

NON-PAPER

POST-2020 EASTERN PARTNERSHIP DELIVERABLES FOR THE THREE EU ASSOCIATED COUNTRIES – GEORGIA, REPUBLIC OF MOLDOVA AND UKRAINE

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CONTEXT

The EU's Eastern Partnership (*hereinafter EaP*) policy, officially launched in 2009, achieved several successful outcomes. The EU has signed Association Agreements, started to implement deep and comprehensive free trade areas and agreed on visa-free travel regimes with Georgia, Republic of Moldova (*hereinafter Moldova*) and Ukraine.¹ It also helped these countries to modernize their economies, diversify trade flows, improve their energy security, strengthen civil society and political pluralism throughout the region. However, the political, geopolitical and security situation in the EaP region remains fragile and volatile. This is further complicated by the COVID-19 pandemic and its economic and social impact. Despite these challenges, the EU demonstrated continued commitment to deepening its relationship in particular with the three EaP partners that are currently implementing Association Agreements. Nevertheless, the consolidation of the ongoing progress and setting new ambitious objectives for the next 5 to 10 years need further sustained commitment from both the EU and its EaP partners.

Considering the lessons learned from the previous decade, we believe that for the next 5 to 10 years key deliverables for the EU and three associated EaP states require advancement in the following key priorities:

- The EU should use the occasion of the next 2021 EaP Summit to **reconfirm its clear acknowledgement of the European aspirations of the three associated EaP countries**, pursuant to Article 49 of the Treaty on European Union, which sets out that any European state may apply to become a member of the EU provided that it adheres to the EU standards of democracy and rule of law.
- The three associated EaP partners should further strengthen their strategic dialogue with the EU over desirable policy and systemic developments. **The associated EaP partners should be invited to selected meetings of the EU Council and EU working parties.**
- Consolidate the existing EaP achievements and **aim at full implementation of the Association Agreements and comprehensive integration of Georgia, Moldova and Ukraine into the EU's Single Market based on the four freedoms.**
- Redouble efforts on the unfinished business of **strengthening institutions of democracy, the rule of law and the fight against corruption throughout the EaP area, in line with societies aspirations.**
- Take the EaP into policy areas which it covered less so far, but which are absolutely **key to the future of the Eastern Partnership states in areas such as security and the environment.**
- EU has dispatched in 2020 a timely emergency response to COVID-19 pandemic in the Eastern Partnership amounting to over [1 billion EUR](#) in the framework of the EU's "[Team Europe](#)" package support. **The EU should consider a flexible, tailored and comprehensive Investment and Economic Recovery Plan for the EaP countries.**

While implementation of necessary reforms requires a consistent and strong political will of the pro-reform elites in the partner countries, the EU's role in supporting those reforms is indispensable by offering incentives of trade liberalisation, providing assessments of the draft legislation and supporting creation of functional institutions. **The Europeanisation is a shared strategic goal of the EU and aspiring EaP partners.**

KEY POST 2020 EAP DELIVERABLES:

1. Security: A Stronger, more Geopolitical Europe

- **We endorse the launching of an EaP Security Compact:** an initiative bringing together EU funds and institutions with the capabilities of the EU member states willing to boost security cooperation with EU's neighbours. Such an initiative would only be open to willing and interested EaP states.
- The EU member states with EU institutions' support can advance **capacity-building programmes, structural coordination on threats, technical support (particularly on cross-border SIGINT), and military intelligence for in-depth reform of these services.**

¹ Ukraine, Moldova and Georgia will be referred to as *the three Associated EaP countries*.

- **Creating an Eastern Neighbourhood Intelligence Support and Coordination Cell within EEAS**, that will operate as both a group to coordinate assistance (like the support group) to the EaP countries, but also to facilitate practical exchange of intelligence between the EU and EaP countries. **Creating intelligence-liaison offices** in Tbilisi and Chisinau would be important.
- The other field in need of attention is **cyber-security**. All EaP countries have reformed or created new cyber-security institutions (cyber-incident response teams - CERT, cyber-forensic departments and specialised departments within police and intelligence agencies) in the past years. However, these institutions remain under-resourced. The EU should help to build capacity and develop cooperation with these institutions. Such cooperation could include **mutual intelligence sharing and learning on cyber threats, assistance in the areas of securing governmental communications and critical infrastructure, as well as joint cyber exercises**. In this regards, we welcome the launching of the [EU-Ukraine cyber dialogue](#) and call on the EU to launch similar platforms with Georgia and Moldova.
- **The EU should strengthen and deepen its security dialogue formats with Georgia, Moldova and Ukraine**. The EU should complement its CSDP missions in Georgia and Ukraine with CSDP operations and further support the EUBAM Mission to Moldova and Ukraine. An EU Advisory Mission (EUAM) in Moldova should also be launched. This will boost the EU's prestige as formidable geopolitical actor and strengthen the resilience and risk-mitigation capacities of local societies.
- Opening the way for interested EaP partners to work within the **European Union Agency for Network and Information (ENISA)** and the **EU Rapid Alert** could be a significant step forward for the cooperation between the EU and interested EaP countries.
- Counterterrorism is another area where the EU and the EaP countries have ample common interests. **Preventing illicit acquisition of weapons, ammunition, and explosives** (particularly in warzones and uncontrolled areas), **preventing their smuggling abroad, foiling financing and money laundering on behalf of terrorists and other illegal armed groups is still an uphill task for the EaP states**. They require cooperation as described above under the EaP Security Compact.
- Certain EaP states remain interested in joining the **Permanent Structured Cooperation (PESCO)** program. In this respect, the EU legal basis should be amended to allow partners to join the program with equal rights and opportunities.
- The EU and selected EaP partners could also **develop 'soft' military cooperation** – changing education, training, organisational procedures, military planning, doctrine, tactics, etc. Many EU member states would be interested to boost such 'soft cooperation', but these efforts could be significantly scaled up if the EU could dedicate parts of its neighbourhood funding to such **'soft' defence cooperation**: admitting officers from EaP countries to the military Erasmus programme, offering EU funding for Eastern Partnership officers to study in military academies across the EU at various stages of their careers, providing experts to revise military education and training in EaP countries, are relatively cheap measures.
- **The EU could fund 50 scholarships each year for mid-career security, defence, intelligence or law-enforcement personnel** from Moldova, Georgia and Ukraine.
- Launch a specialised **joint EU-EaP security platform dedicated to countering hybrid threats**. The EU should support EaP partners in **developing and implementing national mechanisms for an effective early-warning and early-response to security hybrid threats**.

2. Environmental and climate resilience: Green Deal for Eastern Partners

- The new green deal is highly relevant for both the EU and the three associated EaP states. EaP should be a part of this Initiative and ensure its successful implementation with active participation of the civil society and other non-state actors.
- The EU should launch and support a series of projects which help the environment, raise awareness of environmental concerns and increase EU visibility. We propose two such schemes:
 - The **Euro-bicycle**: in cooperation with local townhalls, the EU could co-finance the creation of bike-sharing schemes in the first 5 largest cities of each EaP state. The bikes could be blue with yellow stars and could be a symbol of European support to eco-friendly mobility, and an almost omnipresent advertisement for the EU. This should be matched with support for better bicycle infrastructure.
 - The **Euro-Charger**: a similar approach could be adopted regarding the installation of chargers for electric cars in the largest towns in the EaP, as a way to facilitate transition to greener cars. The EU financing the installation of 300 (blue and yellow) plugs in Kiev, 100 each in Chisinau, Tbilisi would be a visible green and innovative signal. Connecting these plug stations to solar energy installations will be yet another step forward.
- **EaP countries could also be a source of renewable power**: Georgia has potential to develop even further hydrodynamic power-stations, while Ukraine and Moldova have considerable potential for the production of biogas, solar, wind-power and hydrogen, especially in Ukraine.
- **The EU should open the participation of the three associated and willing EaP partners in the EU's Hydrogen strategy for a climate-neutral Europe and European Clean Hydrogen Alliance**.

- Make sure that the EU and EaP associated countries develop a common approach on the **Carbon Border Adjustment Mechanism**, which will be one of the key elements for Green Deal, in order to avoid negative impact on trade relations between EU and EaP countries.
- At the same time, some EaP countries (i.e. Ukraine) aim to move away from the coal industry but lack experience and mechanisms to **ensure a just transition**. In this respect, the switch from coal industry to renewables requires the EU support.
- One of the key priorities should be to double the efforts in promoting education on the needs of green changes and changing the societies' behavioural patterns so that there is demand for green policies. Thus, **the EU should focus on supporting cooperation of governments and civil society and insisting on greening of school curricula**.
- To address the structural weakness of state institutions responsible for implementation and oversight of the green agenda, the post-2020 deliverables should be geared towards institutional strengthening, better implementation and monitoring of the environmental legislation with an effective participation of the civil society.

3. Accountable institutions, judicial reform and the rule of law

Reforms in these areas require smarter, more tailored and more targeted conditionality from external actors like the EU.

- Relevant **Annexes to the Association Agreements on cooperation in the area of Justice, Freedom and Security should be upgraded and detailed**.
- The new Association Agendas currently discussed by the EU with Georgia and Moldova, as well as future updates to the EU-Ukraine Association Agenda should be a timely occasion to **reflect more targeted and tailored joint short- to medium-term priorities to deliver on good governance, rule of law and democratic reforms**.

Accountable institutions

- The three associated EaP countries continue to face challenges in making state institutions free from political interference. **With the support of the Council of Europe (CoE), the EU has to monitor and guide genuine and measurable reforms to create independent and accountable state institutions (e.g. prosecutor offices, other law-enforcement authorities and anti-corruption agencies)**. For this, the EU has to offer clear sets of benchmarks and provide regular assessments of their implementation.
- **Such assessments should be accompanied with more political and financial support to countries delivering positive results**, and economic or political conditionality for those lagging behind (e.g. re-programming financial assistance to civil society and other non-state actors). Of particular importance is to work on **strengthening parliaments as oversight institutions**.

Rule of law

- The EU has been developing new instruments to strengthen the Rule of Law mechanisms in the EU member states, such as comprehensive [Justice Scoreboards](#) as well as the **Rule of Law reports** to monitor performance across the EU. Thus, it will be timely that the EU launches **Justice Scoreboards for the EaP or Justice Dashboards** similar to the [European Commission for the Efficiency of Justice \(CEPEJ\)](#) Working Group on Western Balkans, which will measure and monitor the actual state of play in justice sector.
- The EU should help the EU associated EaP countries to carry out pre-emptive **legal screening and self-assessments** to identify gaps, set new ambitious policy interventions and link them to the smart, tailored and targeted conditionality of the EU funding.
- **There is a need for a reinforced cooperation among the EU and EaP countries' law enforcement agencies namely in the field of asset recovery, financial crimes and high-level corruption**. Also, cooperation on cryptocurrencies legislative framework and tracking of unlawful and hybrid activities funded by money laundered via cryptocurrencies in the breakaway regions in all three associated EaP partners need to be expanded. As these often fund disruptive operations in the EU and EaP countries linked to elections or disinformation undermining the democratic fundamentals of the European societies.
- **Initiate an institutional dialogue between the new European Public Prosecutor Office (EPPO) and the fraud investigation bodies from EaP countries on high-level corruption cases and mismanagement of the EU funds in this region**.
- **Make actual use of the anti-fraud cooperation provisions enshrined in the Association Agreements with Georgia, Moldova and Ukraine**. Upgrade the legal basis for OLAF (European Anti-Fraud Office) to conduct on-the-spot checks and inspections on the use of the EU money.
- The EU could also consider supporting (financially and politically) the establishment of independent anti-corruption agencies (similar to NABU in Ukraine) and ensure cooperation of these agencies with OLAF and other relevant EU agencies.

- The EU could make greater use of sanctions to target corruption and corrupt practice via visa bans and account freezes on individuals reasonably believed to be personally responsible for serious human rights violations.
- There is a high need for an „OLAF” for the EaP countries. The EU must get involved into investigation of systemic frauds taking place Georgia, Moldova and Ukraine but having ramifications in some EU member states as well. Examples abound, leading into banking systems, real estate related money laundering schemes etc. It would be a further tool of deepening association.
- The EU could help EaP countries pursue asset recovery efforts, not least in countries like Moldova or Ukraine, where fugitive former country leaders have amassed and expatriated significant fortunes. This help can even take the form of hiring international lawyers and companies to pursue such efforts.

4. Resilient, fair and inclusive societies: A people-centric EaP

- Time and again the civil societies of the EaP states have proved that they are longing for major changes on the way they have been governed so far. Political events in recent years in almost each EaP state have been a testimony for a strong desire for more democracy, more political pluralism, accountable governments, and a stronger fight against corruption. More financing and strong EU diplomatic support is all crucial to strengthen these trends.
- We therefore think that **it is important for the EU to scale up financing for NGO and the independent media and to continue applying strong conditionality to all the governments of the region.** These needs to focus on the support of the professionalization of the civil society, strengthening the institutional capacities of think-tanks via targeted institutional funding and simplified financial support tools for grassroots CSOs (eg. re-granting). The support of the media should be focused on growing the critical thinking in the public and avoid any form of politicization of the media landscape.
- The EU should also insist on citizens participation and engagement, transparency and accountability as key principles of governance in the EaP.
- The brain-drain and demographics must be seriously tackled in the EaP countries. Diasporas based in the EU contain a strong intellectual and/or human resource component that is increasingly lacking in EaP countries effort to secure the Europeanisation process. The EU should encourage and support structured dialogues on implementation of circular migration schemes and linking EaP countries' diaspora in the EU to the good governance agenda.

5. Resilient, sustainable and integrated economies

- It is in the shared interest of the three associated EaP states and the EU to continuously boost trade by lowering non-tariff barriers and furthering the integration of the three associated EaP countries into EU's single market.
- **Full liberalisation of trade** should be the goal, with immediate priority for the EU to **eliminating all tariff quotas** for key exports, not least tomato paste, apple juice and starch for Ukraine; and plums, grapes juice and apples for Moldova. To eliminate non-tariff barriers for agriculture commodities, **recognition of the equivalence of sanitary and phytosanitary measures** should be likewise promoted.
- Full integration into EU's Single Market is the next logical step of deepening economic integration. **Establishing jointly by the EU and three association EaP countries a Roadmap on the gradual and tailored accession to the four freedoms during the next 10 years** should be a key deliverable.
- Conclude **Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAA)** with Moldova, Ukraine (and other willing countries), subject to a positive assessment of national institutional and regulatory frameworks by the EU.
- Effective implementation of the recently **updated Annex XXVII (on energy) to EU-Ukraine AA**, with its provisions on strengthened monitoring, provides a model for other sectors.
- The three associated EaP states should be invited to join the **European Agency for the Cooperation of Energy Regulators (ACER)**.
- Integration of the willing EaP states into the **European Network of Transmission System Operators for Electricity (ENTSO-E)** and **European Network of Transmission System Operators for Gas (ENTSO-G)** will provide significant mutual benefits. Above all this refers to an increased level of competition, free cross-border electricity trading and high reliability of energy system as well as energy diversification. There is a need of technical guidance and financial assistance to support the gradual integration of Moldova and Ukraine into EU's energy market.
- **On energy security**, the EU's Energy Union should include the three associated countries (which are also participants of the Energy Community). One of the key goals would be the shift of the point of gas delivery to the Ukrainian-Russian border for the new generation of long-term contracts of EU companies with Gazprom.
- **Deeper liberalization of services should be also be promoted:** liberalization of telecommunications, transport services, postal services could significantly increase the trade and business relations.

- As envisaged by the EU-Ukraine Association Agreement, a special **agreement on road transport services** should be negotiated. There should be a visible progress towards liberalisation of transport services between the EU and the associated EaP states.
- Investing in the infrastructure that connects should also remain a key priority. **The extension of the TEN-T core networks** for the three associated states would allow for greater mobility and increased transport opportunities for development of economic relations. The EU aid to infrastructure development projects should envisage not only loans but also grant support, accompanied by proper accountability monitoring.
- The inclusion of the **inland waterways** in the TEN-T network plays a special role for Ukraine and the possible assistance needed from the side of the EU in order to make it functional and viable.
- The bottlenecks for intensified bilateral movement of people and goods on EU-Ukraine and EU-Moldova land border should be removed by signing and implementing **bilateral agreements on joint border controls between Ukraine and Moldova and the neighbouring EU member states**. Opening new joint border crossing points is an important deliverable.
- Another long-talked about measure is the acceptance of the associated EaP states into the **Single European Payment System**, which might bring wide benefits for people who travel and do business in the EaP and EU countries. It could also address some key issues, like money laundering and banking transparency. SEPA expansion to the EaP could be done through an initial assessment, followed by Action Plans like in the case VLAPs. The Action Plans should include conditionalities on combating money-laundering (harmonized with conditions put already by IMF or agreed in Moneyval of CoE) linked with technical assistance and financial rewards for rapid and efficient implementation of their provisions.

6. Resilient digital transformation

- **The EU should accelerate the abolition of roaming fees between the EU and its Eastern Partners, on a bilateral basis.**
- An important step is to conclude **agreements on mutual recognition of electronic trust services** that will facilitate trade and economic cooperation by allowing cross-border e-services, recognition of e-signature and digitalization of services.
- **The EU should grant to the associated EaP states an internal market treatment in the telecommunications services sector, should follow a positive assessment of the EaP states of national legislation's harmonisation with the EU acquis.**
- **Movement towards further integration into the EU's Digital Single Market should provide for opportunities for the interested EaP countries to join the EU's digital, research and ICT innovations policies, programmes and initiatives** – inter alia, the European Open Science Cloud, the European High Performance Computing Joint Undertaking, the Coordinated Plan on Artificial Intelligence, and deployment of secure 5G telecommunication networks.
- The EU is set to adopt a Digital Service Act updating the e-Commerce Directive aiming at strengthening the EU's Single Market for digital services and foster innovation and competitiveness of the European online environment. In this regards, **looking at the gradual integration into the EU' Digital Single Market, three associated EaP states should adopt national acts** to enable everyone to participate in the digital world; to limit take-down requirements to content that is clearly illegal; to ensure transparency on how online platforms function; to ensure availability, accessibility and effectiveness of redress mechanisms for unjustified decisions by the digital services.
- The digital integration should be based on harmonisation of legislation on **personal data protection** (including GDPR, other EU acquis and relevant CoE conventions), with necessary EU support.
- Inclusion of the three associated countries into the **EU's Digital Economy and Society Index (DESI)** will help to summarise their digital performance and track the evolution in digital competitiveness.

The Non-Paper is distributed to the attention of the European External Action Service (EEAS), European Commission (DG NEAR), European Parliament, EU member states and Foreign Ministries of Georgia, Moldova and Ukraine.

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