

## **THE EASTERN PARTNERSHIP PROJECT, CURRENT STATE AND FUTURE PROSPECTS**

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### **1. PERCEPTIONS ON THE EASTERN PARTNERSHIP**

The interest of EU towards the countries of the Eastern Europe has increased substantially in the last decade due to an increased geopolitical proximity to them (after the last two EU enlargements these countries have become the Union's direct neighbors) and also due to the role they play in the transiting of energy resources from Russia towards the EU member states. Thus, in 2004 EU has created the European Neighbourhood Policy in order to intensify collaboration with its neighbors, and in 2009, following a Polish-Swedish initiative the Eastern Partnership came to be. The Eastern Partnership (EaP) project, comes as a further development of the European Neighbourhood policy agenda, as a means of strengthening and intensifying EU's relationships on key aspects with its eastern neighbouring countries, namely Moldova, Ukraine, Belarus, Georgia, Armenia and Azerbaijan. The main goal of the Eastern Partnership is "to create the necessary conditions to accelerate political association and further economic integration between the European Union and interested partner countries". (Council of the EU, 2009)

However the EU agenda behind the creation of the partnership comes mainly from the goal of creating a stable political and economical environment in countries that play a great role in the transit of valuable energy resources, especially since disagreements between them and Russia have already caused two disruptions in energy flows towards EU.

Georgia, Armenia and Azerbaijan do not have direct borders with EU and are not transiting energy resources, but their importance in Europe's energy security is not less important since the Southern Corridor that is currently under development, includes Azerbaijan as a potential distributor of oil and gas, whereas Georgia and Armenia can become transiting countries. The success of the Southern Corridor project greatly depends on the political stability of these countries.

Therefore the EaP is perceived by EU mainly as a method of securitizing its energy imports from

Russia by promoting economic and political stability in the transit countries. However, the interest towards EaP differs from one EU member state to another, the countries from the Eastern part of EU strongly support the project whereas the countries from the Western Europe are somewhat indifferent. This became most noticeable when the French president N. Sarkozy did not attend the EaP summit held in September 2011 at Warsaw. But this difference of support should be considered somewhat normal since France does not have strong economic ties to the region, while countries like Poland or Romania, engage in economically significant trade activities with the countries of Eastern Europe.

The perceptions of the six EaP member states regarding the cooperation with EU within the project vary greatly from country to country but one of the main reasons why all the countries decided to join the EaP was to have access to grants and low-interest loans offered by EU financial institutions in order to fund national development projects in various sectors such as energy, transport, rural and regional development, etc. Another point of interest is represented by the possibility of lessening the visa requirements through the participation in agreements and the implementation of Visa Liberation Action Plans.

Moldova, Ukraine and Georgia present a great interest in EU projects as they desire a closer relationship with the West and hope, in the long run, to become part of the EU family. However their hopes remain just that, because EU officials are reluctant to make any promises on the matter. What EU actually offers them are a series of negotiated conditions that these countries have to implement in order to be able to access EU grants and low-interest loans, and in time, if the negotiation and implementation process goes well, EU might get to discuss about enlisting these countries as potential accession candidates.

At the same time, Moldova and Georgia had hopes that by joining EaP, EU will get more involved in solving the Transnistrian and respectively the Southern Osetian problems, however nothing concrete has been done so far on the matter.

The countries in the region hold strong economic and political ties to Russia therefore it comes with no surprise that from the start Russia's perceptions over the creation of the Eastern Partnership were very critical, since it was seen by the Kremlin as a way of EU to intervene into Russia's "regions of privileged interest" represented by the countries of the former Soviet Union. The issue was discussed at the EU-Russian Summit in Khabarovsk in May 2009, during which the representatives of the EU tried to convince the Russian delegation that the EaP would be beneficial for all the parties involved and is not attempting to become a consolidating mechanism for countries with anti-Russian attitudes. However the Russian president at that time, Dimitri Medvedev, latter stated in a press conference that EU delegation "did not completely succeeded" to convince him on that matter.

As we can observe the expectations each of the involved parties has of EaP vary significantly, however EU attempts to find common points of interest and to address each problem at the time when a solution for it can be found. For example, if we consider the current economic and political situation within the European Community we come to realize that in order for new countries to be admitted EU firstly has to decrease the disparities between the existing member states. Moreover, the Eastern European countries have to address various political and economic problems before even considering joining EU, since their admittance will further burden the EU's current precarious state.

At the same time EU must take into consideration Russia's opinion on involving itself in national conflicts, since Russia has made its matter to solve the Transnistria and Southern Osetian problem, and a further involvement from the EU can jeopardize EU-Russian relations. And as we have stated above, the Kremlin does not look upon the Eastern Partnership project with good eyes already.

For that reason, most of the activities implemented within the Eastern Partnership project at the moment, and in the following years, involve the integration of the countries legislations to that of the EU in various sectors so that the countries become more politically stable and more economically attractive to foreign investments.

## **2. COLABORATION WITHIN THE TWO DIMENSIONS OF THE EASTERN PARTNERSHIP**

In order to promote political association and economic integration between the EU and the signatory parties, the Eastern Partnership project provides two levels of cooperation: bilateral and multilateral.

The bilateral dimension involves the establishment of association agreements between EU and the other EaP members. These association agreements are set to replace the existing Partnership and co-operation agreements signed in the 1990s with five of the six parties, Belarus has not signed such an agreement before. The main difference between the two type of agreements is that the new Association Agreements are accompanied by legally binding action plans that set targets, provide deadlines and require a monitoring system of compliance; whereas the Partnership and co-operation agreements provided only general principles of political dialogue on issues related to trade, economic, cultural and financial cooperation between the signatory parties.

The Association Agreements (AA) focus on three major areas of cooperation: political association and economic integration, enhanced mobility of citizens in a secure and well managed environment and strengthened sector cooperation.

The AA on political association and economic integration also include a Deep and Comprehensive Free Trade Agreement (DCFTA), negotiated and ratified separately. The DCFTA agreement, as compared to other trade agreements, concerns not only the liberalization of trade in all areas but also the harmonization of the partner countries' trade-related national legislation with EU *acquis communautaire*. So far, the best results were achieved by Ukraine, which has finalized the negotiation on DCFTA and the agreed text was initialled at the end of March 2012. Moldova and Georgia have started the negotiations on the Association Agreements in 2010 and on the DCFTA in December 2011. Armenia and Azerbaijan also negotiate on an Association Agreements, and while Armenia has also started the negotiations on the DCFTA in February 2012, Azerbaijan, first of all, has to accede to WTO (a precondition of negotiating the DCFTA).

The enhancement citizens' mobility is implemented in a two stage approach. First, the countries adopt a visa facilitation and readmission agreement, and afterwards a Visa Liberalization Action Plan is put in place, and depending on its implementation free mobility can be achieved in the long term. Moldova and Ukraine have already implemented the visa facilitation and readmission agreements and are now in the process of applying

the Visa Liberalization Action Plans. Georgia has started implementing the visa facilitation and readmission agreements since March 2011, and negotiations on a similar agreement have started with Armenia and Azerbaijan in March 2012.

The Agreements on sector cooperation promote bilateral cooperation on various economic, politic and social sectors between EU and the other parties of the EaP. By now, agreements have been negotiated or signed on the enhancement of energy security, transport (aviation, maritime, road, and rail) safety, promotion of freedom, justice and security, regional and rural development, environment and climate change, etc. The key aspect of these agreements is that they press forward the implementation of national legislation that is modeled after the EU *acquis communautaire* in order to reach sector integration and convergence. In some areas, a lot of progress has already been reached since the parties have started their cooperation with EU through European Neighbourhood Programmes several years before (as in the case of regional and rural development); whereas in some areas a lot of work is still to be done since negotiations have only recently started.

Despite being present at the forum establishing the Eastern Partnership, Belarus has rejected to even start the negotiations on any of the agreements, and therefore has not incurred any progress in the cooperation process. Furthermore, the Belarus delegation has withdrawn from the EaP summit that took place in September 2011 in Warsaw because, as the Belarusian Ministry of Foreign Affairs statement declared, the Polish organizers had undertaken "unprecedented discriminatory measures" against Belarus. Nonetheless, the EU remains ready to launch negotiations with Belarus with the condition on progress being made in its respect for the principles of democracy, the rule of law and human rights.

EU expects progress to be achieved in the negotiation process on the Association Agreements with Armenia, Azerbaijan, Moldova and Georgia, and on the DCFTA with Armenia, Moldova and Georgia. It is also expected that Azerbaijan will incur progress in its WTO accession. Furthermore, EU considers, depending on the parties' involvement, that some negotiations can actually be finalized by fall 2013. It is also anticipated that negotiations on visa facilitation and readmission agreements with Armenia and Azerbaijan could be concluded. An effective implementation of visa facilitation and readmission agreements could lead to the start of negotiations on Visa Liberalization Action Plans with Georgia. Sector cooperation will

also advance, depending on each countries involvement in the implementation of EU communitary legislation relevant to the different sectors.

The second level of cooperation within the EaP is undertaken within a multilateral dimension designed to support and reinforce the bilateral agreements. This dimension is implemented by cooperation within the EaP summits, ministerial sectoral conferences and meetings of the foreign ministers, multilateral platforms supported by working panels, flagship initiatives and co-operation between other actors apart from government-level co-operation mechanisms (civil society, business forum, etc.). The biannual, annual and ad-hoc government level meetings are mostly focused on engaging in policy dialogues, whereas most of the actual programs are developed within the multilateral platforms and the supporting projects are implemented within the working panels. The platforms are divided in four thematic issues: democracy, good governance and stability; economic developments, integration and convergence with EU policies; energy security; engaging civil society and facilitating contacts between people across borders.

According to the EU communication on the EaP published in May 2012, progress has been achieved in all the platforms within the launched panels, but since the reporting period end in fall 2013, many more activities are planned to take place in the following year. The launched panels cover a wide variety of subjects, from public administration reform and integrated border management to the support of small and medium enterprises, facilitating cooperation on energy markets and promotion of Erasmus and Tempus student programs. The activities specified in the panels are mostly funded from EU financial sources, as the European Neighbourhood and Partnership Instrument and EaP funds. Also, EU initiates and promotes other types of investment facilitators such as various European Public Finance Institutions: a panel within the economic development and integration platform focuses on increasing cooperation of the EaP countries with EU financial institutions.

As we observe, since the Eastern Partnership project has only been in place for only three years, most of the progress achieved until now relates to the negotiations of agreements and the expected progress until the next summit is conditioned by the political involvement of each participating country. But taking into consideration the current political and economical situation, both in EU and the

partner states we might come to the conclusion that little progress (if any – depending on each partner state) will be achieved by the fall 2013. The situation is worsened by the requirements EU desires the other parties to fulfill, as negotiations on all the agreements (no matter the subject involved: economic, trade or customs liberalization) are conditioned by the respect of democracy, rule of law and human rights in the specified countries. For example, despite the progress incurred up until now, negotiations with Ukraine are currently stagnating due to the Iulia Timoshenko's trial.

### 3. CONCLUSIONS

The Eastern Partnership project exists for almost three years, and already some progress is made visible. However, it does not entirely correlate to the desired outcomes of all the involved parties. The EU desires, through EaP, to securitize its energy transport routes by creating more politically and economically stable countries in Eastern Europe, therefore requires from the EaP countries to be strongly involved in the implementation of reforms, promote good governance and respect the rule of law, if they desire to receive EU assistance. At the same time, the Eastern European countries desire to attract investments, simplify visa requirements, liberalize trade, achieve EU involvement in solving territorial disputes and receive a promise that some day they may actually become part of the EU family. However, some of the Eastern European countries desires can not be fulfilled in the near future, because it may come to jeopardize EU's relationships with its major supplier of energy resources, Russia. A conflict of interests with Russia will not benefit either one of the countries of the EaP, since all of them have strong commercial ties with Russia, and Russia has already used trade embargos on the Eastern European countries as a means to influence their political relationships (the wine embargo's imposed on Moldova and Georgia in the recent years).

Therefore, for the moment both EU and the EaP partner states should develop their collaboration on trade and visa liberalization by enhancing the countries political and economical stability through reforms, and in the long term, as economical ties within them have increased, a further integrationist step can be taken. On the positive side, an increase in trade activities between EU and its Eastern European partners has already been recorded, since from the same periods of 2010 and 2011 a 30% increase of exports and a 50% increase of imports to

EU from the Eastern European countries has incurred.

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