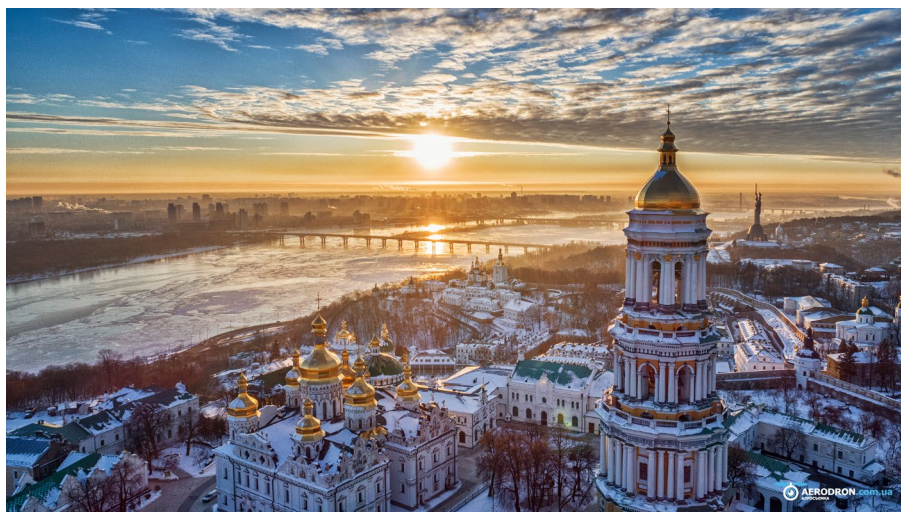




Eastern Partnership post-2020 agenda



IN-DEPTH ANALYSIS

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The geopolitical, economic and security situation in Europe has evolved significantly in the past 12 years since the Eastern Partnership (EaP) was launched in 2009. Taking into account the pandemic context and 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 – in the EaP region are growing. Against this backdrop, the European Commission and the EU High Representative have put forward a proposal for the EaP policy beyond 2020, focused on 'recovery, resilience and reform'. This new agenda was endorsed at the EaP summit, held in Brussels on 15 December 2021.

This is an updated edition of an [In-depth analysis](#) drafted by Naja Bentzen and Jakub Przetacznik, from June 2020.

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Executive summary

The Eastern Partnership (EaP) was first created in 2009 with the aim of strengthening institutional, economic and political relations between the European Union (EU) and the six EaP countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The principles of this joint policy initiative remain as relevant as when the partnership was first launched, despite the different paths the individual countries have chosen.

The geopolitical, economic and security situation in the region has evolved over the past decade. Overt and covert Russian aggression in the region continues, and Russia's illegal annexation of Crimea in March 2014 and hybrid war against Ukraine – including disinformation campaigns and economic pressure – pose significant challenges to the populations involved, to the humanitarian situation on the ground, and to the rule of law internationally.

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, Josep Borrell, put forward a joint proposal for the EaP policy beyond 2020, focusing, in their words, on reinforcing resilience. This proposal was supplemented with a detailed agenda, addressing issues of post-pandemic recovery, resilience and reforms. The new policy objectives are part of the EU's overall foreign policy, which aims to boost the EU's influence abroad, project its democratic values, and strengthen its role as a principled and credible geopolitical player.

The new agenda was endorsed at the EaP summit, in Brussels on 15 December 2021. However, there are still unanswered questions about the future of the partnership; Belarus has suspended its participation, while it has become increasingly difficult to accommodate the differences among the remaining five countries within a single format, as the three associated countries (Georgia, Moldova and Ukraine) demand separate treatment. Meanwhile, progress on partner country reforms remains mixed, particularly in the area of governance.

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1 Introduction to the Eastern Partnership

Ties between the EU and Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine have developed significantly since the latter six gained independence from the Soviet Union after its collapse in 1991. The [Eastern Partnership](#) (EaP) was launched by the EU and these six countries as a joint initiative in 2009. As a strategic partnership based on common values and interests, 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](#)).

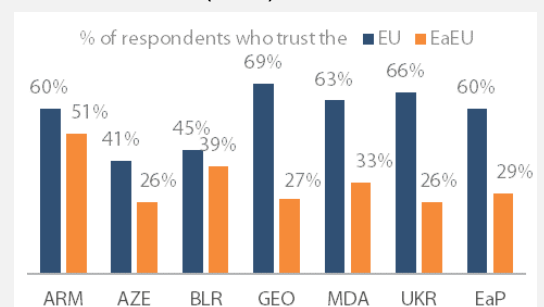
1.1. EaP achievements to date: 20 deliverables for 2020

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. A July 2021 [report](#) from the European Commission and High Representative assesses that, out of these 20 deliverables, implementation of one has been completed (establishing an Eastern Partnership secondary school in Tbilisi), 13 are on track, while in six there has been only limited progress.

Areas of progress include engaging with civil society organisations, creating new job opportunities, supporting trade, supporting public administration reforms, extending [Trans-European transport networks](#) to EaP countries, and investing in young people's skills. On the other hand, implementation has stalled in the fields of energy supply security, rule of law/anti-corruption and judicial reforms.

The EU: the most trusted international institution among EaP citizens

Levels of trust in the EU are highest in Georgia (69% of respondents), Ukraine (66%) and Moldova (63%), followed by Armenia (60%), Belarus (45%) and Azerbaijan (41%). In all six countries, the EU is more widely trusted than NATO, the UN and the Russia-led Eurasian Economic Union (EaEU).

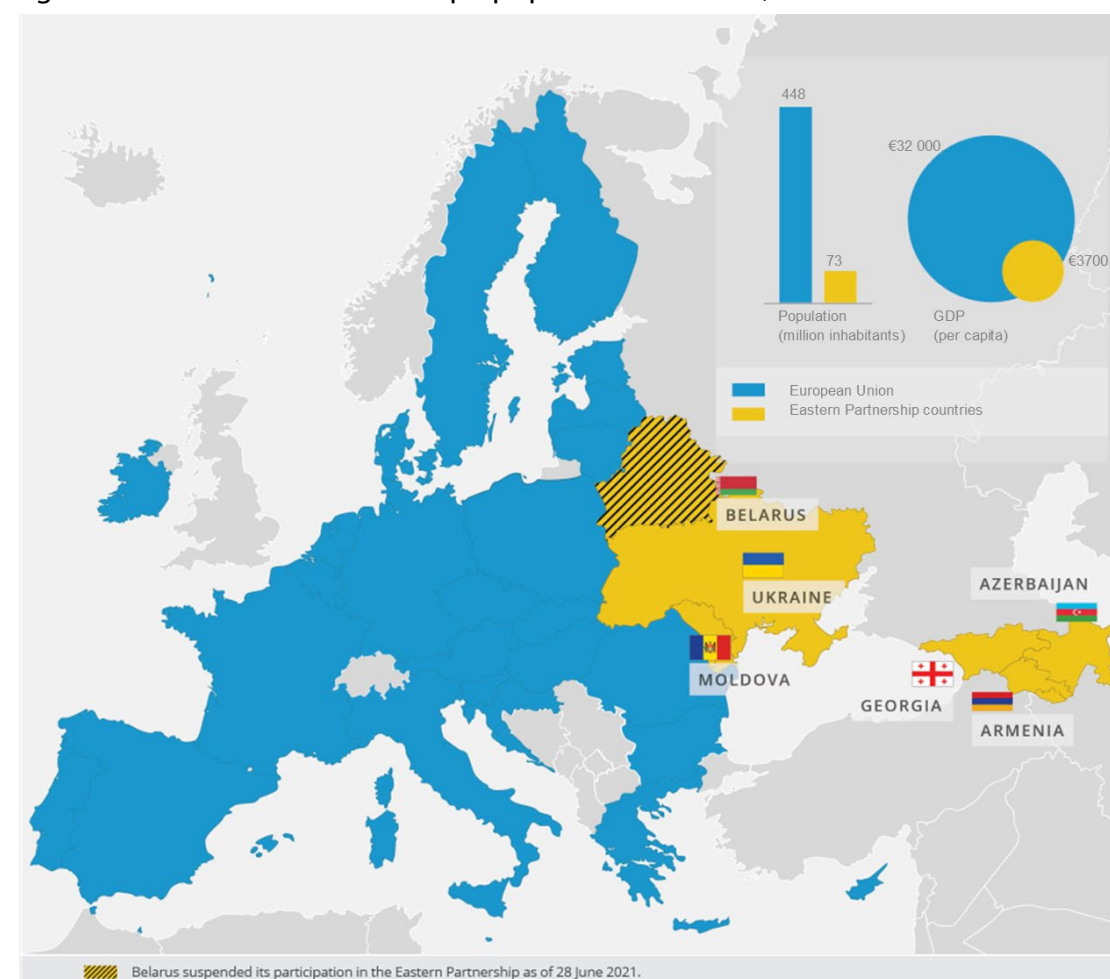


66% of EaP citizens describe ties between their country and the EU as 'good'.

57% of EaP citizens are aware of the EU's financial support, and 53% of them see this support as effective (up 3% since 2019).

Source: [euneighbours.eu](#), March 2020.

Figure 1 – The Eastern Partnership's population and GDP, 2020



Source: [Council of the EU](#).

1.2. Russia and the Eastern Partnership countries

Russia has long [claimed](#) its ex-Soviet neighbourhood as a region of 'privileged interests'. Top among those interests is preventing NATO enlargement: Moscow's [national security strategy](#) identifies the expansion of NATO military infrastructure close to the country's borders as a threat. In this context, Moscow's 2008 attack on Georgia, its hybrid war against Ukraine, and threatening military manoeuvres on the Ukrainian border in 2021 can be [seen](#) as attempts to deter the Alliance from engaging with the region.

In the past, Russia appeared to see NATO as more of a challenge than the EU; although it did [not welcome](#) the latter's Eastern Partnership, it did little to actively oppose it. All that changed in 2013, after the EU announced that it had completed talks with Armenia, Georgia, Moldova and Ukraine on association agreements, including deep and comprehensive free trade areas (DCFTAs). The agreements, envisaging far-reaching economic integration between the EU and these four countries, and support from Brussels for democratic reform, were due to be finalised at the November 2013 Vilnius EaP summit. Russia [threatened](#) Moldova with economic reprisals and pressured Ukraine and Armenia to withdraw; as a result, Armenia [announced](#) in September 2013 that it would join the Eurasian Customs Union, formed by Russia, Belarus and Kazakhstan in 2010,

thereby precluding it from a DCFTA with the EU (by [definition](#), countries in customs unions have common external tariffs; therefore, they may not unilaterally sign free trade agreements with external trade partners). Only a few days ahead of the Vilnius summit, Ukraine also announced it was pulling out of the association agreement. In Ukraine, the resulting political [turmoil](#) overthrew President Viktor Yanukovich, who fled to Russia; a pro-Western government took over, under President Petro Poroshenko. In response, Russia annexed Crimea and sent troops and weapons into eastern Ukraine in support of Donbas separatists.

Ultimately, Moscow's aggression did not deter Ukraine, Georgia and Moldova from signing their association agreements with the EU in 2014. Nevertheless, Russian influence in these three countries remains considerable, due not only to the fact that parts of their territory are controlled by pro-Russia separatists but also to Moscow's traditional roles as energy supplier and labour migration destination, as well as trade, historical and cultural ties. In addition, Russia boosts its soft power through disinformation campaigns that, among other things, seek to [discredit](#) the Eastern Partnership as a 'postcolonial' EU plot to dominate the region.

Always the most pro-Russian of the six EaP countries, Belarus has become even more reliant on economic and political support from Moscow since its [rift](#) with Brussels over the fraudulent presidential elections in August 2020 and more recent developments such as the migrant crisis on the Polish and Lithuanian borders. Armenia is heavily dependent on Russia as a security provider – all the more so since its defeat in the 2020 [Nagorno-Karabakh](#) conflict – but its 2017 comprehensive and enhanced partnership agreement with the EU reflects continued engagement with the latter. For its part, Azerbaijan also cooperates with both the EU and Russia, but has kept its [distance](#) from both sides.

China's influence in the EaP region

China has become a major economic player in the region – it is Ukraine's second largest [trade partner](#), ahead of Russia, and in third or fourth place for the remaining countries. There is significant trade in both directions: Ukraine has [overtaken](#) the US as China's main supplier of corn. In line with the Belt and Road Initiative, Chinese companies are helping with much-needed transport infrastructure projects, such as [upgrades](#) to Ukrainian ports and highways. Ukraine and Belarus are important transit countries for new overland rail corridors from China, which carry a small but [fast-growing](#) share of EU-Asia trade.

China has mostly stayed out of EaP politics; for example, it declined to take a position on Russia's annexation of Crimea. New Chinese cultural and research centres in Ukraine aim to build [soft power](#). Perhaps reflecting such efforts, perceptions of China are significantly [more positive](#) in Ukraine than in most Western European countries. While Beijing's motives appear to be mainly commercial, there are signs that it uses its growing influence for political ends: in June 2021, it apparently [persuaded](#) Ukraine to drop its support for a UN statement on human rights abuses in Xinjiang.

2 EU and partner countries' positions

2.1 European Council

The European Council conclusions of [25 June 2021](#) underlined 'the need to further deepen and intensify political, economic and people-to-people ties and cooperation with the Eastern Partners with a view to increasing their resilience'. The European Council meeting of [21 October 2021](#) discussed preparations for the forthcoming EaP summit and stated that the EU's relations with this region remain of key strategic importance.

2.2 Council of the EU

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'. At the same time, it 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'.

The Council frequently debates issues concerning individual EaP states.

2.3 European Parliament

The European 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.

In its [recommendation](#) of 19 June 2020 to the Council, the Commission and the EU High Representative on the Eastern Partnership, the European Parliament requested, inter alia, that the summit's conclusions 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 Parliament requests that EU commitments and political incentives be reinforced, while the EaP countries make pledges to deliver on their own.

2.4 Euronest

The European 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.

The Bureau of the Euronest Parliamentary Assembly addressed a message to the 2021 Eastern Partnership summit participants. The message, entitled [Accelerated integration of the Eastern Partnership countries into the EU Single Market](#) welcomed the Association Trio memorandum and proposed five principles for the EaP policy, which the Euronest Bureau requests to be emphasised in the summit joint statement. These principles concern keeping **aspiration** among EaP members, through a model of a realistic vision, for closer cooperation and integration with the EU; more effective **differentiation**, according to the 'more for more' and 'less for less' principles;

inclusiveness, understood as fostering the EaP based on a strong multilateral dimension contributing to good relations in the entire region; the EU delivering on its promise of gradual **integration** into the EU single market and increased sectoral cooperation; introduction of a regular and comprehensive **evaluation** process of the EaP countries, which will facilitate 'implementation of objectives and agreements, proper differentiation and a positive competition of the Eastern Partner[ship] countries in their closer integration towards the EU'.

The above-mentioned message echoes the [Euronest Parliamentary Assembly](#) December 2019 [resolution](#) calling for a discussion on 'a more ambitious use of differentiation' according to the 'more for more and less for less principles' and for a new initiative: the Trio Plus strategy 2030. The resolution suggests implementing 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. 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'.

The latest Euronest Parliamentary Assembly took place semi-remotely in Brussels on 19-20 April 2021 and adopted four resolutions on [strengthening democratic processes](#), [synergy between education and economy](#), [energy efficiency, diversification and independence](#), as well as on [quality of life, including sound healthcare system and sustainable pension reforms](#) in the EU and Eastern partnership countries.

2.5 Eastern Partnership countries' positions

In December 2019, Georgia, Ukraine and Moldova – three EaP countries with an association agreement with the EU – signed a joint [statement](#), submitted to EU High Representative. In the statement, they advocated a new EU+3 format, enabling sectoral integration in transport, energy and other fields, as well as full access to the four freedoms of the EU – free movement of goods, services, capital and persons. This would help them to progress faster on their path to European integration.

Subsequently, a document entitled [The Association Trio: Memorandum of Understanding](#) was signed on 17 May 2021. The MoU establishes the 'Association Trio' as a format of enhanced cooperation on European integration, including cooperation within the Eastern Partnership. Recalling [Article 49 of the Treaty on European Union](#), Georgia, Moldova and Ukraine expressed their aspirations towards EU membership, reaffirmed their commitment to continued implementation of their association agreements (AA) with the EU, while underlining that AAs 'do not constitute the final goal of their relations with the EU'.

During the 30 November 2021 [visit](#) of the prime ministers of Georgia, Moldova and Ukraine to Brussels, the Association Trio leaders reaffirmed their 'common position that the summit should offer the partner states new opportunities on the path toward further EU integration based on the differentiation and more for more principles' with a clear expectation that this will be reflected in the summit declaration. The prime minister of Ukraine [confirmed](#) that the Trio cooperation should be seen as complementary to the Eastern Partnership and 'will not aim at replacing the existing issues'.

Of the three remaining countries, Armenia is the most engaged in the EaP, which its foreign minister [describes](#) as a vital platform for effective multilateralism, whose strategic significance lies in bringing the EU Member States and the six partner countries closer to each other. [Armenian civil society](#) organisations are also supportive and have demanded inclusion in EU working groups – whether with or without voting rights – with the aim of engaging in EU-level policy debates. For its part, [Azerbaijan](#) continues to participate in the Eastern Partnership, although less actively than Armenia. On the other hand, Belarus has suspended its participation, a decision opposed by democratic leader [Sviatlana Tsikhanouskaya](#), who underlines that 'withdrawal from the EaP is not in the interests of Belarusians'.

3 Key milestones for the Eastern Partnership

Table 2 – Major EU agreements with EaP countries

	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
Visa facilitation*	2014	2014	Visa facilitation/ readmission agreements entered into force in July 2020. However, in October 2021 Belarus suspended the readmission agreement , and in November the EU excluded Belarusian officials from the scope of the visa facilitation agreement.	2011	2011	2014
Visa liberalisation*	-	-	-	2017	2014	2017
(Association) agreement*	2018 Comprehensive and enhanced partnership agreement CEPA) provisionally entered into force	2017 Start of negotiations on a comprehensive and enhanced partnership agreement	-	2016 Association agreement	2016 Association agreement	2017 Association agreement
Deep and comprehensive free trade area*	-	-	-	2016	2016	2017

* Year of entry into force (source: [Council of the EU](#)).

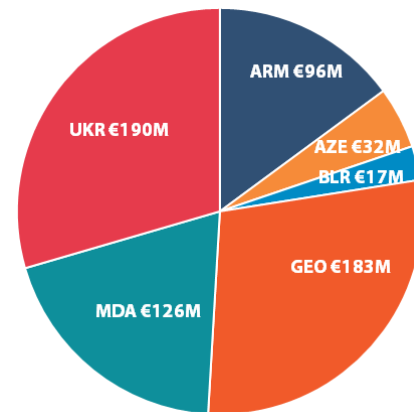
EU support to EaP countries during the coronavirus pandemic

Since 2020, the EU has mobilised over €1 billion from the global [Team Europe](#) initiative in support of the EaP countries during the pandemic. Part of this aid addresses immediate needs, such as supplies of masks and other protective equipment, ventilators, training for medical and laboratory staff, and another is in the form of humanitarian aid for vulnerable groups such as the elderly and the disabled. Some [€75 million](#) of EU funding provides mostly logistical support for EaP vaccination programmes. Furthermore, EU Member States donated [55%](#) of the vaccines received by EaP countries through the international COVAX initiative, ahead of the US (32%), China (7.5%) and Russia (3.0%).

However, the bulk of EU aid serves the longer-term goals of making healthcare systems more resilient and supporting EaP countries' socioeconomic recovery, in part through loans and loan guarantees. For example, over €200 million in loans and grants has been paid out to EaP small and medium-sized enterprises under the [EU4Business](#) initiative, implemented in partnership with international financial institutions such as the European Investment Bank and the World Bank.

In addition to Team Europe, the EU has granted [macro-financial assistance](#) in the form of low interest loans to the governments of three EaP countries: Ukraine (€1 200 million); Moldova (€100 million) and Georgia (€75 million).

Figure 2 – Team Europe and the EaP (€ million, December 2021)



Source: [European Commission](#) (amounts do not include aid that is allocated to the region as a whole rather than to a specific country).

4 Prospects for the Eastern Partnership

4.1 The post-2020 agenda

In the context of the EaP's 10th anniversary – celebrated in Brussels in June 2019 – the European Council tasked the Commission and the High Representative to present a set of long-term policy objectives beyond 2020, ahead of the next Eastern Partnership summit planned for June 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 [outline](#) for the EaP beyond 2020, on 18 March 2020. The consultation had shown that all EaP 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.

On 2 July 2021, the Commission and the High Representative adopted a [joint staff working document](#) (SWD), Recovery, resilience and reform: Post 2020 Eastern Partnership priorities, which supplemented the March 2020 paper in the light of changed circumstances as a result of the pandemic, and added further detail. The priority long-term objectives are the same as in the previous version, with gender equality and climate change actions mainstreamed into all priorities.

The agenda is composed of two pillars: governance and investment. The governance pillar concerns reforms and fundamental values. This includes actions dedicated to democracy, human rights, rule of law reforms, support for the fight against corruption, support to civil society and independent media. The investment pillar includes an economic and investment plan to support post-pandemic recovery in the EaP countries. For each country, this plan lists five flagship initiatives. Moreover, the document proposes Top Ten Targets for 2025 (see below for more detail), as well as changes to the EaP multilateral architecture, aimed at further streamlining; better operational arrangements and increased flexibility.

4.2 Long-term objectives

Based on the above-mentioned documents and subsequent consultation process, the December 2021 summit [declaration](#) affirms six policy objectives, structured around two pillars.

Governance pillar

- **'Together for accountable institutions, the rule of law, and security'**

Under this policy objective, the plan highlights judicial reforms, establishing an accountable, transparent and efficient public administration, tackling fraud, corruption and economic crime, combating organised crime and strengthening security, cyber-resilience and cybercrime.

- **'Together for resilient, gender-equal, fair and inclusive societies'**

This policy objective focuses on civil society and youth participation, independent media and fact-based information, democracy, protection of human rights and promotion of gender equality, visa liberalisation, migration management and mobility partnerships and health resilience.

- **'Strategic communication'**

This policy objective aims at more coherent EU branding and support of EaP countries' strategic communication capabilities, including through fighting disinformation, engagement with youth and increased exchanges at all levels, not least through Euronest.

Investment pillar

- **'Together for resilient, sustainable and integrated economies'**

This policy objective concerns trade and economic integration, investment and access to finance, transport interconnectivity, and investments in people and knowledge societies. Three of the Top Ten Targets concern this area.

- **'Together for environmental and climate resilience'**

This policy objective focuses on improving access to clean water; reducing air pollution; addressing matters related to the circular economy; focusing on climate neutrality and green growth, biodiversity and the economy's natural assets base; strengthening energy security and nuclear safety; and on making a shift to sustainable and smart mobility.

- **'Together for a resilient digital transformation'**

This policy objective addresses digital infrastructure, e-governance, the digital economy and innovation, cyber-resilience and cybersecurity.

4.2.1 Top Ten Targets for 2025

The Staff Working Document of July 2021 sets out Top Ten Targets for 2025 linked to five of the above six policy objectives, as described in the table below.

Table 1 – EaP post-2020 policy objectives and Top Ten Targets for 2025

Together for accountable institutions, the rule of law, and security
All high-level officials (judiciary, prosecution, parliament, law enforcement, public administration) declare their economic assets and these declarations are verified
A strengthened framework in place for identifying and addressing hybrid threats; strengthened partners' capacities to increase cyber resilience and tackle cyber crime, including through fully implementing the Council of Europe Budapest Convention on cyber crime
Together for resilient, gender-equal, fair and inclusive societies
2 500 local civil society organisations, 120 independent media outlets and 2 000 journalists will be supported
850 000 health workers will be vaccinated and/or benefit from improved therapeutics, equipment and working conditions
Together for resilient, sustainable and integrated economies
500 000 SMEs (20 % of all SMEs in the region) supported
3 000 km of priority roads and railways built or upgraded in line with EU standards
70 000 individual mobility opportunities for students and staff, researchers, young people and youth workers
Together for environmental and climate resilience
Another 3 million people gain access to safe water services, while air quality will be monitored and improved in 300 cities
250 000 households reduce energy consumption by at least 20 % thanks to energy efficiency
Together for a resilient digital transformation
80 % of households will have affordable access to high speed internet

4.3 Economic and investment plan

The investment pillar of the agenda was [prepared](#) to support the EaP countries' post-Covid socio-economic recovery and long-term resilience. The economic and investment plan outlines priority investments and defines a set of flagship initiatives, which have been jointly identified with the partner countries, in view of their priorities, needs and ambitions. It will be supported by up to €2.3 billion of EU funding, which, according to the Commission's estimates, could mobilise public and private investments worth up to €17 billion.

In line with the above-mentioned priorities, the plan identifies eight investment areas: enhanced transport connectivity, access to finance: support for SMEs, and investments in equity to strengthen competitiveness and integration in EU value chains, digital transition, sustainable energy, environmental and climate resilience, health resilience and investments in people and knowledge societies.

The five flagship initiatives for each EaP country were [identified](#) with the aim to maximise impact and visibility in the countries, as concrete priority projects can make a difference to people and businesses in the Eastern Partnership.

4.4 The Eastern Partnership summit

Eastern Partnership summits are usually held every two years. The previous summit was held in Brussels in 2017, while the 2019 summit was replaced by a [high-level conference](#) celebrating the tenth anniversary of the EaP, [reportedly](#) due to several EU-internal factors making it difficult to hold

a summit that year. Due to the pandemic, a fully fledged EaP summit could not be held in [June 2020](#) as originally envisaged; instead, a video conference was held with EaP leaders, which stressed the importance of solidarity at a time of crisis.

EaP summits play an [important role](#) in setting the agenda for cooperation between the EU and its Eastern partners. For example, it was the 2017 summit that agreed on the above-mentioned 20 deliverables for 2020. The [2021 summit](#) was held on 15 December, in Brussels. It was attended by European Council President, Charles Michel, European Commission President, Ursula von der Leyen, and by the leaders of EU Member States and of five of the six EaP countries (Belarus did not take part). It was preceded by a series of side events bringing together EaP foreign ministers, senior officials, local and regional elected representatives, young people and NGOs with their EU counterparts. The summit endorsed the agenda described above, with its six long-term objectives, €2.3 billion economic and investment plan, and flagship projects.

However, the summit could not entirely avoid [contentious issues](#). Even now that Belarus has suspended its participation, the EaP countries are an increasingly disparate group, and it has become difficult to deal with them all in the same basket. Georgia, Moldova and Ukraine, the [Associated Trio](#), would like the EU to acknowledge their ambitions for closer integration, and have demanded to be treated separately. There is a [tension](#) between these aspirations and maintaining the EaP as an inclusive format – particularly with respect to Armenia, whose membership of Moscow's Eurasian Economic Union precludes it from having an association agreement with the EU, but which nevertheless has close ties with Brussels.

This tension between differentiation and inclusivity is reflected in the summit [declaration](#). The latter acknowledges the associated Trio countries' wish for enhanced cooperation, but emphasises that all partners which are interested in such cooperation must have equal access to opportunities and resources.

Another challenge for the EU over the next few years will be to revive the reform agenda; as mentioned above, there has been solid progress on the economic front, but much less so on governance, including in former EaP frontrunner Georgia (see below). For their part, those EaP countries that have suffered from Russian aggression will probably want to see a stronger security dimension, something currently [missing](#) from the partnership.

5 Eastern Partnership countries' profiles

5.1 Armenia: On the path towards state reforms

The EU-Armenia [comprehensive and enhanced partnership agreement](#) (CEPA) entered fully into force in March 2021. Unlike the AA/DCFTA negotiated but never signed in 2013, the CEPA does not include a free trade component. Nevertheless, it includes important provisions on EU support for Armenian reforms, as well as approximation to EU standards in numerous areas. Although Armenia has not signed an AA, it receives almost as much EU funding as the Georgia-Moldova-Ukraine Trio: up to [€308 million](#) for the 2014-2020 period from the EU's European Neighbourhood Instrument.

Economic and investment plan: Five flagship initiatives

- A sustainable, innovative and competitive economy – direct support for 30 000 SMEs (up to €500 million)
- Connectivity and socio-economic development – the north-south corridor (€600 million)
- Investing in digital transformation, innovation, science and technology (€300 million)
- Building resilience in the southern regions (€80 million)
- A green Yerevan – energy efficiency and green buses (€120 million)

5.1.1 Political situation

Following the Velvet Revolution of April-May 2018, [Nikol Pashinyan](#) became prime minister of Armenia. After his My Step coalition won 70 % of votes in the December 2018 [elections](#), he embarked on an ambitious [reform agenda](#), focussing on objectives such as ending political influence over the courts and cleaning up corruption. The results were encouraging, with Armenia moving up in Transparency International's Corruption Perceptions Index from [105th place](#) out of 180 countries in 2018 to [60th](#) in 2020. There was similarly impressive progress on [press freedom](#) and [democracy](#). However, reforms were already showing signs of [losing momentum](#) even before the country was hit by the twin disasters of the pandemic and military defeat to Azerbaijan in November 2020. With his political survival in the balance amid accusations of treachery for signing the peace deal, Pashinyan took the gamble of calling early elections in June 2021. A solid victory for Pashinyan in a vote [described](#) by international observers as transparent and credible are [positive signs](#) for the country's democratic future.

Unlike similar upheavals in Ukraine and Georgia, Armenia's Velvet Revolution has not fundamentally changed the country's geopolitical alignment; while Pashinyan is seen as more [pro-Western](#) than his predecessors, he has no choice but to continue the alliance with Russia, given the country's precarious security situation (see below).

5.1.2 Economic situation

Economic reforms initiated by Pashinyan aimed to curb the informal sector and improve the investment environment. The year 2019 was one of strong performance, with the economy growing at its fastest rate ([7.6%](#)) in over a decade, and a favourable macroeconomic situation following the decrease of the budget deficit to 0.8%.

The population is mainly [employed](#) in the services (51 %) and the agriculture (33 %) sectors, with industry providing employment to 16 % of Armenians.

Due to the pandemic and the military conflict, GDP fell sharply by 7.4 % in 2020, while high [unemployment](#) increased further from nearly 19 % to 20 %. However, [recovery](#) has been faster than expected, with a growth of 6.1 % forecast for 2021, followed by an average 5 % for the next two years.

The country's main [trading partners](#) are Russia (30.3 % of total trade), followed by the EU-27 (18 %), China (13.6 %) and Switzerland (6.8 %). Only one other EaP country – Ukraine (2.1 %) – is among Armenia's top ten trading partners. Armenia's [export structure](#) is dominated by fuels and mining products (35.5 %), followed by agricultural products (29.4 %) and manufactured products (25.5 %).

5.1.3 Security issues

Armenia, which faces hostility from two out of its four neighbours (Azerbaijan and Turkey), is reliant on Russia, its military ally in the [Collective Security Treaty Organisation](#) (CSTO). Russia has a large base at Gyumri near to the Turkish border, and in May 2021, it sent [troops](#) to two new sites close to the Azeri border at Armenia's request. However, the CSTO's mutual defence clause does not apply to the disputed territory of Nagorno-Karabakh, as it lies outside Armenia's internationally recognised borders. Russia did not therefore provide Armenia with military support during the 2020 Nagorno-Karabakh conflict.

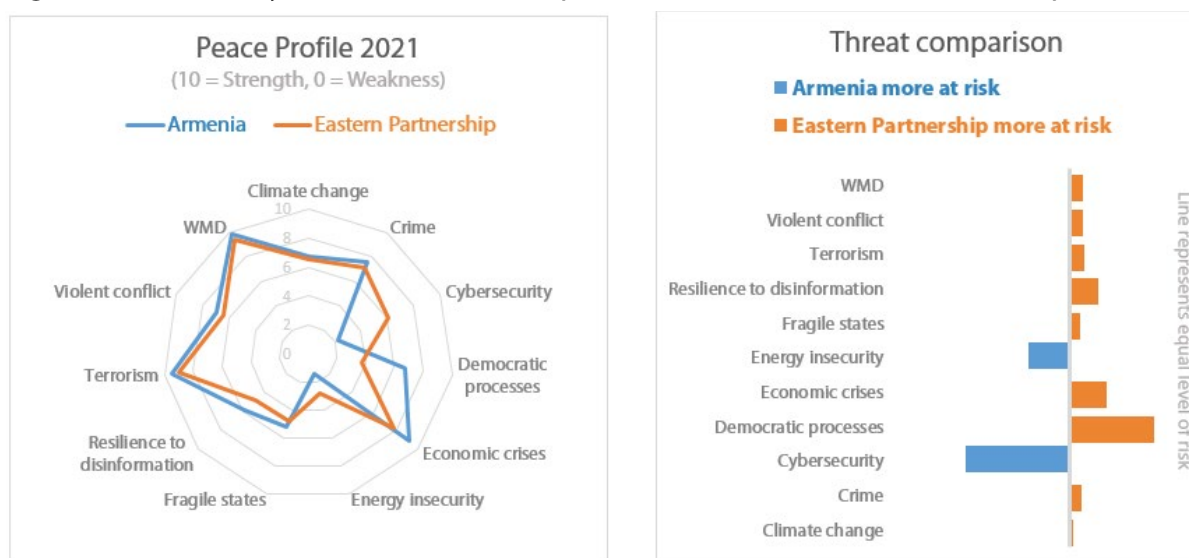
Armenia's defeat was a devastating blow to the country, and the security situation along its borders with Azerbaijan remains fraught, as sporadic [clashes](#) continue. Although Azerbaijan has [released](#) some Armenian prisoners of war, it continues to detain dozens more, on [charges](#) that include illegal crossings of the border after the ceasefire.

Despite such tensions, some [observers](#) feel there is a real prospect of Armenia moving to normalised relations with both Azerbaijan and Turkey, not least in view of the expected economic benefits to all three countries from the new transport corridors envisaged by the ceasefire agreement. See also sub-section 5.2.3 on Azerbaijan.

5.1.4 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.

Figure 3 – Normandy Index: Armenia compared to the other Eastern Partnership countries



Data source: EPRS, [Normandy Index](#).

5.1.5 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. Between 2015 and 2019, [nearly 2 500](#) Armenian students studied in EU universities on Erasmus+ exchanges. Under Horizon 2020, [36 grants](#) totalling €4 million were awarded to Armenian researchers.

5.2 Azerbaijan: Limited engagement

EU-Azerbaijan ties are based on the EU-Azerbaijan Partnership and Cooperation Agreement, in force since 1999. According to President Ilham Aliyev, he [rejected](#) the EU's offer of an association agreement because it failed to treat the country as an equal partner or commit unambiguously to its territorial integrity. Negotiations on a new framework agreement started in 2017 and were [reportedly](#) close to completion in 2019; however, progress appears to have stalled since then. Aliyev's autocratic rule (see below) is an obstacle to partnership, with the EU [insisting](#) that it will not compromise core Eastern Partnership values for the sake of closer relations.

From an economic perspective, Azerbaijan is important to the EU as an energy supplier. Deliveries through the newly [completed](#) Southern Gas Corridor are expected to reach [10 billion cubic metres](#) in 2022, 3 % of the EU's total imports, a step towards the EU diversifying away from Russian gas.

EU funding for Azerbaijan is relatively modest: for the 2018-2020 period, up to [€51 million](#) from the EU's European Neighbourhood Instrument, much less than for Armenia despite its smaller population.

Economic and investment plan: Five flagship initiatives

- Green connectivity – supporting the green port of Baku (up to €10 million)
- Digital connectivity – supporting the digital transport corridor (€10 million)
- Supporting a sustainable, innovative, green and competitive economy — direct support for 25 000 SMEs (€50 million)
- Innovative rural development flagship (€50 million)
- Smarter and greener cities (€10 million)

5.2.1 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 possible reasons include Aliyev's willingness to stabilise the country's ties to the United States and the EU, increase the role of the Pashayevs (the First Lady's family), as well as the need to respond to a series of recent social protests.

5.2.2 Economic situation

Azerbaijan is the wealthiest of the EaP countries due to its huge oil and gas reserves, but its [dependence](#) on hydrocarbons (accounting for nearly half of GDP and 90 % of exports) exposes it to volatility on energy markets – in 2014, after oil prices crashed, and again in 2020, after a pandemic-related slump in global demand. In 2020, the economy [shrank](#) by 4.3 %, but growth is expected to recover to around 2 % in 2021 and 2022. The government is making efforts to diversify the economy, for example, by promoting agriculture, tourism and renewable energy. Azerbaijan also has ambitions to become a transport hub through new routes such as the [North-South International Transport Corridor](#).

Despite the pandemic, unemployment remains low at [6%](#) in 2020. Azeris work mainly in the services (50 %) and agriculture (36 %) sectors, with industry providing employment to 14 % of the population.

The country's main [trading partners](#) are the EU-27 (36.3 %), followed by Turkey (17%), Russia (10.9 %) China (7.5 %) and Ukraine (3.2). The eighth main Azeri trading partner is Georgia (2.2 %). The country's [export structure](#) is almost entirely dominated by fuels and mining products (92.3 %), with agricultural and manufactured products covering respectively 4.6 % and 2.9 % of trade.

5.2.3 Security issues

For several years, Azerbaijan belonged to the Russia-led CSTO, and it has also participated in NATO missions. However, for the time being Baku remains [non-aligned](#). The country's main backer is Turkey; relations with Russia are mostly cordial but sometimes [complicated](#) due to Moscow's alliance with Yerevan, embroiled in a dispute with Baku over [Nagorno-Karabakh](#). The latter is inhabited by ethnic Armenians but internationally recognised as part of Azerbaijan.

Baku lost control of the territory as well as surrounding regions in the early 1990s after a war with Armenia that claimed as many as 30 000 lives. The [OSCE-led Minsk Group](#) was set up to resolve the status of Karabakh, but has so far failed to produce lasting peace. After a series of smaller clashes, a second war broke out in 2020. With Turkish support, Azerbaijan defeated the Armenia-backed separatists and reclaimed large swaths of land.

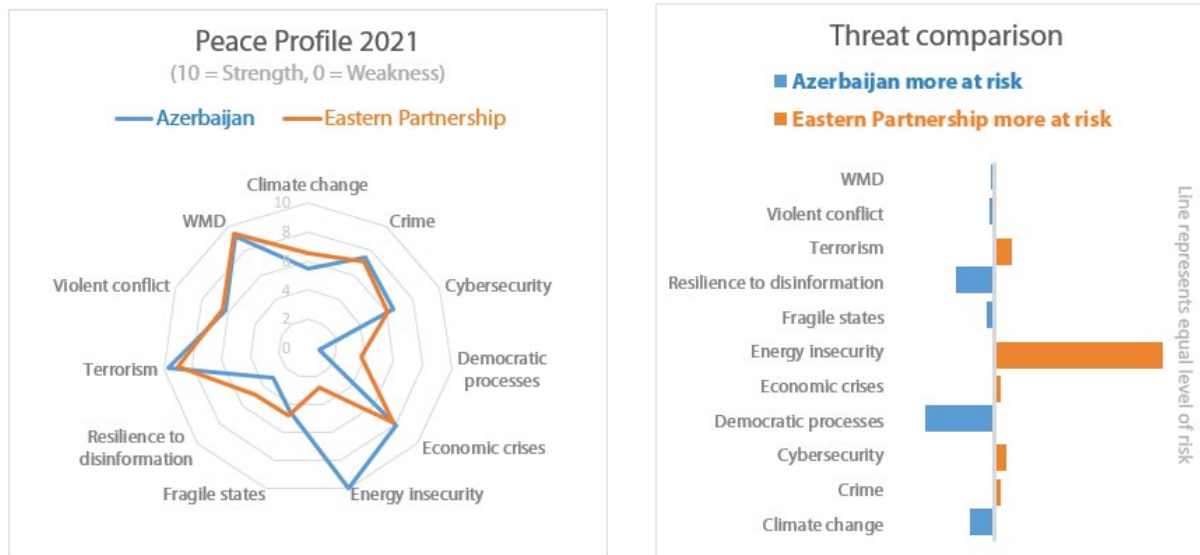
However, there is still no political agreement on the status of Karabakh, over half of which is still under separatist control. Russia brokered a ceasefire in November 2020, but [fighting](#) has flared up several times since then, killing soldiers on both sides. [Landmines](#) in territories recovered from Armenia continue to kill and maim civilians, and clearing them could take over a decade. In exchange for some of the prisoners still being held by Azerbaijan, Armenia has provided maps to help with clearance, but such maps are neither complete nor accurate.

The ceasefire agreement envisages a transport corridor connecting Azerbaijan via Armenian territory to its Nakhchivan exclave. The new corridor would give Azerbaijan a land link to Nakhchivan and Turkey replacing the more indirect route through Iran, while Armenia would benefit from enhanced trade and normalised relations with its two hostile neighbours. While both sides have agreed in principle to the corridor, they have still not worked out the details, and [progress](#) towards implementation is slow.

5.2.4 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 in comparison to EaP countries' average.

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



Data source: EPRS, [Normandy Index](#).

5.2.5 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. EU efforts to support civil society are restricted by the poor human rights situation, state control over NGOs and limited possibilities to finance NGOs from abroad. Since 2015, over [1 600](#) Azerbaijani students and academic staff have participated in Erasmus+ educational exchanges.

5.3 Belarus: Supporting the change

Aliaksandr Lukashenka's autocratic rule has strained EU-Belarus ties. In the wake of the Ukraine crisis, relations improved for a while, allowing visa facilitation and readmission agreements with the EU to enter into [force](#) on 1 July 2020. However, soon after that the situation rapidly [deteriorated](#). Following the falsified presidential elections of [August 2020](#), Aliaksandr Lukashenka decided to pursue a path of a brutal crackdown against peacefully protesting Belarusians, instead of embracing dialogue with the democratic opposition. In 2021, repressions have continued, with currently [over 900 political prisoners](#), [270 closed NGOs](#) and severely limited access to independent media. In May 2021, the regime hijacked [Ryanair flight FR 4978](#) in order to arrest independent journalist Raman Protasevich. During the summer of 2021, Lukashenka attempted to engineer a hybrid attack against the EU by instrumentalising vulnerable migrants. The EU reacted with five rounds of sanctions. Currently, the sanctions cover 26 entities and 183 individuals, including Lukashenka, who is not recognised by the EU as the legitimate president of the country. Lukashenka's reaction was suspension of his country's [participation](#) in the Eastern Partnership and of the [readmission agreement](#) with the EU. Ahead of the Eastern Partnership summit, HR Josep Borrell, the President of the Council Charles Michel and a number of EU ministers of foreign affairs met on [12 December 2021](#) with representatives of democratic Belarus, including civil society, human rights defenders and independent media.

The European Parliament awarded the [2020 Sakharov Prize](#) to the Belarusian democratic opposition and received Belarusian opposition leader [Sviatlana Tsikhanouskaya](#) in its plenary session of 24 November 2021. Parliament advocates [invitation](#) of the representatives of democratic Belarus to

the Eastern Partnership summit. As stated in the joint staff working document: Recovery, resilience and reform – post-2020 Eastern Partnership priorities, the 'EU will focus on intensifying cooperation with non-state stakeholders, including notably civil society, independent media and youth'.

Economic and investment plan: Five flagship initiatives

(Proposals are indicative and subject to a democratic transition)

- Supporting an innovative and competitive economy – direct support for 20 000 SMEs (up to €350 million)
- Improving transport connectivity and facilitating EU-Belarus trade (€200 million)
- Boosting innovation and the digital transformation (€20 million)
- Supporting a green Belarus – energy efficiency, waste management and infrastructure (€200 million)
- Investing in a democratic, transparent and accountable Belarus (€100 million)

5.3.1 Economic situation

Belarus's [GDP](#) fell by 0.9 % in 2020, while the EIU expects a growth of 2.8 % in 2021 and 2 % in 2022. The country's GDP [was](#) €52.7 billion in 2020; GDP per capita during the 2018-2020 period stood at €5 671. The [unemployment rate](#) was 5.3 % in 2020. Belarusians work mainly in the services (59 %) and industrial (30 %) sectors, with agriculture providing employment to 11 % of the population.

Belarus' main [trading partners](#) are Russia (47.9 % of total trade), followed by the EU-27 (19.3 %), Ukraine (7.4 %) and China (7.3 %). Belarus' [export structure](#) is dominated by manufactured products (54 %), followed by fuels and mining products (21.9 %) and agricultural products (19.5 %).

With Belarus dependent on Russia, its main trading partner, more than ever following the recent crisis in relations with the EU, Lukashenka [agreed](#) to further integration with Russia, with 28 'Union State' (a major Russia-Belarus project) programmes including common policies on taxation, banking, industry, agriculture, energy, coordinated macroeconomic and monetary policies, and a single gas market agreed in November 2021. Additional loans from Moscow of [US\\$1.5 billion](#), agreed in September 2020, were followed by an announcement of a [US\\$630 million](#) loan to be paid out between September 2021 and December 2022.

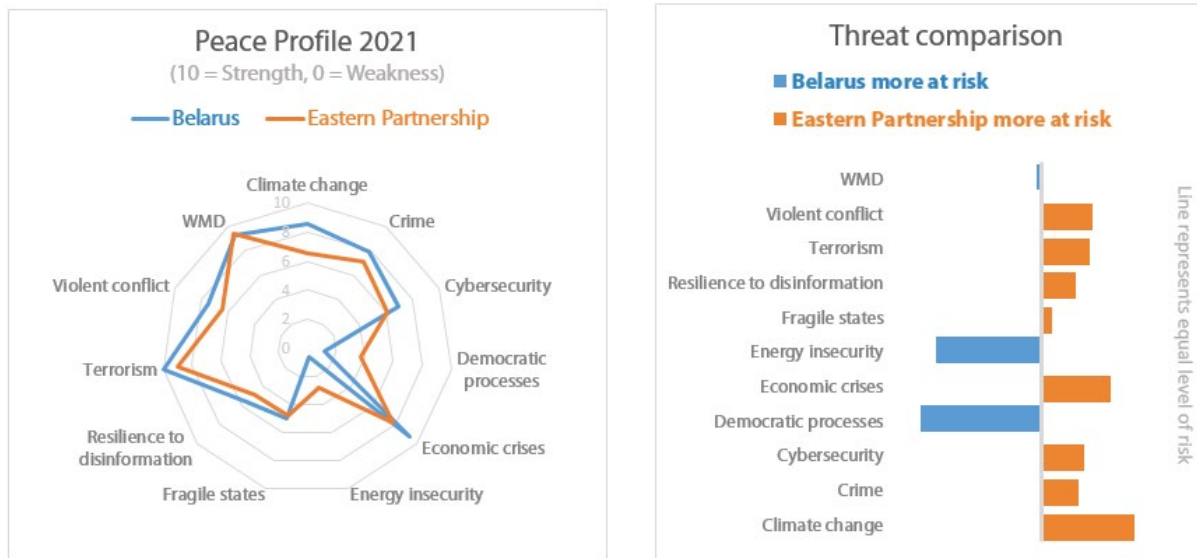
5.3.2 Security issues

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 economic and political support. Russia has radar and naval communications stations in Belarus, and there is a joint air defence system; however, Minsk continues to resist hosting a permanent Russian military base. The two countries approved a common military doctrine on [4 November 2021](#).

5.3.3 Peace profile

The Normandy Index reflects the above-mentioned weak democratic processes and low energy security resilience in comparison to EaP countries' average, as the country has one of the [lowest](#) levels of energy self-sufficiency in the world.

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



Data source: EPRS, [Normandy Index](#).

5.3.4 Society, education and people-to-people contacts

As noted above, visa facilitation and readmission agreements with Belarus entered into force in the summer of 2020. In November 2021, the EU excluded [Belarusian regime officials](#) from the scope of the visa facilitation agreement; for its part, Belarus suspended the readmission agreement. Many Belarusian opposition activists, threatened by Aliaksandr Lukashenka, decided to migrate to the EU. In response, the European Commission provides [scholarships](#) to Belarusian students studying in Czechia, Latvia, Lithuania and Poland within the [EU4Belarus: Solidarity with the People of Belarus](#) programme. Moreover, Belarusian students and academic staff have participated in Erasmus+ exchanges since 2009.

5.4 Georgia: Consolidating its European ambitions?

Since independence, Georgia has been one of the most pro-Western of the former Soviet Union countries. In 2002, it [requested](#) an invitation to join NATO; the 2014 association agreement was a step towards closer cooperation with the EU. Since 2017, Georgia's [constitution](#) requires the country's government to work towards full EU and NATO membership. In 2020, the Georgian Parliament set the [target](#) of applying to join the EU in 2024.

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. For the 2014-2020 period, Georgia was allocated up to [€746 million](#) from the EU's European Neighbourhood Instrument.

Economic and investment plan: Five flagship initiatives

- Black Sea connectivity – improving data and energy connections with the EU (up to €25 million)
- Transport connectivity across the Black Sea – improving physical connections with the EU (€100 million)
- Sustainable economic recovery – helping 80 000 SMEs to reap the full benefits of the DCFTA (€600 million)
- Digital connectivity for citizens – high-speed broadband infrastructure for 1 000 rural settlements (€350 million)
- Improved air quality – cleaner air for over 1 million people in Tbilisi (€100 million)

5.4.1 Political situation

Among the Eastern Partnership countries, Georgia is seen as a [frontrunner](#) in terms of alignment with European standards. However, the lack of a truly independent justice system has been [described](#) as 'the Achilles' heel of Georgia's democratic transformation'. Constitutional reforms have failed to end the influence of ruling party Georgian Dream, in power since 2012, over the judiciary; opponents see rulings against opposition politicians and media as evidence of politically motivated justice.

Georgian politics has become increasingly polarised. Although international observers did not find evidence of widespread fraud, opposition parties boycotted the second round of parliamentary elections in November 2020, alleging vote rigging in favour of Georgian Dream, and refused to sit in the new parliament. The parliamentary boycott ended in April 2021 following an EU-brokered deal that included promises of further judicial reforms and legal reviews of cases against opposition leaders; however, this agreement collapsed in July after Georgian Dream pulled out of it. In the autumn 2021 municipal elections, the ruling party won another convincing [victory](#), with the opposition once again alleging fraud. The situation escalated in October 2021, with the [return](#) of former President Mikheil Saakashvili from exile in Ukraine. Saakashvili, who had been convicted in absentia of abuses of power, was immediately imprisoned, and began a 50-day hunger strike.

Georgia's political crisis has strained relations with Brussels. After the EU pointed out that Tbilisi had failed to meet its reform commitments, Georgia, which had been promised €150 million of macro-financial assistance, [decided](#) not to take the second tranche of €75 million. There are [concerns](#) in the EU about Saakashvili's situation, with some MEPs [demanding](#) that his rights to a fair trial and adequate medical treatment be respected.

Formerly one of the most corrupt countries in the world, Georgia has made spectacular progress in curbing graft, advancing from [124th](#) out of 133 countries in Transparency International's Corruption Perceptions Index in 2003, to [45th](#) place out of 176 in 2020 – well ahead of the other five EaP countries. However, in recent years this progress has stalled, as political bias in judicial and law enforcement systems [obstructs](#) efforts to tackle high-level corruption. Calls (by the [European Parliament](#), among others) to establish an independent anti-corruption agency have not been followed up.

5.4.2 Economic situation

Georgia has one of the better performing [economies](#) in the Eastern Partnership. The country has sound public finances and a good investment environment thanks to business-friendly regulation and success in curbing formerly endemic corruption. The pandemic interrupted several years of

solid growth (the economy shrank by 6 % in 2020), but GDP is forecast to recover to pre-crisis levels already in 2021.

One of the main concerns is persistently high unemployment (12% in 2020). 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 (22.4 %), followed by Turkey (14.1 %) and Russia (11.7 %). Other EaP states are also important partners and, when counted together, they overtake Turkey. Azerbaijan (8.2 % of total trade), Armenia (5.4 %) and Ukraine (5.3 %) are the country's key EaP trading partners. Georgia's [exports](#) are dominated by manufactured products (53.7 %), followed by agricultural products (24 %) and fuels and mining products (20.1 %).

5.4.3 Security issues: Abkhazia and South Ossetia

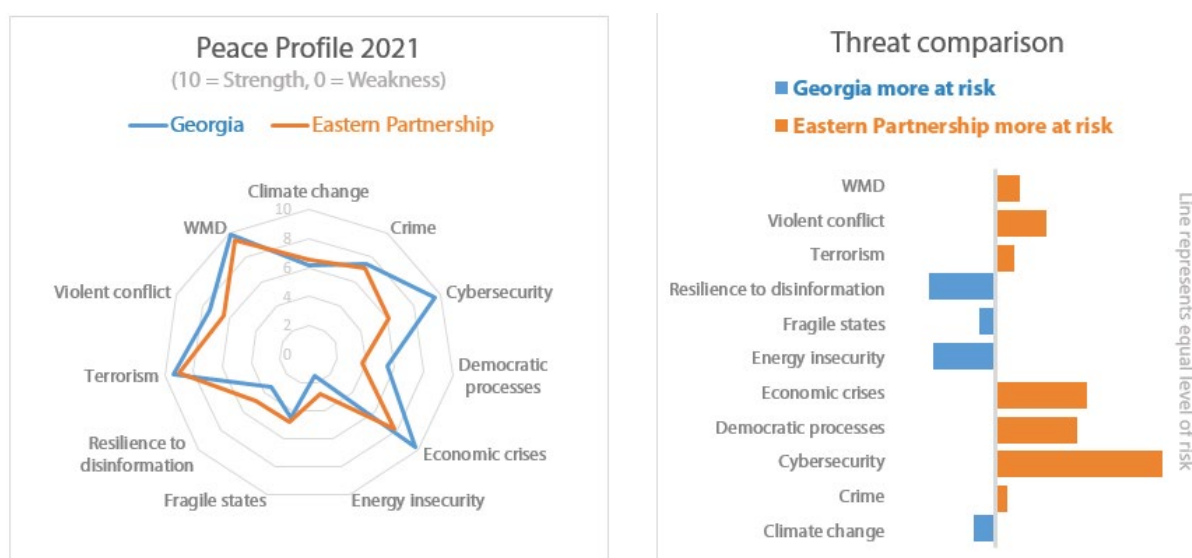
In 2008, fighting broke out between Georgian government forces and separatists in [Abkhazia and South Ossetia](#), two territories that form one-fifth of the country's land area. Russia intervened on the side of the separatists, and since then has had a permanent military presence in both regions, which it – alongside a handful of other countries – recognises as independent states. The conflict is now frozen: while there has been no fighting since 2008, nor has there been any progress towards re-integrating the two territories. Separatists have transformed sections of the administrative boundary line (which in the case of South Ossetia has been gradually moved deeper into Georgian territory) between them and the rest of the country into a hard [border](#), dividing communities and blocking access by local residents to farmland and families.

The EU, which firmly [supports](#) Georgia's sovereignty and territorial integrity within its internationally recognised borders, has deployed an unarmed civilian [EU Monitoring Mission in Georgia](#) (EUMM). Its over 200 staff monitor compliance with the [Six-Point Agreement](#) brokered in 2008 by the EU. The EUMM also offers a hotline, enabling the two sides to communicate on security-related issues and thus defuse tensions. However, the mission does not have access to separatist-controlled territory.

5.4.4 Peace profile

According to the Normandy Index, Georgia has a lower level of threats to peace and security than EaP countries' average. Energy security is a vulnerability compared to EaP countries' average, but is [improving](#) due in part to reforms liberalising electricity and other energy markets in line with EU standards (Georgia joined the EU's [Energy Community](#) in 2017; Ukraine and Moldova, the two other EaP participants, have been members since 2010). 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](#).

5.4.5 Society, education and people-to-people contacts

In the area of [people-to-people](#) contacts, since 2017 Georgian nationals no longer need a visa to travel to Schengen area countries on short visits, and by 2020, [900 000](#) of them had taken advantage of this new arrangement. Since 2015, [over 4 500](#) Georgian university students and staff have visited EU countries on Erasmus+ exchanges. In 2018, an EU-funded [European School](#) was established in Tbilisi, offering a two-year education programme including European studies to 35 secondary school students a year from the six Eastern Partnership countries.

5.5 Moldova: New hopes arrive

Since Moldova joined the Eastern Partnership regional initiative 12 years ago, its ties with the EU had grown closer, and for a long time it was regarded as the EaP's '[most prominent member](#)', which eagerly sought a clear membership perspective. 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.

Economic and investment plan: Five flagship initiatives

- Supporting a sustainable, innovative, green and competitive economy – direct support for 50 000 SMEs (up to €500 million)
- Boosting EU-Moldova trade – construction of an inland freight terminal in Chisinau (€30 million)
- Increasing energy efficiency – expanding the refurbishment of district heating systems in residential buildings in Chisinau and Balti (€300 million)
- Improving connectivity – anchoring Moldova in the TEN-T (€780 million)
- Investing in human capital and preventing a 'brain drain' – modernisation of school infrastructure and implementation of the national education strategy (€25 million)

5.5.1 Political situation

Moldova is split between the main part of the country, under government control, and the pro-Kremlin breakaway region of Transnistria. Geopolitical divides are also [mirrored](#) in the country's

political landscape, sharply polarised between pro-Western parties and the Russia-friendly Socialist Party. In November 2020, [Maia Sandu](#) defeated Socialist incumbent Igor Dodon in the presidential elections; several months later, her Party of Action and Solidarity won a landslide victory in the July 2021 [parliamentary elections](#), raising hopes of progress on the EaP-supported reform agenda. Prime Minister Natalia Gavrilița's government plans to focus on [anti-corruption - for years an important problem of the country - as well as](#) rule of law, economy and good governance.

5.5.2 Economic situation

Moldova is one of Europe's poorest countries. According to the [Economist Intelligence Unit](#) (EIU), the economy [shrank](#) by [7%](#) in 2020, but growth is expected to recover to around 4.6-4.9% in 2021 and 2022. The EIU expects that the government's ambitious reform programme will gain pace next year, with initial costs contributing to a budgetary deficit before reforms generate important revenue-generating payoffs. This should be manageable, as the current public debt, estimated at 37% of GDP, is low in comparison to the international standards.

The country's GDP [was](#) €10.1 billion in 2020, while GDP per capita during the 2018-2020 period stood at €3 766. 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 (52.3% of total trade), followed by Russia (10.4%), China (8.3%), Ukraine (7.6%), Turkey (7.1%) and Belarus (2.3%). Moldova's [export structure](#) is dominated by manufactured products (55.6%) and agricultural products (43%).

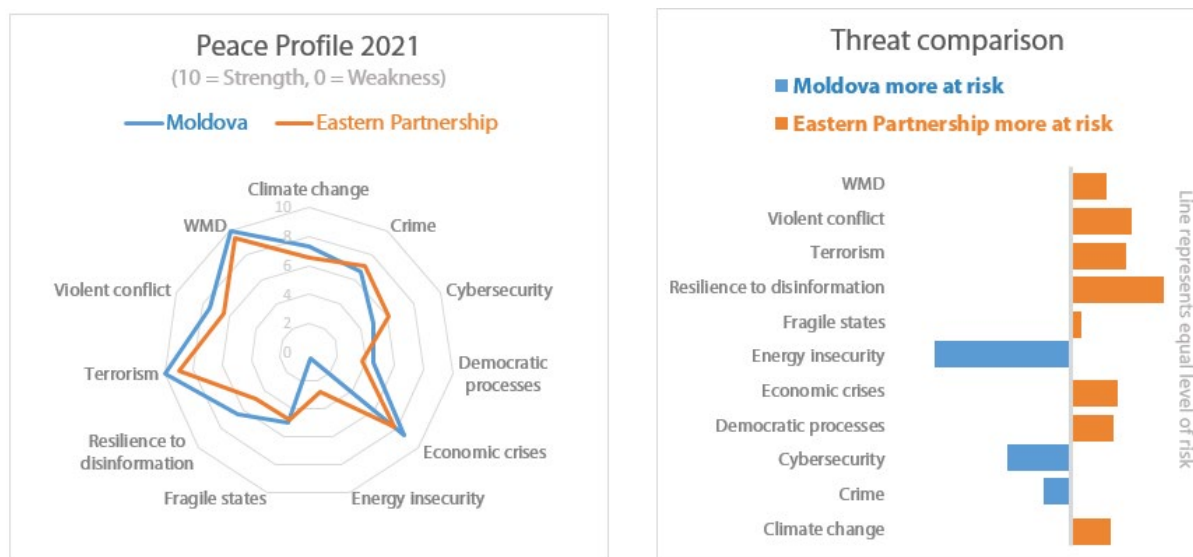
5.5.3 Security issues: The unresolved Transnistria conflict

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 Chisinau and Tiraspol (the Transnistrian capital) 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.

5.5.4 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 compared to EaP countries' average.

Figure 7 – Normandy Index: Moldova compared to the other Eastern Partnership countries



Data source: EPRS, [Normandy Index](#).

5.5.5 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, Moldovans made almost [9 million](#) visa-free trips to Schengen area. Between 2015 and 2019, over [1 800](#) Moldovan students and academic staff studied or taught in the EU via Erasmus+. Under Horizon 2020, [68 grants](#) totalling €7.4 million were awarded to Moldovan researchers.

5.6 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. 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. Work on the ambitious reform agenda launched in 2014 continues. Moreover, 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, although progress in these areas has been [uneven](#). The Support Group for Ukraine ([SGUA](#)) – set up by the European 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 €17 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.

Economic and investment plan: Five flagship initiatives

- Supporting a sustainable, innovative, green and competitive economy – direct support for 100 000 SMEs (up to €1 500 million)
- Economic transition for rural areas – assistance to over 10 000 small farms (€100 million)
- Improving connectivity by upgrading border crossing points (€30 million)
- Boosting the digital transition – modernising public IT infrastructure (€200 million)
- Increasing energy efficiency support for renewable hydrogen (€100 million)

5.6.1 Political situation

In April 2019, former comedian Volodymyr Zelenskyi defeated post-Maidan President, Petro Poroshenko. The July 2019 parliamentary elections gave his [Servant of the People](#) party an absolute parliamentary majority. Following the resignation of Prime Minister Olexiy Honcharuk, [Servant of the People parliamentary group supported](#) Denis Shmyhal as Ukraine's new prime minister, whose government was formed on 4 March 2020. Halfway through his presidential term, Zelenskyi's approval rating has [dropped](#) to 25%. However, this still puts him [ahead](#) of potential contenders. Ukraine progresses with its [anti-corruption reform](#), including the [restoration of the electronic asset declaration system](#), while further work is still necessary to ensure the independent and effective operation of the [anti-corruption institutions](#).

5.6.2 Economic situation

The DCFTA has led to an increase in EU-Ukraine [bilateral trade](#) of over 50% since 2015. This increase would have been even higher, had the pandemic not caused an 8.4% contraction in bilateral trade, affecting Ukraine's exports to the EU (-13.7%) more than its imports (-4.2%). The GDP of Ukraine decreased by [4%](#) in 2020, but it is [expected](#) to rebound by 1.7% in 2021 and 3.5% in 2022. In 2020, GDP [was](#) €133 billion, while GDP per capita during the 2018-2020 period stood at €3 037. As a result of the pandemic, the [unemployment rate](#) increased from 8.2% to 9.5% between 2019 and 2020. Ukrainians work mainly in the services (61%) and industrial (25%) sectors, with agriculture providing employment to 14% of the population.

The country's main [trading partners](#) are the EU-27 (39.3% of total trade), followed by China (14.9%), Russia (7%), Turkey (4.7%) and Belarus (4.1%). Ukraine's [export structure](#) is dominated by agricultural products (46%) and manufactured products (42%), followed by fuels and mining products (11%).

5.6.3 Security situation in eastern Ukraine and along country borders

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 stalled. Ceasefire violations continue to flare up along the line of contact and the death toll has reached [14 000](#). The EU is one of the largest humanitarian donors in the eastern Ukraine crisis, and has provided [€193.7 million](#) in emergency financial assistance, including €28.9 million in 2021.

In spring 2021, Russia moved around 100 000 troops close to the Ukrainian border, raising fears of an imminent attack. Most of the troops were subsequently withdrawn, but the build-up resumed in the autumn. In November 2021, Vladimir Putin [threatened](#) action if NATO crosses Russia's red lines, for example, by expanding eastwards or deploying weapons in and around Ukraine; for his part, US President Joe Biden [warns](#) that such red lines are not acceptable, and that Russian aggression will

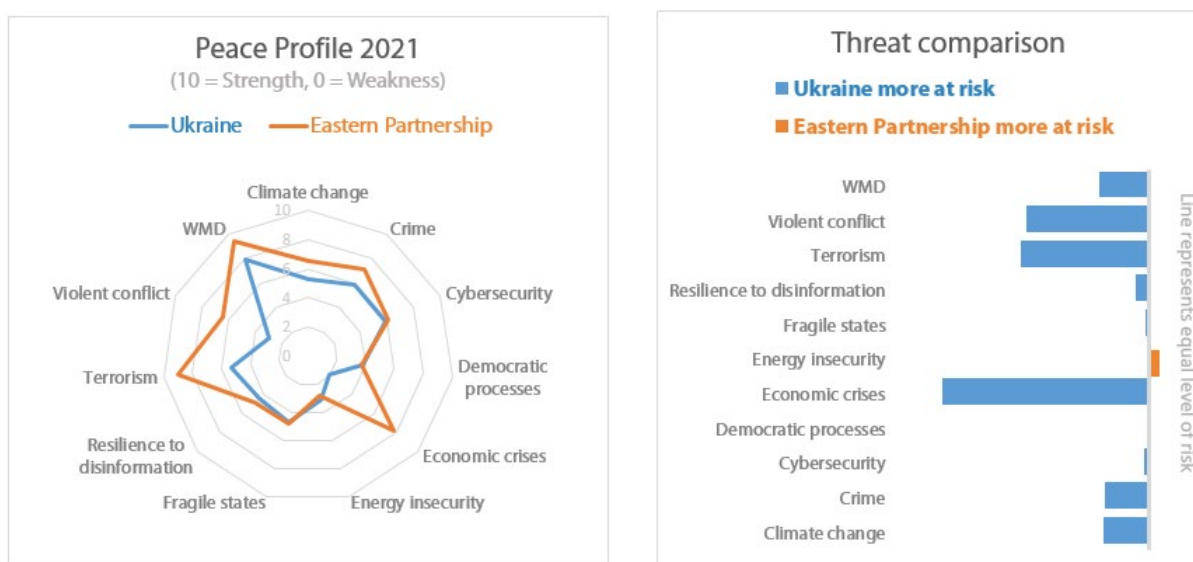
meet with a strong (but as yet unspecified) response. According to Ukrainian Defence Minister Oleksiy Reznikov, January 2022 is the most likely time for a Russian attack. United States [intelligence](#) has suggested that early 2022 could mark a potential invasion. [Analysts](#) are divided on the question of whether Russia actually plans to invade and what it hopes to achieve by doing so.

5.6.4 Peace profile

The Normandy Index [clearly reflects Russia's hybrid war against](#) Ukraine, signified by greater threats to peace and security than the average of EaP region.

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](#).

5.6.5 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 more than [50 million](#) visa-free visits to the EU. 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. Under Horizon 2020, [229 grants](#) totalling €45.5 million were awarded to Ukrainian researchers. 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.

6 Main references

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The geopolitical, economic and security situation in Europe has evolved significantly in the past 12 years since the Eastern Partnership (EaP) was launched in 2009. Taking into account the pandemic context and 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 – in the EaP region are growing. Against this backdrop, the European Commission and the EU High Representative have put forward a proposal for EaP policy beyond 2020, focused on 'recovery, resilience and reform'. This new agenda was endorsed at the EaP summit, held in Brussels on 15 December 2021.

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