THREE EASTERN PARTNERSHIP NEIGHBOURS IN THE SOUTH CAUCASUS

The EU’s Eastern Partnership policy, initiated in 2009, covers six post-Soviet states: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. It was created to support political, social and economic reform efforts in these countries with the aim of increasing democratisation and good governance, energy security, environmental protection, and economic and social development. All the participating countries (except Belarus whose membership is suspended) send delegations to the Euronest Parliamentary Assembly.

In addition to the work of the competent committees on foreign affairs and international trade, the European Parliament has a standing delegation for relations with the South Caucasus (DSCA), which oversees EU relations with the three South Caucasus states under the frameworks of the Parliamentary Association Committee (PAC) with Georgia, the Parliamentary Partnership Committee (PPC) with Armenia and the Parliamentary Cooperation Committee (PCC) with Azerbaijan, and monitors the work of the EU Special Representative for the South Caucasus and the crisis in Georgia.

GEORGIA

The [EU-Georgia Association Agreement](https://www.europarl.europa.eu/factsheets/en), including a Deep and Comprehensive Free Trade Area (DCFTA), entered into force in July 2016. Georgia has made major efforts in terms of aligning its legislation with EU standards, which has led, inter alia, to visa waivers for short stays in the Schengen area as of March 2017. The EU is Georgia’s top trading partner, representing some 27% of its total trade (2020). The EU provides over EUR 100 million to Georgia each year in technical and financial support, focusing on economic development, good governance, movement of people and education.

As part of Team Europe’s efforts to help partner countries cope with the socio-economic fallout of the COVID-19 crisis, a EUR 183-million, tailor-made response package has been offered to Georgia, mobilising a mix of existing and new funds to deliver concrete support to people and strengthen Georgia’s macro-financial stability.

Georgia’s political and media landscapes are characterised by sharp polarisation. What is more, a series of questionable developments over the past couple of years have raised concerns of democratic backsliding and an undermining of civil liberties. These include, notably, widespread impunity for high-level corruption, instances of police violence, the chronic lack of independence and transparency in the judiciary (as illustrated by the flawed selection process for Supreme Court judges), restrictions
on media freedom, and the continued stigmatisation of and discrimination against the LGBTQI+ community, as tragically exemplified by the violent attacks on and subsequent forced cancellation of the March of Dignity on 5 July 2021. Moreover, a number of malpractices were observed during the 2018 presidential election and 2020 parliamentary elections.

The 2020 parliamentary elections were held under a new electoral system, based on 120 proportional mandates and 30 majoritarian mandates, a cap determining that no single party that receives less than 40% of the vote can form its own majority, and a 1% threshold to enter parliament. The electoral reform package also comprised legislative improvements made in line with past recommendations of the Organization for Security and Co-operation in Europe Office for Democratic Institutions and Human Rights (OSCE ODIHR), including regulations on the campaigning rights of public servants, election advertisements and the publication of opinion polls, the promotion of women’s representation (with a 1/4 quota on party lists), the improvement of conflict of interest rules for election commission members, and the introduction of a regressive party finance model. Other past recommendations were left unaddressed in areas such as voter intimidation, complaints and appeals processes, recounts and annulments, and the composition of local elections commissions.

On 19 April 2021, the ruling Georgian Dream party and large parts of the opposition signed an agreement brokered by the President of the European Council, Charles Michel, that inspired hope that political polarisation could be eased. However, democratic backsliding continued as the Parliament of Georgia rushed through the adoption of legislative amendments reviewing the selection process for Supreme Court judges, which left the recommendations of the Venice Commission unaddressed. Undaunted, the Georgian Parliament then appointed six judges to lifetime posts on the Supreme Court. On 28 July, Georgian Dream leaders announced their decision to withdraw unilaterally from the 19 April agreement, which caused great disappointment and concern among their Western partners. Then, on 31 August, the Georgian Government notified the EU of its decision to refrain from requesting the second instalment of EUR 75 million in macro-financial assistance, as it became increasingly clear that the country would be unable to meet the conditionality criteria for this assistance.

Faced with Russia’s occupation of Abkhazia and the Tskhinvali region/South Ossetia, Georgians have pinned their hopes on moving closer to the EU and NATO. The EU has repeatedly underlined its unwavering support for Georgia’s independence, sovereignty and territorial integrity within its internationally recognised borders, as underlined in the European Parliament resolution of 14 June 2018 on Georgian occupied territories 10 years after the Russian invasion. The EU supports the conflict resolution efforts made through the work of the EU Special Representative for the South Caucasus and the crisis in Georgia, the EU Monitoring Mission and the EU Instrument contributing to Stability and Peace, thus complementing the Geneva International Discussions. The annual EU-Georgia Strategic Security Dialogue is a sign of trust in relations between the two sides. Georgia has also made significant contributions to several EU common security and defence policy operations, based on a framework agreement for Georgia’s participation, which entered into force in 2014.
A. The European Parliament’s position and interparliamentary cooperation

The ninth meeting of the EU-Georgia PAC took place in February 2020. Against a background of acute political tensions and anti-government protests in Georgia, a final statement and recommendations were, exceptionally, not adopted at the meeting. That said, during the meeting of the PAC, the Members highlighted progress on harmonisation and ongoing reforms, while calling for further efforts in areas including the independence and efficiency of the judiciary, labour law and non-discrimination. They also took note of the further deterioration of the human rights situation in the occupied regions. In its November 2018 and September 2020 resolutions on the implementation of the Association Agreement with Georgia, Parliament welcomed the sustained path of reforms and progress made in implementing the agreement and the DCFTA. In addition, Georgia is a priority country for Parliament’s democracy support activities, which encompass capacity-building, mediation and dialogue, relations with civil society and election-related matters.

B. Election observation

Georgia has hosted missions from the OSCE ODIHR, monitoring the country’s parliamentary, presidential and local elections since 1995. As usual in the OSCE area, European Parliament observers have been embedded in the OSCE ODIHR missions. The 2016 parliamentary elections were assessed as broadly democratic and fair, despite some procedural irregularities and allegations of intimidation. The Georgian Dream coalition won, securing the ‘constitutional majority’ (75% of MPs) required to pass constitutional amendments. The 2018 presidential elections received criticism from the OSCE and the EU for the misuse of administrative resources, the severe polarisation of the private media and negative campaigning, but the overall assessment was positive. Owing to the COVID-19 crisis and related public health and travel restrictions, the European Parliament did not send short-term observers to monitor the 2020 parliamentary elections. The OSCE ODIHR deployed a limited election observation mission, comprising a core team of experts and long-term observers. On election day, the ODIHR joined efforts with short-term observers sent by the OSCE Parliamentary Assembly, the Parliamentary Assembly of the Council of Europe and the NATO Parliamentary Assembly, and with the European Diplomatic Watch, deployed at the initiative of the EU Delegation in Georgia. These elections again saw an outright victory for the ruling Georgian Dream coalition. The international observers found them to be competitive and deemed that freedoms were, overall, respected. This certainly constitutes a positive development for the country, despite some isolated incidents and cases of pressure being put on voters and a blurring of the line between the ruling party and the state throughout the campaign and on election day. Local elections were held in Georgia in October 2021 and the European Parliament participated in the international election observation mission led by the OSCE ODIHR.

ARMENIA

Armenia’s relations with the EU are based on the Comprehensive and Enhanced Partnership Agreement (CEPA), which was signed in November 2017 and fully entered into force on 1 March 2021. The CEPA, which replaced the previous Partnership and
Cooperation Agreement of 1999, deepens bilateral relations in a range of areas, while ensuring compatibility with Armenia’s membership of the Eurasian Economic Union. Until January 2022, Armenia will benefit from the EU’s GSP+ scheme, which offers preferential access to the EU market. Accounting for about 18% of Armenia’s total trade (2020), the EU-27 is the country’s second-biggest trading partner after Russia.

EU support to Armenia is mainly provided under the European Neighbourhood Instrument, with about EUR 210 million allocated in the period 2017-2020. In response to the COVID-19 pandemic, EU support has been substantially restructured and a total of as much as EUR 92 million has been dedicated to addressing the current needs. Funding under the new Global Europe instrument will focus above all on the country’s biggest challenges, which stem from the pandemic and the Nagorno-Karabakh conflict. It will also form the basis for the EU’s Economic and Investment Plan for Armenia, which will include a package of grants, loans and guarantees worth EUR 1.6 billion over the next five years.

The political situation in Armenia changed radically in May 2018, when peaceful street protests against the Republican Party of Armenia government brought the opposition leader Nikol Pashinyan to power (the ‘Velvet Revolution’). The change was confirmed by Pashinyan’s landslide victory in the snap parliamentary elections of December 2018 and the government embarked on an ambitious reform agenda, including in the areas of the rule of law, transparency and the fight against corruption.

However, following the six-week war with Azerbaijan over Nagorno-Karabakh, which ended with a ceasefire on 9 November 2020, Armenia entered a period of uncertainty due to a domestic political backlash and significant humanitarian challenges, which led to early parliamentary elections on 20 June 2021. The resounding victory of the ruling party, which garnered 54% of the votes, renewed a strong mandate for Nikol Pashinyan’s reform agenda and a new government was formed in August 2021.

The war was the greatest eruption of violence in the protracted conflict since the 1994 ceasefire and saw Armenians lose control over a part of Nagorno-Karabakh and the adjacent Azerbaijani districts that they had controlled for 26 years. A lasting solution to the conflict and the status of the Nagorno-Karabakh region have yet to be found through negotiations. Meanwhile, Russian peacekeepers have been deployed to monitor the ceasefire.

A. The European Parliament’s position and interparliamentary cooperation

The European Parliament gave its consent to the CEPA in July 2018, with an accompanying resolution in which it also applauded the people of Armenia for the peaceful transition of power. In line with the CEPA, the Parliamentary Cooperation Committee has been transformed into a Parliamentary Partnership Committee. Following the 2020 Nagorno-Karabakh war, Parliament passed a resolution in January 2021 in which it expressed its regret that ‘changes to the status quo were made through military force’ and stressed that ‘a lasting settlement still remains to be found’, while asserting that the process of achieving peace and determining the region’s future legal status should be led by the OSCE Minsk Group Co-Chairs and founded on the group’s basic principles. In May 2021, Parliament adopted a resolution calling in particular for the immediate and unconditional release of all Armenian prisoners of war.
and other captives still detained by Azerbaijan. It also reiterated that negotiations for
a lasting solution should be based on the principles of the non-use of force, territorial
integrity, and the equal rights and self-determination of peoples, which underpin the
OSCE Minsk Group basic principles. Leading MEPs following the situation in Armenia
have released a series of statements on the conflict, insisting on the need for a
negotiated comprehensive settlement and raising concerns over issues such as border
incidents, Armenian captives, landmines, inflammatory rhetoric, humanitarian access
and the protection of cultural heritage. In 2015, the European Parliament passed
a resolution on the centenary of the Armenian genocide.

B. Election observation

Armenia has hosted Members of the European Parliament – as part of OSCE ODIHR
election observation missions – on a number of occasions, including the country’s
snap parliamentary elections in 2018. The organisation of elections in Armenia has
significantly improved. The 2018 elections were judged positively, as being well-
organised and with minimal irregularities, and the European Parliament delegation
observed a major drop in electoral malpractice. Due to the COVID-19 pandemic, the
European Parliament was not able to observe the June 2021 elections, but MEPs noted
the generally positive assessment by the OSCE ODIHR.

AZERBAIJAN

The EU and Azerbaijan have had a Partnership and Cooperation Agreement
since 1999. Negotiations for an enhanced agreement were launched in February 2017.
The new agreement is expected to address political, trade, energy and other specific
issues, including conditions for the possible establishment of a future visa-free regime.
It should include robust provisions on democracy, the rule of law and fundamental
rights. The EU is Azerbaijan’s key trade partner, representing about 36% of the
country’s total trade (2020), mainly due to oil exports to the EU (close to 4% of the EU’s
oil imports). Azerbaijan’s energy exports to the EU have increased further following
the completion of the Southern Gas Corridor project, which started its first deliveries of
natural gas from the Caspian Sea to Europe in December 2020.

Azerbaijan ranked 146th out of 167 countries in the Economist Intelligence Unit’s 2020
Democracy Index and was classified as ‘not free’ in the 2021 Freedom in the World
report. President Ilham Aliyev, currently serving his fourth term, succeeded his father,
Heydar Aliyev, in 2003. In 2017, he appointed his wife, Mehriban Aliyeva, to the
newly created post of First Vice-President. According to the latest EU Annual Report
on Human Rights and Democracy in the World published in June 2021, the overall
state of human rights and democracy in Azerbaijan continues to be of concern,
with intimidations and prosecutions of critical voices, reduced space for civil society
and independent media, and limitations on civil liberties. The country has also seen
politically motivated court cases against opposition and journalists as well as arrests
and detentions, while the freedoms of association and expression remain highly
restricted. The European Court of Human Rights has described ‘a troubling pattern of
arbitrary arrest and detention of government critics, civil society activists and human
rights defenders through retaliatory prosecutions and misuse of criminal law in defiance of the rule of law’.

Azerbaijan’s victory in the six-week Nagorno-Karabakh war with Armenia between September and November 2020 has significantly strengthened the position of President Aliyev. As a result of the ceasefire of 9 November 2020, Azerbaijan regained control of the districts adjacent to Nagorno-Karabakh that had been occupied for over 26 years, opening the possibility for a future return of hundreds of thousands of internally displaced persons. It also took control of part of Nagorno-Karabakh itself: a formerly autonomous region that is internationally recognised as part of Azerbaijan but inhabited by ethnic Armenians. The EU has repeatedly stressed that a negotiated, comprehensive and sustainable settlement of the conflict, including on the status of Nagorno-Karabakh, has yet to be found, and continues to support the process led by the OSCE Minsk Group Co-Chairs in this respect.

A. The European Parliament’s position and interparliamentary cooperation

The European Parliament has repeatedly expressed concern with regard to the human rights situation in Azerbaijan. In 2015, Parliament called on the Azerbaijani authorities to immediately end their crackdown on civil society and human rights work. Imprisoned activist Leyla Yunus was released in 2015 following intense European Parliament lobbying and humanitarian/health support. In 2017, Parliament condemned the abduction and detention of Azeri journalist Afgan Mukhtarli (released in 2020 after nearly three years in prison) and expressed concern about the situation of the media in Azerbaijan. In 2019, Parliament passed a resolution calling for the immediate release of Mehman Huseynov, an anti-corruption blogger (released the same year after two years in prison), and other political prisoners. In 2017, following the ‘Azerbaijani Laundromat’ revelations, it denounced ‘attempts by Azerbaijan and other autocratic regimes in third countries to influence European decision-makers through illicit means’.

Official interparliamentary relations were resumed in 2016 after a four-year break. The 15th EU-Azerbaijan PCC took place in Baku in May 2018 and concluded with a joint declaration stressing in particular the potential for closer economic relations with the launch of negotiations on a new agreement, the importance of the Southern Gas Corridor, the importance of progress in the areas of human rights and freedoms, democracy and the rule of law, and the need to find a peaceful and lasting settlement to the Nagorno-Karabakh conflict as soon as possible. Parliament passed a resolution in 2018 on the negotiations on the new bilateral agreement, which stressed that the deepening of relations was conditional upon Azerbaijan upholding and respecting the core values and principles of democracy, the rule of law, good governance, and respect for human rights and fundamental freedoms.

Following the 2020 Nagorno-Karabakh war, Parliament passed a resolution in January 2021 in which it expressed its regret that ‘changes to the status quo were made through military force’ and stressed that ‘a lasting settlement still remains to be found’, while asserting that the process of achieving peace and determining the region’s future legal status should be led by the OSCE Minsk Group Co-Chairs and founded on the group’s basic principles. In May 2021, Parliament adopted a resolution calling in particular for the immediate and unconditional release of all Armenian
prisoners of war and other captives still detained by Azerbaijan. It also reiterated that negotiations for a lasting solution should be based on the principles of the non-use of force, territorial integrity, and the equal rights and self-determination of peoples, which underpin the OSCE Minsk Group basic principles. Leading MEPs following the situation in Azerbaijan have released a series of statements on the conflict, insisting on the need for a negotiated comprehensive settlement and raising concerns over issues such as border incidents, Armenian captives, landmines, inflammatory rhetoric, humanitarian access and the protection of cultural heritage.

B. Election observation

Azerbaijan has hosted Members of the European Parliament as part of OSCE ODIHR electoral missions. However, in view of the fact that all the country’s elections observed by those missions were deemed to fall short of international requirements, and recommendations still have to be implemented, Parliament decided not to send observers to the 2015 parliamentary elections or the 2018 presidential elections, and it was not invited to observe the 2020 parliamentary elections. The ODIHR mission to the 2020 parliamentary elections stated that ‘the restrictive legislation and political environment prevented genuine competition’, ‘voters were not provided with a meaningful choice due to a lack of real political discussion’, ‘instances of pressure on voters, candidates and their representatives were observed’ and ‘significant procedural violations during counting and the tabulation raised concerns whether the results were established honestly’.

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