

The ESU Presidium Meeting
16-21 November, 2022
Strasbourg, France

**The EU and its Eastern Neighborhood Policy
-
achievements, challenges and prospects.**

Teona Lavrelashvili

Policy Adviser, ESU

Doctoral Researcher, KU Leuven

teona.lavrelashvili@kuleuven.be

What is the European Neighborhood Policy (ENP)?

- ▶ Launched in 2004, it aimed to help the “EU support and foster stability, security and prosperity in the countries closest to its borders”.

Why?

- ▶ To work out how the European Union, with its 10 new Member States, could manage its relations with the former Soviet republics to the east, and the Mediterranean countries to the south.
- ▶ To provide a consistent institutional framework with instruments for the EU to negotiate its relationship with partner countries in the eastern neighborhood.
- ▶ Reform commitment; Colour revolutions in Georgia (2003) and Ukraine (2004).

Objectives

- stabilising neighbouring countries through economic development, employability and youth, transport and energy connectivity, migration, mobility and security
- promoting key EU interests of good governance, democracy, rule of law and human rights
- facilitating cooperation at regional level: Eastern Partnership, Union for the Mediterranean

Actions

COORDINATION

Eastern partnership

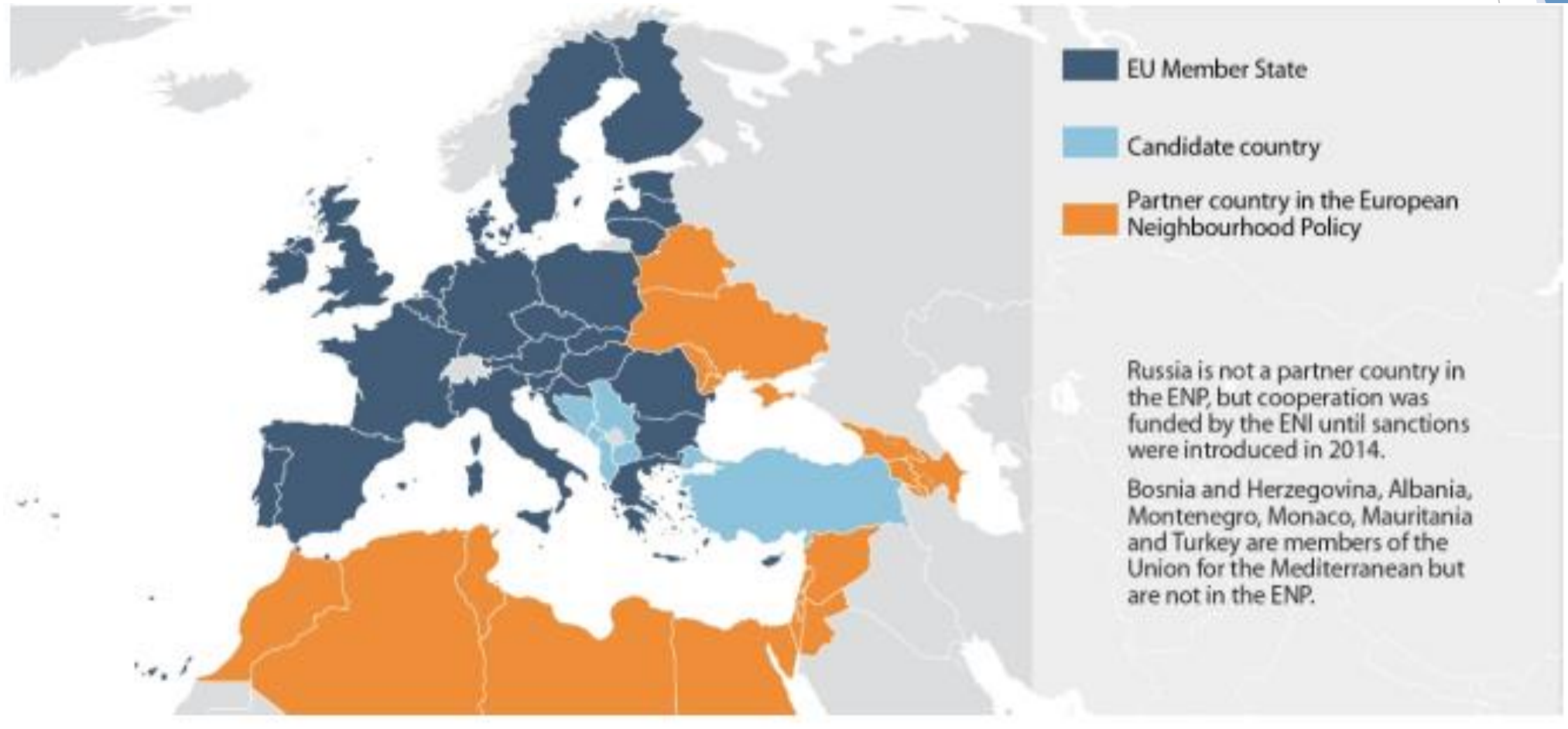
The Eastern Partnership aims to strengthen relations between the EU and its six Eastern neighbours: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

COORDINATION

Southern neighbourhood

Cooperation with the Southern Neighbourhood includes ten partner countries: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine*, Syria and Tunisia.

The European neighbourhood policy (ENP) governs the EU's relations with 16 of its closest eastern and southern partners. As a key element of the EU foreign policy, the ENP focuses on stabilising the region in political, economic and security terms.



How it is funded?

- ▶ Global Europe: Neighbourhood, Development and International Cooperation Instrument
- ▶ Aims to increase the effectiveness and visibility of the EU's external policies, strengthen coordination with internal policies
- ▶ **€79.5 billion**

2021-2027

Lead services

[International Partnerships](#), [European Neighbourhood and Enlargement Negotiations](#), [Foreign Policy Instruments](#), [European External Action Service](#) [↗](#)

Examples of Financial Support

158

countries and cities were supported in developing or implementing strategies for climate change or disaster risk reduction from 2013 to 2021.

909 620 km²

was protected (biodiversity/forest) between 2013 and 2021.

3.4 million

children living in areas of crisis and conflict have received education through 'Education cannot wait' since its inception (2018-2020).

23.3 million

women, adolescent girls and children were helped to improve diet and breastfeeding, household resilience, food security, healthcare and stunting reduction between 2013 and 2021.

12

electoral processes and democratic cycles were supported, observed and monitored by means of election observation missions in 2021.

11 million

items of personal protective equipment and other medical supplies were delivered in 2020 to the Eastern Partnership partner countries, together with the World Health Organization.

Eastern Partnership (EaP) Program

- ▶ Created in 2009
- ▶ The main goal of the EaP is to ‘accelerate political association and deepen economic integration’ between the EU and its eastern neighbours.



Why the EaP? - what deliverables?

1 More engagement with civil society organisations

2 Increase gender equality and non-discrimination

3 Strengthen strategic communications and supporting plurality and independence of media

STRONGER ECONOMY

Economic development and market opportunities:

4 Improve the investment and business environment and unlock Small and Medium-sized Enterprises' (SMEs) growth potential

5 Address gaps in access to finance and financial infrastructure

6 Create new job opportunities at the local and regional level

7 Harmonise digital markets

8 Support intra-regional trade among partner countries and the EU

STRONGER GOVERNANCE

Strengthening institutions and good governance:

9 Strengthen the rule of law and anti-corruption mechanisms

10 Support the implementation of key judicial reforms

11 Support the implementation of public administration reform

12 Stronger security cooperation

Resilience and Civil Society in Focus



EASTERN PARTNERSHIP
CIVIL SOCIETY FORUM

The largest umbrella organisation of NGOs from EaP and the EU counting +1000 members.

Membership in the EaP CSF is open to all bona fide (CSOs).

To be eligible, applicants must be non-governmental, **non-partisan (not affiliated institutionally to a political party)** organizations that respect democratic values.

STRONGER CONNECTIVITY

Connectivity, energy efficiency, environment and climate change:

- 13 Extend the TEN-T core networks, transport
- 14 Increase energy supply security
- 15 Enhance energy efficiency and the use of renewable energy; reduce Greenhouse Gas emissions
- 16 Support the environment and adaptation to climate change

STRONGER SOCIETY

Mobility and people-to-people contacts:

- 17 Progress on Visa Liberalisation Dialogues and Mobility Partnerships
- 18 Strengthen investment in young people's skills, entrepreneurship and employability
- 19 Establish an Eastern Partnership European school
- 20 Integrate Eastern Partnership and EU research and innovation systems and programmes

EU and Ukraine

- ▶ Ukraine on the frontline of geopolitical changes: From Maidan to EU Candidate Status
 - ▶ EU - Ukraine Association Agreement - entered in force in 2017
 - ▶ Visa Free Regime as from 28 Feb. 2017
-
- **deeper political ties**
 - **stronger economic links**
 - the **respect for common values**

The **deep and comprehensive free trade area** (DCFTA) is the economic part of the agreement. It offers a framework for modernising Ukraine's economy and trade relations.



EU and Ukraine

✓ **The EU has mobilised large-scale support to Ukraine's governance reform** via the following programmes: anti-corruption (EUACI), the rule of law (PRAVO), public administration reform (EU4PAR), public finance management (EU4PFM), and decentralisation (U-LEAD with Europe). They are worth together over €300 million.

- * On 28 February 2022, Ukraine applied for EU membership.
- On 17 June 2022, the European Commission issued its **opinion** on the application for EU membership.
- On 23 June 2022, the European Council **granted candidate status to Ukraine**.



EU Response to Russia's Invasion of Ukraine

- ▶ The EU strongly condemns Russia's **unprovoked and unjustified military aggression** against Ukraine.
- ▶ In response to the military aggression, the EU has **massively expanded sanctions** against Russia.
- ▶ The EU is committed to continue to show solidarity and provide **support to the refugees** fleeing the war in Ukraine and the countries hosting them.
- ▶ 8 Package of Sanctions to **weaken Russia's economic base**, depriving it of critical technologies and markets and significantly curtailing its ability to wage war.



EU Response to Russia's Invasion of Ukraine

The temporary protection scheme allows displaced persons to enjoy harmonised **rights** across the EU:



residency rights



access to the labour market



access to housing



social welfare assistance



medical assistance

For unaccompanied **children** and **teenagers**:



legal guardianship



access to education



EU and Moldova



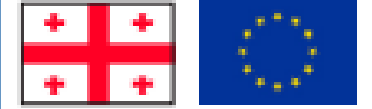
- ▶ On 1 July 2016, the **EU-Moldova association agreement with its deep and comprehensive free trade area** came into full force.
- ▶ The **visa liberalisation** entered into force on 28 April 2014.
- ▶ The EU is Moldova's largest trading partner and biggest investor in the country
- ▶ The EU has allocated €243 million in humanitarian assistance to **help civilians affected by the war** in Ukraine. This includes €230 million for Ukraine and €13 million for Moldova.
- ▶ The electricity grids of Ukraine and Moldova have been **successfully synchronised with the Continental European Grid, on 16 March 2022.**

EU and Moldova



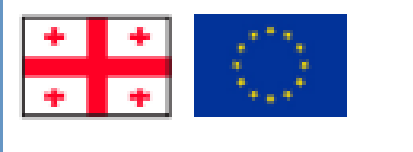
- ▶ On 23 June 2022, EU leaders granted EU candidate status to Moldova.
- ▶ The EU has allocated €243 million in humanitarian assistance to **help civilians affected by the war in Ukraine**. This includes €230 million for Ukraine and €13 million for Moldova.
- ▶ **In light of the Russia's military aggression against Ukraine**, Council decided on 4 April 2022 to provide a new **macro-financial assistance operation of €150 million** in the form of loans and grants to benefit the Republic of Moldova.
- ▶ The EU signed a status agreement with Moldova regarding operational activities carried out by Frontex. The agreement allows Frontex to assist Moldova with **border management**

EU and Georgia



- ▶ EU-Georgia Association Agreement - entered in force in 2016
- ▶ Visa free regime since Feb. 2017
- ▶ The EU is Georgia's main trading partner, with a 27% share of its total trade.
- ▶ On **3 March 2022**, Georgia applied for EU membership.
- ▶ On **17 June 2022**, the European Commission issued its opinion on the application for EU membership.
- ▶ Georgia was granted with the **European Perspective**, not the candidate status.

EU and Georgia



More than 500,000 Georgian citizens have benefitted from visa-free travel to the Schengen area since March 2017, accounting for over

1 million

visits.

Since 2009, 40,000 SMEs, microenterprises and farmers have received loans for their activities. In addition, a total of

€130 million

in loans are made available for innovative SMEs and small midcap companies under Horizon 2020. This has led to the creation of an estimated 10,300 new jobs.

Over **€1.1 million** available in **remote mountainous regions** (Svaneti, Racha-Lechkhumi, Upper Imereti) for economic recovery through organic farming.

Non-agricultural businesses in **8 rural municipalities** can apply for over **€3 million** in grants available to stimulate economic development and recovery.

EU-supported loans to SMEs through Bank of Georgia, TBC, Basis bank, Liberty, Procredit, Crystal, Credo have been expanded to be available to more businesses and provide more **local currency lending**.

EU - Armenia relations

▶ Following Armenia's adhesion to the Eurasian Economic Union, the negotiations process on an association agreement with the EU were suspended in 2013.

* On 12 October 2015, the negotiations on a new, legally binding and overarching agreement (CEPA) was opened and entered into force in 2021.

* The EU is a key reform partner in Armenia, providing around €65 million of grant money annually for Armenia's ambitious reform agenda

INSTITUTIONS

- The EU supports Armenia in the implementation of key reforms on justice, police, the fight against corruption, and anti-discrimination.

ECONOMY

- In 2020, EU4Business invested close to €100 million of funds. This has benefitted over 7,000 SMEs and created over 1,400 new jobs.

SOCIETY

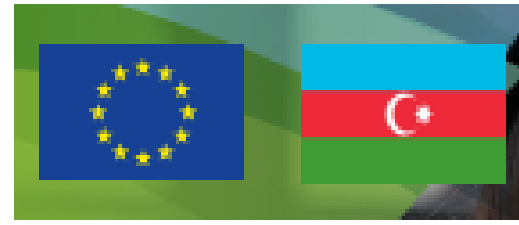
- Over 14,750 students and academic staff exchanges have taken place between Armenia and the EU under Erasmus+ (2014-2020).

THE COMPREHENSIVE AND ENHANCED PARTNERSHIP AGREEMENT BETWEEN THE EUROPEAN UNION & ARMENIA (CEPA) ENTERED INTO FORCE

THE AGREEMENT PROVIDES A FRAMEWORK FOR ARMENIA AND THE EUROPEAN UNION TO WORK TOGETHER FOR THE BENEFIT OF THE CITIZENS OF ARMENIA

- BETTER LIVING STANDARDS**
 - More jobs
 - More business opportunities
- FAIRER & SAFER SOCIETY**
 - Strengthened democracy and human rights
 - More safety and security for citizens
 - More transparency
- CLEANER ENVIRONMENT**
 - More protected environment
 - Cleaner and more affordable energy
- MORE CHOICE IN EDUCATION**
 - Better education

EU - Azerbaijan Relations



SOCIETY

- More than 4,900 students and 170 teachers in eight different cities improved their financial literacy and entrepreneurship skills.

INSTITUTIONS

- EU helps to promote better access to justice for citizens and businesses, via legal aid, alternative dispute resolution and fight against corruption. Since 2018, more than 6,700 vulnerable persons received free legal aid in Baku and the regions.

ECONOMY

- EU invested to support close to 17,500 SMEs, of which 47% are women-owned, to increase their competitiveness and market opportunities.

▶ Differentiated Approach - Azerbaijan is free to choose to which extent it will participate in the EU's offer of political association and economic integration

▶ EaP Context - less emphasis on the bilateral relations.

▶ Strategy Energy Partnership concluded in 2006.

▶ Negotiations on EU- Azerbaijan New Agreement started in 2017.

▶ Azerbaijan is one of the main beneficiaries of the Twinning instrument, profiting from peer-to-peer training and exchange with the EU Member State public administrations.

▶ The European Commission in July signed a memorandum of understanding with Azerbaijan to **double imports of Azeri natural gas to at least 20 billion cubic metres (bcm) a year by 2027.**

EU and Belarus

- ▶ EU support is directed to the Belarussian people not to the government.
- ▶ €65 million to assist victims of repression, civil society, and independent media, youth mobility and scholarships, small businesses, health and cultural sector.
- ▶ Since October 2020, the EU has progressively imposed restrictive measures against Belarus as a result of the **Belarusian authorities' violence** against peaceful protesters following the **August 2020 presidential elections**.
- ▶ The EU has outlined a €3 billion comprehensive plan of economic support for a future democratic Belarus.

YOUTH

- The EU has put in place scholarship and professional exchange programmes, allowing students and professionals affected by the political crisis to study abroad or online.

MEDIA

- The EU provides technical assistance and training for independent journalists, media workers and institutions working in exile

ECONOMY

- The EU supports businesses in exile: financial and technical assistance for small companies relocated abroad

SOCIETY

- The EU is the lead donor supporting Belarusian civil society representatives both within the country and in exile, and has continued crucial support to democratic voices of the people of Belarus.



- ▶ As of 28 June 2021, Belarus has **suspended its participation** in the Eastern Partnership.
- ▶ The EU does not recognise results of the Belarus elections, condemning them as **neither free, nor fair**.
- ▶ six sanctions packages have been issued, targeting a total of **183 individuals and 26 entities**.
- ▶ The of migrants and its support for the Russian military invEU has imposed a series of sanctions against the Lukashenka regime in response to the continued suppression of human rights, the instrumentalisation asion against Ukraine.

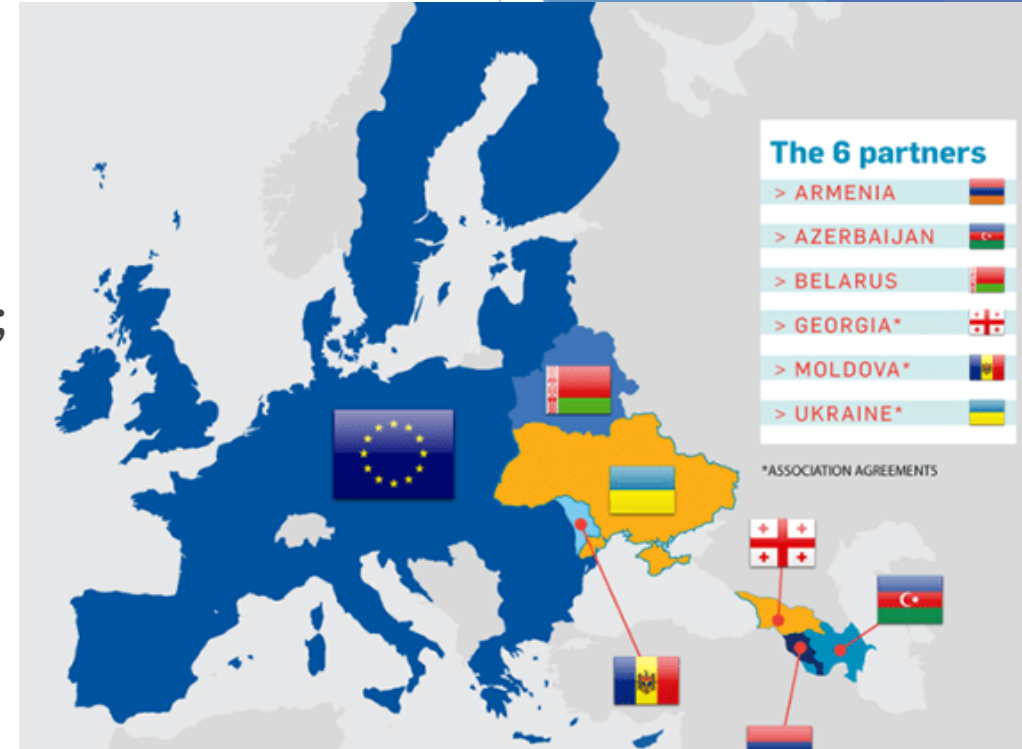
Post-2020 Eastern Partnerships Policy

- ▶ New Priorities?
 - resilient, sustainable and integrated economies
 - accountable institutions, the rule of law and security
 - environmental and climate resilience
 - digital transformation
 - fair and inclusive societies

- ▶ **€2.3 billion regional economic investment plan (EIP)**, including country flagship initiatives) to support post-COVID-19 socio-economic recovery and strengthen longer-term resilience by accelerating the green and digital transformations.

Key Challenges to the EU's Eastern Partnership Policy

- ▶ Political Instability and geopolitical uncertainty
- ▶ Security Concerns: (War in Ukraine. Nagorno-Karabakh conflict; South Ossetia and Abkhazia; Transnistria).
- ▶ Increased level of authoritarianism.
- ▶ Lack of Committeemen to reform agenda.
- ▶ Does it make sense to keep the multilateral dimension?



What Prospects to the EU's Eastern Partnership Policy?



- ▶ EU Associated Trio - new subgrouping within the EaP?
- ▶ Is granting the candidate status to Ukraine and Moldova, and the EU enlargement perspective Georgia - a new impetus to EU enlargement?
- ▶ What future of the EU enlargement? Heading towards the staged accession?
- ▶ European Political Community - a new geopolitical opportunity?

Thank you!

Questions and Answers