support to all its partners is conditioned by concrete reform steps; stresses the crucial role the Commission should play in facilitating the implementation of the AAs/DCFTAs and in monitoring and assisting the relevant authorities, both technically and financially;
 4. Recalls that the funds made available must be spent well, and that by themselves they are not enough to stabilise the economy, and nor can any sustainable success be achieved without the continued commitment of the partners to bringing forward and implementing structural reforms, ensuring a rise in domestic demand, and achieving social cohesion;
 5. Believes that parliamentary scrutiny is a fundamental condition for democratic support for EU policies; calls on the Commission, therefore, to facilitate regular and detailed monitoring of the implementation of the AAs/DCFTAs by the European Parliament in a timely manner; calls for fresh impetus to be given to the Euronest Parliamentary Assembly, and for its activity to be boosted, so that it can face new challenges effectively; calls for the exchange of best practices and the conclusion of a memorandum of understanding modelled on the one signed with the Verkhovna Rada, which could serve as an example for parliamentary cooperation;

6. Stresses the importance of developing the social dimension of the partnership, in line with the provisions of the Association Agendas and the relevant International Labour Organisation conventions; urges all parties to respect their commitments on core labour and environmental standards;
7. Underlines its firm support for the territorial integrity of all three countries; calls on the Russian Federation to end its occupation of Crimea, and to put an immediate end to all direct or indirect involvement in the ongoing conflict in Ukraine, as well as in the frozen conflicts in Georgia and Moldova; welcomes the Council's decision of 21 December 2015 to extend the economic sanctions against the Russian Federation following the non-fulfilment of the Minsk Agreements;
8. Underlines the fact that the association countries have freely chosen to establish a deeper relationship with the EU and that their choice must be fully respected and be free from pressure by any third party; condemns, in this connection, the actions taken by Russia to undermine or derail the pro-European course taken by the three association countries, and calls for efforts to be stepped up to counter disinformation and improve the strategic communication of EU policies and activities in the Eastern Neighbourhood, together with the activities undertaken by the EU East StratCom Task Force;
9. Welcomes strongly the latest and last progress reports, published by the Commission on 18 December 2015, on the implementation by Georgia and Ukraine of their respective Visa Liberalisation Action Plans; expects the Council and the Member States to proceed to grant the two countries a visa-free travel regime without delay; commends Moldova for the good implementation of the visa-free regime in place since April 2014, which represents a good example for the whole region;
10. Underlines the fact that the main objectives of the DCFTAs are, on a micro-scale, to make tangible and sustainable improvements to the living conditions of ordinary citizens by ensuring stability, creating opportunities for SMEs and generating jobs; highlights the fact that the implementation of the DCFTA, coupled with the dire economic situation, could have an impact on the Ukrainian economy and labour market, with social consequences that must not be neglected; stresses that the setting-up of bilateral DCFTAs with Ukraine, Georgia and Moldova is a crucial tool for modern, transparent and predictable trade, regulatory approximation and gradual economic integration of the partners into the EU internal market, as well as for foreign direct investments leading to job creation and long-term growth, and with the ultimate goal of creating a wider economic area based on World Trade Organisation (WTO) rules and respect for sovereign choices;
11. Underlines the need to pursue the reform agenda vigorously, especially in the areas of the judiciary, the rule of law and the fight against corruption and organised crime, as an important prerequisite for the socio-economic development of the three association countries;
12. Reiterates the importance of integrating civil society into policy-making and reform processes; highlights the role that the relevant Civil Society Platforms provided for in the AAs can play in this process with regard, in particular, to raising public awareness and monitoring the implementation of the agreements; points out the importance of explaining to the populations of the association countries the benefits of implementation of the AAs/DCFTAs, and of debunking any myths;

13. Highlights the importance of the AA/DCFTA provisions on energy cooperation for security of supply and the development of competitive, transparent and non-discriminatory energy markets in line with EU rules and standards, as well as for renewable energy and energy efficiency; supports the EU's intention to enhance full energy market integration with Moldova, Ukraine and Georgia through the Energy Community;
14. Welcomes the fact that, despite negative economic trends in the region, exports from Georgia and Moldova to the EU grew in the first 12 months of the implementation of the DCFTA, with the EU's imports from Georgia rising by 15 % and its overall share of Moldovan exports increasing by 62 %, and expects to see the same positive trends in Ukraine; calls on the Commission to report annually, in detail, on the implementation of the DCFTAs with Georgia, Moldova and Ukraine, in particular on the anti-circumvention mechanism for Georgia and the anti-circumvention mechanism and safeguard clause in the case of Moldova;
15. Stresses that, pursuant to Article 49 of the Treaty on European Union, any European state may apply to become a member of the EU provided that it adheres to the principles of democracy, respects fundamental freedoms and human and minority rights, and ensures the rule of law;
16. Is satisfied with the three countries' participation in, or association with, EU programmes such as Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), Horizon 2020, Erasmus+, Marie Skłodowska-Curie, and Creative Europe; notes that this cooperation, while being mutually beneficial, provides the partner countries with the opportunity to familiarise themselves with EU working methods and policies;
17. Welcomes the new focus of the reviewed ENP, and the EU's intention to step up its cooperation with our partners in the fields of conflict prevention, counter-terrorism, anti-radicalisation, and security sector reform; considers that this cooperation needs to be substantial and aimed at addressing common security threats and the development of joint efforts for the viable settlement of conflicts, including through enhanced participation in Common Security and Defence Policy (CSDP) missions and training activities as well as actions to ensure non-proliferation of weapons of mass destruction and the fight against illicit trafficking of small arms and light weapons (SALWs); reiterates its support for the EU Border Assistance Mission to Moldova and Ukraine (EUBAM), the EU Advisory Mission for Civilian Security Sector Reform Ukraine (EUAM Ukraine), and the EU Monitoring Mission in Georgia (EUMM), as well as for the efforts being made with a view to the peaceful resolution of the conflicts affecting the three countries;

Georgia

18. Welcomes the progress achieved by Georgia over the last three years in all areas covered by the four blocks of the Visa Liberalisation Action Plan, and commends the commitment shown in this regard by the Georgian authorities;
19. Stresses that freedom of the media, freedom of expression and plurality of information are the fundamental values of a democratic society; is concerned about the adverse effects on media plurality of cases such as that of the Rustavi 2 broadcasting company; calls, in this connection, on the Georgian authorities to guarantee media pluralism, editorial independence and transparent media ownership, especially on the eve of the 2016 parliamentary elections; endorses the idea put forward by the Georgian authorities of

sending an expert mission of high level advisers, comprising retired judges of the European Court of Justice and the European Court of Human Rights, to oversee the ongoing case regarding Rustavi 2;

20. Emphasises, in this connection, that judicial proceedings should be transparent, impartial and free from political motivation; calls on Georgia to continue, and fully implement, the reform of the judiciary, including by strengthening its independence and depoliticising the Prosecutor's Office; remains concerned about the lack of accountability of the Prosecutor's Office and the blurred criteria according to which prosecutors and investigators are appointed; calls for continued efforts towards full independence, efficiency, impartiality and professionalism in the judiciary, the Prosecutor's Office, the Ministry of the Interior and the newly established Security Service, including parliamentary scrutiny of the activities of the latter two; is concerned about the extensive use of pre-trial detention, especially of political figures and activists, which should be an exceptional measure applied only under urgent and clear circumstances;
21. Recalls the statement of 22 September 2015 by the Venice Commission of the Council of Europe on the undue pressure exerted on judges of the Constitutional Court of Georgia, and calls on the Government of Georgia to take appropriate action, including adequate measures to protect the members of the court and their families, to investigate fully all acts of intimidation and to bring the perpetrators to justice;
22. Underlines the fact that the existence of a political opposition is paramount if there is to be a balanced and mature political system, and stresses that any act of violence against members of any political party should be promptly and thoroughly investigated; calls on all political forces in Georgia to improve the political climate by avoiding confrontation and polarisation and ensuring cross-party dialogue in the interest of strengthening democracy and the rule of law;
23. Calls for full implementation of the recommendations enshrined in the landmark 'Georgia in Transition' report submitted by EU Special Adviser Thomas Hammarberg on constitutional and legal reform and human rights;
24. Congratulates Georgia on its innovative e-procurement system, which has substantially increased transparency, efficiency and accountability – key factors in the fight against corruption;

Moldova

25. Expresses serious concern about the de facto systemic political instability which has effectively continued since the last parliamentary elections of 30 November 2014, and considers that the current political impasse in Moldova has reached a critical point that risks destabilising the country's institutions and endangering the economy, which has a heavy impact on the inflow of foreign direct investment (FDI);
26. Welcomes the creation of a new government after a long period of stalemate and unsuccessful attempts to form a government on 4 and 13 January 2016; urges the political forces in Moldova to accelerate without further delay the reform process for the benefit of all Moldovans, including in order to comply with the demands of the World Bank and the International Monetary Fund (IMF); encourages avoidance of the dire geopolitical consequences of a further political crisis and reminds the Moldovan parties of the need to

enhance political stability in order to guarantee a sustainable success of the reforms and hopes that the new government will be able to deliver substantial results;

27. Underlines that further efforts are needed in combating corruption, creating an independent and depoliticised judiciary, undoing state capture and stabilising the economy of Moldova; regrets the fact that, by reason of the political instability of Moldova's institutions and their inability to deliver, EU budget support payments were suspended in 2015;
28. Calls on the Commission and the Member States to extend all necessary technical know-how and financial support to the future government of Moldova, following the example of the EU Support Group for Ukraine, including by seconding experts and officials from Brussels and Member State capitals and embedding them in the Moldovan administration so that they can assist in and monitor the implementation of reforms on the spot and on a daily basis;
29. Urges the authorities to investigate fully and thoroughly the corruption scandal and the theft of EUR 1 billion from the banking system, to bring those responsible to justice, and to ensure the return of stolen funds; considers that the ongoing banking crisis illustrates the serious need for systemic improvements in the legal framework in order to reinforce the control and transparency of banking sector activities; asks the Commission, in this connection, to monitor closely the ongoing judicial investigations and to provide the Moldovan authorities with the expertise and assistance necessary to carry out and complete the inquiry if need be;
30. Calls for a comprehensive reform of the media sector and for full transparency of media ownership; expresses concern, in this connection, about a lack of genuine competition, and calls for the adoption of a stringent law on conflicts of interest;

Ukraine

31. Welcomes the entry into force as of 1 January 2016 of the EU-Ukraine DCFTA; condemns, however, the fact that the Russian Federation has unilaterally suspended its free trade agreement with Ukraine, has introduced heavy trade restrictions on Ukrainian exports to Russia and is hampering the transit of goods to third countries, violating WTO and other bilateral trade agreements; urges the EU to support Ukraine in current and future disputes with Russia launched in the WTO;
32. Highlights the Commission's unprecedented openness and efforts over a year and a half to address all doubts on the Russian side relating to the consequences of the implementation of the DCFTA and to find practical solutions; regrets the incapacity of the Russian side to provide concrete examples of how its own market and trade would be affected by the entry into force of the DCFTA; reiterates the potential gains for Russia resulting from the implementation of the AA/DCFTA, through increased trade and economic activities and a more stable neighbourhood; calls, in this connection, for exploration of further possibilities for high-level dialogue;
33. Calls on the Member States to keep the Organisation for Security and Cooperation in Europe (OSCE) mission fully manned and fully operational; notes the calls by the Ukrainian Government for an extended international peacekeeping force along the Ukraine-Russia border and in the Luhansk and Donetsk districts; agrees that, once the situation permits and as part of the full implementation of the Minsk Agreement, an EU-

led CSDP mission should be offered for deployment to the parties in the conflict, to assist in tasks such as demining, assisting with preparations for local elections and securing free access for humanitarian aid organisations;

34. Expresses serious concern about the implementation of the Minsk Agreement by the initially agreed deadline of 31 December 2015; recalls that the Russian authorities bear a particular responsibility in this connection; reiterates that ceasefire violations have been increasing since mid-October 2015, that monitors from the OSCE Special Monitoring Mission (SMM) continue to experience restrictions on their freedom of movement, that the restoration of Ukrainian control over the full length of its border with Russia has not materialised, that no agreement was reached on the modalities for the local elections in the temporarily occupied territories of Luhansk and Donetsk, and that not all prisoners and illegally detained persons, such as Nadiya Savchenko and Oleg Sentsov, have been released;
35. Welcomes the release of the report by the Dutch Safety Board on the downing of Malaysia Airlines Flight 17 (MH17), in which 298 innocent civilians were killed; supports the establishment of an international criminal tribunal, and calls on the Russian Federation to cooperate fully with the international community in order to conduct a comprehensive and impartial criminal investigation, and to bring those responsible to justice; deplores the decision of the Russian Federation to block the resolution in the UN Security Council on the creation of an international court to investigate this crime;
36. Deplores the fact that ongoing Russian aggression has caused a dire humanitarian situation in the Donbas, and that Ukrainian and international humanitarian organisations are refused access to the occupied regions; expresses its deep concern over the challenging humanitarian conditions of the more than 1,5 million internally displaced persons; is deeply concerned at the human rights violations in Russian-occupied Crimea, especially the dire situation of the Crimean Tatars, and stresses the need for further EU financial assistance for Ukraine;
37. Welcomes the continuous efforts of the Ukrainian authorities to fulfil the Visa Liberalisation Action Plan, and congratulates them on the positive final progress report on the implementation of this plan; expresses satisfaction at the adoption of new legislation and policies that have strengthened protection against discrimination; expects the Ukrainian leadership to fulfil its anti-corruption commitments in the first quarter of 2016;
38. Stresses that the biggest single challenge of the reform effort is endemic corruption; welcomes the decisions taken to date, such as the establishment of anti-corruption legislation, institutions (the National Anti-Corruption Bureau, the National Agency for Prevention of Corruption, and a special anti-corruption prosecutor) and mechanisms, and of the National Agency for the Recovery of the Proceeds of Corruption; welcomes, in addition, the recent adoption of the law on state financing of political parties, which will enter into force on 1 July 2016, and of the law on public procurement;
39. Expresses its understanding that the war situation in the east of Ukraine is a serious impediment to the reform effort; makes it clear, however, that the success and resilience of Ukraine vis-à-vis any external foe depends strictly on the health of its economy and legal framework, thriving democracy and growing prosperity;
40. Welcomes the ongoing constitutional reform process in the areas of decentralisation and the judiciary; recalls that the Venice Commission has issued positive recommendations on

both sets of constitutional amendments; underlines the need to make further progress in those and other areas, especially the economy, where better regulation and de-monopolisation must continue to be a priority, together with fiscal reforms, enhancing transparency and creating a favourable investment climate; expresses concern about the state of the Ukrainian economy and the country's overall financial situation; takes note of the mild progress reported in the stabilisation of economic performance; commends the landmark debt-relief deal reached by Ukraine with its creditors in September 2015; recalls that the international community, in particular the EU, European-based international financial institutions, the IMF and individual country donors, have pledged an unprecedented amount of around EUR 20 billion;

41. Welcomes the EU's active support and solidarity in the energy sphere, which allowed Russian gas deliveries to Ukraine to resume for the winter of 2015-2016; calls on the Member States to exploit fully the transit potential of Ukraine and to strengthen cooperation in order to secure the energy supply to both the EU and Ukraine, and to avoid the building of new pipelines bypassing Ukraine, in particular the development of the Nord Stream II project for the delivery of Russian gas to Europe, which could prove detrimental to the EU's strategy for the diversification of energy sources and to EU law; supports the EU's intention to enhance full energy market integration with Ukraine through the Energy Community and to reduce energy dependency without overburdening private households; calls for the EU and the Ukrainian Government to work out measures in order to cushion against social hardships;
42. Appreciates the effective and dynamic work of the EU-Ukraine Parliamentary Association Committee in overseeing the political, security and economic situation in Ukraine, as well as its commitment and support vis-à-vis improving the overall EU-oriented reform processes undertaken by the Ukrainian authorities; recalls the Memorandum of Understanding signed by the Verkhovna Rada of Ukraine and the European Parliament in 2015 establishing a joint framework for parliamentary support and capacity-building between the two parliaments;
43. Stresses the need to strengthen Ukrainian civil society so that it can advise and support the authorities in delivering the promised reforms and act as an effective watchdog and whistle-blower; welcomes the effective cooperation between the expert community and the Verkhovna Rada in the reform process and the implementation of the AA/DCFTA; commends the fact that the Verkhovna Rada's priorities are shaped by a comprehensive dialogue with civil society;
44. Takes note of the upcoming Dutch consultative referendum on the EU-Ukraine AA/DCFTA; trusts that the decision of the Dutch people will be taken on the basis of the merits of the agreement, recognising its tangible effects on the EU and the Netherlands in particular;

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45. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy, the Member States, the governments and parliaments of the Eastern Partnership countries and of the Russian Federation, the Euronest Parliamentary

Assembly, and the Parliamentary Assemblies of the Council of Europe and the Organisation for Security and Cooperation in Europe.