Eastern Partnership 3.0

Principles, priorities, and prospects
The geopolitical, economic and security-related situation in Europe has evolved significantly in the past ten years since the Eastern Partnership (EaP) was first created in 2009. With the growing pressure on democracies and multilateralism worldwide, an assertive Russia under Vladimir Putin and an increasingly influential China, the role and responsibility of the European Union – a major global champion of democracy and multilateralism – for sustainable stability in the EaP region are growing. Against this backdrop, the new 'geopolitical' European Commission and the EU High Representative have put forward a proposal for the EaP policy beyond 2020, focused on 'reinforcing resilience'.

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This paper has been drawn up by the Members’ Research Service, within the Directorate-General for Parliamentary Research Services (EPRS) of the Secretariat of the European Parliament.

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LINGUISTIC VERSIONS
Original: EN
Manuscript completed in May 2020.

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PE 651.966
DOI:10.2861/842
CAT: QA-01-20-360-EN-N

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Executive summary

Europe has evolved significantly since the Eastern Partnership (EaP) was first created in 2009. The principles of this joint policy initiative – to strengthen institutional, economic and political relations between the European Union (EU) and the six EaP countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – remain as relevant as when the partnership was first launched, despite the differing paths the individual countries have chosen.

At the same time, the geopolitical, economic and security situation in the region has evolved over the past decade. Russia's overt and covert aggression in the region has increased, and its illegal annexation of Crimea in March 2014 and hybrid war against Ukraine – including disinformation campaigns and economic pressure – are posing significant challenges to the populations involved, to the humanitarian situation on the ground, and to the rule of law internationally.

The changing global geopolitical environment is visibly affecting the heterogeneous EaP region, even though the effects and priorities differ from country to country. In the context of increasing pressure on democracies and multilateralism worldwide, the unpredictable role of the United States under Donald Trump, an assertive Russia under Vladimir Putin and an increasingly influential China, the role of the European Union – a major global champion of democracy and multilateralism – and its responsibility for sustainable stability in the EaP region are growing.

Against this backdrop, the 'geopolitical' European Commission (as described by its President, Ursula von der Leyen, on taking office) and the EU’s High Representative for Foreign and Security Policy have put forward a joint proposal for the EaP policy beyond 2020, focusing, in their words, on reinforcing resilience. The new policy objectives are part of the EU’s overall foreign policy, which aims to boost its influence abroad, project its democratic values, and strengthen its role as a principled and credible geopolitical player. Whereas the principles and priorities seem clear, implementation will determine the future prospects.
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1. Introduction to the Eastern Partnership

The Eastern Partnership (EaP) – a joint initiative of the European Union (EU), its Member States and six neighbouring countries to the east: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – was first launched in 2009. As a strategic partnership based on common values and rules, mutual interests and commitments, as well as shared ownership and responsibility, the EaP aims to boost and deepen the political and economic ties between the EU, its Member States and the EaP countries. In addition to helping increase the stability, prosperity, and resilience of the EU's neighbours in line with the 2016 Global Strategy for the foreign and security policy of the European Union and the 2015 European neighbourhood policy review, the EaP supports a number of global policy objectives, such as the Paris Agreement on climate change and the UN 2030 Agenda and its sustainable development goals. It is aligned with the political guidelines 2019-2024 of the European Commission and mirrors its flagship strategies, such as the 'European Green Deal' (COM(2019) 640), 'Shaping Europe's digital future' (COM(2020) 67), 'A New Industrial Strategy for Europe' (COM(2020) 102) and 'A Union of Equality: Gender Equality Strategy 2020-2025' (COM(2020) 152).

1.1. The history of the Eastern Partnership

Ties between the EU and its six above-mentioned neighbours to the east have developed significantly since the latter gained independence from the Soviet Union after its collapse in 1991. The resulting geopolitical shifts continue to shape these countries' reality to this day. On the one hand, their dynamic and diverse democratisation processes have been influenced by a growing EU holding significant soft power. On the other hand, they have had to deal, often under tense conditions, with an increasingly aggressive Russia, which sees the Eastern Partnership as an attack against its national strategic interests, and exerts its sharp power both overtly and covertly.

The EU: the most trusted international institution among EaP citizens

The EU is the most trusted international institution and the only one trusted by a majority (58 %) of EaP citizens. 52 % of EaP citizens have a positive perception of the EU (7 % more than in 2016). 67 % of EaP citizens describe ties between their country and the EU as 'good'. 54 % of EaP citizens are aware of the EU's financial support, and 50 % of them see this support as effective (up 7 % since 2016). 53 % of EaP citizens who are aware of the EU's financial support to the region can identify at least one programme financed by the EU in their country, up 18 % compared to 2017.

1.2. Russia’s assertiveness – A force of repulsion

In 2009, five years after the adoption of the European neighbourhood policy, the EaP was launched in Prague as a specific dimension of this policy, in the wake of the global economic crisis and Russia’s cyber-attacks on Estonia (2007) and hybrid attacks against Georgia (2008). Since then, the EU and the EaP countries have developed a number of specific policies and concluded a string of agreements. Amid growing wariness of the closer ties between its former satellites and the EU, the Kremlin has played an increasingly aggressive role in the region. This has, perhaps somewhat ironically, driven some of the countries even closer to the EU; this trend found reflection in the 2015 relaunch of the EaP and boosted reform efforts in some EaP countries. In the wake of Russia’s illegal annexation of Crimea and launch of its hybrid war against Ukraine in early 2014, the EU concluded association agreements (AAs), including include deep and comprehensive free trade areas (DCFTAs) with Ukraine, Moldova and Georgia. Additional milestones were the visa-free regimes concluded between the EU and Ukraine, Moldova and Georgia. Moreover, the EU and Armenia concluded a comprehensive and enhanced partnership agreement (CEPA). The AAs/DCFTAs with Georgia, Moldova and Ukraine also established civil society platforms, to promote regular meetings of representatives from both parties. Here, the European Economic and Social Committee (EESC)
represents EU civil society. Another format, for sub-national cooperation, is the Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP), set up by the European Committee of the Regions (CoR). It aims to advance EaP objectives at the level of governance closest to the citizens.

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China’s ambitions and promises in the EaP region
Although Moscow’s conduct in the EaP region has become increasingly aggressive over the past decade, its coercive role and behaviour are relatively predictable and short-sighted. Beijing’s competing efforts to bolster its geopolitical influence in the region seem to have a longer time horizon and to build on economic involvement. A clear example of the growing geopolitical competition in the region is Ukraine, which urgently needs foreign direct investment. Here, China is investing in infrastructure such as the strategically important Mariupol sea port. In addition, Beijing is using various other elements of soft power – including educational and cultural ties, as well as media acquisitions – to boost its foreign policy influence. China’s behaviour in Ukraine is in line with its activities in other parts of Europe, such as the Balkans and Greece. Moreover, Ukraine has become the largest exporter of corn to China, after the US-China trade war halted US corn exports to China.

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2. The 20 deliverables for 2020

Ahead of the 2017 EaP summit in Brussels, the European Commission and the European External Action Service (EEAS) published the 20 deliverables for 2020, a set of specific objectives focused on delivering tangible results and improving the lives of people in four main policy areas – economy, governance, connectivity, and society – along with targets for the cross-cutting issues of gender, civil society, media and strategic communication. In addition to this, the EaP supports global policy goals such as the UN 2030 sustainable development goals and the Paris Agreement on Climate Change. In 2018, the Commission and the EEAS reviewed the achievements under the 2020 deliverables. The results for each category are set out in Table 1.
## Table 1: Review of the 2020 EaP deliverables

<table>
<thead>
<tr>
<th>Category</th>
<th>Achievements</th>
<th>What needs to be done?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stronger economy</strong></td>
<td>Trade between all partner countries and the EU has increased since 2016: by 15 % with Armenia, 17 % with Azerbaijan, 19 % with Belarus, 6 % with Georgia, 20 % with Moldova, 24 % with Ukraine.</td>
<td>Ensuring that commitments to harmonise digital markets are effectively implemented.</td>
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<tr>
<td></td>
<td>Regional roaming agreement to be signed in 2020.</td>
<td>Strengthening intra-regional trade.</td>
</tr>
<tr>
<td><strong>Stronger governance</strong></td>
<td>E-asset declaration systems set up in Armenia, Georgia, Moldova and Ukraine.</td>
<td>Strengthening the rule of law.</td>
</tr>
<tr>
<td></td>
<td>Improved civil service laws have paved the way towards a more depoliticised civil service in Armenia, Azerbaijan, Georgia, Moldova and Ukraine.</td>
<td>Implementing key judicial reforms, reinforcing public administration.</td>
</tr>
<tr>
<td><strong>Stronger connectivity</strong></td>
<td>The indicative TEN-T investment action plan foresees building 5 500 km of roads and railways by 2020 and 4 600 km more by 2030.</td>
<td>Further reducing CO₂ emissions and carrying out effective national emissions monitoring.</td>
</tr>
<tr>
<td></td>
<td>The inauguration of the Azerbaijan–Georgia section of the Southern Gas Corridor has increased energy security.</td>
<td>Increasing biodiversity protection and sustainable forestry.</td>
</tr>
<tr>
<td></td>
<td>Energy efficiency initiatives launched jointly by the EU and international financial institutions have resulted in better legislation and in investment aimed at lowering energy bills and establishing better standards accessible to more people, municipalities and SMEs.</td>
<td></td>
</tr>
<tr>
<td><strong>Stronger society</strong></td>
<td>First EaP European School in Tbilisi.</td>
<td>Continued monitoring of the progress of mobility partnerships.</td>
</tr>
<tr>
<td></td>
<td>Over 30 000 young people have participated in the Erasmus+ programme since 2014.</td>
<td>Improving quality and relevance of education systems, modernising teaching methods and reinforcing employability of graduates.</td>
</tr>
<tr>
<td></td>
<td>EU4Youth supports the employability and entrepreneurship of 23 000 young people in the partner countries. Some 200 young European ambassadors are fostering cooperation with youth organisations across the EU/EaP.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All partner countries have full access to the Horizon 2020 programme.</td>
<td></td>
</tr>
<tr>
<td><strong>Cross-cutting issues</strong></td>
<td>Positive view of EU: trust in the EU is high, with 58 % of citizens in May 2019 viewing the EU as the most trustworthy foreign institution, slightly down from 61 % in 2018 (see box in section 1.2)</td>
<td>Enabling environment for civil society. Support for media pluralism and independence.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ensuring gender equality and non-discrimination.</td>
</tr>
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</table>
3. Prospects for the Eastern Partnership: Towards new horizons?

In the context of the EaP’s 10th anniversary – celebrated in Brussels in June 2019 – the European Council tasked the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy (the High Representative) to present a set of long-term policy objectives beyond 2020, ahead of the next Eastern Partnership summit in June 2020. In her mission letter to Commissioner for Neighbourhood and Enlargement, Olivér Várhelyi, the Commission President, Ursula von der Leyen, asked him to put forward a new set of long-term policy objectives for the Eastern Partnership by mid-2020.

Building on the results of a consultation on the future of the EaP – launched by the Commission in May 2019 and endorsed by the European Council in June 2019 – the Commission and the High Representative adopted a new proposal for the EaP beyond 2020, on 18 March 2020. The consultation had shown that all the partner countries were interested in tailoring the partnership to their individual needs and circumstances. Whereas associated countries wanted to engage in common initiatives related to their AAs and DCFTAs, non-associated countries’ goals possibly differed. With such a customised approach the implementation of bilateral agreements would be accelerated and complemented by deeper sectoral cooperation and exchange between interested partner countries.

The proposal aims to boost trade, improve connectivity and deepen economic integration with the EaP countries, thereby strengthening democratic institutions, the rule of law, environmental and climate resilience, supporting the digital transformation, and promoting fair and inclusive societies.

The overall focus is on boosting resilience, in line with the 2017 Strategic approach to resilience in the EU’s external action. In addition to targets for cross-cutting issues regarding gender, civil society, media and strategic communication, the main policy objectives are:

a) ‘Together for resilient, sustainable and integrated economies’

This policy objective aims to strengthen economies, reduce inequality and make partner countries ‘places where people want to build their futures’. Through growing trade, deeper economic integration and investment in SMEs, connectivity, and opportunities arising from the ongoing ecological and digital transformation, the goal is to create an attractive business environment with sustainable jobs and economic opportunities that make prosperity accessible to all. Key target sectors for economic development are energy, transport and the environment.

b) ‘Together for accountable institutions, the rule of law, and security’

Under this policy objective, the proposal highlights good governance and democratic institutions, the rule of law, anti-corruption policies, the fight against organised crime, respect for human rights and security, including support to populations affected by conflict, as the building blocks of resilient states and societies, and the main factors for a functioning market economy and sustainable growth. The rule of law is seen as key to an effective business climate, as well as to foreign direct investment. The proposal calls for renewed commitment to the fundamentals of the partnership and for improved measurement of results, of the impact of reforms, and of how people perceive these reforms.

c) ‘Together towards environmental and climate resilience’

Environmental and climate challenges have high priority. While acknowledging the investment limitations, the EU will help partner countries to fulfil their contributions to the Paris Agreement and
modernise their economies, reduce their carbon footprint and move towards climate neutrality. The EU will help increase energy security in the region, support the energy efficiency of buildings, the development of renewable sources and the modernisation of the health sector.

d) 'Together for a resilient digital transformation'
The proposal highlights a strong digital presence in the EU’s neighbourhood as a key driver of growth and sustainable development. Thus, the EU will invest more in the digital transformation of the EaP countries, and – in line with EU legislation and best practice – support the expansion of innovative digital start-ups. The EU will also support and assist cyber-resilience in the region.

e) 'Together for resilient, fair and inclusive societies'
The proposal notes that free and fair elections, and transparent, citizen-centred and accountable public administrations are essential for democracy. Other key factors for resilient, fair, inclusive, and democratic societies, with corresponding high priority, are an engaged civil society, free, plural and independent media and protection of citizens’ (including minorities’) rights.

3.1. Council reaffirms commitment to shared democracy, prosperity and stability

In its 11 May 2020 conclusions, the Council welcomes ‘the significant achievements of the Eastern Partnership to date’, and reiterates ‘its incentive- and conditionality-based approach as a means to encourage Eastern partner countries to continue engaging in reforms and increasing efforts in this regard’. It confirms that the current policy framework, including the 20 deliverables for 2020, ‘is valid and brings tangible results and benefits for people’.

The Council calls for the Eastern Partnership to be ‘more strategic, ambitious, flexible and inclusive’, allowing participants to tackle common and global challenges jointly in a wide range of areas, especially in the ‘current unprecedented situation caused by the Covid-19 outbreak’.

The Council ‘strongly calls for a renewed and strengthened commitment to the fundamentals of the Eastern Partnership’. These include democracy, human rights, the rule of law, good governance, and successful anti-corruption policies, the fight against organised crime, as well as economic, environmental, climate and energy resilience, digital transformation and initiatives aimed at investing in people.

Moreover, the Council underlines that ‘strategic communication should remain a key task, in order to promote the visibility and benefits of the cooperation between the EU and the Eastern Partnership countries, not least in the wake of growing disinformation’. It specifically highlights the importance of boosting the resilience of the EaP countries against disinformation, recalling ‘the key role of the East StratCom Task Force to this end’.

3.2. Eastern Partnership countries' positions

On the margins of the Munich Security Conference in February 2020, the ministers of foreign affairs of Ukraine, Georgia and Moldova appealed for stepping up support for the EaP in the EU’s 2021-2027 multiannual financial framework. This would provide proper funding for the broad and ambitious reforms required for accomplishing the EaP countries’ EU integration process.

Moreover, Georgia sees the recent Commission communication as containing many interesting practical ideas, but as ‘being weak on political signalling’. In this regard, Georgia hopes that the June
2020 summit will acknowledge its aspirations and map a way forward to enhance the country's EU integration.

At the EAP’s 10th anniversary meeting in November 2019, the Armenian foreign affairs minister underlined that the partnership is an absolutely important platform for effective multilateralism, whose strategic significance lies in gathering together EU Member States and the six EaP countries. Building a sense of mutual dependence between EaP countries and each of the EU Member States was described as an important challenge for the new decade. At the same time, Armenian civil society organisations advocate including them in EU working groups – whether with or without voting rights – with the aim to engage them in EU-level policy debates.

3.3. What next for the Eastern Partnership?

The Eastern Partnership summit, now due to take place by video conference on 18 June 2020, is expected to give a mandate to develop a new set of tangible deliverables building on the current 20 deliverables for 2020. In addition, EU and EaP leaders are expected to discuss launching new visa liberalisation talks with Armenia, Azerbaijan and Belarus, whose citizens still require visas to travel to the EU.

The European Parliament is due to vote its recommendation (under Rule 118) to the Council, the Commission and the EU High Representative on the Eastern Partnership, during Parliament’s June plenary session ahead of the leaders’ video-conference meeting (rapporteur: Petras Auštrevičius, Renew, Lithuania). The Committee on Foreign Affairs (AFET) report, tabled for the Parliament’s plenary session, recommends inter alia that the summit’s conclusions should include a clear strategy, as well as a long-term common vision for further engagement and development of the EaP beyond 2020. In this regard, the AFET committee requests that EU commitments and political incentives be reinforced, while the EaP countries make pledges to deliver on their own.

4. The European Parliament and Euronest

Parliament is playing an increasingly visible role in democracy support and human rights promotion abroad, including in EaP countries. Ukraine is a key example of the Parliament’s increased ‘soft’ diplomatic power in recent years, characterised by the use of different tools, such as election observation missions, mediation (most notably, the Jean Monnet Dialogue), the Sakharov Prize, as well as its Young Leadership Programme, among others, to boost democracy.

The Parliament regularly hosts the EaP’s Euronest Parliamentary Assembly. Established in 2011, this inter-parliamentary forum is made up of 60 Members of the European Parliament and 10 members from each of the parliaments of Armenia, Azerbaijan, Georgia, Moldova and Ukraine. Euronest’s website states that ‘Belarus does not take part in the Assembly’s activities for political reasons’, but that Belarus’ members of parliament ‘will be welcomed once the country has fulfilled the political requirements in the Euronest Parliamentary Assembly’s Constituent Act’.

At its December 2019 ordinary session held in Tbilisi, Georgia, the Euronest Parliamentary Assembly, adopted a resolution on ‘The future of the Trio Plus strategy 2030: building a future [for the] Eastern Partnership’, calling for a discussion on ‘a more ambitious use of differentiation, more for more and less for less principles’, and for a new flagship initiative: the Trio Plus strategy 2030. Inspired by the 2014 Berlin process for the integration of the Western Balkans, the ‘European Trio process’ aims for differentiated treatment of the ‘EU Associated Trio’ – Ukraine, Georgia and Moldova – and suggests an active EU open door policy for those EaP countries that achieve significant and valuable progress.
The resolution states that the Trio Plus strategy 2030 would be complementary to the Eastern Partnership instruments and would serve as ‘an ambitious European geopolitical instrument employing a new generation of institutions and policies, sustainable trade and stabilisation agreements and their instruments (EU Support Group for the Trio, Trio Investment Platform, European Green Deal, Digital Europe, Promoting European Way of Life and European Democracy, ACAAs, Connectivity Agenda, TEN, Horizon 2020, Conference of the Future of Europe, and other EU initiatives’).

Moreover, the resolution emphasised that the Trio Plus strategy 2030, supported by the European Trio process, would have a ‘major positive transformative impact on [the] opinion of Russia’s ordinary people in helping them to strive for an open democratic European country’.
5. Key milestones for the Eastern Partnership

Table 2: Major EU agreements with EaP countries

<table>
<thead>
<tr>
<th></th>
<th>Armenia</th>
<th>Azerbaijan</th>
<th>Belarus</th>
<th>Georgia</th>
<th>Moldova</th>
<th>Ukraine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visa facilitation*</td>
<td>2014</td>
<td>2014</td>
<td>Visa facilitation/ readmission agreements signed in January 2020. Adopted by the Council after consent from the EP in May 2020, the agreements are expected to enter into force on 1 July 2020.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visa liberalisation*</td>
<td>-</td>
<td>-</td>
<td>2011</td>
<td>2011</td>
<td>2014</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>comprehensive and enhanced partnership agreement CEPA) provisionally entered into force</td>
<td>start of negotiations on a comprehensive and enhanced partnership agreement</td>
<td>-</td>
<td>association agreement</td>
<td>association agreement</td>
<td>association agreement</td>
</tr>
<tr>
<td>Deep and Comprehensive Free Trade Area*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2016</td>
<td>2016</td>
<td>2017</td>
</tr>
</tbody>
</table>

* Year of entry into force (source: European Council).

EU support during the coronavirus crisis in the Eastern Partnership countries

As part of its global response to the coronavirus outbreak, the EU has mobilised €80 million for immediate needs and up to €883 million for short- and medium-term socio-economic recovery in the six Eastern Partnership countries. The funds allocated for immediate needs cover inter alia delivery of medical and protective equipment, including ventilators, laboratory kits, masks, goggles, gowns and safety suits. They are also used to provide support to the most affected parts of the population, with, for example, humanitarian aid packages being delivered to elderly people and people with disabilities.

The distribution of the geographically earmarked part of these funds is as follows: Ukraine €190 million; Georgia €183 million; Armenia €92 million; Moldova €87 million; Belarus €60 million; and Azerbaijan €14 million.

The guarantees from the European Fund for Sustainable Development, worth up to €500 million for the entire Eastern and Southern neighbourhood, will be reoriented towards the pandemic response.

Coronavirus-related macro-financial assistance

The EU has granted macro-financial assistance (MFA) to support 10 enlargement and neighbourhood partner countries in their efforts to mitigate the economic and social consequences of the pandemic, for a total amount of €3 billion. These countries include three EaP states, namely Ukraine (€1 200 million); Georgia (€150 million) and Moldova (€100 million).
6. Eastern Partnership countries' profiles

6.1. Armenia: On the path towards state reforms

EU-Armenia relations are based on a comprehensive and enhanced partnership agreement (CEPA) that entered into force provisionally in June 2018. This is in contrast to the previously negotiated bilateral AA/DCFTA, which Armenia did not sign in 2013, once it decided to join the Russian-led Eurasian Economic Union. This move, motivated by concerns over possible Russian retaliation, was legally incompatible with the establishment of a DCFTA.

6.1.1. Political situation

Following the Velvet Revolution of April-May 2018, Nikol Pashinyan became the prime minister of Armenia. His My Step coalition received overwhelming support (70 %) in the December 2018 elections. Human Rights Watch gave the government a positive evaluation for taking 'initial steps to uproot the kleptocratic forces' in the country. The planned referendum on constitutional changes was postponed due to the state of emergency caused by the current pandemic.

6.1.2. Economic situation

Before the current crisis, the economic situation in the country had been good, with a low inflation rate, constant economic growth and a low budget deficit of only 0.8 % in 2019.

In 2018, the GDP was €10.5 billion, while GDP per capita during the 2016-2018 period was €3 370. In recent years, the unemployment rate had been stable, and stood at 17.7 % in 2019. The population is mainly employed in the sectors of services (51 %) and agriculture (33 %), with industry providing employment to 16 % of Armenians.

The country’s main trading partners are Russia (27.1 % of total trade), followed by the EU-27 (20.3 %), China (11.6 %) and Switzerland (6.3 %). Only one other EaP country – Ukraine (2.3 %) – is among Armenia's 10 top trading partners. Armenia's export structure is dominated by fuels and mining products (38 %), followed by agricultural products (28 %) and manufactured products (22.5 %).

6.1.3. Security issues: Nagorno-Karabakh

Still tense Armenia-Azerbaijan relations are related to the fact that Armenia supports the internationally unrecognised Nagorno-Karabakh territory – formally part of Azerbaijan. For more details, see sub-section 6.2.3 on Azerbaijan.

6.1.4. Peace profile

According to the Normandy Index, Armenia's level of resilience towards threats to peace and security is similar to the EaP average. Cybersecurity is weaker than in other EaP countries.
6.1.5. Society, education and people-to-people contacts

In the field of people-to-people contacts, the Visa Facilitation and Readmission Agreements entered into force in 2014. Over 1,300 Armenian students participated in Erasmus+ programme between 2015 and 2017. Armenian researchers take part in Horizon 2020.

6.2. Azerbaijan: Authoritarian reformism?

EU-Azerbaijan ties are based on the EU-Azerbaijan Partnership and Cooperation Agreement, in force since 1999. The negotiations on a new framework agreement started in 2017, with the aim of giving new impetus to political dialogue and cooperation. Defending human rights and ensuring civil society, as well as freedom of media, expression, and assembly in Azerbaijan are seen by the EU as an essential part of bilateral relations. Azerbaijan supplies around 5% of the EU’s gas demand.

6.2.1. Political situation

Azerbaijan is an authoritarian country. President Ilham Aliyev succeeded his father Heydar Aliyev in 2003. A 2009 referendum abolished the terms limit for the presidency, and the post of vice-president created in 2016 was granted to Mehriban Aliyeva, the president’s wife. Following the February 2020 early elections, the ruling New Azerbaijan Party (YAP) and its allies now control 124 out of 125 seats in the national assembly. During the last quarter of 2019, there were several personnel changes in the Azeri government and administration, the most prominent of which was the appointment of Ali Asadov to the post of prime minister in October 2020. Analysts have suggested several reasons for these changes, the most important one being the clear need to reform and diversify the Azerbaijani economy. Other reasons suggested by analysts include Aliyev’s willingness to stabilise the country’s ties to the United States and the EU, increase the role of the Pashayevs (the president’s wife’s family), as well as the need to respond to a series of recent social protests.

6.2.2. Economic situation

Oil and gas revenues account for over 50% of GDP and hugely influence the population’s living standards. Therefore, the current drop in oil prices will surely have an enormous impact on the situation in the country, increasing the very low budget deficit from a mere 0.3%. In 2018, GDP
stood at €38.5 billion, while GDP per capita during the 2016-2018 period was €3,710. In recent years the unemployment rate was stable, standing at 5.4% in 2019. Azeris work mainly in the sectors of services (50%) and agriculture (36%), with industry providing employment to 14% of the population.

The country’s main trading partners are the EU-27 (36.7%), followed by Turkey (13.5%), Russia (9%) and China (6.6%). Only one other EaP country – Ukraine (2.4%) – is among Azerbaijan’s 10 main trading partners. The country’s export structure is almost entirely dominated by fuels and mining products (92%), with agricultural and manufactured products covering respectively 5% and 3% of trade.

6.2.3. Security issues: Nagorno-Karabakh

The country’s main security issue is relations with Armenia, as Armenia supports the unrecognised Nagorno-Karabakh breakaway state – formally part of Azerbaijan. An uneasy ceasefire has kept the peace since 1994, but the OSCE-led Minsk Group has so far failed to produce a lasting peaceful resolution. The last major escalation in April 2016 cost the lives of over 200 people. The recent change of power in Armenia has created a window of opportunity to make headway in the peace process. However, as some analysts claim, the situation could change suddenly with negative consequences for all sides.

6.2.4. Peace profile

The Normandy Index mirrors the fact that Azerbaijan is an energy producer and thus has high resilience to energy insecurity. The issues of democratic processes and resilience to disinformation pose particular challenges.

Figure 4: Normandy Index - Azerbaijan compared to the other Eastern Partnership countries

Data source: EPRS, Normandy Index.

6.2.5. Society, education and people-to-people contacts

In the field of people-to-people contacts, the visa facilitation and readmission agreements between the EU and Azerbaijan entered into force in 2014. The EU tries to support civil society, including in Nagorno-Karabakh. However, these attempts are restricted by the poor human rights situation, state control over NGOs and limited possibilities to finance NGOs from abroad.
Almost 1,600 Azerbaijani students and academic staff participated in the Erasmus+ programme between 2015 and 2019. Moreover, over 3,300 young people have participated in short-term exchanges, mobility, training and volunteering projects.

6.3. Belarus: Mending strained EU ties?

The autocratic policies pursued by Belarus’ long-standing President, Alexander Lukashenko, have strained EU-Belarus ties over the years. Against this backdrop, the EU has geared its programmes towards benefiting the Belarusian people at large. EU-Belarus relations have started recovering in the wake of the Ukraine crisis. Minsk appears to realise the need to lessen its dependence on Moscow, engaging in an increasingly delicate balancing act. Over the past four years, EU-Belarus cooperation has increased, and EU assistance to Belarus has doubled to around €30 million annually. In the 2014-2020 period, EU assistance to Belarus under the European Neighbourhood Instrument amounted to €170 million. Visa facilitation and readmission agreements with the EU were signed in January 2020, adopted by the Council following EP consent in May 2020 and expected to enter into force on 1 July 2020.

Human rights remain a key bone of contention between the EU and Belarus, which generally has a very poor human rights record and remains the last country in Europe to use the death penalty. For this reason, Belarus is currently not part of the Euronest PA. The annual EU-Belarus human rights dialogue provides a forum for discussion on the human rights situation in Belarus and for planning the joint steps to be taken in this area. The EU-Belarus partnership priorities, which are currently being negotiated, will be the strategic framework for cooperation in the future. However, Belarus’ respect for universal freedoms, the rule of law and human rights, including the freedoms of speech, expression and media, as well as labour rights, remain key to EU-Belarus ties.

6.3.1. Economic situation

Relations between Russia and Belarus – with the latter relying heavily on refining and re-exporting Russian oil – deteriorated in January after they failed to agree on new oil supply terms for 2020. Amid the oil price war between Russia and Saudi Arabia, Saudi Arabia has offered Belarus significant price discounts. Although Moscow has promised Minsk to soften its pricing conditions, Minsk seems set to diversify its oil sources, even if Russian supply is fully restored. Belarus’ economy is expected to weaken significantly in 2020-2021 due to the deteriorating global economic situation related to the coronavirus pandemic, compounded by low oil prices and supply.

The country’s GDP was €50.5 billion in 2018; GDP per capita during the 2016-2018 period stood at €5,000. The unemployment rate was 5.8% in 2019. Belarusians work mainly in the services (59%) and industrial (31%) sectors, with agriculture providing employment to 10% of the population.

Belarus’ main trading partners are Russia (49.2% of total trade), followed by the EU-27 (18.1%). Ukraine (8.1%) and China (6.2%). Belarus’ export structure is dominated by manufactured products (54%), followed by fuels and mining products (25%) and agricultural products (19%).

6.3.2. Security issues

Belarus is traditionally a close strategic ally of Russia, as exemplified by the two countries’ military cooperation, the ongoing ‘Union State’ project, and Belarus’ heavy reliance on Russian energy. However, the past decade has seen growing friction in the bilateral relationship. While Lukashenko cannot break with Moscow, he has increasingly engaged with third parties, including the EU, in an attempt to reduce his reliance on Russia, which is pushing for deeper integration. An ongoing row
with Russia over oil prices, and difficult ties with its neighbours, will ultimately define Belarus’ room for manoeuvre. Indirectly related to this, tensions have risen with Lithuania over the nuclear power plant being constructed by a Russian company at Astravets, only 40 km from Vilnius. Against this backdrop, the EU insists on the respect of the highest nuclear safety standards as a key priority, ensuring nuclear safety beyond the EU’s own borders. The EU encourages Belarus to continue constructive cooperation with the relevant international authorities. Belarus has decided to voluntarily undertake stress tests of Astravets by preparing a national report in line with EU methodology, sending the report to the Commission and hosting a peer review. The EU has provided technical assistance to Belarus’ nuclear regulatory authority since 2011 through the Instrument for Nuclear Safety Cooperation.

6.3.3. Peace profile

The Normandy Index reflects the above-mentioned weak democratic processes and low energy security resilience.

Figure 5: Normandy Index - Belarus compared to the other Eastern Partnership countries

Data source: EPRS, Normandy Index.

6.3.4. Society, education and people-to-people contacts

As noted above, visa facilitation and readmission agreements with Belarus were signed in January 2020 and are expected to enter into force in the summer of 2020. A number of cooperation projects were launched in 2018 and 2019 in the area of border and migration management, to boost Belarus’ capacity and cross-border cooperation. Over 3,000 students and academic staff have participated in Erasmus+ exchanges since 2009, and some 3,400 young Belarusian people and workers have participated in joint exchanges, training, and projects in the EU since 2014. Belarus has participated in 48 Horizon 2020 projects boosting research and innovation capacity. Belarus benefits from two cross-border cooperation programmes, Latvia-Lithuania-Belarus and Poland-Belarus-Ukraine, promoting economic and social development in border areas.

6.4. Georgia: Consolidating its European ambitions?

Georgia’s goal of EU integration was confirmed by the constitutional changes it adopted in 2017. The constitution requires authorities to take all measures within the scope of their powers to ensure Georgia’s full integration into the European Union and thus transforms this political goal into a
category of constitutional rule. The EU supports Georgian SMEs, helps to modernise the country’s agricultural sector, provides macro-financial assistance, supports governance-development initiatives, as well as connectivity programmes in the field of transport, electricity and water infrastructure.

6.4.1. Political situation

Georgia’s president is Salome Zourabichvili. Since September 2019, its prime minister has been Giorgi Gakharia from the Georgian Dream (GD) party led by billionaire Bidzina Ivanishvili, who served as prime minister in 2012-2013. During the 2016 elections, the GD received over 48% of votes, thus obtaining a constitutional majority of three-quarters of seats. This over-representation is due to the electoral law, which stipulates that 77 seats should be allocated through a proportional list vote and 73 seats should be distributed through single-member electoral districts. The transition to a full proportional system will take until 2024. The next elections are scheduled to take place in October 2020. While the issue of what electoral rules should be applied in 2020 has been a source of political disputes, a March 2020 agreement provided a solution, with 120 out of 150 seats to be allocated through proportional representation. It also introduced the requirement that a party needs to receive a minimum 40% of votes to be able to form a government by itself. The government and opposition parties committed to approve the legislation that needs to be in place for the agreement to enter into force. Recent constitutional changes have helped complete the country’s transition from a presidential system to a parliamentary one. The president will be elected by the electoral college in 2024.

6.4.2. Economic situation

The sound macro-economic framework, good business environment and healthy public financial management arrangements are seen by the World Bank as Georgia’s strong points. In 2018, the country’s GDP was €13.8 billion, while GDP per capita stood at €3,600 over the 2016-2018 period. The unemployment rate progressively dropped from 17.2% in 2012 to 11.6% in 2019. Georgians work mainly in the services (44%) and agriculture (43%) sectors, with industry providing employment to 13% of the population.

The country’s main trading partners are the EU-27 (23.4%), followed by Turkey (14.2%) and Russia (11.5%). Other EaP states are also important partners and, when counted together, they overtake Turkey. Azerbaijan (8.2% of total trade), Armenia (5.3%) and, Ukraine (5.1%) are the country’s key EaP trading partners. Georgia’s exports are dominated by manufactured products (46%), followed by agricultural products (29%) and fuels and mining products (22%).

6.4.3. Security issues: Abkhazia and South Ossetia

The EU firmly supports the sovereignty and territorial integrity of Georgia within its internationally recognised borders. Russia occupies Abkhazia and South Ossetia – two regions that form 20% of Georgian territory. Following the 2008 conflict between Russia and Georgia, the EU deployed an unarmed civilian EU Monitoring Mission in Georgia (EUMM). Its over 200 staff monitor compliance with the Six-Point Agreement brokered by the EU. The EUMM also offers a full-time hotline, enabling the two sides to communicate on security-related issues and thus defuse tensions. Russia continues to maintain its military forces, despite a commitment to withdraw to the positions held before the 2008 armed conflict.
6.4.4. Peace profile

According to the Normandy Index, Georgia has a lower level of threats to peace and security than other EaP countries' average. However, its energy security is a vulnerability. Conversely, Georgia performs relatively well in terms of its democratic processes, cybersecurity and resilience to economic crises.

Figure 6: Normandy Index - Georgia compared to the other Eastern Partnership countries

Data source: EPRS, Normandy Index.

6.4.5. Society, education and people-to-people contacts

In the area of people-to-people contacts, Georgians enjoy visa-free travel to the Schengen area; Georgian students and academic institutions participate in Erasmus+. The EU also supports the implementation of Georgia's National strategy for the protection of human rights, created to systematise all the actions seeking to further improve the country's human rights situation. The realisation of the strategy should facilitate Georgia's long-term compliance with EU standards of human rights protection.

6.5. Moldova: From best in class to problem child

Since Moldova joined the Eastern Partnership regional initiative 10 years ago, its ties with the EU had grown closer, and for a long time it had been regarded as the EaP's 'most prominent member' which eagerly sought a clear membership perspective. However, after a massive banking fraud scandal that led to the collapse of three Moldovan banks in 2014, the country's political, economic and societal stability has become increasingly wobbly, and public trust in institutions and even NGOs remains low. The EU-Moldova AA/DCFTA was signed in June 2014 and entered fully into force on 1 July 2016, boosting EU-Moldova political and economic ties. Yet, recent problems involving an erosion of democratic standards and the rule of law, a lack of fair and transparent elections, a not so impartial judiciary, and insufficient anti-corruption and anti-money-laundering efforts have strained EU-Moldova ties.

6.5.1. Political situation

The political dynamics of Moldova – a country sandwiched between the EU and Russia – is characterised by the unresolved dispute over the pro-Kremlin breakaway region of Transnistria. This
geopolitical frontline is mirrored in the country's political landscape, and domestic disputes and polarisation often reflect wider tensions and trends. The collapse of the reformist, pro-European cabinet of Maia Sandu in November 2019 sparked concern over the future of anti-corruption reforms, the independence of the judiciary and investigations into the 2014 banking fraud. Since then, pro-Kremlin President, Igor Dodon, (Moldovan Socialist Party) has counted on the new government's support for close political and economic ties with Russia. Foreign policy signals have changed accordingly; Chisinau has downplayed the importance of the EU and other Western donors, instead appearing to prioritise ties to Moscow and Ankara.

6.5.2. Economic situation

While Moldova is one of Europe's poorest countries, its economy has – according to the Economist Intelligence Unit – grown steadily as financial and price conditions normalised in the wake of a real GDP contraction of 0.3% in 2015 due to the banking fraud and sinking agricultural prices. The EIU expects the IMF to improve the country's fiscal and monetary policy credibility, despite the expected lack of progress on institutional reform. Since 2005, Moldova's trade has shifted away from Russia to the EU. The latter is Moldova's top trading partner and biggest foreign investor. The EU accounted for 64% of its total exports and 56% of its total trade in 2017. The EU facilitates access to finance for Moldovan SMEs, and supports growth and job creation in Moldova. The EU is also the largest financial donor to Moldova. Bilateral assistance to Moldova under the European Neighbourhood Instrument (ENI) sharply increased from €40 million in 2007 to €131 million in 2014. Moldova is the largest recipient of EU aid per capita in the EU’s neighbourhood.

The country's GDP was €9.7 billion in 2018, while GDP per capita during the 2016-2018 period stood at €2,400. In 2019, the unemployment rate was low, standing at 3.7%. Moldovans work mainly in the services (51%) and the agriculture (32%) sectors, with industry providing employment to 17% of the population.

The country's main trading partners are the EU-27 (53.6% of total trade), followed by Russia (10.4%), China (7.3%), Turkey (5.5%), Ukraine (5.4%) and Belarus (2.5%). Moldova's export structure is dominated by manufactured products (52%) and agricultural products (46%).

6.5.3. Security issues: The unresolved Transnistria conflict

Since 1990, when armed conflict broke out in Transnistria, a region on the east bank of the Dniester River, Moldova has had no effective control over it. The European Union Border Assistance Mission to Moldova and Ukraine (EUBAM), launched in 2005, contributes to a peaceful settlement of the conflict via the 5+2 negotiation process. The EU supports measures designed to facilitate the settlement of the Transnistrian conflict by increasing confidence between Chişinău and Tiraspol through joint initiatives with stakeholders from both sides. The EU also supports measures to foster regional development in Gagauzia, a region inhabited by a group of people speaking Gagauz, a language belonging to the Turkic language family.

6.5.4. Peace profile

The Normandy Index reflects the threats to peace and security that Moldova is facing. Resilience to economic crises and energy insecurity are among the country's weakest points.
6.5.5. Society, education and people-to-people contacts

Moldova's demographic situation is the worst in Europe; the population has shrunk by almost a third since 1989. Since the EU introduced a visa-free regime for Moldovans in 2014, over 1.5 million have taken advantage of it so far. Between 2015 and 2017, over 900 Moldovan students and academic staff studied or taught in the EU via Erasmus+.

6.6. Ukraine: On the frontline of geopolitical changes

Ukraine is a priority partner of the EU and of the European Parliament, and has undergone significant changes in recent years, following the years of lost opportunities (2009 to 2013). In 2013, the decision of the then-President, Viktor Yanukovich, against signing an AA with the EU sparked major protests in Ukraine. In February 2014, the Ukrainian parliament voted to impeach Yanukovich, who fled Kyiv. Russia responded by annexing Crimea in March 2014, in violation of international law, and launched a hybrid war against Ukraine, including aggression in eastern Ukraine and disinformation campaigns. The EU, the United States and other countries imposed sanctions on Russia.

The EU consistently backs Ukraine’s territorial integrity and sovereignty, and supports Kyiv’s democratic path. The AA/DCFTA is the main tool for closer EU-Ukraine ties. Ukraine continues its ambitious reform programme, including on anti-corruption, reform of the judiciary, constitutional and electoral reforms, improving the business climate and energy efficiency, as well as public administration and decentralisation reforms. The Support Group for Ukraine (SGUA) – set up by the Commission president in 2014 – is supporting these efforts, in cooperation with the EEAS, the EU Delegation to Ukraine and the EU Advisory Mission. Since 2014, the EU and the international financial institutions have mobilised more than €15 billion in grants and loans to support the reform process, depending on continued progress. The European Parliament, whose diplomatic role has expanded in recent years, is heavily involved in democracy-support activities in Ukraine, leading internal reform and capacity-building efforts for the Ukrainian parliament.

6.6.1. Political situation

In April 2019, comedian Volodymyr Zelenskyi defeated post-Maidan President, Petro Poroshenko, in the second round of the presidential election. The July 2019 parliamentary elections gave Zelenskyi
an absolute parliamentary majority. Following the resignation of Prime Minister Olexiy Honcharuk, and a hurried cabinet reshuffle after Zelenskyi’s previously very high popularity fell below 50% in February, a new cabinet was unveiled on 4 March 2020. The absence of Honcharuk and Finance Minister, Oxana Markarova, has sparked concern about Ukraine's continued reform path.

6.6.2. Economic situation

The hasty government reshuffle can undermine reform efforts, affect relations with the IMF and hamper investor confidence at a time when Ukraine needs economic stability and investment, having failed to unlock a long-delayed US$5 billion IMF loan. Large-scale reforms in the banking sector had positive results in 2019, according to the EIU. Consolidated profits grew to €2.2 billion at year-end, due to growing real incomes and improved consumer sentiment. However, the banking sector is still dominated by state banks and remains volatile. Foreign direct investment remains low, and the global economic slowdown and uncertainty over structural reforms and IMF negotiations spark concern. The DCFTA has resulted in a steady increase of bilateral trade between the EU and Ukraine since January 2016, reaching €44.6 billion in 2019. With 40% of Ukraine's trade being done with the EU, the EU is Ukraine's number one trading partner.

In 2018, GDP was €105.5 billion, while GDP per capita during the 2016-2018 period stood at €2 290. Following the outbreak of the conflict in 2014, the unemployment rate increased from 7.2% to 9.3% and stabilised at this level. Ukrainians work mainly in the services (61%) and industrial (24%) sectors, with agriculture providing employment to 15% of the population.

The country's main trading partners are the EU-27 (40.2% of total trade), followed by China (11.6%), Russia (9.1%), and Belarus (5.0%). Ukraine's export structure is dominated by manufactured products (46%) and agricultural products (43%), followed by fuels and mining products (11%).

6.6.3. Security situation in eastern Ukraine

In 2014, a peace plan for eastern Ukraine (the Minsk Protocol) was signed. In 2015, leaders from France, Germany, Ukraine and Russia (the 'Normandy Four') agreed to a new ceasefire and a package of measures for the implementation of the Minsk agreements. Since then, progress has been limited. Violations of the ceasefire continue to flare up along the line of contact. As the death toll has risen to some 13,000, up to 30,000 have been wounded, 1.4 million have been displaced, and 3.4 million need humanitarian aid, in January 2020 the United Nations appealed for €143 million for humanitarian assistance and protection of vulnerable people in eastern Ukraine. In 2019, however, some progress was made. Two prisoner swaps – including the release of Ukrainian film-maker and 2018 Sakharov laureate Oleg Sentsov – took place. Moreover, the first Normandy Four summit since 2016 was held in Paris in December 2019. The parties agreed to fully implement the ceasefire and disengage military forces in three additional regions by the end of March 2020. Since then, ceasefire violations have resumed and deadly clashes continue. New talks are expected in the coming months. The EU is one of the largest humanitarian donors in the eastern Ukraine crisis, and has provided €141.8 million in emergency financial assistance, of which €23 million in 2019 alone.

6.6.4. Peace profile

The Normandy Index clearly reflects Russia's hybrid war against Ukraine, signified by greater threats to peace and security than those experienced by its EaP neighbours.

Moreover, the country's resilience to economic crises is deemed lower in comparison.
Figure 8: Normandy Index - Ukraine compared to the other Eastern Partnership countries

Data source: EPRS, Normandy Index.

6.6.5. Society, education and people-to-people contacts

Visa-free travel for Ukrainians with biometric passports entered into force on 11 June 2017. Since then, Ukrainians have made almost 3 million visa-free visits to the EU on such passports. The EU supports Ukraine’s integration into the European Research Area – through the Horizon 2020 and the Euratom research programmes – as well as into the European Higher Education Area. At the same time, Ukraine is a very active participant in the Erasmus+ programme; over 9 000 Ukrainian and nearly 4 000 European students and academic staff have benefitted from it.
7. Main references


The geopolitical, economic and security situation in Europe has evolved significantly in the past 10 years since the Eastern Partnership (EaP) was first created in 2009. With the growing pressure on democracies and multilateralism worldwide, an aggressive Russia under Vladimir Putin and an increasingly influential China, the role of the European Union – a major global champion of democracy and multilateralism – and its responsibility for sustainable stability in the EaP region are growing. Against this backdrop, the new ‘geopolitical’ European Commission and the EU’s High Representative have put forward a proposal for the EaP policy beyond 2020, focused on ‘reinforcing resilience’.