



EASTERN PARTNERSHIP
CIVIL SOCIETY FORUM



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EASTERN PARTNERSHIP PROSPECTS POST-2022

BASIC REPORT 2022 IN THE FRAME OF THE CIVIC EAP TRACKER PROJECT





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FOREWORD

FOREWORD

Mykhailo Drapak,
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In 2022, the Eastern Partnership has reached an essential point in its existence. The growing political instability in the region and the deepening of global confrontation push the EU to adjust the principles of its external actions. In addition, the conditions that determine the neighbours’ expectations of United Europe have changed, and the peculiarities of the political regimes in many European countries vary. Nowadays, an analysis of what has been achieved within the framework of the Eastern Partnership, as well as its new conceptual setting, is desperately needed.

Was this EU policy, established more than a decade ago for creating a stable and prosperous environment around the bloc, successful? At first glance, the answer would be no, because the most extensive hostilities since the Second World War is raging on the borders of United Europe, and waves of refugees alongside with an energy crisis caused by the aggressive behavior of the Kremlin dictatorship are heading west. In addition, most of the countries participating in the Eastern Partnership have temporarily occupied territories, two are only on the way to a peace agreement between each other, and one has finally become a hostage of a brutal autocracy that squeezes out any dissent and drifts away from Europe. However, these circumstances are not a consequence of the Eastern Partnership. Most of these problems are a severe result of the coexistence of the states of Central-Eastern Europe alongside the Russian Empire, which has not abandoned its anachronistic dreams of seizing territories and spreading spheres of influence. And all these conditions are a challenge for the EU’s neighbourhood policy.

Instead, for more than a decade, the Eastern Partnership has been providing new opportunities for states to develop and achieve more ambitious foreign policy goals, and for citizens – hopes for designing more just and inclusive societies. This policy opened opportunities for broader cooperation with the EU while preserving the national interests of each country. For Georgia, Moldova and Ukraine, the Eastern Partnership, in particular, has become an important platform for expressing European integration aspirations and preparing for the EU membership candidate status. In the case of Armenia and Azerbaijan, Brussels' constant contact with the governments of both countries facilitated the involvement of European institutions in establishing peace talks between them. In addition, the Eastern Partnership at one time became a new framework for establishing and developing regional cooperation. The countries covered by this policy were united by a common course of reforms, similar project tasks and the formation of a new civil network.

Europe and the world are no longer what they were when the Eastern Partnership was launched. Georgia, Moldova and Ukraine set out on the path with clear conditions for EU membership, highlighting the different approaches of regional actors to the policy's goals. The Central-Eastern European region targeted by the neighbourhood policy has become an area of political instability and even physical danger. However, such dramatic changes are not a reason to cancel this format.

In 2020, amid the pandemic, the EU demonstrated its ability to respond to new challenges by elaborating the new ambitious agenda of the Eastern Partnership in the Joint Staff Working Document – Recovery, Resilience and Reform. However, after that new challenges emerged much faster than expected. Against the background of international chaos, established relations between the countries of the region and the EU can become a factor in achieving sustainable conditions for the further interaction

between governments and societies, as well as a platform for the joint overcoming of challenges that arise constantly. At the same time, the Eastern Partnership can remain an additional tool for projecting the influence of European institutions on reforms in the EU accession countries from Central and Eastern Europe, an effective platform for the implementation of new projects with Armenia and Azerbaijan, a format for consolidated support of civil society in Belarus in its struggle for freedom and democracy.

In addition, the comprehensive neighbourhood policy is, in particular, a tool for strengthening the resilience of the EU and the countries of the region. In the economic dimension, the effective projects of the Eastern Partnership can help the states of Central and Eastern Europe, primarily Ukraine, to overcome the destructive consequences of the war unleashed by Russia. In addition, improved infrastructure within the framework of this policy (both domestically and internationally) and implemented business development projects can strengthen the ability of governments and societies to resist external economic blackmail. In the political dimension, the Eastern Partnership should continue to be a platform for regional consolidation and coordination of a shared vision of challenges and interests amid growing global instability.

At the same time, the updated EU neighbourhood policy must meet the goals of European institutions in the foreign policy arena. It should be the result of prompt and bold diplomatic actions and strengthen Europe as an international player. At the same time, it cannot be said that all these conditions change the initial goal of the Eastern Partnership to create a stable environment around United Europe. This aim remains valid. New global circumstances require new instruments of neighbourhood policy. In particular, it should now focus more on the security component, both at the level of the region and states, and at the level of individuals. Protection against threats should be a mandatory component

and, at the same time, one of the goals of every project within the framework of the Eastern Partnership: from solid infrastructure initiatives to people-to-people contacts.

This report is dedicated to summarizing the interim results of the Eastern Partnership in the five countries of the policy in the recent years and, consequently, the current perception of the prospects of the format in each of them. Based on information about the achievements and expectations of the EU's neighbourhood policy, experts from Armenia, Azerbaijan, Georgia, Moldova and Ukraine presented a national vision of the Eastern Partnership future. Unfortunately, Belarus is not included in the analysis, because today the state is captured by an authoritarian regime, which effectively terminated relations with the EU and began the destruction of previous efforts in this direction. The only available form of cooperation for European institutions in this context remains the support of the country's independent civil society.

THEMATIC SUMMARY

- 1.1. Together for resilient, sustainable and integrated economies
- 1.2. Together for accountable institutions, the rule of law and security
- 1.3. Together towards environmental and climate resilience
- 1.4. Together for a resilient digital transformation
- 1.5. Together for resilient, fair and inclusive societies

THEMATIC SUMMARY

1.1. Together for resilient, sustainable and integrated economies

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Strengthening the economic links constitutes a vital part of the Eastern Partnership, contributing to more resilient regional economies. However, many differences remain in the speed, depth and instruments used for the economic integration within the EaP. Tentatively, we can define two domains: the spheres in which all or almost all EaP countries are heading in the same direction, and spheres, in which we see a clear differentiation between the so-called Association Trio (Georgia, Moldova and Ukraine) and other EaP countries.

The EU, the most significant economic bloc in the region, has broadly maintained or even increased its role as a trade partner for the studied EaP countries (Armenia, Azerbaijan, Georgia, Moldova and Ukraine). At the same time, the access to the EU market and regulatory approximation related to trade in goods differ substantially within the EaP.

The Association Trio has gradually progressed with the deeper integration into the EU market, although each country have different priorities and, thus, achievements. Georgia and the EU have mutually established duty-free access to their markets while reducing non-tariff barriers to trade has been slower. Recently Georgia got the authorization to export snails and fishery products intended for human consumption to the EU. The EU-Moldova trade flows have remained not thoroughly liberal due to the use of tariff rate quotas. However, Moldova's

exporters recently got the authorization to ship raw milk to the EU market, in addition to snails and fishery products. Tariff rate quotas are also present in Ukraine's trade with the EU. In the non-tariff barrier domain, Ukraine already has access to the EU market for ten chapters of food animal products and welcomed the EU expert mission for assessing the country's readiness to launch talks on the Agreement on conformity assessment and acceptance of industrial products (ACAA). In October 2022, Ukraine became part of the EU common transit system.

For Armenia, the market access to the EU deteriorated as the country graduated from the GSP+ system that provided duty-free access for industrial products and lower duties for agricultural products supplied to the EU. Now, Armenia trade with the EU is based on MFN tariff. However, Armenia and the EU have been developing cooperation within the CEPA, aiming to reduce non-tariff barriers to trade.

Azerbaijan does not face changes in market access to the EU market. However, the country benefited from **business development promotion**, mainly through the EU4Business initiative, which is also typical for the region. However, the initiative has not been coupled with substantial EU funding for the region's business or attraction of FDIs. The EU is the primary source of investments for the Trio but not for other EaP countries.

The most resultative in terms of region's integration is transport. Four EaP countries are now a part of the **European Common Aviation Area** agreement, with Georgia and Moldova featuring long-established participation and Armenia and Ukraine signing the deals only in late 2021. Azerbaijan is in the negotiation process. Moreover, all studied EaP countries have been participating in TEN-T projects to develop land infrastructure in the region.

Another shared integration domain is people-to-people connections, especially in education and research. The EaP countries participate in broader EU initiatives like Horizon

Europe and ERASMUS+, covering both the EU member states and other third countries, and the initiatives targeting the EaP countries, like EU4Youth.

1.2. Together for accountable institutions, the rule of law and security

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In matters of reliable institutions, the rule of law and the security of citizens, all the countries of the Eastern Partnership have had a different pace of reforms and achievements in recent years. At the same time, in none of the cases all the most important qualitative transformations have been implemented in each of the states – a lot still needs to be done to improve the situation in the sphere, to ensure the independence and effectiveness of the relevant institutions, as well as to increase the trust of citizens.

In addition, ensuring an adequate level of public administration, justice, fight against corruption and crime, as well as cyber protection are crucial tasks for each of the participants of the Eastern Partnership per se and for building relations with the EU. Russia's aggression against Ukraine demonstrated to what extent the elimination of factors that erode the state's functionality and citizens' trust in institutions strengthens national resistance to external destructive influences. At the same time, transformations in relevant areas are always among the priorities of the EU in the list of reforms of its partners. In particular, in the case of Georgia, the Republic of Moldova and Ukraine, ensuring the independence of justice and strengthening the fight against corruption are on the list of tasks necessary to advance the countries on their path to United Europe.

In the justice domain, the most extensive reforms have been implemented in recent years in Georgia, the Republic of Moldova, and Ukraine. In particular, new institutions were created to select and evaluate the integrity of judges and prosecutors. These processes are largely related to the EU's support for the respective changes within the framework of the Eastern Partnership. In the future, the states need to take steps to implement the adopted changes, in particular, to select specialists for the created bodies, renew the judicial corps, prevent the influence of political groups on the work of the justice system, and eliminate other technical obstacles. **It is worth noting the development of the Strategy of Judicial and Legal Reforms in Armenia, the implementation of which involves significant changes in the sector and is supported by the EU.** The country needs to solve many challenges in this context: fight systemic political influence on justice and corruption in the sphere and ensure the independence of pre-trial bodies. **In 2019, the Presidential Decree Advancing Reforms in Judicial-Legal System was also adopted in Azerbaijan.** The changes in the sector that have taken place since then were not large-scale transformations of the system but rather related to the adjustment of procedural issues of the courts.

Ukraine and, to a lesser extent, Georgia have made the most noticeable progress in the field of proper public administration in recent years. The new principles and division of competences were introduced in Ukrainian ministries, which allowed improving decision-making and strategic planning, administrative and territorial reform was completed in the country, a network of institutions providing administrative services and a system of relevant electronic services were created. Georgia is undergoing a reform to improve governance and involve citizens in decision-making, but there is still a lot of work to be done in the digitalization of services, the access to public

information, and public participation in the adoption of laws. **Creating an open and accountable government, along with improving administrative services for citizens, is one of the areas that the Armenian authorities have been paying the most attention to in domestic politics in recent years.** However, many changes in this sense are rather seemingly successful (as in the case of the long-going administrative-territorial reform, where local self-government bodies remain severely bounded by the central government) or even regressive (as in the case of encrypting some part of public information). **In recent years, significant changes have taken place in Azerbaijan in the improvement of the quality of public services to citizens and the digitization of certain state services.** However, further developments are needed in fiscal management, delivery of public services and creating an environment for the private sector.

Cooperation with the EU has played a significant role in improving the system of preventing and fighting corruption in Georgia, the Republic of Moldova, Ukraine and, to a lesser extent, in Armenia. In the first three countries, in recent years, the necessary laws have been passed and relevant institutions have been established to check the assets of officials and their integrity in decision-making, monitor suspicious transactions with public funds and investigate economic crimes. Armenia has intensified such activities since 2020. However, in general, in all the considered countries, the process of implementing changes is comparatively slow: the work of institutions can be blocked by procedural inhibitions, and their activity is often dependant on the political situation. Accordingly, it cannot be said that anti-corruption bodies have gained full strength and independence in these states.

In the domain of security, the main challenge for all Eastern Partnership countries remains protection from external threats and the creation of conditions for

sustainable peace. In this sense, Ukraine due to the need to resist Russian aggression is in a particularly critical situation. Georgia and the Republic of Moldova, some of whose territories are controlled by Moscow, as well as Armenia and Azerbaijan, which are looking for a format to prevent hostilities between them, are also interested in creating a stable security environment. It is worth noting the efforts of the European institutions in helping all the countries of the region to overcome the relevant challenges. In the field of internal security and combating organized crime, each Eastern Partnership state has its own achievements in cooperation with the EU. The greatest progress in this matter has been achieved by Georgia and Ukraine, whose law enforcement agencies have been closely cooperating with the Europol in recent years. In the case of Azerbaijan, cooperation is primarily based on data exchange and state participation in joint mechanisms for preventing natural and man-made disasters. A significant achievement of the Eastern Partnership in Armenia can be considered the preparation of the state for the creation of the Ministry of Internal Affairs, which is supported by the EU; however, the institution is not yet operational.

In recent years, all of the Eastern Partnership countries have been active in implementing normative basis and practical mechanisms for ensuring cyber security, in particular with the assistance of the EU/ Council of Europe CyberEast – Action on Cybercrime for Cyber Resilience in the Eastern Partnership region Programme and in the context of implementing the provisions of the Budapest Convention on Cybercrime. However, each country has its own priorities and challenges in this context. Today, Ukraine with the EU assistance is focusing on protecting its cyber infrastructure from Russian attacks. In Georgia, there is a certain regression of the achievements of previous years in the field due to non-systemic legal reforms and improper implementation of legislation. Azerbaijan has chosen

the protection of energy infrastructure as a priority in cyber security. In the context of Russia's aggressive behaviour towards the countries of the region, **the signing of an agreement on cooperation in the field of information security between the Armenian and Russian governments in 2022 is alarming.**

1.3. Together towards environmental and climate resilience

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Building environmental and climate resilience remains a challenge for all countries in the EaP region. More efforts are needed to integrate the environmental and climate policies into national agendas and policy making.

Environmental pollution and climate change impacts continue to adversely affect people health and well-being. In particular, in Ukraine mortality rate caused by air pollution is extremely high, some regions start experiencing water scarcity. In Georgia air pollution is the biggest environmental concern of citizens, too.

Climate change policies in the region are driven by the Paris Agreement process. Some countries have already adopted their updated nationally determined contributions (NDCs) under the Paris Agreement. In addition, Armenia, Georgia, Ukraine developed the low-carbon development strategies. Adaptation to climate change seems to be at the early stage in most countries. There is no general decarbonization trend in the region: each country is on its own track.

The European Green Deal has impact on the region with some countries (Ukraine, Moldova, Georgia) clearly looking for a role in the implementation of this EU initiative. For Ukraine, the European Green Deal has become an important policy factor affecting its strategic planning. For example, the Ukraine's new economy strategy includes a clear target of reaching the climate neutrality by 2060.

Biodiversity protection and waste management sectors demonstrate lack of progress in all countries. Pollution of rivers by waste is a serious challenge for Georgia and Ukraine. Protected areas share remains low in all countries with no ambition to achieve targets comparable to the EU.

Water management demonstrates significant progress in most countries. In Ukraine important changes were introduced to implement river basin management approach: river basin management plans are likely to be adopted in 2024. Moldova and Ukraine worked on a joint approach for future Dniester water management plans. Similarly, Armenia is developing its first river basin management plan for the lake Sevan.

Energy efficiency remains a key green priority of the energy policy throughout the EaP region. Covenant of Mayors is an important player encouraging cities to invest into energy efficiency and climate change mitigation. The housing sector will continue to require significant investments to show progress in reducing energy consumption.

Energy security policies in the region are not based on green elements yet. Renewable energy sources share in the final energy consumption remains low (as far as 2% in Azerbaijan) despite growth in some countries (for example, Ukraine).

1.4. Together for a resilient digital transformation

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The situation in **digital infrastructure sector** of the Eastern Partnership region differs from country to country. Two associated countries (Georgia and Ukraine) made important steps in adopting necessary strategic/planning documents as well as legal acts for developing the sector (broadband strategy, liberalisation of the telecom market, citizens' privacy regulations, developing telecommunications infrastructure). In this regard, Ukrainian aspirations led to developing specific actions plans providing alignment with relevant EU approaches. Meanwhile, other EaP countries didn't demonstrate significant practical progress neither in adopting important program documents nor in the context of the cooperation with the EU, however there are cases of involving investments in developing digital infrastructure. One of the consequences of such diversity: Regional Roaming Agreement as well as Regional Spectrum Agreement among EaP countries are still not signed, despite the existing Memorandum of Understanding between European Mediterranean Regulators Group and EaPeReg.

The digital transformation efforts were enhanced by the continuous development of **e-governance** in almost all Eastern Partnership countries. Digitalization of public services became one of the key priorities for Armenia, Azerbaijan, Moldova, Georgia and Ukraine that resulted in establishing governmental interoperability platforms, enabling a simplified and standardised secure connectivity between public administration units, introducing solutions for border crossing, developing personal e-cabinets basing on e-governmental portals, etc. This increased the quantity of online public services and implementation of relevant mobile applications for citizens.

As improving the e-governance infrastructure requires the effective implementation of state bodies' functions in the field of digital transformation – a number of EaP partner countries have created specialized units in their governing structure (digital ministries and departments) and developed necessary strategic plans (separate or inserted in general strategies/programs).

In parallel, the EaP countries bordering with the EU (Ukraine and Moldova) were quite successful in technical and legal aspects of trust services maturity, which allowed them to be selected for eSignature piloting projects and work on approximation to the EU legislation and standards.

At the same time the quantity of online-services still remains relatively low in total scope of public services in the most of the EaP countries. Moreover, digital divisions between the central and local authorities still exist in terms of using digital technologies and electronic management systems. These challenges and other tasks (incl. piloting Digital Transport Corridors) are expected to be resolved by using EU financial and technical assistance, such as in the form of EU4Digital project.

Digital economy and establishment of a modern innovation space are one of priority areas for all Eastern Partnership countries, which is confirmed by identification of relevant milestones in national strategic documents related to economic and informational society development. Most of the EaP countries implement a significant number of innovative acceleration programs in order to connect local start-uppers with potential investors. Banks also often play a role of technology companies that create the innovative products and services in the region.

Recent sanctions against Russian Federation, introduced because of war against Ukraine, created a mass migration of private Russian IT companies to the countries of Commonwealth of Independent States that can become a strong factor for the development of digital industries and innovation sectors in the respective EaP countries.

This should be considered within the future EU-EaP cooperation in these spheres. In addition, earlier, the COVID pandemic has boosted the EaP countries' e-commerce markets.

All mentioned issues require comprehensive development of regulatory mechanisms in the field of digital economy and ICT innovation across the EaP region because of existing parallel challenges and negative effects in different countries: the e-commerce penetration rate in most of partner countries is relatively low and far from the EU average indicator; relevant EU legislation has changed significantly during past several years that creates new time challenges in terms of alignment with EU regulatory frameworks and standards; the key constraints for developing digital economy and innovation clusters are related to the low use of e-services, especially in rural areas, due to lack of Internet access, digital education and training (broad range of e-tools are accessed only by a limited number of groups).

To resolve listed issues EU facilities should be used actively to fulfill all main obligations on harmonization with EU directives and stimulate digital innovations through developing start-up ecosystems.

Ensuring sustainability of government mechanisms through strengthening **cyber resilience and cybersecurity** is crucial for most of EaP partner countries. This process is challenged by correspondent cooperation of some Eastern Partners with Russian Federation, especially in the context of the Russian war against Ukraine. In terms of eliminating related emerging risks, acting projects "EU4Digital: Cybersecurity East" and "CyberEast – Action on Cybercrime for Cyber Resilience in the Eastern Partnership region" make an important effect in achieving primary goals for ensuring cyber and information security in EaP region.

During last three years, main efforts of all associated EaP countries were focused on approximation to the EU basic pillars on cybersecurity, considering the different level of advancement

between the partner countries, and adopting legislative and policy frameworks compliant to the Budapest Convention on Cybercrime and related instruments. This resulted in adopting appropriate cybersecurity and informational security strategies, which is a good precondition for making important legislative steps in terms of introducing institutional, policy and legislative cybersecurity legal acts compatible with EU legislation and guidelines (EU Directive on security of network and information systems).

Rapid EU responses to cyber threats (such as investing into support of Ukraine in fighting against potential Russian cyber-attacks by EU's Cyber Rapid Response Teams) in terms of new intense geopolitical conflicts (start of Ukrainian – Russian war in February 2022) are very important for the future security of the whole EaP region.

1.5. Together for resilient, fair and inclusive societies

Mykhailo Drapak
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Foreign Policy Council Ukrainian Prism

During the last decade, the active position of civil society and the growth of international people-to-people contacts have been one of the key factors of quality reforms in all areas in the considered Eastern Partnership countries. However, each of the states is still far from sustainable consolidated democracy and comprehensive inclusiveness. Each of them faces challenges in this area, which in some places lead to a worsening of the situation or stagnation. In addition, over the past two years, the resilience of the societies of Armenia, Azerbaijan, Georgia, the Republic of Moldova, and Ukraine have been tested by the COVID-19 pandemic and increasing regional security turbulence.

In recent years, the situation with legal and practical conditions for the activities of civil society organizations has slowly improved in Ukraine, the Republic of Moldova and Armenia, and has also remained at a relatively high level in Georgia. In this sense, the Ukrainian third sector had the best conditions as of 2021, according to the monitoring of the European Center for Not-for-Profit Law. However, the country continued to have a problem with the authorities' openness to cooperation with civil society at various levels. Also, an increase in cases of violence against public activists was registered for three years in a row. In the conditions of Russian aggression, CSOs, on the one hand, became an important element of the nation's resistance, on the other hand, they lost some mechanisms for controlling the government's actions due to martial law. The approval of the new Civil Society Roadmap was a positive signal for Armenia, but it needs effective implementation and improvement of the environment. Moldovan CSOs have strengthened their role in state processes with the change in the political environment in the country; now they are actively involved in monitoring the accession of the Republic of Moldova to the EU. However, lack of funding remains a key challenge for the country's third sector. Having strong positions in social processes, Georgian civil society cannot fully use its potential due to the politicization of decisions in the country and the lack of a constructive position of the current government regarding cooperation. **Current legislation in Azerbaijan creates difficult conditions for registering and receiving foreign support for CSOs, which weakens the capacity of the country's third sector.**

Independent media remain an influential player in the socio-political processes in Armenia, Georgia, the Republic of Moldova and Ukraine, ensuring control of the authorities and supporting reforms. However, each country has its own challenges in creating the right environment

for journalists to work. **According to the World Press Freedom Index, the best situation for media activities among all Eastern Partnership countries is in the Republic of Moldova.** Today, the priority of the Moldovan authorities and civil society in this area is to ensure the stability of the national information space against Russian propaganda aimed at the state in the context of the Kremlin's aggression against Ukraine. **Among the considered states, Armenia has the second most free media environment.** However, in order to improve the situation, the country needs to neutralize polarization (politicization) of actors, disinformation and hate speech (primarily regarding the conflict on Nagorno-Karabakh). **In Georgia, despite the created legal conditions for the activity of independent outlets, the situation with media freedom has worsened over the past year.** In this context, the problem for the country is the extremely polarized media environment, the authorities' underestimation of challenges in the field, and cases of government pressure on journalists and managers. **International organizations have recorded a decrease in media freedom in Ukraine in recent years. However, the main reason for this is the actions of the authorities to restrict outlets and persons who spread Russian propaganda and fakes, undermining Ukrainian statehood, especially in the context of the Russia's invasion.** At the same time, a reform has been launched in Ukraine, which should limit the influence of oligarchs on political processes in the country. In particular, it is stipulated that such actors should give up their media assets – and there are already examples of such actions. **According to the World Press Freedom Index, Azerbaijan has the worst situation with freedom of media among all the listed countries** (154 out of 180 countries). Joint Staff Working Document on Cooperation Implementation Report on Azerbaijan outlines that freedom of opinion and expression continues to be restricted there.

As for ensuring democracy, it is worth noting that in recent years in Armenia, Georgia, the Republic of Moldova and Ukraine, all national elections have been recognised by international observers as competitive and, in general, fair. At the same time, in the Georgian political field, the current government undermines the competitiveness, creating obstacles for some opposition assemblies, surveilling its critics and to some extent obstructing the work of the opposition media. **In Azerbaijan, according to the conclusion of the Venice Commission, an unprecedented level of the President's power has been reached. The Organization for Security and Co-operation in Europe criticized the country's recent presidential and parliamentary elections for a lack of competitiveness and transparency, respectively.** The establishment of gender quotas in the last parliamentary and local elections in Georgia and in the last parliamentary elections in Ukraine should be admitted as positive trends. Ukrainian voters also got the opportunity to elect candidates from open lists – but this option is still available in local council elections, the implementation of this rule for the parliamentary elections was postponed by legislators.

In the field of ensuring human rights, the countries of the Eastern Partnership have a legal framework that nominally guarantees compliance with international standards and norms. However, the practical implementation of these principles remains far from the optimal level on many issues, primarily in guaranteeing gender equality and combating discrimination. Thus, in each of the considered countries of the Eastern Partnership, discrimination and gender-biased practices against women remain in place to varying degrees in economic and everyday life, and there are also problems with an adequate level of their participation in political life and holding positions in government structures. Also, the protection of women from violence/domestic violence remains a problematic issue. In this context, the ratification of the Istanbul

Convention by Georgia, the Republic of Moldova, and Ukraine has been a positive step in recent years. Authorities and society in Armenia have not yet reached a consensus on the ratification of the document, although the state has signed it. In addition, in the countries hate speech and even demonstrative discriminatory actions against representatives of the LGBTQ+ community and advocates of their rights are still widespread. As an example, the clashes on the streets of Tbilisi last year before the planned Pride could be mentioned.

In terms of mobility, it is worth noting that Georgia, the Republic of Moldova and Ukraine have fulfilled the key visa liberalization benchmarks, which allows countries to maintain a visa-free regime with the EU. At the same time, the European Commission in 2021 addressed tasks to each of these states to continue effective cooperation in this regard and maintain the current level of mobility. Thus, Georgia still needs to address the issue of the increased number of asylum seekers in the EU and continue information campaigns on the rights and obligations of the visa liberalization process. In case of the Republic of Moldova, the European Commission highlighted the necessity to adopt a strategy and action plans for justice reforms, including constitutional amendments in line with the Venice Commission's recommendations, effective implementation of the asset declaration system by high-level actors and fight against irregular migration towards the Schengen zone. For Ukraine, the main tasks in this regard are fully aligning the visa policy of Ukraine with the list of third countries whose nationals were subject to a visa for short stays in the EU, improving the efficiency of anti-corruption institutions and carrying out a transparent, depoliticised and merit-based selection of the heads of the respectful services. **The EU notes the overall good implementation of the Visa Facilitation and of the Readmission agreements with RA and willingness of Armenia to start a dialogue with the EU.**

ARMENIA

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Current perception of the EaP policy in Armenia

Armenia's independent expert community's vision of the updated EaP policy

ARMENIA

Boris Navasardian, Yerevan Press Club;

Armine Sukiasyan, Yerevan Press Club;

Seda Shiganyan, Yerevan Press Club;

Sevak Harutyunyan, Yerevan Press Club

General assessment of the situation and the EaP achievements by the directions

The diplomatic relations between the Republic of Armenia and the European Union were formally established on August 10, 1992. The EU-Armenia cooperation reached its highest intensity in 2010–2013 during the negotiation on Association Agreement between the two parties, as well as in 2015–2017 during the negotiations on the Comprehensive and Enhanced Partnership Agreement (CEPA). Immediately after “U-turn” on September 3, 2013, as well as after CEPA had been signed in November, 2017, the bilateral relations were entering into more or less “passive phases”. Within the recent five years period Armenia concentrated on internal political processes, crisis caused by the COVID-19 pandemic, hostilities in relations with neighboring Azerbaijan and addressing severe consequences of the 44-days war in 2020. This situation has not essentially changed after CEPA’s complete ratification and entering into force on March 1, 2021.

There is no special format of reporting on the CEPA implementation practiced by the government of the Republic of Armenia. The general assessment is being made by the two bodies established in accordance with the framework Agreement. The EU-Armenia Partnership Committee met for this purpose three times, its last meeting took place in Yerevan on April 28, 2022. The EU-Armenia Partnership Council met for the fourth time

in Brussels on May 18 2022. It was chaired by the Minister of Foreign Affairs of the Republic of Armenia Ararat Mirzoyan, whereas the EU delegation was led by the High Representative and Vice President of the European Commission Josep Borrell. The Commissioner for Neighbourhood and Enlargement, Olivér Várhelyi also participated in the meeting.

CEPA provides a framework for the EU and Armenia cooperation in a wide range of areas: strengthening democracy, the rule of law and human rights, creating more jobs and business opportunities, improving legislation, public safety, a cleaner environment, as well as better education and opportunities for research. This bilateral agenda also contributes to the overall aim of the EU to deepen and strengthen its relations with the countries of Eastern neighbourhood through the Eastern Partnership framework. At the same time during the Partnership Committee and Council events the focus was on the CEPA implementation in the fields of the rule of law, including the role of an independent and efficient justice system, as well as fight against corruption and the respect to human rights. Specifically, it was stated that the EU and Armenia will continue their policy dialogue and cooperation on the implementation of the Justice sector reform.

This manifests that, despite Armenia's commitment to the implementation of CEPA's full agenda, and EU's appreciation of the progress achieved, consistent reforms were not undertaken in all fields. Partially this could be explained by the complicated international context that has created multiple challenges to both the EU and Armenia in terms of security and economic stability. However, there were some subjective factors slowing the process. Namely, the Road Map on CEPA implementation was presented at the end of 2019, while it was supposed to be released one and a half years earlier. According to the experts' estimation, only about 20% of activities envisaged by the RM were conducted de-facto. To improve compliance of CEPA implementation with the

planned agendas the Partnership Council proposed a structure of inputs of national teams to the updated Baseline Report in the frames of the Civic EaP Tracker.

1.1. Together for resilient, sustainable and integrated economies

1.1.1. Trade and economic integration

The European Union is Armenia's second biggest trading partner after Russia. Prior to the "U-turn" in 2013 (de-facto rejection of the initial Association Agreement with the EU, including DCFTA by Yerevan) and obtained membership of RA in the Eurasian Economic Union (EAEU) the EU was the top trading partner. At the same time the EU remains the priority export destination for Armenian products. According to the statistics, the trade turnover between Armenia and European Union amounted around 1.2 billion Euros in 2021. The EU imports from Armenia are mainly manufactured goods, raw materials, beverages and tobacco. EU exports to Armenia consist of machinery and transport equipment, manufactured goods, and chemicals.

Due to EU's decision to grant to Armenia the Generalised Scheme of Preferences (GSP) and GSP+ the total value of preferential imports from Armenia into the EU has increased from € 42 million in 2014 to € 198 million in 2019. Bearing in mind Armenia's economic growth record in 2020, the World Bank classified it as Upper Middle Income Country for the third year in a row. Following a one-year transition period, Armenia lost the preferences assured by the GSP and its special incentive arrangement for sustainable development and good governance (GSP+).

However, it was highlighted in the joint press statement following the 4th meeting of the EU-Armenia Partnership

Council on 18 May 2022 that “while CEPA did not provide for preferential tariffs for trade in goods, it contained important potential for benefitting bilateral trade flows that should be fully exploited”. CEPA also opens up public procurement between the EU and Armenia, giving Armenian businesses the possibility to participate in public procurement tenders in the EU and vice versa. Mutual additional market access is provided regarding works concessions, e.g. water supply and other public services.

The volatile processes caused by Russia’s invasion in Ukraine and respective economic instability negatively resulted in the trade relations between Armenia and the EU, whereas trade turnover between Armenia and Russia increased. One of the main reasons were the ups and downs of the exchange rate of the Armenian national currency. In February – early March, 2022, the dram (AMD) weakened against the Euro by more than five percent. However, in the later period strongly rallying Russian ruble boosted the rise of AMD as well: by the end of August 2022, it strengthened against Euro by more than 30% compared to pre-war values.

1.1.2. Investment and access to finance

The EU is not only a key reform partner for Armenia, but also the largest donor. Providing further expertise and financial assistance European Union contributes to the Armenian government’s capacity to design and deliver key governance reforms and approximate to the EU standards in line with its CEPA commitments. The ultimate aim of the partnership is to provide concrete benefits to the citizens of both the EU and Armenia. As underlined in the joint press statement following the 4th meeting of the EU-Armenia Partnership Council, “to strengthen the country’s long-term resilience and leverage public and private investments to support the green and digital transition, the EU will continue to work closely with Armenia and partner with International Financial Institutions (IFIs)

to progress with the implementation of the Economic and Investment Plan and its priority flagship projects”.

On November, 2020, the EU informed the Government of Armenia about the disbursement of € 35.6 million in grants to support Armenia in response to the COVID-19 pandemic. The EU’s decision followed a positive assessment on the progress in the selected sector reform areas, macroeconomic stability, public financial management and state budget transparency. It was a part of the EU € 92 million assistance package for Armenia announced in April, 2020, which included restructured and new funds to support Armenia in its fight against the COVID-19 crisis, in order to mitigate the impact of the pandemic on the Armenian people.

The most recent portion of the EU financial support was announced on August 2, 2022. The European Union has approved disbursements of 14.2 million EUR in grants for two budget support programmes – Support to Justice Sector Reforms in Armenia and the COVID-19 Resilience Contract for Armenia. As stated by H.E. Andrea Wiktorin, the Head of the Delegation of the European Union to Armenia, these disbursements are a result of successful collaboration between the European Union and the Government of Armenia, and reflect the Government’s commitment to a recovery from the pandemic, and to the implementation of the CEPA agreement.

Armenia’s engagement in stronger bilateral cooperation with the EU can be accelerated by the provision of, according to the European Council President Charles Michel, “an unprecedented financial package” designed to assist the Armenian government in further democratic reforms and to improve the socio-economic situation in the country. The decision by the European Commission announced on July 2, 2021, in the framework of the EU’s Eastern Partnership program, envisages economic assistance and investments to Armenia up to € 2.6 billion over the next five years.

According to five flagship initiatives for Armenia, the EU intends to provide € 1.6 billion in the form of investments, grants, loans, and guarantees. This sum should be used in the most effective way, especially, Flagship#1 (which is estimated up to € 500 million) – the overall support for SMEs, and Flagship# 2 (which is estimated up to € 600 million) aimed at the construction of the north-south communication and infrastructure. The Flagship#5 is aimed at investing in a “Green Yerevan” – energy efficiency and green buses. It is expected to provide € 120 million for that flagship initiative. It is not clear, however, from the description of the initiative to what specific activities it is related and what criteria will be used to select the respective projects. A lot will depend on the local potential to design respective projects, as well as absorption capacity of the government, which raises concerns regarding the proper use of this possibility.

The EU Commissioner for Neighborhood and Enlargement Oliver Varhelyi announced in Yerevan on July 9, 2021, that the EU will also raise the rest € 1 billion for development projects in Armenia “together with our international partners.”

1.1.3. Enhanced transport interconnectivity

Like with the other partners, the EU collaborates closely with Armenia on Indicative Trans-European Transport Network (TEN-T) Investment Action Plan, the completion of which is expected by 2030. The main news in this sphere was signing of the Common Aviation Area Agreement by the EU and Armenia on November 15, 2021. The agreement is based on high standards in aviation safety, security and air traffic management. Its signing means new opportunities for consumers, airlines and airports in Armenia and in the EU. The benefits include new air transport opportunities, more direct connections and economic benefits to both sides: e.g. all EU airlines will be able to operate direct flights from anywhere in the EU to any airport in Armenia, and vice versa

for Armenian airlines. All limitations and restrictions on flights between Armenia and the EU will be removed and the provisions on open and fair competition will guarantee a level playing field. The Agreement will facilitate people-to-people contacts and expand commercial opportunities and trade between the EU and Armenia. Two relatively big air companies (ARNA airlines, which has got a status of national carrier, and low-cost “FlyOne Armenia”) with diverse flight destinations started operating in Armenia during the last year. This achievement was especially significant bearing in mind that less than a year and a half before signing of the Aviation agreement, in June 2020, the European Commission had included Armenian air companies in the blacklist after assessing the country’s “safety oversight capabilities.”

1.1.4. Investing in people and knowledge societies

The Partnership Council welcomed EU-Armenia cooperation in the areas of employment and education, underlining the importance to amend the Labour Code and revise legislation on trade unions and employers to further align the Armenian legal framework with the International Labour Organisation fundamental conventions. The cooperation in the spheres of education and culture is developing in the frames of Creative Europe and Erasmus +. On November 12, 2021, the European Commission and Armenia signed The Horizon Europe Framework Agreement on Research and Innovation which applies retroactively as from 1 January 2021. The EU is one of the key supporters of TUMO Center for Creative Technologies in Yerevan, the most famous Armenian “brand” in education and science, which, apart of Armenian regions, has currently branches in Paris, Beirut, Moscow, Tirana, Berlin and Lyon, as well as several TUMO “boxes” in smaller towns.

According to the Partnership Council, education reform strategy is now considered as one of the priority areas where

policy discussions will expand following their effectiveness in the justice sector reform. At the same time there are only few positive practical results in the area of employment and education, including such areas as “departization” of schools’ and universities’ administration, protection of labor rights and trade union movement.

1.2. Together for accountable institutions, the rule of law and security

1.2.1. Judicial Reform

In line with the CEPA standards and associated EU-Armenia Strategic Policy Dialogue a comprehensive assistance package is being provided to Armenia to contribute to strengthening the integrity and accountability in the justice system, improving access to modern and quality judicial services. The Strategy of the Armenia’s Judicial and Legal Reforms was designed for 2019–2023. The biggest tranche of budget support is connected to the judiciary reform (€ 8 million). This is manifestation of a “quality seal” for the work done in the justice sector. Therefore, the EU is preparing a new sector budget support programme in this area to be approved before the end of 2022.

Positive assessment does not mean that there are no essential challenges in the sphere of judicial reform. As mentioned in the Freedom House report, “The courts face systemic political influence, and judicial institutions are undermined by corruption. Judges reportedly feel pressure to work with prosecutors to convict defendants”. Extremely condemnable is so-called dichotomy of the judiciary between the “ruling and the opposition judges”, which prevents them from acting exclusively by the law and issuing quality judicial acts. Also, the principle of independence of the pre-trial bodies, and the process of ethics verification are not applied substantially. Despite introduction in

2022 of the institute of the house arrest the trend of unjustified choice by the courts of arrest as preventive measure continued, allegedly motivated by the political views. Within the recent five years there were three cases of deaths in the custody.

1.2.2. Accountable, transparent and efficient public administration

Integrating economic and administrative reforms is one of the priority areas in the Republic of Armenia, which is in line with the official EaP agenda (“20 deliverables for 2020”) and CEPA priorities. The European Union supports “EU for Integrity – the Open Government Partnership (OGP) Action for the Eastern Partnership” envisaged for 2020–2024 and aimed at design and implementation of reforms to enable open, inclusive, and responsive governments and citizen-centred service delivery through strengthening civic engagement and CSOs participation. At the same time, during recent years the Armenian government took a step back, by expanding the list of information that can be encrypted, according to the changes proposed in the Law of Armenia “On State Secrets”. Moreover, almost no justifications were provided in that regard. Representatives of the civil society elaborated specific proposals regarding the improvement of the situation (in compliance with international standards), which mostly were not accepted.

There is another area where efforts to harmonize policy and practice are required. The Laws of the Republic of Armenia on Economic Competition, on the Minimum Consumer Basket, and on Taxation have been translated into necessary strategic management systems – rules, procedures, practices, arrangements, and processes to ensure improved economic performance. On the other hand, these laws would have positive impact only if integrated, implemented and enforced effectively. Independent researches which examined to what extent management structures and administrative procedures are

integrated with the implementation requirements, discovered the cases of unsatisfactory implementation or inadequate performance and impact. For example, the analysis of the Consumer Price Index in Armenia, clearly demonstrates that the failure to realize positive impact quite often is caused by inadequacies within the Government's administrative structure and lack of sufficient acumen and expertise.

Serious concerns refer to local self-governance system in Armenia. For two dozens of years the country is engaged with reform in the sphere of optimization of municipal administration, including consolidation of communities. This work was conducted through active engagement with the the Council of European Municipalities and Regions (CEMR) and Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP). However, the trend displayed as a result of legislative changes and their implementation is that LSG bodies fall under strong control by the central government and political majority on the national level. One of the most problematic manifestations of this trend are several criminal cases against those elected heads of communities who represent opposition. Arrest as preventive measure chosen against them by the courts deprived them from the possibility to perform their functions, and they are replaced by those appointed by the Ministry of territorial administration and infrastructures.

1.2.3. Tackling fraud, corruption and economic crime

Diverse tools and instruments are employed in the frames of the EU-Armenia cooperation to ensure progress in that area – budget support, twinning projects, grants to the CSOs, etc. Corruption Prevention Commission was established in 2020, although launching of the Commission was an excessively slow process. According to the Commission, during 2021 it examined property situation of about 170 officials, including about 130 judges and members of their families by studying around 2500 declarations submitted by them. According to the anti-corruption strategy the

staff-positions of the investigative body of the National Security Service and the Special Investigative Service were dissolved and their functions were transferred respectively to the Investigative Committee and the Anti-Corruption Committee.

The latter two agencies are currently the key actors for the implementation of the Law on “Confiscation of Property of Illegal Origin” adopted on April 16, 2020. Also, in order to implement the provisions of the Law a separate specialized department was established in the structure of the Prosecutor General’s Office. During 2022 several decisions were taken by the mentioned institutions to ensure practical application of the Law. However, it is obvious that all this process will prove its outstanding role in tackling fraud, corruption and economic crime when the cases will be opened not predominantly against the representatives of the former political elite, but against officials who occupied their positions after “velvet revolution”. Many publications of the investigative journalists hint that, contrary to the statements of the Armenian political leaders, corruption has been far of being overcome after the change of the government in 2018.

The Judicial and Legal Reform 2019–2023 Strategy has envisaged the establishment of an specialized anti-corruption court in order to alleviate the workload of the judicial system and to ensure the professional investigation of corruption crimes. The respective legislative steps were taken in that direction. The process of launching of the new court is still ongoing and is planned to be completed by the end 2022, although civil society representatives raise their concerns regarding slow progress on this direction as well.

Lack of consistent practical approach towards the issue of fighting corruption was reflected in the Interim Compliance Report of Fourth Evaluation Round on Armenia released by GRECO (the Council of Europe’s Group of States against Corruption) at its 88th Plenary Meeting (Strasbourg, September 20–22, 2021). The report acknowledged that all 12 recommendations

assessed following the previous evaluation round remained only partly implemented. This also refers to the recommendation on reducing the role of executive branch of power on court decisions despite certain progress achieved at the institutional level.

1.2.4. Combating organised crime and strengthening security

Major security challenge for Armenia which affects negatively reforms process in the context of the EU-Armenia cooperation within all its history was and still is Armenian-Azerbaijani conflict. It was one of the factors that forced Armenia to reject Association Agreement in 2013. This challenge is manifested even more apparently after the 44-days war in 2020, and European Union addresses it respectively. Particularly, on November 17, 2021, the Statement by the Spokesperson of the EEAS expressed deep concern “over the recent violence along the Armenia-Azerbaijani border”. The EU supported Statement by the Co-Chairs of the OSCE Minsk Group dated by November 15, 2021 and reiterated “its commitment to work with Armenia and Azerbaijan to help overcome tensions and contribute to building a South Caucasus that is secure, stable, prosperous and at peace for the benefit of all people living in this region”.

The President of the European Council Charles Michel applied active diplomatic efforts, organizing four meetings (on December 14, 2021, April 6, May 23 and August 31, 2022) between the leaders of Armenia and Azerbaijan Nikol Pashinyan and Ilham Aliyev. Toivo Klaar, the EU Special Representative in the South Caucasus initiated high level meetings between the Secretary of the National Security Council of Armenia Armen Grigoryan and Hikmet Hajiyev, Advisor of President of Azerbaijan. Agenda of the mentioned meetings includes prospects of peace agreement between Baku and Yerevan, deblocking communications, resolving border issues, as well as several humanitarian problems, one of them is releasing prisoners of war and other detainees.

On May 20, 2021, EU Commissioner for Equality Helena Dalli delivered a speech to the European Parliament where she emphasized that Brussels repeatedly called on both parties to fully implement the ceasefire agreement, exchange prisoners of war and to release all remaining detainees, regardless of the circumstances of their capture, demining the territories in the conflict zone in accordance with international humanitarian law. “The release of all Armenian detainees is essential for building confidence and trust and would be an important political gesture” – said Helena Dalli.

The European Union is also a strong supporter of normalization processes between Armenian and Turkey, welcoming in its public statements the initiative of direct discussions between official representatives of the two countries.

As to internal security issues in Armenia, EU supports establishment of the Ministry of Internal Affairs and Patrol Service. The latter has already excluded patrol service functions from the militarised unit of the police. The 2020–2022 police reform programme envisaged the establishment of the Ministry of Internal Affairs (MIA) already in 2021, which should include in its structure the migration services. The objectives included creation of legal guarantees for protection of personal data of citizens by the Operational Management Center and transfer of a number of police functions to the civil servants and demilitarization of some other services provided to the citizens of the MIA. However, this deadline was delayed, and MIA still has not been established yet.

1.2.5. Cyber resilience and cybercrime

The joint European Union/Council of Europe project aims at adopting legislative and policy frameworks in the EaP region, including Armenia, compliant to the Budapest Convention on Cybercrime and related instruments, reinforcing the capacities of judicial and law enforcement authorities and interagency cooperation, and increasing efficient international cooperation

and trust on criminal justice, cybercrime and electronic evidence, including between service providers and law enforcement.

However, this process is challenged by correspondent cooperation of some Eastern partners with Russian Federation, especially in the context of the Russian war against Ukraine and confrontation of Russia with the West. Namely, during the visit of PM of Armenia Nikol Pashinyan to Moscow on April 19, 2022, the Agreement was signed between the government of the Republic of Armenia and the government of the Russian Federation on Cooperation in the field of information security. In the statement on the visit “The Parties expressed concern over the growing tendency to use modern information and communication technologies to carry out unlawful and harmful acts, to interfere in the internal affairs of States, and to undermine their sovereignty, emphasized the importance of strengthening bilateral cooperation in the field of international information security.”

1.3. Together towards environmental and climate resilience

1.3.1. Benefits for people’s health and wellbeing

Several projects supported by the EU in Armenia contribute currently to the benefits for people’s health and wellbeing. Among them is “Towards inclusive Armenia” project aims to improve the rights of persons with disabilities in Armenia through systematic advocacy for inclusive legislation, monitoring law enforcement effectiveness and use international human rights mechanisms such as Convention on the Rights of Persons with Disabilities (CRPD).

“EU4Labour Rights: Increasing Civic Voice and Action for Labour Rights and Social Protection in Armenia” (2021–2024) project’s objective is strengthening human rights protection

with the focus on social and labour rights, through participatory multi-stakeholder policy dialogue, endorsed by empowered rights holders and sensitized duty bearers.

People in Need (PIN) in partnership with the Netherlands Helsinki Committee (NHC) and with EU support implements in Armenia, Georgia, Moldova and Ukraine “EaP COVID-19 Solidarity Programme”, the aim of which is to mitigate the adverse effects of COVID-19 and to contribute to the longer-term socio-economic resilience of vulnerable groups.

1.3.2. Circular economy, climate neutrality and green growth

As part of its co-operation with the European Union, Armenia has made commitments to a green economy. This is reflected in the Eastern Partnership Summit Declarations and the CEPA. The European Union welcomed Armenia’s updated Nationally Determined Contribution targets and encouraged Armenia to adopt a Long-Term Low Emissions Development Strategy, aiming at reaching climate neutrality by 2050, in line with the EU’s commitment.

On 22 April, 2021, the government of Armenia approved the country’s updated 2021–2030 Nationally Determined Contributions (NDC) under the Paris Agreement. The EU-funded EU4Climate project, implemented by the United Nations Development Programme, has supported the Ministry of Environment in developing the document. The NDC sets Armenia the 2030 target of reducing greenhouse gas (GHG) emissions by 40% compared with 1990 levels.

1.3.3. Biodiversity and economy’s natural assets base

The Green Deal and Green Recovery dimensions are high in the bilateral agenda. “EU4Sevan” and “EU Water Initiative +” (EUWI) show strong EU-Armenia engagement in the environmental protection of Lake Sevan – EU4Sevan. Lake

Sevan is the largest freshwater lake in the Caucasus region and is the most significant source of fresh and irrigation water, aquaculture, as well as hydropower source in Armenia. Its condition has a direct impact on the region's environmental health and Armenia's economic potential. With the support from the EUWI the Armenian government has been developing the first River Basin Management Plan for the Lake Sevan basin, aimed at structuring and improving the management of water re-sources at the lake's level in the long term.

1.3.4. Strengthening energy security and nuclear safety

The EU-Armenia Partnership Council agreed that nuclear safety was a priority and took note of Armenia's progress in this regard and of country's commitment to implement fully the National Action Plan adopted as a part of the EU supported stress test process. Several projects contribute to this objective.

For instance, High-Level Energy Efficiency Initiative in Armenia is a joint initiative of the European Commission and International Financing Institutions and aims at bringing energy efficiency reforms and investments to scale by actively collaborating with the government of Armenia and relevant stakeholders of other countries. The Yerevan Energy Efficiency Project is implemented by the European Investment Bank (EIB) and aims to address the refurbishment of public buildings (kindergartens) and the use of renewable energy sources. 90 kindergartens in the Armenian capital will be refurbished to improve their energy efficiency, seismic stability and sanitary conditions in the context of the COVID-19 situation. On April 30, 2022, Solar Power plant was opened with EU support in Artik (Shirak region of Armenia).

1.3.5. Accelerating the shift to sustainable and smart mobility

No practical progress in the context of EU-Armenia cooperation was achieved in that area.

1.4. Together for a resilient digital transformation

1.4.1. Digital infrastructure

No practical progress in the context of the EU-Armenia cooperation was achieved in that area.

1.4.2. e-Governance

The three-year project “EU4Armenian: e-Gov Actions” implemented in 2017–2020 and cost € 5.65 million helped to establish a governmental interoperability platform, enabling a simplified and standardised secure connectivity between all organisations of the public administration of Armenia, and to introduce a One-Stop-Shop solution for border crossing points.

To make an electronic signature trustworthy across borders, the European Union’s EU4Digital Facility has implemented a cross-border eSignature pilot. The pilot in Moldova and Ukraine provides the opportunity to lay the foundations for wider uptake in the Eastern Partnership region, and for the other Eastern partner countries, Armenia, Azerbaijan, Belarus and Georgia, to take the lessons learned and increase their readiness towards mutual recognition of trust services between them and with the EU in the future.

1.4.3. Digital economy and innovation

The whole IT sector is a domain where the EU sees huge potential for Armenian companies to enter the EU market. As a manifestation of this on July 12, 2022, the EU Delegation to Armenia launched the “KATAPULT Creative Accelerator Programme” to connect local artists with potential investors. On the other hand, sanctions by the West against Russia alongside with the mass migration of private Russian IT companies in the context of Russian war against Ukraine become now the dominating factor for the development of digital industry and innovation in Armenia. The prospects of the EU-Armenia

cooperation in this sphere will need to take into account appearance of about two thousand new companies of Russian origin, majority of which represent IT sector. They caused huge growth of Armenian economy which sustainability and role in the international economic cooperation still needs to be evaluated for further projects design.

1.4.4. Cyber resilience – Cybersecurity

The “EU4Digital: Cybersecurity East” project which is approaching its completion focuses on further developing the approximation of all Eastern Partner countries, including Armenia, to the EU basic pillars on cybersecurity, bearing in mind the different level of advancement between the partner countries. Another joint EU-CoE project “CyberEast – Action on Cybercrime for Cyber Resilience in the Eastern Partnership region” (2019–2023) aims at adopting legislative and policy frameworks compliant to the Budapest Convention on Cybercrime and related instruments, reinforcing the capacities of judicial and law enforcement authorities and interagency cooperation, as well as increasing efficient international cooperation and trust on criminal justice, cybercrime and electronic evidence, including between service providers and law enforcement.

In its turn CEPA contains several provisions related to cyber resilience. For example, development of a strong intellectual property rights protection system. This particularly means that both Armenian companies and individuals will be able to rely on a strong intellectual property rights protection system in Armenia, just as they can in the European Union. This also helps attracting foreign direct investment to the country.

1.5. Together for resilient, fair and inclusive societies

1.5.1. Civil Society and youth participation

A new Civil Society Roadmap was approved in early 2022. It contains a brief analysis of the civil society arena, its operating environment and the challenges faced by civil society organisations (CSOs). It also identifies the EU’s priorities and actions for engaging with civil society in Armenia, as well as a set of indicators for the follow up. In line with the midterm review of the EU-Armenia Multi Annual Indicative Programme (MIP) 2021–2027, the Roadmap identifies medium-term objectives of EU cooperation with CSOs and encompasses policy dialogue, technical and financial support.

Armenian civil society benefited from “COVID19: Civil Society Resilience and Sustainability” project which had aimed to mitigate the immediate and longer-term impact of COVID-19. It supports civil society and the broader independent activist community in the EaP region to continue providing access to protection and assistance, especially to the most vulnerable groups, as well as to accurate information about the pandemic.

Efficiency of the EU support to the civil society of Armenia depend on enabling environment in the country. One of the recently disputed issues in that context was ensuring the right of NGOs to apply to the court in relation to the protection of public interests. The proposal to amend respectively the Armenia’s Judicial Code was not accepted. However, it must be mentioned that the Law “On NGOs” was amended on May 5, 2021 by the provision, which enables non-governmental organisation to represent the legal interests of its beneficiaries in the court on cases of protection the rights of people with disabilities. Before, only the protection of environment was envisaged.

Out of the EU supported projects promoting youth participation the following can be mentioned: “EU4Youth: Youth

Employment and Entrepreneurship” (2021–2025), “EU4Youth Coordination and Support” (2018–2023), “EU4Youth: Social Entrepreneurship Ecosystem Development (SEED) Programme for Green Growth in Borderline Communities” (2019–2022). The latter empowers disadvantaged youth to successfully transition from education to work in Georgia and Armenia through developing their Social Entrepreneurship and Green Innovation skills. It helps particularly vulnerable groups in the target regions to seek innovative solutions contributing to green growth and higher social impact of their professional activities.

1.5.2. Independent media and fact-based information

The “Reporters without borders” (RSF) characterizes the media situation in Armenia as follows: “Despite a pluralistic environment, the media remain polarised. The country is facing an unprecedented level of disinformation and hate speech, especially concerning the Nagorno-Karabakh territorial dispute between Armenia and Azerbaijan.” Although in 2022 Armenia has advanced in the RSF freedom of media ranking to the 51st place from the 63rd in 2021 and has been actual leader among EaP countries, it rather means that retreat here is less than in many other countries, than achieved real progress.

The main issue discussed in Armenia in relation to media during recent years was spread of hate speech. The Armenian authorities, parliamentary and extra-parliamentary political forces, civil society representatives have repeatedly spoken about the need to fight against hate speech, although their views on the definition of “hate speech” are not identical, and sometimes have been even controversial. The ruling political force (“Civil contract” party) chose introduction of stricter legal regulation which included increase of limits of compensation for libel and insult, as well as criminalization of grave insult addressed to public figures. Armenian civil society and European institutions remain greatly concerned with the respective legislative acts restricting

freedom of speech in the country. Journalistic organizations also noted a trend of limiting access to official information.

Coalition of media NGOs suggests promotion of self-regulation system as alternative to restriction on legislative level. The government's programme for 2021–2025 envisages development of a concept on media self- or co-regulation. Media Ethics Observatory, a self-regulation body initiated by Yerevan Press Club, submitted to the Ministry of Justice its draft of the concept which is currently subject for revision. Projects funded by Western donors, including the EU and its member states, contributed to the consultative process on the concept. The European Union also supports several initiatives on counteracting disinformation and on fact-checking, as well as media literacy. However, the main challenges in the information sphere remain quite serious.

1.5.3. Democracy

International election observation missions twice (in December 2018 and in June 2021) in general positively assessed the last national elections in Armenia, despite certain shortcomings. Since 1996 European institutions consistently contribute to the improvement of legislative framework and administration of the campaigns. After several problematic elections in the past, during the last four years traditions of electoral democracy are being rooted in the country. At the same time, it is still too early to acknowledge establishment of functional democracy with sustainable democratic institutions ensuring efficient and accountable governance system, inclusive and transparent decision-making process.

The opponents of the actual Armenian government tend to criticize European Union and its delegation to Armenia for unfairly (according to them) positive assessment of the situation with democracy and human rights in the country.

1.5.4. Protection of human rights and promotion of gender equality

The EU is engaged in cooperation with Armenia on the human rights action plan for 2020–2022. Next similar plan for 2023–2025 is in the process of discussion between the EU delegation and government of Armenia. In December 2009 the Armenia-EU human rights dialogue was established. Since then, the meetings are convened once a year, alternately in Yerevan and Brussels with the exception of the period when travel restrictions caused by COVID-19 were introduced. The next 11th round is scheduled for April, 2023. The dialogue covers wide range of issues: gender equality, domestic violence, judicial and penitentiary system (fighting impunity and ill-treatment, pre-trial detentions, rehabilitation of victims of torture), anti-discrimination policy, protection of vulnerable groups, rights of persons with disabilities, child rights, labour rights.

One of the main recent developments in that sphere was the ratification of the Europe’s Convention on Protection of Children against Sexual Exploitation and Sexual Abuse (“Lanzarote Convention”) on September 7, 2020. The ratification was conducted amid heated discussions between its supporters and conservative social and political circles. At the same time, there is still some uncertainty regarding the adoption of bills on discrimination and domestic violence. The ratification of the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence (known as the “Istanbul Convention”) also remains a subject of debate.

An important direction of the the EU’s activities in Armenia on gender equality is addressing gender-biased sex selection and related harmful practices and is part of the respective global programme, where South Caucasus is one of the target regions.

1.5.5. Mobility

The EU notes the overall proper implementation of the Visa Facilitation and of the Readmission agreements with Armenia and willingness of Armenia to start a dialogue with the EU. The latter depends on sustaining current efforts by the partner. Particularly, the progress could be achieved through the successful implementation of the “EU for Increasing Migrants’ Potential to Act for development of Armenia” (IMPACT Armenia) project which aims to contribute to well-being of Armenian labour migrants, returnees and their family members through mobilising remittances and investing in local development, as well as contributing to job creation.

1.5.6. Health resilience

The EU and its member states work together in Armenia in the frames of Team Europe initiative and achieved good record within the context of combating COVID-19 pandemic. Innovative EU-financed vaccine-sharing programme and the new EU-funded scheme allowed to largely increase in 2021–2022 delivery of vaccines and the percentage of vaccinated Armenian population. During one year (from May, 2021 till May, 2022) the share of fully vaccinated citizens grew in Armenia from less than 1% to 34%. The most recent delivery of 400,140 BioNTech–Pfizer vaccines reached Armenia thanks to Portugal donation.

EU donates to Armenia also other medicaments and medical equipment. The most recent consignment of X-ray equipment was delivered on May, 2022, to Goris Medical Centre. It was part of a wider EU assistance package provided to intensify the fight against COVID-19 in Armenia.

Current perception of the EaP policy in Armenia

The most recent survey that assessed attitude of the Armenian society towards the EU (conducted on behalf of International Republican Institute's Center for Insights between November 22 and December 5, 2022) indicates that while evaluating the current state of the relationship between Armenia and the other countries and entities 69% of respondents characterized relations with the EU as good or very good. It is noteworthy that among those who believe that Armenia is heading to a right direction 82% characterized EU-Armenia relations positively, while among those who believe that Armenia is heading to a wrong direction the percentage is much lower – 58%.

According to the survey, the relations with France, Iran, US and China also received high scores as well while Relations with Russia are assessed worse than the relations with the EU.

After the 44-day war, the issues of civilizational choice were prioritized by the Armenian audience. This factor also affected the perception of foreign states by Armenian citizens – the assessment rate of all of them, according to the survey conducted by Russian online media “Caucasus Knot”, decreased in comparison to 2019. This is consequence of disappointment in international partners, caused mostly by their position during and after the war.

When talking about attitudes towards the EU, the Armenian political spectrum could be conditionally divided into four major segments. 1. The ruling party which being under strong influence of Russia in practical terms, tries to demonstrate neutrality in the confrontation between Moscow and the West (including the EU), as well as regarding the war in Ukraine. (Political weight of this segment, according to the results of Parliamentary elections in June, 2021, is about 50%, although it is, most probably, decreasing); 2. Two factions of Parliamentary opposition have pro-Russian orientation and trust that Armenia will benefit if

Russia succeeds in the war against Ukraine. Part of this opposition (particularly, Republican Party) is at the same time interested in deepening relations with the EU (Political weight of this segment, according to the results of the Parliamentary elections in June, 2021, is about 30%, although is, most probably decreasing, as well). 3. Small pro-Western parties with different extent of anti-Russian moods, having sympathy towards Ukraine. (Average political weight of this segment, according to the results of the Parliamentary elections in June, 2021, is above 10%. Although is the figure, arguably is much higher bearing in mind that part of their potential electorate did not vote assuming that the chances for the success were too low); 4. The parties with no clear foreign policy agenda. (Average political weight of this segment, according to the results of the Parliamentary elections in June, 2021, is about 5%).

There are no reliable surveys proving the orientation of the political elites, however, indirectly the analyses provided above could be proved by the research of the narratives related to the war in Ukraine in Armenian media conducted by Yerevan Press Club. It gives the clue regarding the general public perceptions of Eastern Partnership in the context of the war in Ukraine and leads to the following conclusions: a) Although before the Russian war against Ukraine the EU was perceived as less influential international actor than separate European countries like Germany, France, and the UK, consolidated EU support to Ukraine improved the reputation of the European Union in Armenia; b) the Eastern Partnership is not perceived as policy having significant regional impact, rather bilateral relations (both Ukraine's and Armenia's) with the EU that are not related to the EaP are valued; c) The Russian war against Ukraine is perceived by the majority as confrontation between the "collective" West (including the EU) and Russia, not as a Russian-Ukrainian war.

Armenia's independent expert community's vision of the updated EaP policy

Recommendations for domestic and European policymakers for enhanced cooperation and/or updating the EaP policy.

- Armenian government has to consider CEPA as important part of the comprehensive national development strategy instead of focusing just on the specific areas, where EU support is more instrumental for the concrete period.
- Both the EU and Armenian government have to see the link between sectoral reforms and effectiveness of public administration as a system.
- In the assessment process of CEPA the European Union has to pay more attention to the consistency and quality of practical implementation. Independent civil society and expert community remain major source of reliable information if their selection as contributors to the process is proper.
- Political support of the EU to the current government should not lead to softer evaluation of the progress in specific areas of the EU-Armenia cooperation. This first of all refers to the spheres of democracy, rule of law and human rights.
- Regular mapping of civil society by the EU should reflect dynamics in the operational activities of the concrete CSOs, their integrity and political neutrality/non-partisanship. This is especially important in the situation of deepening division lines in Armenian society.
- Complicated geopolitical situation and Russian war against Ukraine should not lead to further disintegration within the EaP region in general and inside the established institutions: Euronest, CORLEAP, CSF, and several networks created since 2009.

- Consistent effortson building, despite many controversies, common regional identity should contribute to solidarity on different levels vis-à-vis the Russian war againstUkraine and in view of transformed post-war geopolitical and geoeconomic landscape.

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- 1.1. Together for resilient, sustainable and integrated economies
- 1.2. Together for accountable institutions, the rule of law and security
- 1.3. Together towards environmental and climate resilience
- 1.4. Together for a resilient digital transformation
- 1.5. Together for resilient, fair and inclusive societies

Current perception of the EaP policy in Azerbaijan

Azerbaijan's vision of the updated EaP policy by the independent expert community

AZERBAIJAN

Narmina Gasimova, Center for Economic and Social Development;

Nigar Islamli, Center for Economic and Social Development;

Emin Mammadov, Center for Economic and Social Development

General assessment of the situation and the EaP achievements by the directions

The Eastern Partnership was established by a Joint Declaration adopted by the European Union on May 7, 2009. The aim of this partnership covers comprehensive cooperation with Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine and strengthening bilateral and multilateral cooperation based on mutual obligations.

The Partnership and Cooperation Agreement (PCA) between the Republic of Azerbaijan and the European Union, signed in Luxembourg in 1996 and entered into force on April 22, 1999, laid the foundation for bilateral relations¹. These relations entered a new phase in 2015 on the basis of Azerbaijan's proposal for a Strategic Partnership Agreement. The EU expressed support for this initiative in early 2016. On November 14, 2016, the Council of the European Union approved a mandate for the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy to start negotiations on a comprehensive agreement with Azerbaijan on behalf of all member states.

1 <https://mfa.gov.az/en/category/regional-organisations/relations-between-azerbaijan-and-european-union>

The negotiations on a comprehensive agreement with the EU continued since January 2017 and have not reached a conclusion yet. The Partnership Agreement is projected to be the main document guiding the EU-Azerbaijan relations for the years to come, and its content will shape and define the future of the country's democracy, stability, and prosperity not only at the national level but also at the regional level.

At the Eastern Partnership (EaP) summit held in November 2017, the EU member states along with the Eastern partner countries endorsed “20 deliverables for 2020” – an ambitious reform agenda. The main focus of these reforms is on delivering perceptible benefits for citizens in 4 key areas: economy, governance, connectivity, and society².

1.1. Together for resilient, sustainable and integrated economies

Considerable legal and regulatory reforms were implemented in Azerbaijan over the recent years. This, undoubtedly, assisted access to finance and improved the general level of public confidence in the banking sector. Nevertheless, when it comes to financial inclusion for SMEs, it is hard not to notice that it remains limited since public sector financial programs remain fragmented.

As a part of response measures to the spread of COVID-19 and the slump in oil prices followed, the government implemented several measures that included the extension of the blanket deposit guarantee. It has to be noted that the scheme was first adopted in 2016 in order to ensure financial stability and boost confidence in the banks. Thus, the measure was re-applied for additional nine months³.

2 <https://euneighbourseast.eu/news-and-stories/publications/20-deliverables-for-2020-bringing-tangible-results-for-citizens/>

3 <https://2020.tr-ebd.com/countries/>

A comparatively limited number of international and foreign banks operating in the country leads to a lack of international connectivity and low diversification of the funding sources. In a meantime, a significant dependence of the financial institutions on national sources, e.g state funds, might be considered a serious threat to their sustainability.

Access to finance remains challenging in Azerbaijan due to the fact that the interest rate for business credits remains high⁴. Current expensive credits have two main groundings that are costly funds of the Azerbaijani banks which consist of individual and corporate deposits and an existing risk assessment model applied by the local banks towards micro and small businesses.

In order to support the development of entrepreneurship in Azerbaijan, the government ensured the provision of cheaper credits to entrepreneurs via rebooting the State Entrepreneurship Development Fund within the Ministry of Economy⁵. Local start-ups and SMEs refer to the main target group of the Fund. Nevertheless, although the Fund performs as an effective institution, the fact that it is not capable of full replacement of the banks in terms of the volume of credits essential for the market economy, cannot be denied.

While assessing trade relations, there is a necessity to mention that bilateral trade volumes between the EU and EaP countries have increased substantially between 2016–2019. A significant increase of around 55% relates to Azerbaijan, which proves the fact that Azerbaijan is an important partner of the EU.

The EU is Azerbaijan's biggest export and second-biggest import market, with a 51% share in Azerbaijan's exports and a 16% share in Azerbaijan's imports, respectively⁶. EU imports

4 <https://eu4business.eu/uploads/21/03/10/cde3601e803810054106ce95632a-1c9a.pdf>

5 <http://edf.gov.az/en/content/97>

6 https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/azerbaijan_en

from Azerbaijan mainly consist of mineral fuels, lubricants, and related materials, while EU exports to Azerbaijan are mostly dominated by machinery and transport equipment.

Eastern Partnership Ready to Trade project financed by the EU under the EU4Business initiative assists SMEs from Azerbaijan and other European Partnership countries to access new markets focusing on the EU. The project provides support for exporting and export-ready SMEs along the value chain in producing value-added goods with respect to international and EU market requirements, linking SMEs to international markets⁷.

Azerbaijan initiated unilateral and all-round negotiations with World Trade Organization (WTO) in 1997⁸. However, the accession negotiations are ongoing. One of the basic principles of trade cooperation between the EU and Azerbaijan covers sustainable development and aims to further expand EU-Azerbaijan trade relations and support Azerbaijan's future WTO membership.

The EU-funded Framework Contract "Strengthening capacity of the Government of Azerbaijan in the WTO Accession negotiations and other trade-related activities" aims to strengthen trade policy and maintain the efforts of the Government of Azerbaijan in the ongoing WTO accession negotiations⁹.

Azerbaijan plays a pivotal role in delivering Caspian energy resources to the EU market. At present moment, Azerbaijan supplies around 4.3% of the EU's oil imports.

In the context of the Russian war against Ukraine, the role of Azerbaijan in energy supply is likely to increase.

7 <https://www.cbi.eu/projects/ready-trade-programme-eu4business-project-apparel-sector>

8 <https://cesd.az/new/wp-content/uploads/2011/05/CESD-Azerbaijan's-Accession-to-World-Trade-Organization-WTO.pdf>

9 <http://wto.az/en/article/a-new-eu-funded-technical-assistance-project-on-wto-and-trade-policy-starts-its-implementation/78>

One of the largest projects of the 21st century, the Southern Gas Corridor, consists of 4 segments – the Shah Deniz Phase II, the South Caucasus Pipeline, the TANAP, and TAP gas pipelines. Through the SGC, the country is considered one of the main contributors to the formation of energy security in the region, as well as in Europe¹⁰.

The European Commission has expressed its will to support three separate transport projects in Azerbaijan as part of the Indicative trans-European Transport Network (TEN-T) Investment Action plan to boost the logistic capabilities and further economic growth. The framework covered building five separate logistic centers in the country, including the free economic zone in Alat, located along the Caspian Sea.

Currently, the EU continues to support the Port of Baku (part of TEN-T) to enhance its potential in the implementation of a Green Port Concept and to extend the digital platform to connect the supply chain via the Middle Corridor. There is a necessity to mention that among different transportation routes in the East-West trade exchanges, the Middle Corridor is the most flexible since the cargo traffic may be easily routed to alternative rail systems or ports on the way to Europe or vice versa. Azerbaijan made substantial progress in implementing priority projects within the framework of the Indicative TEN-T Investment Action Plan¹¹ and is close to completing the indicative core TEN-T network.

Azerbaijan and Kazakhstan are expanding the possibilities of multimodal cargo transportation along the Trans-Caspian International Transport Route (TITR).

Given that the Baku-Tbilisi-Kars railway (BTK) plays a crucial role in the transportation of goods from the countries of

10 <https://cesd.az/y/panel/uploads/32475285090-CESDBriefAzerbaijaniGas-Export.pdf>

11 https://ec.europa.eu/neighbourhood-enlargement/news/eastern-partnership-new-indicative-ten-t-investment-action-plan-stronger-connectivity-2019-01-15_en

the Asia-Pacific region from the ports of the Russian Far East to Turkey and Europe through Azerbaijan, the country is working jointly with Georgia and Turkey in order to bring the BTK to full capacity.

1.2. Together for accountable institutions, the rule of law and security

In Azerbaijan, the transition to a rule of law-based state since independence in 1991 has been comparatively slow, with significant events such as the adoption of the Constitution of the Azerbaijan Republic in 1995, the PCA with the EU in 1999, and accession to the Council of Europe in 2001.

Azerbaijan's laws in the earliest days of independence were mostly obsolete, unable to follow and adapt to the changing social and economic dynamics of the new Republic. Nevertheless, over the recent years, some positive legislative reforms were implemented, although much work remains for Azerbaijan to consider itself a rule of a law-based state.

Human rights are formally recognized in the national Constitution adopted in 1995, which sets forth relatively strong guarantees of fundamental rights and freedoms with respect to elections, assembly, and association.

As one of the main aspects of the rule of law, the powers of the three branches of the government, along with the check and balance system between them, need to be analyzed in order to determine whether a country is successful in this regard. An overview of the Constitution depicts that stronger authority is given to the executive power rather than to the other two branches.

Some initiatives were launched on behalf of the European Union to support the country towards the development of the rule of law, efficient public administration, and improved judiciary. The recent one is called Partnership for Good Governance (PGG), which provides tailor-made support for EaP countries to

bring legislation and practices closer to European standards in the field of human rights, rule of law, and democracy. Projects implemented under the PGG umbrella between 2019–2021 were “Strengthening anti-money laundering and asset recovery”, “Strengthening the efficiency and quality of the judicial system”, and “Raising awareness of the Istanbul Convention and other Gender Equality Standards”¹².

The National Action Plan for 2016–2018 on ‘Promotion of Open Government’ was adopted in accordance with the Presidential Decree dated 27th April 2016. This anti-corruption policy document was prepared on the basis of the research carried out by independent civil-society organizations, interim reports of the implementation of anti-corruption policy documents, and reports of state bodies and international partners¹³.

Over the last 3 years, no significant reforms in the judicial sphere took place. Although some amendments to the laws were made to ensure the effective investigation of cases. Following the amendment to Article 15 of the Law on Lawyers and Legal Profession on November 19, 2019, the lawyers are entitled to obtain an opinion from not only a specialist but an expert. Additionally, according to the amendment to the Law on Public Forensic Expertise which went into force on March 1, 2020, its name has been changed to “The Law on Forensic Expertise” to allow the inclusion of private forensic experts in judicial proceedings.

On April 3, 2019, the Decree of the President of the Republic of Azerbaijan on “Advancing Reforms in Judicial-Legal System” was issued¹⁴. Some developments indicated in the reforms were

12 <https://rm.coe.int/factsheet-azerbaijan-final-2-/16809fbccb>

13 <https://www.opengovpartnership.org/documents/azerbaijan-action-plan-2016-2018/>

14 <https://president.az/az/articles/view/32587>

the alternative forensic examinations and the promotion of mediation as an alternative dispute resolution method.

The need for reforming public administration remains the main topic for both civil society and government in Azerbaijan to strengthen institutional governance across the public sector. The country made progress in several aspects of governance and needs to build further on this foundation by mainstreaming governance improvements in fiscal management, service delivery, and supporting the enabling environment for the private sector.

As citizen-centric models of public service delivery have been at the core of public administration reforms in Azerbaijan, one of the most successful steps taken in the implementation of the reforms was the creation of the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan¹⁵. The State Agency was established by the Decree of the President of the Republic of Azerbaijan in July 2012 to provide high-quality public services to the citizens of Azerbaijan and promote innovations in this sphere.

Its activities include public service delivery, digitalization, innovations, and social projects, such as E-GOV Development Center¹⁶.

A new personal cabinet-based e-government portal – “My-Gov” was launched in July 2019¹⁷. In 2021 the government launched a mobile application that offers a digital solution for obtaining references from different sources and accessing documents and information provided by government institutions through mobile devices while allowing single-on access¹⁸.

15 <http://vxside.gov.az/en/page/about-agency>

16 <https://www.digital.gov.az/en/page/about>

17 <https://www.digital.gov.az/en/projects/our-projects/mygov-en>

18 <https://www.digital.gov.az/en/projects/our-projects/asan-bridge>

In addition to this, the government established the Asan Pay system to directly inform citizens about state payments, electronic payment of duties, and other state fees.

Azerbaijan plays a crucial role in the process of maintaining security cooperation in the region. The country's foreign and security policy reflects a multi-vector approach emphasizing close relations with neighboring countries: Turkey, Georgia, Russia, and Iran, including countries in Asia (Pakistan, China, India, etc.), Europe, and the U.S. In parallel, Azerbaijan participates in alliances with neighbors and regional blocks (the Caspian Sea, the Commonwealth of the Independent States, and the Cooperation Council of Turkic Speaking States). In 2019, Azerbaijan took over the chairmanship of the Non-Aligned Movement for 2019–2022, emphasizing international peace and security issues at the top of its agenda¹⁹.

The country started an annual high-level **security Dialogue** with the EU in 2018 to contribute to enhancing the exchange of practices, data, and cooperation²⁰. In a meantime, Azerbaijan participates in the third phase of the regional program for the prevention, preparedness, and response to natural and man-made disasters in the Eastern neighborhood. The action launched in 2020 enhances the cooperation among partner countries on disaster risk management along with cooperation with the EU Civil Protection Mechanism (UCPM).

Following the Country Development Cooperation Strategy (2020–2025) developed by the USAID, it becomes clear that Azerbaijan plays a crucial role in the stability of the region and beyond since the country is a major energy provider to its neighbors²¹.

19 <https://president.az/en/articles/view/52430>

20 https://euneighbours.eu/sites/default/files/publications/2020-03/EAP%20SUMMIT%20FACTSHEET_Azerbaijan_EN.pdf

21 <https://www.usaid.gov/sites/default/files/documents/CDCS-Azerbaijan-May-2025.pdf>

During the escalation of the hostilities in the Nagorno-Karabakh region on September 27, 2020, the EU has actively engaged in efforts to deescalate the situation, supporting the humanitarian ceasefire agreements²². The EU and its member states outlined their engagement to provide an effective contribution to the support of stabilization, post-conflict rehabilitation, and confidence-building measures.

In October 2021, Azerbaijan, Georgia, and Turkey held the Trilateral Meeting inking the Final Statement, which outlined further development of the cooperation in terms of defense and maintenance of the regional security²³.

Assessment of the Cyber Security indicates that Azerbaijan has improved its ranking, moving forward to 40th place in the International Telecommunication Union's Global Cyber Security Index 2020 (GCI). The country is 3rd in the CIS after Russia and Kazakhstan²⁴.

In Azerbaijan, two main areas require basic precautionary measures to ensure cyber security: oil-gas pipelines and energy systems.

Relative state bodies work on the development of a national strategy of information and cyber security in Azerbaijan. The strategy will cover 2021–2025 and will be presented to the public after approval. The main reason for the delays in the adoption of the strategy is directly correlated to rapidly changing trends in this area.

22 <https://reliefweb.int/report/azerbaijan/eu-azerbaijan-cooperation-council-18-december-2020>

23 <https://www.dailysabah.com/politics/diplomacy/georgia-turkey-azerbaijan-co-op-vital-for-regional-stability>

24 https://www.itu.int/dms_pub/itu-d/opb/str/D-STR-GCI.01-2021-PDF-E.pdf

1.3. Together towards environmental and climate resilience

Given that energy security and energy efficiency play a considerable role in the economic development of Azerbaijan, the EU supports reliable energy supply and promotes energy efficiency along with the use of renewable energy through the EU4Energy Initiative.

The energy mix of Azerbaijan is heavily concentrated on fossil fuels, with oil and gas accounting for more than 98% of the total supply²⁵. By being a key tool for enhancing the security of energy supplies in Europe, the Southern Gas Corridor represents a strategic initiative to bring gas from the Caspian Sea to the European markets.

Trans Adriatic Pipeline (TAP) reflects a strategically and economically important energy carrier as it provides reliable access to an all-new source of natural gas to Europe, which depends on foreign supplies. The pipeline, in its turn, plays a significant role in boosting Europe's energy security, supply diversification, and decarbonization objectives by facilitating an uninterrupted flow of Azerbaijani gas from the BP-operated Shah Deniz-2 subsea field.

Following the completion of the TAP, the final part of the Southern Gas Corridor, the first commercial gas supplies were made to Europe (Italy, Greece, and Bulgaria) in December 2020.

Trans-Anatolian Natural Gas Pipeline (TANAP), which is one of the branches of the SGS, runs through Turkey. The pipeline not only contributes to gas supply security by diversifying resources but also boosts European supply security by enriching the energy resource channel for continental countries.

Moreover, it is worth mentioning that over the past decade, Azerbaijan has considerably improved its electricity supply

25 <https://iea.blob.core.windows.net/assets/49662c46-575f-4561-a541-5541f5342b07/Azerbaijan2021EnergyPolicyReview.pdf>

security. Major investments were allocated to the modernization of generation and strengthening of the east-west transmission system. Azerbaijan further strengthened its energy infrastructure and increased its productivity by commissioning a “North-2” power plant with a power of 400 MW²⁶.

While overweighing the principles of energy security, several risks have to be taken into account. In this regard, the security of the oil and gas pipelines has to be ensured²⁷. Stability and efficiency of energy resources are other constituencies of energy security strategy. The country must use its energy resources effectively.

Azerbaijan joined the Eastern Europe Energy Efficiency and Environment Partnership (E5P) in 2019.

The Ministry of Energy, in its turn, takes several measures to develop the legislative framework related to energy efficiency. The draft law ‘On the Efficient Use of Energy Resources and Energy Efficiency’ was developed with the support of the Energy Charter within the framework of the EU4Energy program.

Since 2019, within the framework of the EU4Energy program, the development of the National Action Plan on Energy Efficiency with the International Energy Charter has started. Furthermore, a draft review of Azerbaijan’s energy efficiency policy was prepared by the Energy Charter and submitted to the Ministry of Energy²⁸.

Azerbaijan has significant potential to use its renewable energy sources (RES) due to its geographical location and diverse landscape. The Presidential Decree on “The Acceleration of Reforms in the Energy Sector of Azerbaijan” envisages the responsibilities of the Ministry of Energy for the development of

26 <https://minenergy.gov.az/en/elektroenergetika/musteqillik-elde-edildik-den-sonra-elektroenergetikanin-inkisafi1991-ciilden-sonraki-ucuncu-dovr>

27 https://cesd.az/new/wp-content/uploads/2015/11/Energy_security_and_Energy_union_perspectives_for_Azerbaijan_CESD_Policy_Paper.pdf

28 <https://minenergy.gov.az/en/alternativ-ve-berpa-olunan-enerji/enerji-semereliliyine-dair>

RES law and creating favorable conditions for private investment in renewables²⁹.

In May 2020, the Cabinet of Ministers approved the Action Plan on Attracting Additional Investments in the Renewable Energy Sector³⁰. Additionally, in September 2020, the Azerbaijan Renewable Agency under the Ministry of Energy of the Republic of Azerbaijan was established following the Decree of the President of the Republic of Azerbaijan.

Currently, the government is drafting legislation to promote renewable energy and is aiming for it to provide 30% of electricity generating capacity by 2030. Significant agreements to build wind and solar power capacity were signed in early 2020.

Since the energy mix of a country is concentrated on fossil fuels, heavy reliance results in high greenhouse gas (GHG) emissions. Energy and agriculture are two sectors with the largest GHG emission shares. In October 2016, the Parliament of Azerbaijan ratified the Paris Agreement with the country's commitment to reduce GHG emissions by 35% in 2030.

The State Oil Company of the Azerbaijan Republic (SOCAR) is part of the “Zero Routine Flaring” by 2030 initiative launched by the World Bank and UN in 2015. It was targeting to eliminate flaring completely by 2021³¹.

In February 2021, the Ministry of Energy of the Republic of Azerbaijan signed a Memorandum of Understanding with BP to cooperate in estimating the potential and conditions for large-scale decarbonized and integrated energy and mobility systems³².

29 <https://minenergy.gov.az/en/alternativ-ve-berpa-olunan-enerji/azerbaycan-da-berpa-olunan-enerji-menbelerinden-istifade>

30 <https://minenergy.gov.az/en/xeberler-arxivi/berpa-olunan-enerji-sahesine-elave-investisiyalarin-celbi-uzre-tedbirlerin-icrasi-muzakire-edilib>

31 <https://socar.az/socar/assets/documents/en/socar-annual-reports/Sustainable%20development%20report-2019.pdf>

32 https://www.bp.com/en_az/azerbaijan/home/news/press-releases/azerbaijan-to-cooperate-with-bp-on-decarbonization-of-its-energy.html

Cooperation between the EU and Azerbaijan on the environment and climate goals is supported via series of regional programs such as Water Initiative +, Shared Environmental Information System II (SEIS II), EU4Climate, and EU4Environment. Currently, the Strategy of the Republic of Azerbaijan for 2017–2035 regarding integrated water resources management is under development. The National Water Strategy (NWS) will cover the development of water resource management and water protection.

Azerbaijan has outlined climate change mitigation actions in its energy, oil and gas, residential and commercial, transport, agricultural, and waste sectors in Nationally Determined Contributions (2017). At present, NDC remains under review.

The Covenant of Mayors is the largest movement in the world for local climate and energy actions, bringing together thousands of local governments voluntarily committed to implementing EU climate and energy-related objectives. The Ministry of Energy of Azerbaijan was registered by the European Commission (EC) as the National Coordinator of the Covenant of Mayors for Climate and Energy Initiative. At present, Mingachevir municipality and Icheri Sheher State Historical and Architectural Reserve have joined the Covenant of Mayors³³.

As a part of measures aimed to combat climate change and the pollution that threatens the environmental sustainability of the Caspian Sea and Absheron Peninsula, the State Oil Company of the Azerbaijan Republic (SOCAR) initiated the Caspian Environmental Protection Initiative (CEPI). Global oil companies operating in Azerbaijan (BT AGT, Equinor Absheron AS, and Total E&P Absheron B.V.) have also joined the initiative³⁴. In February 2021, Azerbaijan launched the start of the National

33 https://minenergy.gov.az/en/beynelxalq-emekdasliq/merler-razilasmasi_475

34 <https://socar.az/socar/en/news-and-media/news-archives/news-archives/id/11487>

Adaptation Plan process for climate change resilience, which will be funded by the Green Climate Fund (GCF) and implemented by UNDP. The project will assist the development of climate change adaptation actions in Azerbaijan in three major sectors: water, agriculture, and coastal areas³⁵.

Taking into account Azerbaijan's renewable energy potential, it goes without a doubt that renewable energy, together with energy efficiency, offers the most promising and low-carbon solution to meet the country's climate targets. The government is striving to meet the UN's 2030 Sustainable Development Goals (SDGs), among which 7 (access to affordable, reliable, sustainable and modern energy resources) are a priority for Azerbaijan. These measures may jointly alleviate the process of achieving the Paris Agreement goal.

1.4. Together for a resilient digital transformation

Information and communication technology (ICT) plays a leading role in the economic diversification of Azerbaijan. To develop the Azerbaijani IT market, the government launched education and e-government programs, expanded e-services, and increased the number of digital resources available to education in the country. Moreover, several technological parks were established in the country, offering tax breaks and exemptions that include profit, land, and property tax breaks for the companies.

The government has been providing public services through the ASAN one-stop-shop since 2012³⁶. Around 500 services by 11 government agencies as well as by private companies and businesses are available through ASAN centers throughout the

35 <https://www.undp.org/azerbaijan/press-releases/azerbaijan-marks-start-national-adaptation-plan-process-climate-change-resilience>

36 <https://asan.gov.az/en>

country managed by “ASAN xidmət (service)”, convenient for the public. Some of the services are moving online, and there are also mobile services available.

Following the United Nations e-Government Development Index, an indicator of the depth and functionality of public e-services, Azerbaijan ranked 70 out of 193 economies in 2020³⁷.

It is an undeniable fact that improving governance in public policy in the field of digital transformation requires the effective implementation of functions of the state and public importance, along with commercial activities. In this regard, in order to improve governance in this area, the President signed a decree dated April 27, 2021³⁸.

The EU supports the digital reform agenda in the country through its EU4Digital Initiative. This initiative reflects a range of actions with the aim of promoting key areas of the digital economy and society in line with EU standards and practices. Azerbaijan is actively involved in all 6 directions of the Harmonisation of Digital Markets (HDM) initiative and plays the role of coordinator in the direction of “Innovation and Start-up Ecosystems” and the subsection on “Electronic Customs”.

The Ministry of Digital Development and Transport of Azerbaijan, together with the subordinate Aztelekom and Baktelecom LLCs, has begun to invest in the creation of internet infrastructure in Baku and regions of the country since 2022. Following the project planning, by the end of 2024, the entire territory of Azerbaijan will be covered with high-speed internet.

Digital economy referred to as one of the priority issues for the country in the government’s “National Strategy for the Information Society Development in the Republic of Azerbaijan for 2014–2020”. The Strategic Roadmap for the development

37 <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2020>

38 <https://president.az/az/articles/view/51299>

of telecommunications and information technologies in the Republic of Azerbaijan (2016) also focused on the development of a faster and more secure digital transition.

As reflected in the strategic document “Azerbaijan 2030: National Priorities for Socio-Economic Development”, approved by the order of the President of the Republic of Azerbaijan Ilham Aliyev in February 2021, the establishment of a modern innovation space is one of the priority areas in Azerbaijan. To properly execute digital transformation, the Ministry of Digital Development and Transport of the Republic of Azerbaijan developed an optimal concept based on global trends and suitable for the country. Currently, the document is at the stage of coordination with various government agencies. The concept provides for the total digitalization of society, increasing the digital skills of citizens, promoting the digitalization of business, and the comprehensive development of regulatory mechanisms in the field of ICT. It includes reducing costs in public administration, increasing efficiency, and ensuring the sustainability of government mechanisms, along with cyber and information security.

1.5. Together for resilient, fair and inclusive societies

The space for civil society organizations in Azerbaijan can be considered “partially restricted” from 2013 to 2014, due to the legislative amendments made to legislation governing the NGOs, Funds, and grants.

Following amendments adopted in 2014, national legislation provides for a bulky registration procedure for NGOs that allows for wide government discretion. Since 2015, access to foreign funding for domestic NGOs in Azerbaijan has been seriously impeded as the Government has introduced restrictive requirements for donor registration, registration of foreign

grants, service contracts, and donations. As a result, hundreds of NGOs have been left without substantial funding, and thousands of skilled professionals have fled the sector.

The Eastern Partnership continues to pay special attention to youth and youth-related issues since its launch in 2009. Over the years, better integration of the Azerbaijani youth into the international community was achieved, along with sustainable and strengthened cooperation with the youth of Eastern Partnership³⁹.

In the case of Azerbaijan, the high proportion of young people in the population's overall composition is reflected in an increase in the proportion of young people in the working-age population⁴⁰.

The Strategic Roadmap for Vocational Education and Training (VET) 2016–2025, adopted by the government of Azerbaijan, outlines the short, medium, and long-term vision for VET development⁴¹. In its turn, to support vocational education in Azerbaijan, the EU, along

with UNDP, will maintain the State Agency on Vocational Education in modernizing VET institutions to deliver training tailored to the current needs of the labor market. The project will focus on innovation and digitalization, green, and future skills integration. On the other hand, modernization of equipment and infrastructure for seven selected VET centers across the country, along with networking and capacity building of VET providers, also relates to the priority areas⁴².

39 https://www.euneighbours.eu/sites/default/files/publications/2021-01/EU-4Youth_2019_report_DEF.pdf

40 https://www.etf.europa.eu/sites/default/files/2020-06/04_trp5_etf_assessment_azerbaijan.pdf

41 <https://monitoring.az/assets/upload/files/6381dda5389fb17755bb-b732a9c7d708.pdf>

42 <https://www.undp.org/azerbaijan/press-releases/eu-funded-“vet-future”-project-paves-ways-innovation-and-digitalisation-vocational-education-azerbaijan>

When it comes to the independence of media in the country, it has to be noted that according to the 2022 World Press Freedom Index, Azerbaijan ranks 154 out of 180 countries (167 in 2020)⁴³.

Joint Staff Working Document on Cooperation Implementation Report on Azerbaijan outlines that freedom of opinion and expression continues to be restricted⁴⁴.

The Council of Europe adopted a new Action Plan for Azerbaijan for 2018–2021 in October 2018, which was considered to be a strategic programming instrument that aims to bring Azerbaijan’s legislation, institutions, and practice further into line with European standards in the areas of human rights, the rule of law and democracy. Following the statement of the Action Plan, “the need to continue bringing the national legislation and practice in line with European standards in the area of the freedom of media remains pertinent”⁴⁵.

The joint Partnership Priorities between the EU and Azerbaijan has been signed in 2018, along the four Eastern Partnership priorities that guide bilateral political dialogue and cooperation. This document prioritized the main dimension of economy, governance, environment and connectivity, and society for the duration of 2 years (2018–2020)⁴⁶.

On September 6, 2021, the Secretary-General of the European Commission sent a proposal to the Council of the European Union on the extension of the EU-Azerbaijan Partnership Priorities, along with a draft recommendation of the EU-Azerbaijan Cooperation Council on “approving the extension of

43 <https://rsf.org/en/index?year=2022>

44 https://www.eeas.europa.eu/sites/default/files/azerbaijan_cooperation_implementation_report_2020.pdf

45 <https://rm.coe.int/prems-164118-eng-1501-action-plan-azerbaijan-couv-texte-bat-a4-web/16808ec57e>

46 <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AL%3A2018%3A265%3A0018%3A0022%3AEN%3APDF>

the EU-Azerbaijan Partnership Priorities 2021–2027”. Thus, the Cooperation Council recommended the extension of the current EU-Azerbaijan Partnership Priorities.

Additionally, since 2020, the EU has been implementing “The Regional Communication Programme (“EUNEIGHBOURS east” 2020–2024)”, which is part of the renewed strategic approach to communication developed jointly by the DG NEAR (European Commission) and the Strategic Communications Task Forces of the European External Action Service (EEAS).

Azerbaijan is the first Muslim-majority country to enfranchise women by introducing universal suffrage in 1918. Despite the existence of a legislative basis for gender equality and political commitment to gender equality at the highest levels of government in Azerbaijan, women continue facing extensive gender-based restrictions and discrimination, deeply rooted in patriarchal attitudes and traditional social norms as well as strict gender roles and stereotypes.

The Constitution of the Republic of Azerbaijan, adopted on 12 November 1995, prohibits gender-based discrimination, but there is no separate anti-discrimination law. The two laws in Azerbaijan predominately stipulate women’s rights: a) The Law on State Guarantees of Equal Rights for Women and Men, passed in 2006, sets the legal foundation for gender equality in Azerbaijan; b) The Law on Prevention of Domestic Violence was enacted in 2010 to address domestic physical, psychological, and sexual violence.

Azerbaijan joined a number of international conventions to promote gender equality. In 1995 Azerbaijan acceded to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly, and signed the Optional Protocol in order to ensure the functioning of the Convention in 2000. Azerbaijan signed the International Labour Organization (ILO) Convention concerning Equal Opportunities and Equal Treatment for Men and Women

Workers and the revised Maternity Protection Convention. The country is also engaged in the European Convention on Human Rights, which does not specifically deal with gender-based violence but prohibits any kind of discrimination.

Nevertheless, Azerbaijan did not sign the Istanbul Convention, which is vital against domestic violence and violence against women. It has to be mentioned that the 2020–2023 NAP to combat domestic violence, adopted in November 2020, does not contain any specific clause bringing the country closer to the signature and ratification of the Istanbul Convention.

Current perception of the EaP policy in Azerbaijan

Relations of the European Union with Azerbaijan are based on the principles of equality. Notwithstanding bilateral relations with the EU taking precedence over the course of history, the EaP Multilateral Platform expanded the scope of relations enabling Azerbaijan to exchange views on issues of mutual interests and launch various initiatives.

The EU remains Azerbaijan's largest trade partner and second-biggest import market. The victory of Azerbaijan in 2020, liberating its illegally occupied territories, and the Russia-Ukraine war completely changed the geopolitical situation in the region and laid down new realities opening new perspectives of collaboration, in particular in the spheres of energy and transportation.

During the ongoing Russia-Ukraine war, Azerbaijan has striven to maintain positive relations with both countries simultaneously, which is in line with Baku's multidimensional and independent foreign policy. Azerbaijan seems to intentionally remain on the sidelines of the Russia-Ukraine conflict to avoid antagonizing either Ukraine or Russia and to realize its independent policy targets while the world is concerned with Russian aggression.

The EU and Azerbaijan have a high level of transport dialogue in the continuation of productive cooperation due to intercontinental and geo-economic maps of Azerbaijan that were boosted with the rise of China, India, and other regional actors. The realization of the Zangazur Corridor, which is envisaged to include both railway and highway connecting of the regional countries through the territory of Armenia, could be of exceptional importance in a way towards accelerating the regional economic integration and increasing the geoeconomics importance of the South Caucasus. Kazakhstan, Azerbaijan, and Georgia are to establish a “Eurasian Railway Alliance” joint venture with a qualitative multimodal, unified IT system that will smooth transit cargo and logistics services between Europe and Asia through the Trans Caspian International Transport Route, bypassing Russia’s transportation capabilities to the EU from Eastern Asia, while increasing the emerging potential of the Middle Corridor with Russia and sanctioned Iran. This new venture can certainly be a part of the East-West and North-South transport corridors, expanding their scope that can enable all the interconnected countries as well as the EU to enjoy a more diversified network and to have access to alternative options.

Along with this, a Russian invasion of Ukraine has far-reaching implications for the Azerbaijan-EU energy partnership. Bearing in mind environmental concerns, the EU is unfolding its holistic approach to the diversification of energy supply sources and shift to renewables. Due to the insecure environment that Russia created in Eastern Europe, the Union increasingly imposes a ban on energy imports from Russia, including gas and oil. In the context of the aforementioned factors, the role of Azerbaijan in the energy security of Europe is highly likely to increase as the EU already seeks to reinforce energy cooperation.

As part of the energy diversification strategies of Europe, Baku-Tbilisi-Ceyhan, Baku-Tbilisi-Erzurum, and the Southern Gas Corridor projects with Azerbaijan are of particular importance,

playing a significant role in the current upheaval of the European energy market. The new gas pipeline is supplying Italy, Bulgaria, and Greece. On the other hand, the EU agrees to block most Russian oil imports by the end of 2022, which can create new rooms for oil delivery initiatives from Azerbaijan to Europe. It should be noted that Azerbaijan, especially newly liberated mountainous regions, have an immense potential for renewable energy investments. It is also relevant for the Caspian Sea, according to World Bank. The technical potential of offshore wind energy in Azerbaijan is estimated to account for 157 gigawatts. Therefore Azerbaijan could be a new location for the EU investments in renewable energy, and there is a wide range of opportunities to strike in this field.

Following the renewal of the European Neighborhood Policy, a new package of new partnership priorities was adopted in 2018, which include strengthening institutions, good governance, economic development including market opportunities, people-to-people contacts, environment, energy efficiency, and environmental issues. In February 2017, the EU and Azerbaijan began negotiations on a new framework agreement with Azerbaijan designed to give new momentum to political dialogue and mutually beneficial cooperation, which is planned to be finalized by the end of 2022.

Azerbaijan is an important energy partner for the EU and plays a pivotal role in bringing Caspian energy resources to the EU market.

EU is also Azerbaijan's largest foreign investor, both in the oil and non-oil sector. The EU-Azerbaijan Partnership and Cooperation Agreement enable gradually bringing in line Azerbaijan's legislation and procedures with the EU's and international trade-related regulations, laws and standards. It can't be denied that the EU productively assists business and investment climate and economic diversification strategies particularly notably through the support to education and regional development.

Azerbaijan's relations with the EU are based on the principles of pragmatism and realistic content. At least in the short and medium-term, no perspective for membership exists.

Azerbaijan, given the globalization and its inter-wined location between regional powers, has no other choice but to implement a multi-vectored foreign policy maintaining positive relations with all sides. Cooperation with the EU is successfully developing in economic terms with an emphasis on the transportation and energy sector, although it does not mean deep political integration of Azerbaijan into the Union. The EU wants stability on the verge of its borders. From this perspective, the geopolitical relevance of the South Caucasus for the EU increasingly gains momentum. Following the liberation of the illegally occupied territories, it stipulated the moral and infrastructural need for Azerbaijan to restore and revive the districts. The mines and other explosive devices in the liberated territories of Azerbaijan pose a serious threat to the life and safety of the Azerbaijani military and civilians in the post-conflict period. Massive mine contamination of the liberated territories also seriously impedes the realization of wide-ranging rehabilitation and reconstruction. In this vein, the role of the EU is expected to come into play. Apart from economic investments, Azerbaijan can undeniably benefit from the EU's deep experience in post-war recovery and reconstruction processes as a role model. However, Azerbaijan expects a single-standard approach and the same amount of grants as provided to Ukraine and Armenia for the same purposes.

Azerbaijan's vision of the updated EaP policy by the independent expert community

Recommendations:

- Ensuring the banking sector's long-term viability and improving access to funding through Azerbaijani banks is vital.
- While Azerbaijan's institutional and regulatory environment for SME policy has improved, boosting policy implementation might assure the sector's continued development.
- Joining the Deep and Comprehensive Free Trade Area (DCFTA) would modernize Azerbaijan's economy by improving technology and infrastructure, as well as introducing new regulations aligned with international standards, allowing products to be exported not only to the EU countries but also to the rest of the world.
- Speeding up WTO negotiations in order to promote economic liberalization in the country by implementing WTO rules, which will be required to begin an application for EU association and establish free trade with the EU.
- Promoting economic diversification and the development of a comprehensive and strong manufacturing sector in order to create a long-term development path that allows for free trade participation.
- Modernization of energy infrastructure and effective use of energy resources must be done to ensure adherence to energy supply security standards.
- Adopt robust energy efficiency regulations that take a long-term strategy in order to maintain the country on a sustainable energy path. Increased energy efficiency could help the economy, reduce pollution, and create more jobs.

- Accept short-, medium-, and long-term renewable energy targets, with legislation and policies in place to ensure their execution.
- Long-term transportation and urban development policies must include climate concerns. The country will need to create additional urban infrastructure as the population continues to increase, urbanize, and become affluent.
- Raising awareness of digital transformation and associated instruments among public officials and relevant legislative bodies, as well as executing specific training programs.
- To secure the engagement of youth and other interested parties from the perspective of long-term growth, the government must encourage innovation and digital transformation projects.
- Maintain its efforts to promote freedom of expression, media independence, and journalistic professionalism, as well as their social protection.
- Taking the National Action Plan 1325 to support the Women, Peace, and Security agenda and promoting awareness campaigns in the field of women's rights and gender equality. Accelerating the process of revising/approving important documents that obstruct the application of many essential policies regarding cyber strategy, information security, and personal data protection at the national level.

GEORGIA

- 1.1. Together for resilient, sustainable and integrated economies
- 1.2. Together for accountable institutions, the rule of law and security
- 1.3. Together towards environmental and climate resilience
- 1.4. Together for a resilient digital transformation
- 1.5. Together for resilient, fair and inclusive societies

Current perception of the EaP policy in Georgia

Georgia's vision of the updated EaP policy

GEORGIA

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General assessment of the situation and the EaP achievements by the directions

Critical opinion of the European Commission on granting Georgia with European Union candidacy status is alarming and highlights the need for substantial reforms. The following report provides assessment of Georgia's progress in the light of addressing deliverables within Eastern Partnership agenda, with the focus on the priorities defined in the European Commission "Recovery, resilience and reform: post-2020 Eastern Partnership priorities". The report focuses on the achievements Georgia has made and challenges it faces regarding each priority based on the indices, international organizations', governmental and civil society reports. The report also assesses the current perception of the EaP in Georgia and outlines the recommendations for the EU and Georgian policy makers.

1.1. Together for resilient, sustainable and integrated economies

1.1.1. Trade and economic integration

According to the World Bank Doing Business 2020 ranking Georgia retains position among ten top counties in ease of doing business (7th position among 190 states).⁴⁷ Georgia is carrying out marketing campaigns to encourage and attract Foreign Direct Investments (FDI) facilitated by Enterprise Georgia, Invest in Georgia, Georgian National Investment Agency.⁴⁸ Legislation is designed to protect foreign investors, and letting them meet the same requirements as the local ones, while lack of confidence in the judicial sector's ability to address cases independently, in a timely and competent manner negatively affects the business and investment environment.

DCFTA created new prospects for the country as well as challenged Georgia to go through a difficult process of its implementation. Georgia managed to set-up a satisfactory institutional framework and approximated more than 160 EU legal acts (by 2021) in the areas of food safety, veterinary and phytosanitary, out of 272 legal acts required according to Annex XIB of the Association Agreement.⁴⁹ Legal approximation process is costly and this fact poses challenges to its implementation. Putting the standards in practice also faces resistance from the

47 Business Enabling Environment, World Bank, <https://www.doingbusiness.org/en/rankings>

48 Promotion of SMEs, Ministry of Economy and Sustainable Development of Georgia, <http://www.economy.ge/?page=services&s=72>; Export Promotion and Development, Enterprise Georgia, <https://www.enterprisegeorgia.gov.ge/ka/ექსპორტის-მხარდაჭერა>; Invest in Georgia, <https://www.investingeorgia.org/en/georgia/georgia-at-a-glance>

49 Trade Policy Review, World Bank, 2021, https://www.wto.org/english/tra-top_e/tpr_e/g420_e.pdf

different groups, such as farmers due to the fair of taxation.⁵⁰ Overall, DCFTA had a positive impact on Georgia's trade potential. In the 2021 report WTO observed improvement in several areas such as food safety, enhanced irrigation and drainage systems.⁵¹ Export from Georgia to the EU also increased by 137%.⁵² However, categories of the exported products still remain limited.

Georgia has made progress in the area of "transit" and will join the Common Transit Convention by 2023.⁵³ Georgia has completed the requirements of the Convention on a common transit procedure, and the Convention on the simplification of formalities in trade in goods by developing legal and regulatory frameworks. The process of reforms has been supported by the EU-funded twinning project "Supporting the Accession of Georgia to the Conventions on Transit Area and Launching of the New Computerized Transit System (NCTS)" for the benefit of Revenue Service and the Ministry of Finance of Georgia, implemented 2017–2020.⁵⁴ The project facilitated creation of the Contact Group, composed of the members of different trade associations, aimed to ensure comprehensive functioning of the Common Transit Convention.

50 DCFTA Impact on Small-Holder Farmers, Oxfam, p.3; http://foodsecuritysc.com/wpcontent/uploads/2017/02/DCFTA_GEO_5_GEO-Feb-15-2017.pdf

51 Trade Policy Review, World Bank, Op. Cit.

52 Vakhtang Demuria, "The EU is Georgia's Number-One Trade Partner and it Accounts for Nearly 23-24% of Trade Turnover", Georgia's Reforms Associates' Fact Check, 2021 <https://factcheck.ge/en/story/39274--the-eu-is-georgia-s-number-one-trade-partner-and-it-accounts-for-nearly-23-24-of-trade-turnover>

53 EU Georgia Association Agreement 6th Meeting of the Customs Sub-committee, European Commission, 2020, https://ec.europa.eu/taxation_customs/system/files/2020-08/joint_report_6th_customs_sub_committee_eu_georgia_2020.pdf

54 Twinning Fiche: Supporting Association of Georgia to the Conventions on Transit Area and Launching of the New Computerized Transit Systems (NCTS), European Commission, https://www.bmwk.de/Redaktion/DE/Downloads/Twinning/Ausschreibungen-Archiv/20171123-georgien.pdf?__blob=publicationFile&v=2

1.1.2. Investment and access to finance

Georgia implemented SME development strategy for 2016–2020⁵⁵ and drafted a new strategy covering the 2021–2025 period.⁵⁶ Georgia’s Innovation and Technology Agency (GITA) is the main institution providing financial support to SMEs for innovative activities. Those activities include initiatives strengthening women’s entrepreneurship.⁵⁷ However, SMEs in Georgia are rather weak determined by being clustered in low value-added sectors (such as trade, real estate) that hinders scaling up their operations.⁵⁸ SMEs development in Georgia relies on international donors’ support. In 2019 the EU allocated around 325 million EUR to access to finance (A2F) in the EaP through nine support instruments. 46% of the EU support for the SMEs in EaP countries went to Georgia. Overall 36,234 SMEs were supported in Georgia out of which 25% were female-owned businesses.⁵⁹ Even though Georgia has significant achievement in fighting corruption, high level corruption still remains a challenge, causing public distrust towards law enforcement and

55 Monitoring Georgia’s SME Development Strategy 2016-2020, OECD, 2019, <https://www.oecd.org/eurasia/competitiveness-programme/eastern-partners/Monitoring-Georgia%27s-SME-Development-Strategy-2016-2020.pdf>

56 2021–2025 SME Development Strategy Discussed at Workshop, Ministry of Economy and Sustainable Development of Georgia, 2021, <http://www.economy.ge/?page=news&nw=1651&lang=en>

57 Georgia’s SME Development Strategy 2016-2020 evaluation, Ministry of Economy and Sustainable Development of Georgia, 2018, http://www.economy.ge/uploads/files/2017/ek__politika/sme_strategy_evaluation_report_31_12_2018.pdf

58 SME Policy in Georgia, OECD, <https://www.oecd-ilibrary.org/sites/4a217b07-en/index.html?itemId=/content/component/4a217b07-en>

59 Capped loss recovery, interest subsidy, TA to PFIs, Capped Guarantees, Currency hedging subsidy, SME incentive grants (linked to loans), grants to SMEs, Structured funds, Equity . EU4business Annual Report, 2020, <https://eu4business.eu/uploads/21/02/25/4c15bfa2ead5d631dfd4cd-19016c9ce4.pdf>

investigative authorities.⁶⁰ In 2021 Georgia was ranked 45th (out of 180 countries) in Transparency International corruption perception index, which shows deterioration compared to 2018 when Georgia was ranked 41th.⁶¹ The Law on Conflict of Interest and Corruption in Public Institutions is not supported by the corresponding mechanisms ensuring implementation of the law in practice.⁶² Amendments concerning the National Bank of Georgia introduced in 2017 are believed to be even further increasing corruption risks. Namely, amended law introduces different approaches towards the National Bank board members, as well as excludes them from some chapters of the Law on Conflict of Interest.⁶³

1.1.3. Enhanced transport interconnectivity

Georgia has improved aviation safety in light of approximation to the Common Aviation Area (CAA). In 2019 Georgia was awarded by ICAO certificates for progress in aviation safety and security supervision.⁶⁴ Unlike aviation, Georgia has poor performance in road safety. The traffic-related death rate in Georgia is twice as high as the EU average. Moreover, Georgia's Road Safety Investment dramatically decreased in 2020 (equaled to 0.11% of GDP) compared to previous years and reached 0.40% of GDP in

60 The Georgian National Anti-Corruption System is Ineffective Against High Level Corruption, IDFI, 2018, https://idfi.ge/en/fight_against_elit_corruption_is_still_a_challenge_in_georgia

61 Corruption Perceptions Index, Transparency International, <https://www.transparency.org/en/cpi/2021/index/geo>

62 Corruption and Anti-corruption in Georgia Transparency International Georgia, 2020, <https://transparency.ge/en/post/corruption-and-anti-corruption-policy-georgia-2016-2020>

63 Mariam Tutberidze, Corruption Risks of New Amendments Related to the National Bank of Georgia, IDFI, 2017, https://idfi.ge/en/planned_changes_without_analyzing_%20risks_in_the_law

64 Georgian Civil Aviation Agency, <https://gcaa.ge/en/about-gcaa/>

2017.⁶⁵ That adversely affects policy implementation. To counter this trend, the Ministry of Economy announced the opening of a Road Safety Observatory that established an analytical platform, where specialized information concerning the road safety practice, policy and statistical data will be gathered from each EaP country.⁶⁶

1.1.4. Investing in people and knowledge societies

Education sector is one of the vulnerable sectors. The majority of students demonstrate below average levels of performance in reading, mathematics and science as measured by national and international student assessments.⁶⁷ There has been progress in terms of improving teachers' salaries aimed at attracting younger teachers, but that has not yet translated into considerable improvement of teachers' qualification. IT facilities at schools and VET institutions have been improved. However, the overall state of infrastructure in many rural schools is still not satisfactory. Millennium Challenge Corporation's reports reveal that approximately 50% of the country's schools use wood for heating.⁶⁸

Participation in Erasmus+ programs is vital for empowering Georgian youth and increasing educational outcomes. Georgia is among the top ten countries among Erasmus+ participating 141 countries. 37 Georgian universities cooperate with 33 European

65 Road Safety Country Profile, Georgia, 2021, https://www.roadsafetyfacility.org/ai_file_subscribe/file/663

66 The Secretariat of EaP Road Safety Observatory will be Placed in Georgia, Ministry of Economy and Sustainable Development of Georgia, 2021, <http://www.economy.ge/?page=news&nw=1689&lang=en>

67 Programme for International Student Assessment (PISA), Results from PISA 2018, https://www.oecd.org/pisa/publications/PISA2018_CN_GEO.pdf

68 Micheil Svanidze, School Report: What Georgia's Missing in its Education Reforms, OpenDemocracy, 2021, <https://www.opendemocracy.net/en/odr/school-report-what-georgias-missing-in-its-education-reforms/>

universities. They participate in Cooperation Partnerships in Vocational Education and Training “Assessment in Healthcare EducAtion Goes Digital”, and Cooperation Partnerships in Higher Education “Pact4Skills”.⁶⁹

In recent years, the Georgian government has integrated youth entrepreneurship issues in strategic documents, and taken steps to establish new governmental institutions with an entrepreneurship and youth development portfolio.⁷⁰ In 2019, the Youth Agency was established, which currently coordinates youth related state policy. Georgia is taking part in four EU4Youth grant projects, launched in 2018 to support skills for jobs among disadvantaged youth, as well as 27 Capacity building projects.⁷¹

There has been limited success in improving social protection (including supporting decent work conditions, labor standards), core element of which should be adoption of Social Code which Georgia does not have yet. The European Union started supporting the process through the project Strengthening Social Protection in Georgia, which is in the initial stage of implementation. Working groups are established with limited openness and participation of civil society. As well, lack of political will to undergo actual reform in social protection slows down the effort.

69 Erasmus + Partnerships by Programmes and HEIs 2015-2021, Erasmus +, <https://erasmusplus.org/ka/services/statistics>

70 Research on Youth Entrepreneurship Stimulation in Georgia, International Labor Organization, 2020, https://www.ilo.org/wcmsp5/groups/public/---eu-rope/---ro-geneva/---sro-moscow/documents/publication/wcms_811872.pdf

71 The EU and Georgia: Partnership for Youth, 2020 https://ec.europa.eu/neighbourhood-enlargement/system/files/2019-03/eu_support_to_youth-ge.pdf

1.2. Together for accountable institutions, the rule of law and security

1.2.1. Judicial Reform

Two waves of reforms of justice and legislative changes of 2016–2020 included the introduction of electronic allocation of cases, the introduction of the Office of Independent Inspector of the High Council of Justice in the judicial system, and changes of the norms on disciplinary liability of judges and on legal proceedings.⁷² However, the reform was mainly fragmented and inconsistent and could not make a system independent and free from narrow group interests. Namely, the system does not take into account the complexity and the volume of the cases, lack of judges in some courts challenge random distribution of cases throughout regional courts, and the Chairperson of the Court is still empowered to affect the case distribution process.⁷³

Public's trust in court decisions, judiciary reform is very low. Transparency International research carried out in 2018 reveals that compared to the other state institutions, public trust towards the judiciary is considerably low, only 20% of the respondents show trust.⁷⁴ Progress on justice reforms and their implementation has now stalled and some backward steps

72 Guram Imnadze, *Waves of Judicial Reform That Cannot Reach the Shore*, Heinrich Boll Stiftung, 2021, <https://ge.boell.org/en/2021/09/06/waves-judicial-reform-cannot-reach-shore>

73 Ani Mukhigulashvili, *Electronic System of Case Distribution in Courts*, Human Rights Education and Monitoring Center (EMC), 2020, https://socialjustice.org.ge/uploads/products/covers/ENG_WEB_1586245543.pdf

74 *Public Opinion Survey: Corruption, Trust in Institutions and Issues of Public Policy*, Transparency International, 2018, <https://www.transparency.ge/ge/post/sazogadoebrivi-azris-kyleva-korupcia-ndoba-institutebis-mi-mart-da-sajaro-politikis-sakitxebi>

have been taken. Public perception of the independence of the judiciary has deteriorated⁷⁵.

Number of legislative and institutional changes have been introduced in 2017 and 2018 to reform the Prosecution Service of Georgia (PSG). Non-government organizations and the Venice Commission critically evaluated the changes due to the lack of degree of its institutional independence and integrity, that does not promote the protection of human rights, and trust of the society.⁷⁶

1.2.2. Accountable, transparent and efficient public administration

Public administration reform in Georgia has been initiated in 2015, and is supplemented by Public Administration Reform Action Plans which are adopted every two years. Reports demonstrate positive developments in the public service delivery, although problems can be observed in terms of digitalization of services, lack of public involvement in adoption of laws, lack of transparency and accessibility of public information.⁷⁷

Positive changes can be observed in creation of tools stimulating public participation in budgeting. State Audit Office (SAO) developed an innovative analytical system for budget monitoring offering an opportunity to the general public to get comprehensive information on the state budget, also providing

75 The European Commission's Recommendations on Georgia, Moldova, and Ukraine Candidate state status, 2022, https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3790?fbclid=IwAR3WwOaHxXZaPlzzcq8Fh-Ka0YcWfWtzrjGVgyy0YRx1fhLH8QHtCaxTHTA0

76 Overview of the Reforms in the Prosecution System of Georgia: Achievements and Existing Challenges, IDFI, 2018 https://idfi.ge/en/overview_of_the_reforms_in_prosecution_system_of_georgia_achievements_and_existing_challenges

77 Best European Practice of Public Administration and Georgia, GYLA, 2021, <https://gyla.ge/en/post/sajaro-mmartvelobis-sauketeso-evropuli-praqtika-da-saqartvelo#sthash.BRgTyNug.dpbs>

each citizen with the opportunity to address SAO concerning the gaps in public finance management.⁷⁸

Georgia's fiscal framework does not have methodology for Gender Budgeting in the country. The Order #385 of the Ministry of Finance of Georgia outlines recommendations to incorporate at least one gender indicator into every gender-sensitive budget program. Misconception of the subject (gender sensitivity of budgetary programs), absence of criteria for the gender sensitivity of budgetary programs challenge practical implementation of the recommendations.⁷⁹

1.2.3. Tackling fraud, corruption and economic crime

Strategic, legal and institutional frameworks to prevent and combat fraud and corruption are adopted. But, most of the Anti-Corruption rankings published by the international organizations in 2021 indicate that the corruption situation in Georgia is worsening. According to 2021 Business Bribery Risk Index published on November 17, 2021 by Trace International Georgia was ranked 29th among 194 countries with business bribery risk score of 26.⁸⁰ Moreover, 68.8% of the population believes that officials use their power for their personal gain.⁸¹

78 Increasing Citizen Participation in Oversight of Public Finances, Open Government Georgia, 2019, <https://ogpgeorgia.gov.ge/en/monitorings/014105f6-a6f8-4361-9610-8a2b87b6a6c6/>

79 Gender Budgeting, Parliamentary Budget Office of Georgia, 2018, <http://pbo.parliament.ge/publications/research-publications/item/Gender%20Budgeting.html>

80 Georgia's Anti-corruption Indexes in 2021, IDFI, 2021, https://idfi.ge/en/georgia_s_anti_corruption_indexes_in_2021

81 New Sociological Polls Unfold the New Picture of Citizens Perspective, Open Society Georgia Foundation, 2019, https://osgf.ge/saqartvelos-demokratiis-mdgomareoba-da-mosakhleobis-ganwyobebi-demokratiuli-machveneblebis-mimart/?fbclid=IwARIULtE-QMm6VRM6cdjEBtnNXIq_1hTUSXTUnEUR9jN-sF_ui_0CorMVXOEs

Risks of money laundering and terrorism financing in Georgia are not substantial, and mostly associated with the country's growing gambling industry.⁸² The risks are managed through the National Risk Assessment (NRA), Financial Monitoring Service (FMS) and cooperation between law enforcement agencies (LEAs). Progress in setting up anti-money laundry frameworks is challenged by limited financial resources, flawed methodological approaches to risk analysis, absence of actual national policies and activities.⁸³

1.2.4. Combating organized crime and strengthening security

The cooperation of the Ministry of Internal Affairs of Georgia with the European Police Office (EUROPOL) is regulated by the Agreement between Georgia and the European Police Office on Operational and Strategic Cooperation, signed in 2017, which paves the way for Georgia to become an operational partner country of Europol.⁸⁴ The effort is further strengthened by the European Commission and the European Union Agency for Law Enforcement Training (CEPOL) launched in 2022 aimed at supporting EaP countries.⁸⁵

82 Anti-money laundering and Counter-terrorist Financing Measures Georgia, Council of Europe, 2020, <https://rm.coe.int/moneyval-2020-20-5th-round-mer-georgia/1680a03271>

83 Anti-money laundering and Counter-terrorist Financing Measures Georgia, Council of Europe, 2020, Op.Cit.

84 Cooperation with Europol, Ministry of Internal Affairs of Georgia, <https://police.ge/en/ministry/structure-and-offices/international-relations-department/international-legal-cooperation/regionaluri-tanamshromloba/evropoltan-tanamshromloba>

85 EU, CEPOL and Europol Launch New Projects Against Organized Crime, European Commission, 2020, https://ec.europa.eu/neighbourhood-enlargement/news/eu-cepol-and-europol-launch-new-project-against-organised-crime-2020-07-24_en

EU support to Georgia had a positive impact on international law enforcement cooperation, capacity of the Ministry of Internal Affairs Academy, crime prevention-oriented police work, and legal mechanisms.⁸⁶ Georgia joined the European Multidisciplinary Platform Against Criminal Threats (EMPACT) funded by the European Commission with 2.5 million EUR covering 2022–2025 period,⁸⁷ and already in 2022 launched a campaign to raise awareness against organized crime in the country.⁸⁸

Georgia has adopted relevant framework laws and regulations for the legal turnover of regulated substances and to fight against their illegal trafficking. 2017 legislative amendments introduced more liberal and human rights-oriented approaches. Establishment of National Drug Observatory (NDO) in 2020 aimed at development of evidence-based drug policy through collecting and analyzing scientifically valid information based on the European Monitoring Centre for Drugs and Drug Addiction (EMCCDA) indicators.⁸⁹

Russian occupation of Georgian territories as well as the threat of Russian military intervention remain the key challenges to the security of the country. Georgia continues to use international instruments for peaceful conflict resolution such as Geneva International Discussions (GID) co-chaired by the Organization for Security and Co-operation in Europe (OSCE), EU and the

86 Georgia-Support the Fight Against Organized Crime, DAI, 2018-2022, <https://www.dai.com/our-work/projects/georgia-support-the-fight-against-organized-crime>

87 Fighting Against Organized Crime in the EaP region, EU4Georgia, <https://eu4georgia.eu/projects/eu-project-page/?id=1584>

88 Georgian Interior Ministry Launches Campaign to Raise Awareness Against Organized Crime, Agenda.ge, 2022 <https://agenda.ge/en/news/2022/1247>

89 National Drug Observatory, Ministry of Justice of Georgia, <https://justice.gov.ge/?m=articles&id=rD0yuVRUs6>

United Nations (UN). In parallel, since 2010 Georgia's strategy is built on a policy of engagement aimed at reduction of isolation of the population residing in the occupied regions by granting better access to the social benefits, particularly in medical and education areas.⁹⁰

Georgia's participation in common security and defense policy (CSDP) is crucial in strengthening EU-Georgia's defense cooperation. Relations between the EU and Georgia are coordinated through annual consultations as part of the EU–Georgia Work Plan on CSDP Cooperation.⁹¹ In 2021 the Council of the European Union pledged EUR 12.75 million for non-lethal medical and engineering equipment, aimed at enhancing domestic resilience and peace, also strengthening armed forces to contribute to CSDP.⁹²

1.2.5. Cyber resilience and cybercrime

In 2021 Georgia ranked 55th in the National Cybersecurity Index that indicates a significant negative shift from 2019 when Georgia was ranked 20th.⁹³ Aggravation of the situation can be explained by non-systematic legislative reforms. Information security has not been prioritized by the Government of Georgia and state institutions that hindered adequate implementation of the Law on Information Security. The 2020 European Commission program EU4Digital report observed flawed methodology for national risk assessment, limited coverage of cyber risk

90 Paata Gaprindashvili, M. Tsitsikashvili, G Zoidze, One-Step Closer-Georgia, EU-integration, and the settlement of the Frozen Conflicts? Georgia's Reforms Associates, 2019, https://ecfr.eu/archive/page/-/GRASS_Research_Draft_19.02.2019.pdf

91 Cooperation with the European Union, Ministry of Defence of Georgia, <https://mod.gov.ge/en/page/39/cooperation-with-the-european-union>

92 EU Approves EUR 13 mln aid for Georgia's Defense Capacities, Civil.ge, 2021, <https://civil.ge/archives/459538>

93 National Cyber Security Index, <https://ncsi.ega.ee/country/ge/>

assessment mainly focused on the banking sector, absence of formal definition of critical information infrastructure (CII) and official lists of CII operators.⁹⁴ The Digital Governance Agency is not empowered to carry out sanctions in case of violation of law that challenges law enforcement.⁹⁵ Joint EU-CoE projects GLACY+ and CyberEast was helpful in developing the course “Human Rights Education for Legal Professionals (HELP)” which overviews the challenges in investigating cybercrime.⁹⁶

1.3. Together towards environmental and climate resilience

1.3.1. Benefits for people’s health and wellbeing

The nationwide public opinion polls have shown that air pollution is one of the most problematic environmental issues for the country (57%) and Tbilisi citizens (78%)⁹⁷. To address public demand for more green areas and fresh air, the development of public transport and proper urban planning regulations, several programs have been elaborated, including Green City Action Plans for two major cities in Georgia and Tbilisi. However, despite the millions of dollars being spent on the idea, the only sector which is showing a slight improvement is public transportation. In fact, neither Batumi nor Tbilisi managed to develop an integrated

94 Cybersecurity Guidelines for the Eastern Partner Countries, EU4digital, 2020, <https://eufordigital.eu/wp-content/uploads/2020/10/Cybersecurity-guidelines-for-the-Eastern-Partner-countries.pdf>

95 Mari Malvenishvili, Cybersecurity Reform in Georgia: Existing Challenges, International Practice, and Recommendations, IDFI, 2020 <https://idfi.ge/public/upload/GG/CyberN333.pdf>

96 <https://euneighbourseast.eu/opportunities/online-course-on-cyber-crime-and-electronic-evidence/>

97 OC Media et al., “NDI: Air Pollution Top Environmental Concern in Georgia,” OC Media, December 20, 2019, <https://oc-media.org/ndi-air-pollution-top-environmental-concern-in-georgia/>.

urban planning approach or turned into more sustainable place to live⁹⁸.

Although the impact of climate change is well understood by the public, ordinary Georgians have a zero awareness what their government has done in that direction⁹⁹. Public participation in environmental matters, an important aspect of democratic governance, is limited due to the fundamental, legal, structural, institutional, and process-related challenges¹⁰⁰.

There has been progress towards the creation of environmental information and knowledge management under the Shared Environmental Information System (SEIS) in order to guarantee public access to environment-related information¹⁰¹. Several modules are developed and available on <https://eims.eiec.gov.ge>, however, information in those modules is scanty, contains a lot of factual material, and is written in a language incomprehensible to the public.

1.3.2. Circular economy, climate neutrality and green growth

Georgia has already adopted a National Energy Efficiency Action Plan (NEEAP) (2018–2030), a Climate Action Plan (2021–2030), a National Energy and Climate Plan (2021–2030), a Long-term low emission development strategy (LT-LEDS)

98 Manana Kochladze, “Green City Action Plan for Tbilisi a Mere Formality?,” Greenalt, August 2020, https://greenalt.org/app/uploads/2020/08/Urban_Mobility_case_study_Tbilisi.pdf. p.2

99 OC Media et al., “NDI: Air Pollution Top Environmental Concern in Georgia,” OC Media, December 20, 2019, <https://oc-media.org/ndi-air-pollution-top-environmental-concern-in-georgia/>.

100 “Civic Space for Participation in Climate Policies in Georgia – Ufu,” UFU.de, 2020, https://www.ufu.de/wp-content/uploads/2021/02/ZIVIK-LI-study_Georgia_final.pdf.

101 “Open Data and e-Government Good Practices for Fostering ... – UNECE,” UNECE.ORG, July 2019, https://unece.org/fileadmin/DAM/env/pp/a_to_i/Joint_UNECE-EEA_workshop/Draft_OD_EGOV_GP_.pdf.

(2021–2050) and a Green Economy Strategy (2017–2022), as well as the Law on Energy Efficiency that can be considered a step forward towards greener and more sustainable economy. Despite promises, no green economy policy, green economy strategy 2030, or green economy action plan for 2017–2022 have been adopted¹⁰².

Under the 2015 Paris Agreement, Georgia has pledged a 35-percent reduction of greenhouse gas emissions by 2030 as compared to 1990. Nevertheless, carbon-neutral development cannot be reached without making investments in renewable energy¹⁰³. In fact, Georgia’s renewable energy ambitions with the exception of hydropower are very modest as the share of the wind and solar power plants is only 18%, according to the Georgian Power Generation Development Plan for 2030¹⁰⁴. The decisions regarding the energy sector are not grounded on the research and cooperation with the professionals and the field experts¹⁰⁵.

1.3.3. Biodiversity and economy’s natural assets base

Georgia has adopted the 2016–2030 a National Waste Management Strategy and a 2016–2020 Waste Management Action Plan. However, rivers polluted by the waste show that the level of public awareness regarding the waste management is problematic. Although Georgia has not developed its recycling

102 Manana Kochladze. “Input Paper ‘Georgia and European Green Deal,’” libmod.de, July 9, 2021, <https://libmod.de/en/input-paper-georgia-european-green-deal-kevkhishvili/>.

103 Ibid.

104 Ekaterine Mikadze, By, and Elene Khachapuridze, “The European Green Deal and Its Significance for Georgia: Heinrich Böll Stiftung: Tbilisi – South Caucasus Region,” Heinrich-Böll-Stiftung, February 18, 2021, <https://ge.boell.org/en/2021/02/18/european-green-deal-and-its-significance-georgia>.

105 “Energy Policy Concept of Georgia,” USAID, November 15, 2020, https://pdf.usaid.gov/pdf_docs/PA00XQRG.pdf. P.27

industry yet, the government still aims to reach 50% plastic recycling by 2025 (the same target set by the EU) and 80% plastic recycling by 2030¹⁰⁶.

Georgia's renewable freshwater availability is very high; however, the problem is its poor quality caused by the wastewater discharged into the water bodies. Higher concentrations of agriculture-linked pollutants have been recorded near agricultural areas due to leaching. An additional challenge in Georgia is the population's relatively low level of access to modern water supply and sanitation (WSS) systems. Georgia has not developed a unified document on water resource management; instead, several strategic documents outline the government's vision¹⁰⁷.

Georgia has also adopted a Forest Code, to ensure that all forests regardless of their status or ownership are managed according to sustainable development principles. The Government of Georgia officially designated the first three Emerald Network sites (Lagodekhi, Vashlovani and Batsara) in 2017, but the country is behind the plan. Furthermore, there is still enormous pressure from private developers to prevent the protection of the most profitable territories, including rivers, a major source of hydropower.

No progress has been observed in terms of biodiversity conservation as well as integrated coastal zone and river basin management in the Black Sea.

1.3.4. Strengthening energy security and nuclear safety

The transformation of the Ministry of Energy into the Ministry of Economy and Sustainable Development (MoESD) in November 2017, has weakened policy making in the energy sphere and may

106 "How Can Georgia Deal with Its Plastic Waste?," ISET, March 15, 2021, <https://iset-pi.ge/en/blog/66-how-can-georgia-deal-with-its-plastic-waste>.

107 "Developing a Water Policy Outlook for Georgia," OECD iLibrary, accessed June 13, 2022, <https://www.oecd-ilibrary.org/>.

have delayed the reforms¹⁰⁸. The biggest concern in the energy sector is related to the supply-demand gap. Georgia has been a net electricity importer for the last several years, however, in recent years, import was needed to meet domestic demand even in the summer. In the case of the gas sector, the current market structure and the legal framework raises the security concerns. non-transparent agreements with – Azerbaijan’s SOCAR and the Russian Federation’s Gazprom Export left the market fragile and monopolistic¹⁰⁹. Moreover, the cryptocurrency mining which amounts about 15% of Georgia’s total power load also negatively affects energy supply-demand gap¹¹⁰.

Georgia has made significant progress in strengthening its regulatory framework for nuclear and radiation safety. However, the country still needs a defined plan for the radioactive disposal as well as separating roles of the regulator and the operative bodies of radioactive waste facilities.¹¹¹

1.3.5. Accelerating the shift to sustainable and smart mobility

Increased urbanization in two major cities of Georgia – Tbilisi, and Batumi resulted in an increased number of motorized individual traffic and the overutilization of the existing urban transport systems. Both cities have defined plans to align

108 Iea, “Georgia 2020 – Analysis,” IEA, accessed June 13, 2022, <https://www.iea.org/reports/georgia-2020>.

109 Ibid.

110 Manana Kochladze. “Input Paper ‘Georgia and European Green Deal,’” libmod.de, July 9, 2021, <https://libmod.de/en/input-paper-georgia-european-green-deal-kevkishvili/>.

111 “IAEA Mission Sees Significant Progress in Georgia’s Regulatory Framework, Challenges Ahead,” IAEA (IAEA, March 1, 2018), <https://www.iaea.org/newscenter/pressreleases/iaea-mission-sees-significant-progress-in-georgias-regulatory-framework-challenges-ahead>.

transport modes with the climate protection goals¹¹². To support more sustainable and smart mobility, tens of the eco-friendly buses were purchased for Tbilisi and bus lanes were introduced. Chavchavadze Avenue was unveiled as Tbilisi's first shared and pedestrian-friendly avenue¹¹³. According to the polls, the means of public transport in Tbilisi is getting better. Nevertheless, Tbilisi citizens want to see more prioritization of the developments of public transport over car infrastructure¹¹⁴. In major urban centers connectivity between different parts of the city remains a huge challenge.

1.4. Together for a resilient digital transformation

1.4.1. Digital infrastructure

A strategy for the development of broadband networks 2020–2025 aims to create modern digital infrastructure, as well as establish Georgia as a digital hub in the region. Target indicators include providing most of the population with high-speed, high-quality internet access by 2025¹¹⁵.

112 Gtai, “Consulting Services, Sustainable Urban Mobility Project: Tender Notice: Georgia: Public Transportation,” Tender Notice | Georgia | Public Transportation (GTAI, March 21, 2022), <https://www.gtai.de/en/trade/georgia/tenders/consulting-services-sustainable-urban-mobility-project--617564>.

113 “Green City Action Plan Tbilisi 2017 – 2030 Chapter Transport,” WE-COOP, November 6, 2020, <https://wecoop.eu/>.

114 Dustin Gilbreath, Givi Silagadze, and The Caucasus Datablog, “Datablog: What Issues Are Important for Tbilisi Residents?,” OC Media, accessed June 13, 2022, <https://oc-media.org/features/datablog-what-issues-are-important-for-tbilisi-residents/>.

115 “Georgia Approves Broadband Development Strategy 2020–2025,” EU4Digital, January 16, 2020, <https://eufordigital.eu/georgia-approves-broadband-development-strategy-2020-2025/>.

Georgia has already taken important steps for the development of the Information Communication Technologies (ICT) sector and digital society, to liberalize the telecom market, digitalize government services and develop Next Generation Networks and LTE. By 2020, 90% of Georgia's territory was covered by the LTE/4G signal and 80% of the Georgian families had access to fixed internet services¹¹⁶. In 2021, Georgia and the US signed a memorandum regarding the development of high-speed 5G internet and Georgia joined the Clean Network initiative. This will protect citizens' privacy, and telecommunications infrastructure from aggressive intrusions by malign actors, and safeguard national security¹¹⁷.

1.4.2. e-Governance

Georgia's unified Portal of Electronic Services my.gov. is one of the most visited governmental websites as it provides a wide range of services to citizens and business¹¹⁸. Georgia's e-government score stands at 0.72, which puts it at the 65th place among 193 countries. The result deteriorated by 5 points compared to the previous assessment. Georgia needs to have a unified approach for the whole country and a clear strategic vision of the e-governance to perform better in this area¹¹⁹.

116 "Development of Broadband Infrastructure and Digital Economy," *Diversidad de las expresiones culturales*, May 31, 2021, <https://es.unesco.org/creativity/policy-monitoring-platform/development-broadband>.

117 "New-Generation Internet and Technology (5G) in Georgia," *Government of Georgia – News*, accessed June 13, 2022, https://www.gov.ge/index.php?lang_id=ENG&sec_id=288&info_id=78279.

118 "Digital Solutions Transform Georgia's Public Sector in Georgia," *United Nations (United Nations)*, accessed June 13, 2022, <https://georgia.un.org/en/122503-digital-solutions-transform-georgias-public-sector>.

119 "Georgia in the UN E-Government Survey – Review of 2020 Results," <https://idfi.ge/en>, accessed June 13, 2022, <https://idfi.ge/en/e-governance-e-participation-georgia-index-2020>.

Currently there is a “Digital divide” between the central and local governments as only a few municipalities use digital technologies and electronic management systems and that also has a negative impact on the country’s e-government rating. In 2019, Georgia has launched a project which aims to have around 17 different municipal services digitized giving immediate access to citizens by 2023¹²⁰. As for digital signature, since 2019, it has been mandatory for the companies to use electronic signatures and an electronic stamp in an electronic communication. That reform saves time, avoids unnecessary travel and more importantly, increases reliability and security¹²¹.

1.4.3. Digital economy and innovation

Although the pandemic has boosted Georgia’s e-commerce market, the e-commerce penetration rate in Georgia is very low at 1.1% of retail sales, far from the average of 12% in Europe. It is expected that with the development of local retailers’ online platforms and increased trust from customers, the share of local e-commerce will rise and comprise half of total e-commerce spending by 2025¹²².

The Georgian innovation ecosystem originated in 2014 with a clear mandate to aim for the Fourth Industrial Revolution. So far, the government with the Innovation and Technology Agency

120 “Georgia in the UN E-Government Survey – Review of 2020 Results,” <https://idfi.ge/en>, accessed June 13, 2022, <https://idfi.ge/en/e-governance-e-participation-georgia-index-2020>.

121 “Georgia Introduces Mandatory Electronic Signatures for Online Public Transactions,” EU4Digital, December 30, 2019, <https://eufordigital.eu/georgia-introduces-mandatory-electronic-signatures-for-online-public-transactions/>.

122 “Georgian e-Commerce Market More than Tripled in 2020 Report Says,” IntelliNews, accessed June 13, 2022, <https://www.intellinews.com/georgian-e-commerce-market-more-than-tripled-in-2020-report-says-216142/>.

has directly invested more than 15 million lari (GEL – about USD 4.7 million) in more than 200 globally scalable start-ups spanning fintech, AI, virtual reality, ed tech, agri-tech, and biotech¹²³.

Georgia ranks second in the world in the number of contactless payments made with Visa cards on the local market. At the same time, the banking industry proves to be particularly developed in Georgia. The leading Georgian banks are not merely financial institutions, but also technology companies that create the most innovative products and services in the region¹²⁴.

1.4.4. Cyber resilience – Cybersecurity

Georgia began formal implementation of its first national cybersecurity strategy in 2013. Country's 3rd National Cybersecurity Strategy of Georgia for 2021–2024 is the latest document addressing the cyber threats. Expansion in digital tools brings increased risks to data privacy and personal information. To help Georgia better protect electronic data, UNDP and the UK assisted the Public Service Development Agency to analyze potential cyber threats and make its prevention systems more resilient.

Cyber Crimes are on the rise, nevertheless public awareness of cybercrime or cybersecurity risks and threats is relatively low in the country. Georgian society is mostly unresponsive and unprepared towards cyber threats. It can be caused by the fact that the Georgian private sector is absolutely free from regulatory standards in this regard, which limits social activism in the process

123 ITU News, "Investing in Innovation: Georgia's Digital Development Journey," ITU Hub, December 15, 2021, <https://www.itu.int/hub/2021/11/investing-in-innovation-georgias-digital-development-journey/>.

124 Forbes.ge, "Georgia – the Country of Innovations," Forbes Georgia, February 17, 2022, <https://forbes.ge/en/georgia-the-country-of-innovations/>.

of building cyber resilience¹²⁵. Government has not sponsored any public cyber awareness campaigns in recent years¹²⁶.

1.5. Together for resilient, fair and inclusive societies

1.5.1. Civil Society and youth participation

Georgia has adopted a National Youth Policy Concept for 2020–2030, aiming to ensure the participation of young people as full-fledged members of society, decent employment, health care and well-being, and equal access to information, resources, and opportunities for development¹²⁷. Nevertheless, political and structural instability cause several challenges for the young people in Georgia, including disengagement, lack of employment possibilities, low quality of education, and a lack of effective youth participation mechanisms¹²⁸.

The civil society sector in Georgia is well positioned. The relationship between the civil society organizations (CSOs) and the government remains strained as CSOs actively criticize the government for not fulfilling the commitments on judiciary reforms and oppressing critical media while the government accuses the CSOs of being ruled by the United National Movement¹²⁹.

125 Nata Goderdzishvili, Shalva Khutsishvili, *Cybercrime in Georgia: Current Challenges and Possible Developments*, Tbilisi 2021, https://www.pmcsearch.org/policypapers_file/f599606315041911a.pdf, pp.16-21.

126 “Digital Solutions Transform Georgia’s Public Sector in Georgia,” United Nations (United Nations), accessed June 13, 2022, <https://georgia.un.org/en/122503-digital-solutions-transform-georgias-public-sector>.

127 <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC199989/>

128 <https://pjp-eu.coe.int/documents/42128013/52478520/Background-programme-29-11.pdf/6b7414cc-ce19-721a-66b1-23acf5c8a5f3>

129 “Civil Society Organisations in Georgia: Mapping Study,” accessed June 14, 2022, <https://csogeorgia.org/storage/app/uploads/public/60c1e9/eea/60c1e9eea3cb6332083798.pdf>.

1.5.2. Independent media and fact-based information

The Constitution protects media freedom and access to public information is guaranteed. However, in practice, the news media operates in a highly polarized and politicized environment¹³⁰. Verbal and physical attacks on journalists are common and the Georgian government undermines the efforts to improve press freedom¹³¹. In 2022, Georgia's press freedom declined compared to the last year and out of 180 countries, Georgia was placed on the 89th¹³². The imprisonment of a critical media manager Nika Gvaramia raises questions about media freedom and can be assessed as a retaliation for his criticism of the ruling party¹³³.

Georgia has approved a Media Literacy Strategy in 2018 and an action plan to promote a media literacy among Georgian youth and citizens. However, the lack of intersectoral cooperation between public institutions hinders the effective implementation of the initiatives¹³⁴

130 Giorgi Jangiani, "Media Influence Matrix: Georgia," Central European University, June 2020, <https://cmds.ceu.edu/sites/cmcs.ceu.hu/files/attachment/basicpage/1425/mimgeorgiafullreport2020.pdf>.pp.6-7

131 "Georgia Slips in Press Freedom Ranking," Civil.ge, May 3, 2022, <https://civil.ge/archives/488589>.

132 GeorgianJournal, "Georgia's Press Freedom Index Declines Dramatically," GeorgianJournal (GeorgianJournal, May 3, 2022), <https://georgianjournal.ge/society/37896-georgias-press-freedom-index-declines-dramatically.html>.

133 Manana Vardiashvili. "Jailing of Georgian Media Owner Raises Questions on Press Freedom," Institute for War and Peace Reporting, May 27, 1970, <https://www.iwpr.net/global-voices/jailing-georgian-media-owner-raises-questions-press-freedom>.

134 Ekaterine Basilaia and Nino Danelia, "Mapping and Needs of Assessment of Media Literacy Practices in Georgia," Rm.coe.int, January 2022, <https://rm.coe.int/-en/1680a5789e>, p. 31.

1.5.3. Democracy

Georgia holds elections regularly, but its democratic trajectory has deteriorated in the recent years due to oligarchic influence that undermines and degrades rule of law, political competition and media environment¹³⁵. Moreover, the accountability of the parliament and the government and the rights of the opposition parties remain problematic¹³⁶.

The political polarization and the societal split have become more intense in the recent years. The public debate on the integration of ethnic minorities, LGBTQ+ rights, the economic and the social well-being, the role of the Georgian Church, and the key historical events/figures is either instrumentalized by politicians or absent¹³⁷.

1.5.4. Protection of human rights and promotion of gender equality

Civil liberties are inconsistently protected¹³⁸. The Georgian Government violates the rights of critical voices by not protecting their right to assembly and manifestation as it was the case on July 5, 2021, continues to conduct illegal surveillance of dissenting individuals, infringes upon freedom of expression of media outlets and individual journalists¹³⁹.

135 “Georgia: Country Profile,” Freedom House, accessed June 15, 2022, <https://freedomhouse.org/country/georgia>.

136 “Parliamentary Control – Assessment of 2019-2020,” საქართველოს გამჭვირვალობა – საქართველო, accessed June 15, 2022, <https://transparency.ge/en/post/parliamentary-control-assessment-2019-2020>.

137 Thomas de Waal and Archil Gegeshidze, “Divided Georgia: A Hostage to Polarization,” Carnegie Europe, accessed June 15, 2022, <https://carnegieeu-rope.eu/2021/12/08/divided-georgia-hostage-to-polarization-pub-85937>.

138 “Human rights in Georgia,” Georgian Democracy Institute, accessed June 15, 2022, <https://www.gdi.ge/uploads/other/1/1451.pdf>, p. 4.

139 Ibid.

Workplace safety and decent labor conditions remain a persistent problem¹⁴⁰. In recent years, several legislative initiatives were adopted to better protect women's rights. Gender quotas, implemented during the parliamentary (2020) and local (2021) elections, serve to increase women's participation in politics and decision-making. Some areas still need to be addressed, including Sexual Orientation and Gender Identity (SOGI), promoting women's participation in political parties, and combating stereotypes that prevent women from seeking political careers¹⁴¹. Furthermore, in 2017, Georgia officially ratified the Istanbul Convention on preventing and combating violence against women and domestic violence¹⁴². Nevertheless, due to the pervasive social and economic inequalities, stigma, discriminatory social norms and stereotypes, Georgian women still face violence in their public and private lives. Politics is still a man-dominated area, women participation in decision-making processes either on the national or local levels, is problematic¹⁴³.

1.5.5. Mobility

Georgia meets the visa liberalization benchmarks and there is no imminent threat of the suspension of the visa-free travel to the EU. However, Georgia still needs to address the issue of

140 "World Report 2021: Rights Trends in Georgia," Human Rights Watch, January 13, 2021, <https://www.hrw.org/world-report/2021/country-chapters/georgia>.

141 "Georgian Parliament Presents an Overview of the Legal Framework Supporting Women's Rights," UNFPA Georgia, March 22, 2022, <https://georgia.unfpa.org/en/news/georgian-parliament-presents-overview-legal-framework-supporting-womens-rights>.

142 "Georgia Ratifies Council of Europe Convention on Violence Against Women and Domestic Violence," Agenda.ge, accessed June 15, 2022, <https://agenda.ge/en/news/2017/979>.

143 "Time to end violence against women and girls in Georgia," Council of Europe Office in Georgia, accessed June 19, 2022, <https://www.coe.int/en/web/tbilisi/-/time-to-end-violence-against-women-and-girls-in-georgia>

the increased number of asylum seekers in the EU and continue information campaigns on the rights and obligations of the visa liberalization process.¹⁴⁴

Georgia in cooperation with the European Border and Coast Guard Agency – Frontex work together in dealing with irregular migration and fighting cross-border crime¹⁴⁵.

1.5.6. Health resilience

Georgia has made a significant progress in developing health care system and its accessibility. In 2013, the state launched a universal health care program, aiming to offer a minimum package to every single citizen. However, the system still faces many challenges, including lack of financial and human resources, and qualification among professionals. The cases of wrong diagnosis and treatment have appeared in local and international courts¹⁴⁶.

Georgia was once praised for its effective steps taken at the very early stage of the COVID-19 pandemic. Nevertheless, the mortality rate indicates that the country handled the health crisis poorly¹⁴⁷. When COVID-19 pandemic emerged, the EU assisted Georgia to upgrade its access to medical equipment and medicines. The first part of the aid consisted of approximately EUR 400 million in grants and long-term loans. The second part

144 “EU Says Georgia Continues to Meet Visa-Free Travel Benchmarks,” Civil.ge, August 5, 2021, <https://civil.ge/archives/435485>.

145 Frontex renews working arrangement with Georgia, accessed June 15, 2022, <https://frontex.europa.eu/media-centre/news/news-release/frontex-renews-working-arrangement-with-georgia-e0212v>.

146 Hosam Afifi, “Healthcare system in Georgia, is it good?” Nomadentrepreneur.io, accessed June 19, 2022, <https://nomadentrepreneur.io/health-care-in-georgia/>

147 Givi Silagadze and The Caucasus Datablog, “Datablog: Data Suggests Georgia Has Handled the Pandemic Poorly,” OC Media, accessed June 15, 2022, <https://oc-media.org/features/datablog-data-suggests-georgia-has-handled-the-pandemic-poorly/>.

of this aid was conditional and demanded from the Georgian Government completion of the judicial reform, but eventually, the Georgian government failed to fulfill the criteria¹⁴⁸.

Current perception of the EaP policy in Georgia

EU aspirations among the EaP partner states vary depending on their domestic political dynamics, public support and last but not least the geopolitical context they find themselves in. Over the course of the existence of the Eastern Partnership Georgia has made it clear that it sees itself in the European family. It has even enshrined this mission in its constitution (article 78) by stating that “the constitutional bodies shall take all measures within the scope of their competences to ensure the full integration of Georgia into the European Union and the North Atlantic Treaty Organization”.¹⁴⁹ This pledge was upheld by Georgia’s frontrunner status due to its functional institutions and a democratic inertia of a peaceful transfer of power in 2012. Another meaningful factor is the sustainable public support to joining the EU, which hovers around 80 percent for more than a decade or so.¹⁵⁰

Lamentably, for the past years Georgia has been in a downward spiral vis-a-vis its European integration goals largely due to its deteriorating state of democracy, undermined rule of law and

148 “EU Steps up with Increased Assistance for Vaccination in EAP Countries, While Georgian Government Rejects Already Agreed Macro-Financial Aid,” *Strategeast*, September 16, 2021, <https://www.strategeast.org/eu-steps-up-with-increased-assistance-for-vaccination-in-eap-countries-while-georgian-government-rejects-already-agreed-macro-financial-aid/>.

149 Constitution of Georgia, [Matsne.gov.ge](https://matsne.gov.ge), <https://matsne.gov.ge/en/document/view/30346?publication=36>

150 NDI Poll: Georgians Expect Economic Decline, NDI, 2022, https://www.ndi.org/sites/default/files/NDI%20Georgia%20press%20release_March%202022%20poll_Eng.pdf

government's reckless bashing of dissent.¹⁵¹ These trends have drawn sharp criticism from number of the EU institutions, especially the European Parliament, which issued a resolution and called "on the Georgian authorities to resolutely uphold the highest standards of democracy, the rule of law, judicial independence, fair trials and fundamental freedoms, including in the area of media freedom, and thereby unambiguously demonstrate their political determination to actualise the ambitious European aspirations of the people of Georgia".¹⁵²

In response, the ruling party's leaders and its rank and file members alike responded in a menacing and blackmailing tone suggesting that the resolution was offensive, unjust and some even claimed that it might prompt Georgia to reconsider its European future.¹⁵³ To make things worse, there is a growing concern among Georgia's western friends about where the true allegiance of the Georgian authorities lies considering their ambivalence in supporting its Euro-Atlantic aspirations, its dire democracy record and rather strange war-time sharp criticism of the Ukrainian government when the entire western community rallies behind it.¹⁵⁴

Hence, not surprisingly once a frontrunner among the EaP countries, Georgia currently has a tarnished reputation and lukewarm reception in Brussels. This turn of events prompted the demotion of Georgia in the pecking order of the countries

151 Georgia's Score Continues to Fall in Democracy Index, Agenda.ge, 2020, <https://civil.ge/archives/472269>

152 Violations of Media Freedom and Safety of Journalists in Georgia, European Parliament Resolution, 2020, www.europarl.europa.eu/doceo/document/TA-9-2022-0239_EN.pdf

153 Ketevan Shkirtladze, Georgia's European Way, Conflicting Messages Ahead of the Vote, Georgia Today, 2022, <https://georgiatoday.ge/georgias-european-way-conflicting-messages-ahead-of-the-vote/>

154 Ian Kelly, David Kramer, Putin is Failing in Ukraine But Winning in Georgia, Forbes Georgia, 2022, <https://forbes.ge/en/putin-is-failing-in-ukraine-but-winning-in-georgia/>

of the associated trio favored by Brussels. Apart from all the above-listed, the EU was particularly annoyed by the abrupt withdrawal of Georgia's ruling party from the inter-party April 19 agreement brokered by the European Council President Charles Michel¹⁵⁵.

This comes at a wrong time as Russia's unprovoked and atrocious invasion of Ukraine opened a new window of opportunity for the associated trio. Russia's barbaric actions triggered an expedited process of review of applications for the EU candidate status lodged by Ukraine, Georgia and Moldova giving them a chance to seal their European path through formal procedure. Unfortunately for Georgia, the European Commission recommended to the European Council to give Georgia the European perspective until certain priorities are addressed and only after that grant it candidate status.¹⁵⁶ Considering the latest developments taking place in Georgia and the democracy record of the government, this was no surprise.

In spite of all the malaise related to the behavior of the ruling party, the Georgian people all but deserve granting the EU candidate status by the European Council, in spite of the opinion of the European Commission, as it has staunchly supported the European path through the last twodecades and has never given up the hope of becoming a member of the European family. Moreover, it does have a functioning economy and institutions that are necessary to show it meets the membership requirements. As the EU is more than just a union of prosperous states, it should not forget that it was created for the perpetuation

155 Georgi Gotev, "Ruling Party in Georgia Dumps Charles Michel's Agreement", July 29, 2022, <https://www.euractiv.com/section/europe-s-east/news/ruling-party-in-georgia-dumps-charles-michels-agreement/>

156 Opinion on the Membership Application by Georgia, European Commission, 2022, https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_3800

of peace on the European continent. In the context of the ongoing Russian aggression, Georgia together with other members of the associated trio merit the prospect of European future as it has incurred tremendous costs for its choice.

By not granting EU candidate status to any of the members of the trio and leaving them out in the cold, Russia and other ill-wishers will be bolstered and the pro-European forces in these countries will suffer a devastating blow. By offering the status, the EU will send a forceful message of support to the trio, encourage reforms and democratization in these states and promote respective political elites (those in and outside government) to firmly commit to the European future.

By the end of 2022, the European Commission will review how the Georgian Government addressed the recommendations outlined in its opinion. The question remains if the authorities in Tbilisi will be able to meet those expectations provided that they will have to “de-oligarchize” their political system (get rid of the influence exerted by Bidzina Ivanishvili), do away with political retribution against its opponents, restore rule of law and rectify its record of treating media and civil activists.

Georgia’s vision of the updated EaP policy

For Georgian policymakers:

- Based on the European Council conditions on EU candidate status elaborate the roadmap of implementation with the involvement of all political parties and civil society. Ensure immediate return to the April 19 Agreement;
- The Georgian Government should immediately change its communication mode and reverse its aggressive, threatening and obstructive tone/attitude towards the EU institutions and Georgia’s European allies;

- Georgia should increase its visibility in Brussels and other European capitals to convince EU institutions and member states of its resolve to commit to Georgia's European future.
- Set up a separate entity at the executive level to deal with the Georgia's EU integration process (e.i. like Office on EU integration) and give it as much power as possible; This move will send a strong message about Georgia's European aspirations and commitments to the EU and member states.
- Reinovigorate cooperation and coordination with Ukraine and Moldova in relation to the common EU-related foreign policy aspirations. Plan high level visits to Kyiv and Chisinau to reinforce the image and capacities of Trio.
- Set up the trialogue format with the involvement of civil society, government of Georgia and the EU and or Member states.

For the EU Policymakers:

- The EU should avoid splitting up the Associated trio as it will undermine its stance in the neighborhood and lead to more instability and exacerbation of geopolitical competition among various regional actors;
- The EU should set up the EU-MD, UA, GEO summit in the framework of the EaP to encourage a shared vision of European future among the Trio and the EU;
- Set up the clearest and measurable benchmarks/ conditionality (leaving no room for interpretation) for achieving the candidate status and strictly monitor their fulfillment. Particular emphasis should be puton “de-oligarchisation”, political plurality, rule of law, reform of the justice system (Judiciary and Prosecutor's Office), media freedom and protection of rights;

- Following the Council's decision, the EU should clearly communicate (to leave no room for interpretation) about its expectations and what needs to be done on the side of Georgia. The EU should also increase its visibility across Georgia via various initiatives/activities and strengthen communication with the Georgian public to counter disinformation and malign, anti-EU narratives following the decision.
- Strengthen and institutionalize the policy dialogue with the civil society on GEO-EU membership process.

THE REPUBLIC OF MOLDOVA

1.1. Resilient, sustainable and integrated economies

1.2. Rule of law and accountable institutions

1.3. Environmental and climate resilience

1.4. Digital transformation

1.5. Fair and inclusive societies

Current perception of EaP policy in the Republic of Moldova

The Republic of Moldova's vision of the updated EaP policy

THE REPUBLIC OF MOLDOVA

Mihai Mogildea, Institute for European Policies and Reforms;

Leo Litra, New Europe Centre

General assessment of the situation and the EaP achievements by the directions

The implementation of the Eastern Partnership deliverables before 2020 by Moldova can be assessed in a twofold manner. On the one hand, Moldova has achieved notable results at the sectoral level, in such areas as economy, mobility, connectivity, energy and environment. On the other hand, numerous setbacks halted any significant progress in the field of rule of law and justice reform, the core policy sectors for advancing Chisinau's Europeanization process.

Furthermore, as in the case of the Association Agreement implementation, Moldova's performance related to EaP deliverables was largely shaped by the political developments in the country. The lack of political will to ensure the real independence of the justice and prosecutor institutions, but also the wide influence of kleptocrats over the governance system, affected the results obtained by Chisinau's authorities. The democratic backsliding faced within the period of Plahotniuc's regime (the period when the Moldovan oligarch Vlad Plahotniuc controlled the power in the country), coupled with the former president Dodon's pro-Russian stance, altered the institutional efforts to speed up the full implementation of 2020 EaP deliverables.

With the new political leadership elected in 2020 and 2021, Moldova has entered a new qualitative phase of its engagement with both the EU and EaP countries, especially with Ukraine and Georgia. The dialogue with Brussels, Kyiv and Tbilisi

has been strengthened and speed up both in bilateral and multilateral formats, culminating with the establishment of the "Association Trio" in August 2021. Despite multiple global and regional challenges, attached to COVID-19 pandemic and, most recently, Russia's war against Ukraine, Moldova has successfully managed and further enhanced its diplomatic interaction with these parties, proving to be a reliable partner for both the EU and Ukraine in the current security context.

This chapter aims to provide an initial assessment of the state of play related to the implementation of the EaP post-2020 priorities and their role in shaping the ongoing reform agenda in Moldova. By examining the progress achieved by Moldova, in partnership with the EU and other EaP countries in the fulfillment of the agreed set of actions, perception of EaP policy in Moldova in the context of the most recent developments at the regional level will be highlighted. A set of recommendations for upgrading EaP policy relevance and impact for Moldova will be presented at the end of the chapter.

The reflection process regarding the future of the Eastern Partnership after 2020 was initiated with the large participation of the European institutions, the EU and EaP countries, but also civil society. When the consultation procedures started, it was clear that, although the EaP policy achieved a number of important results in its 10 years existence, a reconsideration and calibration of its core priorities was needed. The main arguments in this regard were related to the geopolitical and security developments in the Eastern Partnership region, as well as the wider contrast between the EaP countries in terms of their sectoral integration with the EU.

Moldova's case was not detached from this reality. The previous targets, set by EaP 20 deliverables for 2020¹⁵⁷, proved to be less ambitious for the associated countries, which were

157 Council of the European Union, 20 Deliverables for 2020, available at <https://www.consilium.europa.eu/en/policies/eastern-partnership/20-deliverables-for-2020/>.

a few steps ahead in terms of harmonization of legislation, institutional reforms and policy convergence in comparison with Belarus, Armenia and Azerbaijan. For example, Moldova had already progressed in terms of legislative framework for gender equality and non-discrimination, creation of specialized bodies for fighting corruption or visa facilitation regime.

When it comes to Moldova's performance in the fulfillment of the 2020 deliverables, there were no intermediate or final evaluation reports published by the government. The only available evaluation reports were provided by the EU¹⁵⁸ or the civil society actors¹⁵⁹.

1.1. Resilient, sustainable and integrated economies

The EaP programs, in particular EU4Business, brought a number of important opportunities for the Moldovan business community. By 2020, more than 30 projects were developed in Moldova, leading to 11 418 new jobs created and 19 105 supported SMEs¹⁶⁰. Only in 2020, the total value of projects financed was estimated to 172,6 million euros¹⁶¹.

The trade facilitation has had a direct impact on the level of exports and the development of the internal business environment. One of the key beneficiary sectors have been agri-food products, the exports of which have increased by 47% in

158 Council of the European Union, 20 deliverables for 2020, <https://www.consilium.europa.eu/en/policies/eastern-partnership/20-deliverables-for-2020/>.

159 20 deliverables for 2020 for the Eastern Partnership – 2018 State of Play on Moldova, <https://ipre.md/2018/12/19/20-deliverables-for-2020-for-the-eastern-partnership-2018-state-of-play-on-moldova-2/?lang=en>.

160 EU4Business Portofolio in Moldova, <https://eu4business.eu/portofolio-2020#by-country/republic-of-moldova/>.

161 Idem

2018 compared to 2014¹⁶². In 2015–2018, exports of agri-food products increased by 820 million USD compared to 2011–2014 (+52%)¹⁶³. The main categories of agri-products which have benefited from the trade with EU have been wheat (increase by 3.7 times), sunflower seeds (increase by 2.7 times), corn (increase by 1.9 times) and wine and fresh grapes (increase by 1.7 times).

Between 2015–2018, the industrial sector registered an increase of 761 million USD or 26% compared to 2011–2014. The net impact of the trade with the EU was estimated at 125 million EUR, three times lower than the one of agri-food sector. The increase in exports has been widely influenced by the exclusion of tariff barriers, diversification of markets and entering of different foreign companies to the Moldovan market, especially in the automotive and textile industries. Over 50% of the industrial exports are labeled as re-exports, given that the raw materials used for their production are not originating from Moldova.¹⁶⁴

The volume of the Moldovan exports to the EU market has increased from 1.24 billion USD in 2014 to 1.91 billion USD in 2021¹⁶⁵. Furthermore, the share of exports to the EU has increased from 46.8% to 61%, while the exports to the Commonwealth of Independent States (CIS) market decreased from 38% to 15%¹⁶⁶.

However, both the industrial and agricultural sectors were affected by a number of constraints and challenges. First, half of the exports were concentrated towards a number of countries (Romania, Poland, Italy), which makes the Moldovan trade

162 Data provided by the National Bureau of Statistics, <https://statistica.gov.md/category.php?l=ro&idc=336>.

163 <https://dcfta.md/dcfta-5-years-of-implementation-impact-and-pro>.

164 A. Lupușor, DCFTA după 5 ani de implementare: impactul estimat și concluzii pentru următorii 5 ani (DCFTA after 5 years of implementation: estimated impact and conclusions for the next 5 years), p. 13, <https://dcfta.md/uploads/0/images/large/studiul-dcfta-5-ani.pdf>.

165 Data provided by the National Bureau of Statistics, www.statistica.md.

166 Data provided by the National Bureau of Statistics, www.statistica.md.

dependent on the level of demand from those states. Second, while the preferential tariff quotas for agricultural products have increased the overall trade with the EU, most of them are far from being fulfilled by the domestic producers. Only two categories of products (plums and grapes) have exhausted the quotas established within the DCFTA. The main reason behind the low competitiveness of some Moldovan agricultural goods refers to their lack of compliance to the quality standards requested by the EU market. Third, the lack of institutional capacity of the governmental bodies (e.g. Ministry of Economy and Infrastructure) affected the speed of implementation of certain provisions of DCFTA, especially related to the harmonization process of the legislative acts.

In 2021, the Parliament approved the Customs Code, which will enter into force from 2023. The new approved regulations will speed up the certification of goods and reduce bureaucracy. Moreover, following the reorganization of the National Agency for Food Safety, Moldova has met the criteria to export to the EU market dairy products made from raw milk products. It is expected that another decision related to the approval of exports of meat and poultry eggs will be taken by the European Commission, if the audit missions' reports will be positive in this regard.

In lights of Russia's war against Ukraine, in July 2022 the EU decided to temporarily liberalize trade for seven Moldovan agricultural products for which there were still quotas in place: tomatoes, garlic, table grapes, apples, cherries, plums and grape juice¹⁶⁷. The new approved rules will be applicable for one year and are expected to support small and medium farmers who can't export to the Eastern markets, such as Russia or Belarus.

167 <https://euneighbourseast.eu/news/latest-news/moldovan-agricultural-products-eu-adopts-temporary-trade-liberalisation-measures/>.

1.2. Rule of law and accountable institutions

The rule of law and anti-corruption efforts, as well as the key judicial reforms, were characterized by modest results before 2020. While the government has implemented a number of recommendations coming from Venice Commission and the Group of States against Corruption (GRECO) related to the composition of the self-regulatory bodies within the judicial (Supreme Court of Magistrates) and prosecutor system (Supreme Council of Prosecutors), their overall activity continued to be politicized. The appointments of members in these structures continued to be politically motivated and affected by integrity issues. The investigation of high-level corruption cases by the specialized anti-corruption prosecutors' office was often prolonged and led a limited number of convictions. Selective justice and arresting of political activists, opposed to the kleptocratic regimes in power, has diminished the public perception about the efforts of the national authorities to fight corruption and ensure a fair and correct investigation of the alleged law violations.

The Sandu-led government, which was shortly in place between June and November 2019, has promoted a multi-layered reform process, based on (1) an updated and better suited evaluation system of judges and prosecutors, with the involvement of external experts and rigorous evaluation criteria, (2) reformation of the Supreme Court of Justice through the reduction of the number of judges and adjustment of their competences within the judicial hierarchy, as well as (3) establishment of a special commission, formed by both national and international integral experts, for the pre-selection of a new Prosecutor General. These ambitious reforms were not met with enthusiasm by two out of three political groups in the Parliament and paved the way to the dismissal of the government in late 2019.

At the institutional level, Moldova has operated a few ambitious reforms. The establishment of the National Integrity

Authority (NIA) in 2016 was meant to facilitate the check of integrity and possible conflicts of interests related to the political decision-makers, public functionaries, prosecutors, judges and others. Furthermore, with the formation of the Anti-Corruption Prosecutor Office in 2016 and Agency for Recovery of Criminal Assets in 2017, the operational capacity for the investigation of frauds and illegalities increased.

However, no significant progresses were achieved with regard to the “bank fraud” investigation (In 2014, 1 billion USD disappeared from three Moldovan banks: Banca de Economii, Unibank and Banca Socială) and recovery of assets from international jurisdictions. Although the independent reports¹⁶⁸ provided by the Kroll company, contracted by the Moldovan government to clear up the track of funds stolen from the state budget, were mentioning a set of schemes, companies and high-level decision-makers who participated in illegal transactions, no relevant results were achieved. On another relevant dossier called “Russian Laundromat”, 16 judges were under investigation and only few of them have received convictions. Both cases proved the lack of political will, influence of vested groups over the governmental institutions and the deficiencies of the national strategies and programs for the prevention and combating of the high-level corruption.

With the installment of a new government in July 2021, led by the Party of Action and Solidarity (PAS), Moldova reached a few important results in terms of justice and anticorruption reforms. The Parliament has initiated the process of extraordinary evaluation of judges and prosecutors, also known as the vetting mechanism, with the establishment of a pre-vetting commission. The pre-vetting commission is in charge of evaluating the

168 National Bank of Moldova published a detailed summary of the second investigation report of the Kroll and Steptoe & Johnson companies, <https://www.bnm.md/en/content/nbm-published-detailed-summary-second-investigation-report-kroll-and-steptoe-johnson>.

candidacies for the Supreme Council of Magistracy and the Supreme Council of Prosecutors. The commission is formed by 6 candidacies, elected by the Parliament: three international experts were recommended by Moldova's development partners, two were nominated by the parliamentary majority and one by the opposition. The evaluation process of the candidacies for the Supreme Court of Magistracy and Supreme Council of Prosecutors started in mid-2022 and the newly established bodies will further participate in the evaluation of integrity and performance of the judges and prosecutors. At this stage, the pre-vetting commission is expected to select a list of honest and experienced candidates for these two bodies, which will later manage the evaluation of judges and prosecutors from hierarchically lower courts.

The fight against the high-level corruption was intensified as well. Although not reformed yet, the General Prosecutor's Office and Anticorruption Prosecutor Office re-launched the investigation of corruption allegations related to the activity of kleptocrats and their political allies. An important example is the former president Igor Dodon, currently under investigation for four charges: passive bribery, financing of his political party by a criminal organization, state treason and illicit enrichment. The rule of law institutions also speed up the repatriation process of the Moldovan kleptocrats currently residing abroad. However, the duration of these procedures is hard to be estimated.

1.3. Environmental and climate resilience

In the last years, Moldova has made significant progress in improving the institutional and policy frames for a "green" environment and economy and an integrated waste management program. The current National Environmental Strategy was adopted in 2014 and is valid until 2023. By the set of actions, the authorities enabled the formation of the Environmental Agency

and Environmental Protection Inspectorate, which were mandated with supervision and monitoring functions at the regional level.

After signing the Paris Agreement on climate change in 2016, Moldova also joined the United Nations Climate Change Conference 2021 (COP 26), which took place in Glasgow by the end of 2021. One of the key commitments taken by the Moldovan government within this Summit was to stop deforestation and land degradation by 2030, while delivering sustainable development and promoting an inclusive rural transformation¹⁶⁹.

With EU support, Moldova developed in 2022 a National Waste Management Programme 2022–2027¹⁷⁰ and a National Waste Action Plan 2022–2025¹⁷¹. A new green economy action plan for 2023–2027 and an environmental strategy until 2030 are being currently developed. Furthermore, with the establishment of the EU4Environment program in 2019, the EU has allocated almost 20 million EUR for supporting the Ministries of Environment and Ministries of Economy from the EaP states, focused on regional knowledge sharing, greener decision making, circular economy and ecosystem services and livelihoods¹⁷². The EU4Environment program has also supported over 580 SMEs benefiting from the online tool to assess their environmental performance.

One of the key challenges remains the expansion of Ukraine's hydropower infrastructure on the Nistru river. The further development of this project has been put on hold after rounds of negotiations in 2021. Both countries agreed to stop the construction until the finalization of the environmental assessment.

169 Mihai Mogildea, Elena Bolocan, COP26 – Can Moldova keep its word?, IPN, https://www.ipn.md/en/cop26-can-moldova-keep-its-word-commentary-by-elena-bolocan-7978_1086488.html.

170 <https://www.serviciilocale.md/management-al-deseurilor/>.

171 Idem

172 EU4Environment: Towards a green economy with EU4Environment in the Republic of Moldova, <https://www.eu4environment.org/app/uploads/2022/08/Moldova-profile-2022.pdf>.

1.4. Digital transformation

The digital transformation efforts were enhanced by the sustainable development of e-governance. Digitalization of public services was one of the key priorities for Moldova's 2020 Strategy, as well as for the 2017–2021 National Action Plan on reform of modernization of public services.

Nowadays, the national eServices portal “servicii.gov.md” offers single-sign-on access to 178 e-services and information on 649 administrative services. In 2020, the Citizens' Government Portal was launched, offering a user-friendly tool for obtaining personal data about the citizens. Although the number of digital services has increased constantly during the last years, the 2020 e-Government Index ranked Moldova 79th globally, 10 points lower than in 2018¹⁷³. The main reason behind this discrepancy was the slow growth of e-services penetration among the Moldovan society in comparison with other countries, especially the EU member states.

At the institutional level, the current government has created a new Cabinet position for the Deputy Prime-Minister for Digitalization, entitled to act as the head of the digitalization process across the executive bodies. Currently, a Digital Transformation Strategy 2023–2030 is under development and is expected to be approved by the Government and the Parliament in the following months. The six pillars of the new strategy will refer to (1) the development of a digital society, (2) strong, competitive and innovative national ICT infrastructure and private sector, (3) cyber security, (4) functional, intelligent and invisible digital state, (5) interconnected digital state at the regional and international level, (6) digital economy.

173 Victor Guzun, Digital transformation strategy 2023 – 2030: the defining document for the new digital transformation priorities of Moldova, IPN, https://www.ipn.md/index.php/en/digital-transformation-strategy-2023-2030-the-defining-document-for-the-7978_1091645.html.

The EU's role in the digital transformation of the country is significant. Currently, under the EU4Digital initiative, the EU supports four thematic projects in Moldova: EU4Digital Facility, EaPConnect, EU4Digital Cyber and EU4Digital Broadband¹⁷⁴. EU4Digital complements bilateral EU assistance for developing a new public system for electronic procurement (M-Tender), in line with EU public procurement directives¹⁷⁵.

The key constraints for the digital transformation of the country are related to the low use of e-services, especially in rural areas. Due to a lack of digital education and training, the broad range of e-tools are accessed only by a limited number of groups, in particular public functionaries or entrepreneurs. The penetration of electronic signatures among the general public is still low and is estimated at around 7% of the whole population. The limited resources invested by the government in the popularization of the e-services and digital education alter the exploration of benefits and advantages that comes with the new digital tools.

1.5. Fair and inclusive societies

The civil society environment can be described in a two-fold manner. On the one hand, according to the latest data, there are over 15 000 CSOs in Moldova, but only 1/3 of them are active according the yearly reports presented by the Fiscal Service. The lack of resources available for local CSOs, in particular those located in rural areas, affects their sustainability and working capacity.

The Moldovan National Platform of EaP Civil Society Forum, the most representative civil society platform in Moldova, gathers more than 115 CSOs¹⁷⁶, which work in five working groups. A group of leading CSOs was involved in the fulfilment of the EU

174 https://eufordigital.eu/other-projects/?wpv-country=republic-of-moldova&wpv_view_count=309.

175 <https://eufordigital.eu/countries/republic-of-moldova/>

176 <https://www.eap-csf.md/ro/>

accession questionnaire, in cooperation with the governmental authorities. Furthermore, the Platform is going to monitor the implementation of the nine conditions demanded by the EU¹⁷⁷, which are to be met in order to open the accession negotiations.

The media environment became more resilient to the external propaganda and disinformation. In the context of Russia's war in Ukraine, the Parliament passed a law¹⁷⁸ which restricted the broadcasting of Russian TV channels and imposed much stricter sanctions for the promotion of fake news and disinformation by TV and radio stations. A similar draft law is currently being elaborated for the online media and is expected to be passed by the end of the current year. The regulatory body for TV and radio space, the Audiovisual Council, has been further enforced to ensure fair and comprehensive monitoring of the TV and radio stations. A new and more credible and integral composition of the Audiovisual Council has been assured in order to ensure the independence of this institution.

In terms of mobility, the liberalization of visa regime for Moldovan citizens travelling to the European Union have increased considerably the cross-border migration flows. Until 2022, more than 2.4 million of Moldovans travelled to the EU, with an average rate of approximately 300.000 people per year.¹⁷⁹ Also, the visa free regime resulted in a visible increase of short-term travel towards the EU countries.

The European Commission's 2021 Forth Report on the Visa Suspension Mechanism highlighted the necessary actions to be implemented by the Moldovan authorities in order to keep in place

177 Opinion of Moldova's application for membership of the European Union, https://neighbourhood-enlargement.ec.europa.eu/opinion-moldovas-application-membership-european-union_en.

178 <https://www.parlament.md/Actualitate/Comunicatedepresa/tabid/90/ContentId/7108/language/en-US/Default.aspx>

179 Opt ani de la liberalizarea regimului de vize, Poliția de Frontieră, <https://www.border.gov.md/opt-ani-de-la-liberalizarea-regimului-de-vize-pentru-cetatenii-rmoldova>.

and strengthen the visa free regime: adopting a strategy and action plans for justice reforms, including constitutional amendments in line with the Venice Commission's recommendations, effective implementation of the asset declaration system by high-level actors and fight against irregular migration towards the Schengen zone¹⁸⁰.

Another challenge is unfounded asylum applications based on rent-seeking. Most recent data for 2019 showed that the asylum recognition rate was 0,8%, while the return rate was estimated at 63% (over 4700 Moldovan citizens)¹⁸¹. These statistical evidences prove the existence of the organized networks of asylum-seekers, whose social and economic welfare does not correspond to the asylum requirements. In order to address this issue, the Moldovan authorities were requested to consolidate their joint communication efforts with the European counterparts (e.g. Frontex, Interpol, European Asylum Support Office) and to strengthen operational cooperation to achieve a swift decrease in the number of unfounded asylum applications lodged by Moldovan nationals in the Schengen+ area.

Current perception of EaP policy in the Republic of Moldova

The EaP policy has generated a number of important results for Moldova. The signing of the Association Agreement in 2014, complemented by the implementation of the visa free regime and

180 Report from the Commission to the European Parliament and the Council Fourth Report under the Visa Suspension Mechanism, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-%3A52021DC0602&qid=1631873659213>.

181 Report from the Commission to the European Parliament and the Council Third Report under the Visa Suspension Mechanism, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-%3A52020DC0325&qid=1631873865444>

liberalization of exports towards the EU market, have greatly benefited the Moldovan economy and society. The sectoral programs developed by the EU in the field of energy, digitalization or business, provided financial mechanisms for public actors, local entities, entrepreneurs, civil society and journalists. These comprehensive achievements facilitated Moldova's path towards implementation of the key reforms and harmonization of the legal framework in line with EU acquis.

In the context of Russia's aggression against Ukraine and following the granting of the EU candidate status to Moldova and Ukraine on the 23rd of June 2022, the perception of EaP policy in Moldova has faced an important shift. The Eastern Partnership format is no longer perceived as being sustainable and capable to move forward the cooperation between the six member countries, especially on the multilateral track. Given the clear belligerence of Belarus against Ukraine and offensive rhetoric towards Moldova, the format itself is currently ineffective to generate mutual benefits for the participating countries.

Although the EaP policy delivered a number of sizable results and benefits for Moldova in the last 13 years, its importance after June 2022 is less relevant for the candidate countries. After receiving the EU candidate status, Moldova and Ukraine are supposed to become subjects of the EU's enlargement policy, which is accompanied by the new financial and technical cooperation instruments. Access to the instrument of pre-accession funds in the following years in case of Moldova and Ukraine will generate more ambiguity within the Eastern Partnership, given the different budgetary instruments developed for candidate and non-candidate countries.

It is still unclear how the EU will accommodate the transition of these countries towards the new budgetary instruments and dialogue formats. However, one could expect that this transition will lead to the rethinking of the EaP initiatives and programs for the participating countries and reevaluation of its core priorities.

The Republic of Moldova's vision of the updated EaP policy

A set of recommendations for the fine-tuning of the core objectives and format of EaP policy must be taken into consideration:

- The EU should consider **the reformation of EaP policy multilateral track** and development of a separate cooperation platform for Moldova, Ukraine and Georgia, focused on exchange of good practices and experience on the EU accession path. Such a platform could be established after the upgrading of the Associated Trio towards the Candidate Trio platform and its formal institutionalization by the EU.
- Assist the candidate countries in the process of **implementation of conditions** for opening the negotiations talks by identifying potential areas of immediate budgetary and technical support.
- Scale up the **financial support for the national platforms of the EaP Civil Society Forum** and facilitate their participation in the monitoring and evaluation of governments' progress with the implementation of key actions for opening the negotiation talks.
- Speed up the inclusion of the candidate countries into the **framework of the instrument for pre-accession funds** and establish direct budgetary support programs in line with the core benchmarks for the opening and running the accession talks.
- Consolidate its security dialogue with Moldova, Ukraine and Georgia through a shared framework of experience, knowledge, best practices and capabilities. EU should expand the direct budgetary support for defence as part of the European Peace Facility, aimed at strengthening the capacities of the strategic planning, operational,

communication and cyber policies of the candidate countries.

- Initiate talks with **defence and intelligence institutions** in the candidate countries in order to support their active participation in the PESCO projects of significant interest for each individual state.
- Enforce cooperation with the candidate countries in the field of fight against corruption, financial crimes and asset recovery. Consolidate the **dialogue between the European Public Prosecutor Office (EPPO) and fraud investigation bodies** in order to actively investigate the financial irregularities with the EU money in Moldova, Georgia and Ukraine. Facilitate the exchange of investigative operational information between the national and EU institutions (OLAF and EPPO).
- Enable **the full liberalization of trade** and elimination of tariff quotas for key agricultural exports, such as apples, plums or grapes from Moldova. This will help to offset the inaccessible markets in Russia and Belarus and prevent the bankruptcy of a significant number of farmers, but also small and medium enterprises.
- Ensure full and smooth integration of the candidate countries in the EU's Energy Union. **Speed-up the construction of the energy grid connection with Moldova**, which is now scheduled to be finalised by 2024.

UKRAINE

- 1.1. Together for resilient, sustainable and integrated economies
- 1.2. Together for accountable institutions, the rule of law and security
- 1.3. Together towards environmental and climate resilience
- 1.4. Together for a resilient digital transformation
- 1.5. Together for resilient, fair and inclusive societies

Current perception of the EaP policy in Ukraine

Ukraine's vision of the updated EaP policy

UKRAINE

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General assessment of the situation and the EaP achievements by the directions

1.1. Together for resilient, sustainable and integrated economies

1.1.1. Trade and economic integration

The Association Agreement and the DCFTA established the path for Ukraine’s economic integration into the EU internal market and boosted trade links between the partners. The EU has been Ukraine’s largest trade partner, accounting for about 40% of the country’s trade turnover since 2016. In 2021, Ukraine’s

goods exports and imports to the EU reached the next historical maximum at USD 27 bn and USD 29 bn, respectively.¹⁸² Trade with the EU has been growing faster than average. Between 2014 and 2021, Ukraine's exports to the EU increased by 63% compared to a 26% total growth. For imports, the respective figures are 42% vs 34%. Ukraine has been active in using opportunities provided by the AA/DCFTA.

These opportunities included the removal of most import duties and significant legal and institutional harmonisation as preconditions for deeper integration. Product safety, customs, public procurement, energy, and services have been the critical spheres earmarked for integration.

Ukraine significantly progressed with legal alignment and institutional development in product safety.¹⁸³ In 2020, the EU recognised the equivalence of Ukraine's certification system for grain seeds in agriculture and food products.¹⁸⁴ The same year, the EU launched an expert mission assessing Ukraine's readiness for the conclusion of the Agreement on conformity assessment and acceptance of industrial products (ACAA). In customs, Ukraine launched a parallel use of the New Computerized Transit System (NCTS) in 2021, aiming to join the EU Common Transit Convention and the Convention on the Simplification of Formalities in Trade in Goods in 2022¹⁸⁵. In 2018, Ukraine joined the Pan-European-Mediterranean Convention on preferential rules of origin, allowing more efficient use of preferential agreements with the EU, the EFTA, Israel and other partners. In public procurement, Ukraine established a state-of-the-art online procurement system, mandatory for all procurements above the

182 See https://ukrstat.gov.ua/operativ/operativ2005/zd/zd_rik/zd_u/gs_rik_96-20ue.xls

183 See <https://3dcftas.eu/publications/deepening-eu-ukrainian-relations-updating-and-upgrading-in-the-shadow-of-covid-19.-third-edition>

184 See <https://craneip.com/eu-recognized-ukrainian-seed-certification>

185 Ukraine joined the conventions in October 2022

threshold. In 2016, the country joined the WTO Government Procurement Agreement that partly opened public procurement markets of the EU, the USA and other signatory parties. In energy, Ukraine de-facto integrated into the gas market. It has also been preparing for integration with the EU electricity market.¹⁸⁶ In services, the breakthrough was the conclusion of the Common Aviation Area Agreement in 2021. The active work has been ongoing in the digital sphere, intending to achieve the internal market treatment for telecommunications.

1.1.2 Investment and access to finance

EU4Business initiative uses nine support instruments for enabling access to finance. Access to finance is the largest area of EU intervention to support SMEs in Ukraine. A total of EUR 87.47 million in EU support is allocated to unlock access to finance in Ukraine in 2021.

The EU continues to provide significant support to Ukrainian SME. The intensity of European aid significantly grew during the COVID-19 pandemic with simultaneous increasing of the national assistance programs. “SME Finance Facility – Phase II” aims to stimulate lending in local currency to micro, small and medium enterprises. EBRD “SME Local Currency Programme” is addressed to private enterprises with an annual turnover of up to EUR 50 million and the amount of employees up to 250 people.

Ministry of Finance of Ukraine, regulators and Deposit Guarantee Fund have approved a Strategy for the Development of the Financial Sector of Ukraine until 2025. A Concept of Capital Markets Infrastructure Reform in Ukraine was approved according to international standards with the support of the EBRD. As part of its implementation, work has begun on developing target models of reforming the depository, settlement and clearing infrastructure of the capital markets. The National

186 Ukraine joined the ENTSO-E in March 2022

Bank of Ukraine developed Credit Register, which accumulates information on credit transactions of borrowers whose debt is more than 100 minimum wages to one bank.

1.1.3 Enhanced transport interconnectivity

The main projects of “quick wins” for Ukraine were identified by the World Bank in the Investment Plan for Infrastructure Development. Financing of **TEN-T projects** in Ukraine is providing via the EBRD and the EIB. A new impetus to the implementation of projects of “quick wins” in Ukraine was given by the law “On Concession”, which harmonized legislation, established clear procedures, and regulated the list of areas and participants.

The Common Aviation Area Agreement between the EU and its Member States and Ukraine was signed during the 23rd Ukraine-EU Summit in Kyiv on October 12, 2021 and was ratified by the Parliament of Ukraine on February 17, 2022.

The Law of Ukraine “On Inland Water Transport” was adopted by the Verkhovna Rada on December 3, 2020 and entered into force on January 1, 2022. A Strategy for the Development of Inland Water Transport and the Action Plan for its implementation have also been developed. The Mediterranean and Rhine-Danube corridors, which pass through Ukraine, are included in the European transport network TEN-T. In addition, Ukraine has joined the two international projects within TEN-T – GO-HIGHWAY “Gdansk – Odesa” and Via Carpatia.

Ukraine has failed to reduce the number of road accidents, despite the adoption of a State Program and the Strategy to increase the level road safety in Ukraine for the period before 2020, aimed at reducing mortality and injuries in road accidents by 30%. On October 21, 2020, the Cabinet of Ministers approved a new Strategy for Improving Road Safety in Ukraine until 2024. The key goal of this Strategy is to reduce the level mortality due to road accidents compared to 2019 by at least 30% by 2024 and by 50% by 2030.

1.1.4 Investing in people and knowledge societies

In the framework of the EU Erasmus+ Programme, the Ukrainian organizations were actively participating in all calls in 2014–2020. From Ukraine, 11 532 students and university staff were involved in various learning mobility activities. From 2014–2020 within 250 projects, 23 Ukrainian institutions, including 15 universities, two research institutes, two NGO and one business organisation were involved as associate partners, one as a full partner in 19 Erasmus Mundus Joint Master Degree Consortia.

EU4Youth has helped to fund about 100 projects in the East. EU4Youth grants supported six large-scale projects in the EaP countries on employment, employment opportunities and the transition from training for youth to work.

The number of Ukrainian participants in projects named after Marie Skłodowska-Curie as beneficiaries, especially in RISE competitions increased. From the moment of launching the program Ukrainian organizations were partners in 51 action projects with funding of 9.56 million EUR.

According to the results of the Horizon 2020 competitions 276 Ukrainian organizations were participating in 196 projects with funding of 34.48 million EUR in researches and innovations.

Ukraine is developing a strategy for youth employment and transition to work, as well as measures on skills development. The reform of vocational education is underway, within the EU4Skills project infrastructure of vocational education system is being optimized.

As part of the Creative Europe program six international projects were supported in 2020 with the participation of Ukrainian organizations. In total 25 projects were supported since 2017.

Regional development strategies for 2021–2027 were carried out on the basis of smart specialization in all regions of Ukraine. Odesa, Kharkiv and Zaporizhia oblasts were pilot participants of the Smart Specialization platform with the support of the Joint Research Center.

1.2. Together for accountable institutions, the rule of law and security

1.2.1. Judicial Reform

The EU-Ukraine Association Agreement has triggered the judicial reform in Ukraine. Starting from 2014 significant legislative changes have been passed in order to improve the sector and to approach the respective EU standards. The milestone of the relevant changes was adoption of the Law of Ukraine on the Restoration of Trust in the Judiciary in Ukraine dated by April 8, 2014, which assured the legal and organizational basis for conducting a special inspection of judges as a temporary measure aimed at increasing to the judiciary in Ukraine¹⁸⁷. The adoption of the Strategy for reforming the judiciary, judicial system and related legal institutes for 2015–2020¹⁸⁸ (further updated by the respective Strategy for 2021–2023¹⁸⁹) was followed by the Constitution Amendments (Law “On making amendments to the Constitution of Ukraine (concerning justice)” dated by June 2, 2016¹⁹⁰, Law On the Judiciary and Status of Judges No. 4734 dated June 02, 2016 (and further amended with the final amendments dated by March 22, 2022)¹⁹¹. In 2017 the Supreme Court was enforced by the High Court for Intellectual Property Matters; and the High AntiCorruption Court. The new edition of the Code of Administrative Court Procedure of Ukraine in 2017¹⁹² has introduced the novels that have significant meaning e.g. launchung the Single Judicial Information and Telecommunication System which opened the opportunity

187 <https://zakon.rada.gov.ua/laws/show/1188-18#Text>

188 <https://zakon.rada.gov.ua/laws/show/276/2015#Text>

189 <https://www.president.gov.ua/documents/2312021-39137>

190 <https://zakon.rada.gov.ua/laws/show/1401-19#Text>

191 <https://zakon.rada.gov.ua/laws/show/1402-19#Text>

192 <https://zakon.rada.gov.ua/laws/show/2147-19>

to register the documents; to determine the judge(s) for the consideration of the case; to record the trial in the videoconference mode and to ensure digitalization of the work of courts, the High Council of Justice, the High Qualifications Commission of Judges of Ukraine, the State Judicial Administration of Ukraine and their respective units. The Verkhovna Rada also passed and amended the laws on the High Qualification Commission of Judges¹⁹³ and the High Council of Justice¹⁹⁴.

There was some resistance to the reform within the judiciary, though. The Supreme Court appealed to the Constitutional Court of Ukraine regarding the constitutionality of the law on the procedure for electing and appointing HCJ members¹⁹⁵. Besides, High Qualification Commission of Judges composition formation has been criticized by the expert community who put under the question the decisive role of the High Qualification Commission in this process¹⁹⁶ whereas a significant number of judges in the renovated Supreme Court remain representatives of the “old” generation of judges.

Almost all public institutions are operational despite Russian war against Ukraine, however, many support programs for institutional reform have been put on hold.

1.2.2. Accountable, transparent and efficient public administration

The government and the parliament have been moving forward in the process of the public administration reform in order to harmonize it with the best modern practices and standards of the EU, making provisions for professional and

193 <https://zakon.rada.gov.ua/laws/show/1629-20#Text>

194 <https://zakon.rada.gov.ua/laws/show/1798-19#Text>

195 <https://www.president.gov.ua/en/news/prezident-ukrayini-reforma-pravo-suddya-ta-antikorupcyjna-ref-71133>

196 <https://dejure.foundation/library/analiz-stratehii-sudovoi-reformy-vid-ofi-su-prezydenta>

effective civil service. New bill “On Public Service” was adopted; the laws of Ukraine “On Administrative Services”, “On Access to Public Information”, “On Central Executive Authorities”¹⁹⁷ were passed.

The Government improved the structure of the ministries by dividing internal functions and introducing directorates for policy-making and strategic planning in all ministries.

The Government has approved the Public Official Remuneration Reform Concept to be introduced in 2020–2022¹⁹⁸ to make sure governmental agencies can be competitive employers.

The Human Resource Management Information System (HRMIS) has been implemented in a number of agencies. The network of administrative service centres is being developed – more than 800 centres have been established. The list of services provided from the centers has also been expanded:

- a service package allowing getting the first Ukrainian passport together with the taxpayer card number;
- e-Maliatko service package allowing filing one application for up to 9 childbirth related services;
- the service can also be received directly at the hospital.

The Unified State Web Portal of Electronic Services Portal Diia (Action) has been launched. At Portal Diia, each citizen can receive e-services and data kept about them in state electronic information resources¹⁹⁹.

The EU projects “PRAVO-Justice” and “Support to Comprehensive Public Administration Reform in Ukraine”

197 <http://archive.eap-csf.eu/en/news-events/news/statement-of-ukrainian-national-platform-of-eastern-partnership-civil-society-forum-concerning-reforms-of-public-administration-in-ukraine/index.html>

198 <https://zakon.rada.gov.ua/laws/show/622-2020-%D1%80#Text>

199 <https://www.kmu.gov.ua/en/reformi/efektivne-vryaduvannya/reforma-derzhavnogo-upravlinnya>

(EU4PAR) have been contributing into reforms drafting and in implementing the Strategy of Public Administration Reform²⁰⁰. Also Ukraine was assisted with the implementation of the Public Administration Reform Strategy 2016–2020 under the EU-funded program Support to Comprehensive Reform of Public Administration in Ukraine. The reform coordination was ensured by the Public Administration Reform Coordination Board.

In 2014, with the endorsement of the Concept for the Local Government Reform and Reform of Territorial Arrangement of Government Institutions” by the Cabinet of Ministers, Ukraine also embarked on a local government reform and a reform of the territorial arrangement of government institutions (decentralisation reform). After the Concept was endorsed in December 2014, the Parliament of Ukraine introduced comprehensive amendments to the Budget and Tax Codes²⁰¹.

The Cabinet of Ministers of Ukraine in conjunction with the broader public financial management reform initiated the introduction of the gender-based budgeting in 2014. Gender-Responsive Budgeting (GRB) project in Ukraine carried out with financial support of the Government of Sweden from 2014 to the end of 2020²⁰² although current system of statistical indicators needs to be improved in terms of data disaggregation by gender.

Full integration of GRB officially in the Budget Code and budget processes of Ukraine by 2024 and obligatory application of already approved related methodological guides are still to be applied. Creation of indicators on gender gaps and establishing budget/gender policy connections are other task to be fulfilled²⁰³.

200 https://www.kmu.gov.ua/storage/app/sites/1/reform%20office/01_strategy_eng.pdf

201 <https://platforma-dev.eu/wp-content/uploads/2021/10/Status-Report-Decentralisation-and-Local-Public-Administration-Reform-in-Ukraine.pdf>

202 <https://www.niras.com/media/1djlmkqx/summary.pdf>

203 <https://www.niras.com/media/p1qocqbj/grb-book-final.pdf>

1.2.3. Tackling fraud, corruption and economic crime

The EU integration has been an important driver in the anti-corruption reforms in Ukraine. Major achievements of the anti-corruption reform were gained with the support of the EU, including the establishment of the new institutions: National Anti-corruption Bureau, Specialized Anti-corruption Prosecutor's Office, High Anti-corruption Court (HACC), and National Agency on Corruption Prevention as well as a new system of electronic asset disclosure. The National Agency of Ukraine for detection, investigation and management of assets received from corruption and other crimes was established with the aim to identify, trace and manage the corrupt assets. Public procurement is carried out through the open electronic procurement system ProZorro²⁰⁴. The regulation of the procedure of transferring the cases to HACC from the courts of general jurisdiction has helped to focus its work on high-level cases²⁰⁵. The CoE/EU Partnership for Good Governance Programme (PGG) had Fight against Corruption (PGG-UA) Project as its integral component.

The protracted reform of the Security Service of Ukraine envisages the Service will not deal with economic crime, focusing on protecting critical infrastructure facilities. The new structure of the Service should not include units for fighting organized crime, corruption and economic crimes. It is expected that in the future if the SSU detects such crimes in the course of its activities, criminal proceedings will be transferred to relevant bodies²⁰⁶.

204 <https://prozorro.gov.ua/en>

205 <https://rpr.org.ua/wp-content/uploads/2020/11/ANTI-CORRUPTION-POLICY.pdf>

206 <https://ssu.gov.ua/en/reforma-ssu>

1.2.4. Combating organized crime and strengthening security

The EU-funded project Support for Rule of Law Reforms in Ukraine such as PRAVO-I, PRAVO-II, as well as the establishment of the EU Advisory Mission Ukraine, were concrete examples of the EU's commitment to supporting Ukraine reform its law enforcement and rule of law system²⁰⁷. The project on “Strengthening measures to counter money laundering and financing of terrorism in Ukraine” of the EU/CoE Partnership for Good Governance (PGG) programme supports Eastern Partnership countries to counter economic crime²⁰⁸.

The Ministry of Internal Affairs of Ukraine's cooperation with the European Police Office (EUROPOL) is regulated by the Agreement between Ukraine and the European Police Office on Operational and Strategic Cooperation, signed in 2016²⁰⁹, which makes Ukraine an operational partner country of Europol. The effort is further strengthened by the European Commission and the European Union Agency for Law Enforcement Training (CEPOL) launched in 2022 aimed at supporting EaP countries.

On 22 March 2022, the French Council Presidency informed the Member States and EU bodies that the war in Ukraine will also influence the European Multidisciplinary Platform Against Criminal Threats (EMPACT) policy. The Presidency put forward a proposal to activate the EMPACT community in order to assess, anticipate, prevent and counter existing or emerging serious and organised crime threats linked to or entailed by the war in Ukraine, with the support of JHA agencies, EU bodies and institutions.

207 <https://www.euam-ukraine.eu/news/eu-supports-ukraine-to-fight-organised-crime/>

208 <https://rm.coe.int/pgg-ii-ukraine-summary-/1680a00992>

209 https://www.europol.europa.eu/sites/default/files/documents/agreement_on_operational_and_strategic_cooperation_ukraine.pdf

Russian occupation of Ukrainian territories as well as the direct full-scale Russian military intervention remains the key challenges to the security and sovereignty of the country.

Since 2005 Ukraine has enjoyed a privileged status under the CSDP and can align itself with the Common Foreign and Security Policy (CFSP) statements and decisions. The EU also strongly stands with Ukraine and supports it politically, militarily, on the humanitarian front, and economically. Since the beginning of the Russian full-scale invasion, the EU has supplied 2 billion EUR in assistance to the Ukrainian Armed Forces through the European Peace Facility²¹⁰.

1.2.5. Cyber resilience and cybercrime

President Zelenskyy, in July 2021 signed a Cybersecurity Strategy of Ukraine²¹¹. [25] The Cybersecurity Strategy of Ukraine defines the priorities of national interests in the field of cybersecurity, goals and objectives in building a national cybersecurity system for the long term. Prior to that in June 2021, the European Union and Ukraine held their first cyber dialogue²¹². The EU and Ukraine provided updates on their respective cyber-related institutional settings, policy and legislative developments. In this regard Ukraine is developing its cybersecurity-related policies and legislation, in alignment with the EU legal and institutional framework. Furthermore, the cooperation frameworks are shaped by CyberEast²¹³ – Action on Cybercrime for Cyber Resilience in the Eastern Partnership region – the joint European Union/Council of Europe project assists in adopting legislative and policy frameworks compliant to

210 https://www.eeas.europa.eu/eeas/eu%E2%80%99s-foreign-security-and-defence-policy-after-russian-invasion-ukraine-speech-high_en

211 <https://www.president.gov.ua/documents/4472021-40013>

212 https://www.eeas.europa.eu/eeas/cyberspace-eu-and-ukraine-launch-dialogue-cyber-security_en

213 <https://eufordigital.eu/discover-eu/cybereast-action-on-cybercrime-for-cyber-resilience-in-the-eastern-partnership-region/>

the Budapest Convention on Cybercrime and related instruments. Besides, with the start of Russian full-scale escalation in February 2022 the EU invested into supporting Ukraine in fighting against potential Russian cyber-attacks. The support is apparently being provided via the EU's Cyber Rapid Response Teams (CRRTs) – a project supported by the governments of Croatia, Estonia, Lithuania, the Netherlands, Poland, and Romania²¹⁴.

1.3. Together towards environmental and climate resilience

1.3.1 Benefits for people's health and wellbeing

The state of the environment has a direct impact on the health of the population. This primarily concerns the impact of air pollution and access to drinking water and sanitation. Dust pollution (PM_{2.5} and PM₁₀) is one of the most important factors of negative impact on human health, but this figure is practically not measured in Ukraine. Over the last ten years, there has been a reduction in emissions of all pollutants, but their level remains high, which affects the high mortality rate in Ukraine caused by air pollution. In Ukraine, the issue of providing drinking water to certain regions, including rural settlements, the emergence of low-water regions of Ukraine, water scarcity in wells, as well as adaptation to climate change in the context of freshwater scarcity are of top priority. Reducing environmental risks in order to minimize their impact on public health is one of the goals of the Strategy of State Environmental Policy of Ukraine until 2030. Despite a number of measures to implement the relevant EU directives, their practical implementation is needed, including financial mechanisms to modernize the monitoring system.

214 <https://www.pesco.europa.eu/project/cyber-rapid-response-teams-and-mutual-assistance-in-cyber-security/>

1.3.2 Circular economy, climate neutrality and green growth

The Ukrainian government has stated the need to join the EGD, and has taken a number of steps to integrate the EGD priorities into strategic documents of the country. Ukraine's National Economic Strategy until 2030 states that Ukraine's strategic goal is to achieve climate neutrality by 2060. A new ambitious NDC to the Paris Agreement has been adopted (reduction of greenhouse gas emissions by 65% compared to 1990). In January 2021, the system of monitoring, reporting and verification of greenhouse gases in industry began to operate. However, further work is needed on the introduction of carbon pricing mechanisms in Ukraine.

Monitoring of the progress based on OECD green growth indicators shows the following main trends: increasing carbon productivity of the economy, increasing share of renewable energy sources (RES), increasing the area of nature reserve fund. Among the negative trends are: significant generation of household and similar waste in Ukraine, increasing the area of built-up land, low costs of research and development.

A significant problem is the management of household and similar waste: according to the State Statistics Service in 2020, only 0.04% of the total amount of such waste was recycled, and 1.3% was incinerated. Work is underway to develop and approve regional waste management plans. A framework law on waste management has recently been adopted.

1.3.3 Biodiversity and economy's natural assets base

Despite the positive dynamics, the area of the nature reserve fund (NRF) of Ukraine remains low. Since 2012, the area of the NRF has increased by 12% and is 6.8% of the country's territory. This figure is much lower than in most European countries. Ukraine plans to increase the area of the NRF to 15% of the country's territory by 2030. There is a need to bring

environmental legislation in line with the requirements of the Birds and Habitats Directives. There is no comprehensive monitoring of flora and fauna in Ukraine. In practice, monitoring is carried out only for hunting species, and for other species – in the framework of individual nature reserves. A law on the preservation of independent forests has been recently adopted, and 1 billion trees are planned to be planted by 2025 to implement the Green Country program of the President of Ukraine.

The most critical indicators of the marine environment and dangerous factors of negative impact are eutrophication and its consequences, significant pollution of marine ecosystems with toxic and carcinogenic substances, microbiological pollution, biodiversity loss, reduction of natural resources of the Azov and Black Seas, including water resources, availability of recreational resources, the emergence of threats to public health. In 2021, Ukraine's Marine Environmental Strategy was approved, setting out strategic goals and objectives, including achieving and maintaining the “good” environmental status of the Azov and Black Seas.

1.3.4. Strengthening energy security and nuclear safety

Ukraine started preparation for the harmonisation of its policies with the EU Green Deal almost simultaneously with the establishment of this course by the European Commission. In January 2020, the Cabinet of Ministers of Ukraine created the Interdepartmental Working Group on Coordination of Combating the Consequences of Climate Change within the framework of the EU Green Deal. Particularly, this institution aims to deepen the interaction between the Ukrainian Government and the European Commission on the implementation of the Green Deal. But amid the pandemic of COVID-19, the Work Group practically started its operation in January 2021, when the Cabinet of Ministers presented priorities of Ukraine in forming its own Green Transition in the frame of the EU policies. It included

balancing the vision of various ministries and departments, taking into account the opinion of business while defining the national climate goals, as well as ensuring energy security amid threats from Russia. Also, before, in August 2020, the Ukrainian Government sent a position paper on Ukraine's participation in the Green Deal to the European Commission.

As of December 2021, several programmes of the EU connected to combating climate change and aiming at energy efficiency with the overall input of the EU of 103,6 million EUR were being implemented: EDUTIP Energy-efficient Digital University for Technical Innovation Promotion (started in 2019), Strategic Technical Assistance in Reforms Towards Energy Efficiency and Renewables (started in 2020), Market Study of the Ukrainian Electricity Sector (started in 2021), Administration Agreement between the European Commission and the International Finance Corporation concerning the Energy Efficiency Support Program for Ukraine (started in 2017), Programme for Modernization and Rehabilitation of Municipal Infrastructure (started in 2015), and Development of Ukraine's new Subsoil Code (started in 2019). These initiatives involve both the preparation of the needed legal framework and the practical improvement of the infrastructure of Ukraine. It is worth noting that as of December 2021, a total of 308 Ukrainian municipalities and communities were signatories of the Covenant of Mayors for Climate and Energy. This initiative is aimed at combating climate change by implementing measures on the level of cities and towns and is supported by the European Commission. As of December 2021, among all the Ukrainian participants, 166 had adopted Sustainable Energy Action Plans for 2020 and 220 – for 2030; 5 of them were temporarily occupied by Russia.

1.3.5. Accelerating the shift to sustainable and smart mobility

Greenhouse gas emissions from transport and air pollution, especially in large cities, remain high on Ukraine's agenda. Road transport accounts for 90–95 percent of urban air pollutant emissions. In 2021, the Action Plan for the Implementation of the National Transport Strategy of Ukraine for the period up to 2030 was adopted. Among the priority issues in the context of sustainable and intelligent mobility in cities is the transition to electric public transport, the creation of passenger terminals for switching from individual transport to public transport, the development of a network of bicycle routes. An important role is played by stimulating the development of electric vehicles through the abolition of taxation on electric vehicles.

1.4. Together for a resilient digital transformation

1.4.1. Digital infrastructure

In November 2021 Roaming Expert Working Group (the part of Eastern Partnership Electronic Communications Regulators Network (EaPeReg) chaired by Ukraine) with active participation of Ukrainian side discussed and agreed on the final text of the Regional Roaming Agreement among EaP countries (RRA), which was expected to be distributed to stakeholders in order to finalize national consultations and prepare the RRA for its signing planned in December 2021. Despite this, the RRA was not signed, as well as Regional Spectrum Agreement, which was expected to be done by the end of 2021.

Ukraine's aspirations to explore further possibilities to develop a common international roaming space between the EaP countries and EU Member States were confirmed by signing a Memorandum of Understanding between European Mediterranean Regulators Group and EaPeReg.

In early November 2020 Ministry of Digital Transformation of Ukraine announced the 5G launch action plan formed to prioritize and monitor activities connected with 5G launch in Ukraine which became the first step on the way to secure 5G networks by alignment with the EU coordinated approach. But high start-up cost of 5G rollout for network operators may hold off implementation without incentives from the state.

At the same time fixed broadband operators are disappointed with the level of cable infrastructure maintenance costs.

1.4.2. e-Governance

EU4Digital Facility held in 2019 maturity assessment of cybersecurity development in EU Eastern Partner countries, including Ukraine. The analysis showed that Ukraine is better than peers in both technical and legal aspects of trust services maturity. This allowed Ukraine to be selected for the EU4Digital eSignature piloting projects with Moldova and Estonia. In 2019, the Ministry of Digital Transformation sent a request to the European Union for a bilateral agreement on mutual recognition of electronic trust services. This resulted in a Joint working plan for cooperation between the EU and Ukraine on electronic trust services with a view to a possible agreement based on approximation to the EU legislation and standards, which is the big step on the way to mutually recognized digital signatures between EU and Ukraine.

Starting from 2020, the quantity of online public services in Ukraine decreased significantly, but still remains relatively low in total scope of administrative services. The situation is expected to be changed in a positive way due to implementation of EU4DigitalUA project (kicked off in November 2020), which is the largest bilateral EU e-governance and digital programme in any partner country. In this context, interoperability, digital government and E-services infrastructure are expected to be developed. The main national achievement is adoption of the Law

of Ukraine “On the peculiarities of providing public (electronic public) services” dated by July 15, 2021, which is expected to make 100% of public services online by 2024.

Meanwhile, EU4Digital initiative is working under the development of preparatory actions to pilot a Digital Transport Corridor (DTC) between the Baltic Sea and the Black Sea. Among actions that should be taken by Ukraine to implement a pilot project are the following: assessing perspective of DTC pilots based on extension of TEN-T corridors to EaP countries; developing the core digital platform for national e-Logistics systems providing services for multimodal cargo shipments; developing DTC supply chain visibility sub-system for cargo tracking; harmonizing e-Documents standards related to multimodal transport. Within these aspirations a secure electronic data and document exchange channel was tested in Ukraine through a pilot project supported by the EU4Digital initiative with the aim to create a national access point in Ukraine and connect it to the Peppol network, linking the Ukrainian and European networks into a single network. The state enterprise “Diia” is now working to switch from the pilot to full-scale use of eDelivery, which would allow Ukrainian companies to use it in the EU’s internal market.

1.4.3. Digital economy and innovation

Ukraine has fulfilled its main obligations on e-commerce harmonization to implement the provisions of Directive No. 2000/31/EC to national legislation (the law “On Electronic Commerce” was adopted, necessary changes to the laws “On Electronic Digital Signature”, “On Electronic Documents and Electronic Document Turnover”, “On personal data protection”, “On advertising” were introduced). But relevant EU legislation has changed significantly during past several years, including: amended procedures for making electronic payments; new rules on unjustified geoblocking; new rules on parcel delivery services;

revised rules of consumer protection; adopted directive on contracts for the delivery of digital content and digital services; new VAT rules for online sales of goods and services; simplified customs clearance and taxation procedures; amended market supervision rules in e-commerce. Listed improvements create new challenges for Ukraine's e-commerce market in terms of alignment with EU e-commerce regulatory frameworks and standards. To resolve the issue EU4Digital Facility's eCommerce team works with EaP partners actively starting from early 2020 – a baseline report on cross-border eCommerce in the EU have been developed to provide a benchmark for assessing the state of play of eCommerce in the Eastern partner countries.

To stimulate digital innovation and support high performance digital start-ups, EU4Digital officially launched a startup ecosystem platform for the Eastern partner countries designed to act as a key tool for tracking the regional startup ecosystem landscape and provide intelligence on startups, innovations, investors and funding rounds, and many other insights.

1.4.4. Cyber resilience – Cybersecurity

Ukraine made important legislative step in terms of introducing institutional, policy and legislative cybersecurity framework compatible with EU legislation and guidelines (EU Directive on security of network and information systems) by adopting a Cybersecurity Strategy of Ukraine and government's decree "On approval of the Regulations on the organizational and technical model of cyber defense", that declare active cooperation with EU Agency for Cybersecurity and relevant EU institutions. In this regard, acting projects "EU4DigitalUA", "EU4Digital: Cybersecurity East" and "CyberEast – Action on Cybercrime for Cyber Resilience in the Eastern Partnership region" make a synergistic effect in achieving the goals set in JSWD "Recovery, resilience and reform: post-2020 Eastern Partnership priorities".

1.5. Together for resilient, fair and inclusive societies

1.5.1. Civil Society and youth participation

As of 2021, the civil society in Ukraine had the most favourable legal and policy parameters among all the Eastern Partnership countries in terms of enabling conditions in freedom of association, equal treatment between business and non-governmental/non-profit organisations, and participation of the civil society organisations in decision-making etc. According to the CSO Meter Scores, at that time Ukraine had an index of 5.2 for the civil society environment, while the average level for the whole region was assessed at 4.3 (higher scores mean better situation) out of 7 as the highest point²¹⁵. At the same time, the National Strategy for Civil Society Development for 2021–2026 was adopted by the Cabinet of Ministers and the President of Ukraine²¹⁶. That was the third such document in the last ten years. The previous one had mediocre performance: only six of its tasks out of 41 were completed, and 11 tasks were partially completed²¹⁷. Also, in 2021 the bill ‘On Public Consultations’ [including with the CSOs during decision-making] was passed

215 2021 CSO Meter Scores: Civil society environment in the EaP. European Center for Non-Profit Law: <https://cutt.ly/ZKYftjW>

216 Decree of the President of Ukraine ‘On the National Strategy for Promoting the Development of Civil Society in Ukraine for 2021-2026’. Legislation of Ukraine (depository of the Verkhovna Rada of Ukraine): <https://cutt.ly/fKCC4Ko>

217 Поступ України у виконанні двадцяти досягнень Східного партнерства до 2020 року. Моніторинговий звіт Української національної платформи Форуму громадянського суспільства Східного партнерства. Вересень 2019 – вересень 2020 року: <https://cutt.ly/dKNve6B>

in the first reading by the Verkhovna Rada²¹⁸. In addition, the Government had set up an online contest-based mechanism for obtaining public funding by CSOs²¹⁹.

On the other hand, the Ministry of Finance released an Order which obliges the public associations and charity organisations to inform authorities about their beneficiaries²²⁰. The pandemics of COVID-19 was a challenge for the Ukrainian NGOs, particularly because of the decrease in donations, disability to continue social activities properly and shortages in connection with stakeholders²²¹. Another wide obstacle to boosting the growth of the Ukrainian civil society remained the lack of interaction between the authorities and the CSOs on the local level, despite the separate facts of the adoption of the mechanisms on cooperation with the third sector by a few city councils²²². However, unsafety remained the most notable problem for the

218 The draft Law ‘On Public Consultations’ was adopted in the first reading. Information Department of the Apparatus of the Verkhovna Rada of Ukraine: <https://cutt.ly/aKCN4SE>

219 RESOLUTION dated October 12, 2011 No. 1049 ‘On approving the Procedure for conducting a competition to determine programs (projects, events) developed by civil society institutions, for the implementation of which financial support is provided’. Legislation of Ukraine (depository of the Verkhovna Rada of Ukraine): <https://cutt.ly/XKVBQLM>

220 Order dated March 19, 2021 No. 163. On approval of the Regulation on the form and content of the ownership structure. Ministry of Finance of Ukraine. Legislation of Ukraine (depository of the Verkhovna Rada of Ukraine): <https://cutt.ly/DKVMzgb>

221 The Lockdown Year: Challenges and Needs of Civil Society under COVID-19 Crisis and Quarantine A Survey Report. ISAR Ednannia: <https://cutt.ly/EKV17uT>

222 CSO Meter A compass to conducive environment and CSO empowerment. Ukraine 2021. Country report. The Ukrainian Center for Independent Political Research: <https://cutt.ly/uKV0424>

CSOs' members: in 2019, 83 cases of physical persecution of activists were registered²²³, in 2020 – 101²²⁴, and in 2021 – 108²²⁵.

In 2020, the project 'Technical assistance for civil society development in Ukraine' with the EU's contribution of 1663400 euros was completed. In frames of that initiative, particularly, about 400 organisations were trained and coached²²⁶. Although, the EU Roadmap for Engagement with Civil Society in Ukraine for 2018 – 2020 was no longer valid²²⁷. In the same year, the projects 'EU4USociety: Civil Society Partnership Project', 'EU4Civil Society Sustainability in Ukraine', 'Reinforcing the CSOs role in the democratisation of Ukraine', 'Increasing the capacity of CSOs of social sphere of Ukraine', 'Strengthening Cross-Sectoral Collaboration for Social Cohesion (SC3) Project', and 'Carpathian Search-Rescue Network' were launched. The total amount of the EU's contribution to them is almost 8.4 million EUR²²⁸. In frames of these initiatives, 336 projects of 322 CSOs were supported as of December 2021. It is worth noting that 263 of those organisations are located not in the capital city.

223 The situation of human rights defenders and civil activists in Ukraine in 2019. ZMINA: <https://cutt.ly/hKNWx6W>

224 The situation of human rights defenders and civil activists in Ukraine in 2020. ZMINA: <https://cutt.ly/bKNWUGa>

225 The situation of human rights defenders and civil activists in Ukraine in 2021. ZMINA: <https://cutt.ly/SKNWJAM>

226 About the EU Project for Civil Society Development in Ukraine. Together – EUProstir: <https://cutt.ly/SKNTTib>

227 EU Roadmap for Engagement with Civil Society in Ukraine for 2018 – 2020: <https://cutt.ly/rKKNYjad>

228 EU4USociety: Civil Society Partnership Project. EU East: <https://cutt.ly/6K-9j04Y> / Reinforcing the CSOs role in the democratisation of Ukraine. EU East: <https://cutt.ly/WK9j8QC> / EU4Civil Society Sustainability in Ukraine. EU East: <https://cutt.ly/ZK9kyuX> / Increasing the capacity of CSOs of social sphere of Ukraine. EU East: <https://cutt.ly/LK9kuTJ> / Strengthening Cross-Sectoral Collaboration for Social Cohesion (SC3) Project. EU East: <https://cutt.ly/TK8hwb0> / Carpathian Search-Rescue Network. EU East: <https://cutt.ly/tK8hu3E>

But the majority of the projects of the Kyiv-based entities were dedicated to the activities in different regions of Ukraine. Also, 46 independent media outlets, 76 cultural institutions and 43 SMEs were financed.

Meanwhile, 19 young leaders from Ukraine were awarded Eastern Partnership Civil Society Fellowships in 2020–2021²²⁹. In December 2021, the number of Young European Ambassadors from Ukraine reached 107²³⁰. In 2021 the National Youth Council of Ukraine participated in the 5th Eastern Partnership Youth Forum. At the same time, by the initiative of the MFAs of Lithuania, Poland and Ukraine, the Ukrainian Public Diplomacy Platform and the representatives of the national youth councils from three countries established the Youth Lublin Triangle²³¹.

In October 2021, Ukraine joined the programme of the EU ‘Creative Europe’. Also, in May 2021, the first grant contest for the Ukrainian cultural institutions was started in the frame of the EU4Culture project. As a result of it, Poltava, Rivne and Vinnytsia City Councils received up to 30 000 EUR grants to develop the Cultural Development Strategies²³².

229 Civil Society Fellowships 2021. EaP Civil Society Facility: <https://cutt.ly/bK9zoJF> / EaP Civil Society Fellows 2021. EaP Civil Society Facility: <https://cutt.ly/SK9ztEu>

230 Young European Ambassadors. EU East: <https://cutt.ly/qK9ceAy>

231 Дмитро Кулеба: Молодіжний Люблінський трикутник об'єднає 264 молодіжні організації задля спільного європейського майбутнього. Міністерство закордонних справ України: <https://cutt.ly/PK9cAKL>

232 Results of the second grant call stage announced. Goethe Institute Ukraine: <https://cutt.ly/1K9vSGV>

1.5.2. Independent media and fact-based information

In 2021, Ukraine along with Georgia had the most favourable legal and political conditions for the functioning of the independent media among all the Eastern Partnership countries, according to the Democracy Score of the Freedom House²³³. The Ukrainian informational space is pluralistic. Most of the media in the country has clientelist ties with political and financial groups, but no one has a monopoly. Also, thanks to the pressure of civil society, the improvement of the legislative framework and the support of international partners, an influential segment of independent outlets has emerged in recent years. However, during the year, 197 cases of violation of the freedom of speech were registered, 145 of them were physical aggression against journalists. To compare, in 2020, that indicator reached 229 and 171 cases, respectively²³⁴.

Meanwhile, in 2021, the struggle with the Russian disinformation and with the attempts of the political actors to keep/increase control have been remaining the biggest challenges for the Ukrainian media space. That year, for the first time in the history of independent Ukraine, the National Security and Defence Council (NSDC) imposed sanctions on the outlets and their CEOs/owners. Several TV channels, associated with the MPs Viktor Medvedchuk and Taras Kozak²³⁵, as well as media of Ihor Huzhva and Anatolii Sharii²³⁶ were blocked from operating

233 Democracy Score. Countries and Territories. Freedom House: <https://cutt.ly/9K8Qi0p>

234 197 порушень свободи слова ІМІ зафіксував у 2021 році в Україні. Інститут масової інформації: <https://cutt.ly/8K8Y9HB>

235 Zelensky imposes five-year sanctions against Medvedchuk's ally, his TV channels. Ukriform: <https://cutt.ly/oK8UTGg> / Media Whack-a-Mole: Zelensky Smacks Medvedchuk's New Channels. The KyivPost: <https://cutt.ly/GK8UPFv>

236 NSDC Imposed Sanctions against Shariy and Guzhva. Institute of Mass Information: <https://cutt.ly/XK8U1rD>

and broadcasting in Ukraine. They were spreading Russian propaganda, according to the authorities and law enforcement agencies. Also, in 2021 the Centre for Countering Disinformation of the NSDC and the Centre for the Strategic Communication of the Ministry of Culture for debunking Russia's propaganda were established. On the other hand, the Ukrainian Parliament adopted the law on 'de-oligarchisation', which was initiated by President Volodymyr Zelenskyi. The document provides the list of the conditions for a person to be included in the register of the oligarchs; one of them is 'the significant influence on the media'. Following the adoption of the law, former President Petro Poroshenko sold the 5th and the Priamyi TV channels²³⁷ and the businessman Ihor Kolomoiskyi stepped down from the supervisory board of the 1+1 media group²³⁸.

The EU efforts to support the independent outlets and journalists in Ukraine in 2021 were majorly embodied in the EU4USociety project (details – in chapter 1.5.1). That assistance connected to the operational capacity of the media, mainstreaming important social discussions, establishing stronger interaction between journalists and authorities, debunking the Russian propaganda, and supporting European integration. The changing of the legal environment and decisions related to media management and the freedom of speech were scrupulously tracked by the EU Institutions²³⁹. At the same time, the EUvsDisinfo project continued its struggle with the spreading of Russia's fakes and false narratives, matching Ukraine as one of the priority directions of activity²⁴⁰.

237 Ukraine's Former President Sells TV Channels Following Passage of 'Oligarch' Bill. Radio Free Europe: <https://cutt.ly/xK8Iqvb>

238 Kolomoisky Quitted Supervisory Board of 1 + 1. Institute of Mass Information: <https://cutt.ly/vK8IyZI>

239 Joint statement following the 23rd EU-Ukraine Summit. President of Ukraine. Official website: <https://cutt.ly/3K8ScqI>

240 Ukraine. EUvsDisinfo: <https://cutt.ly/DK8SQpF>

1.5.3. Democracy

The most recent elections in Ukraine were held in 2020 – it was voting for the local councils and mayors. The OSCE Office for Democratic Institutions and Human Rights did not observe those elections. The National Democratic Institute (Ukraine) concluded that the voting in 2020 was organised in a way that ensured the credibility of the citizens. The election campaign was competitive, and the people had conditions for the free manifestation of will²⁴¹. That was the first local voting when citizens had an opportunity to get acquainted with the candidates' programmes, assets declarations and financial reports of the parties. Earlier, it was applicable for the parliamentary and presidential elections. Also, that was the first plebiscite ever, when the competitors had to follow the gender quota²⁴².

Meanwhile, it was the first time that the new voting system was applied. Thus, when citizens elect between parties, they also should elect the members of the parties' lists ('open lists system'). At the same time, in 2020 the Ukrainian Parliament adopted several amendments to the electoral law, some of them – three and even one month before the voting. This is against the recommendations of the Venice Commission of the Council of Europe not to change the electoral system less than a year before elections²⁴³. Also, in those elections, the territorial election commissions had to analyze the financial reports of the parties. During the parliamentary and presidential elections, this function is performed by The National Agency on Corruption Prevention.

241 Спостереження за виборами в Україні – Заключний випуск. 30 жовтня 2020. Національний демократичний інститут: <https://cutt.ly/wK7Q88b>

242 Вибори: що вдалося змінити громадському сектору за останні 10 років. Чесно: <https://cutt.ly/NK7HrT6>

243 Виборча реформа триває: план на 2021 рік. Центр демократії та верховенства права: <https://cutt.ly/yK7HFmj>

Also, in 2020 the parliamentary immunity was no longer valid. Therefore, the law enforcement agencies do not need the Verkhovna Rada approval for detaining and judging MPs. At the same time, Ukrainian citizens still do not have a right to recall an MP – this norm is applicable only to the local councils. Moreover, in December 2021, the bill on postponing the application of the ‘open lists system’ for the parliamentary elections was submitted to the Verkhovna Rada. It would keep the ‘close lists system’. Also, in 2020 the MPs adopted the 25% electoral quota for candidates to participate in a competition in frames of the ‘open lists’, despite the initially proposed 5% electoral quota. It created conditions for ‘half-open lists’²⁴⁴. In addition, in December 2021, the President of Ukraine, in his annual appeal to the Parliament, stated that the authorities were planning to launch digital voting in the next presidential and parliament elections. Meanwhile, the deputy of the Minister of the Digital Transformation of Ukraine Mstyslav Banik informed, that his institution was ready to implement such a mechanism²⁴⁵.

1.5.4. Protection of human rights and promotion of gender equality

In 2021, a totally of 764 cases referring to Ukraine were under the supervision of the Council of Europe Committee of Ministers’ Department of Execution of Judgements of the European Court of Human Rights. Of them, 106 were pending leading and 532 were pending repetitive cases, 15 were closed leading and 111 were closed repetitive cases. For comparison, in 2020, a total of 675 cases referring to Ukraine were under the supervision of the Committee. Of them, 107 leading cases and 460 repetitive cases were pending, and 19 leading cases and 89 repetitive cases

244 Вибори близько: парламент готує повернення мажоритарки. Чесно: <https://cutt.ly/2K7JocT>

245 Запровадження електронного голосування в Україні: головні ризики. Комітет виборців України: <https://cutt.ly/AK7JWck>

were closed²⁴⁶. Meanwhile, in 2020, the Cabinet of Ministers of Ukraine adopted a National Strategy for resolving the problem of the non-execution of court judgments by state bodies or state enterprises, institutions or organisations as debtors by 2022²⁴⁷. In 2021, the institution released an order on the Action Plan for the implementation of the Strategy²⁴⁸.

According to the Global Gender Gap Report 2021, Ukraine ranks 74th out of 156 countries with a score of 0,714 (1 – is the highest point)²⁴⁹. In 2020, the rank was 59th out of 153 countries, with a score of 0,721²⁵⁰. The biggest problem for Ukraine in the sense of gender equality remains political empowerment – the score for this parameter reaches 0,147. Just 13.6% of the ministerial positions and 20.8% of the parliament seats in the country are occupied by women. Currently, there are no quota systems or other affirmative action mechanisms for filling such institutions. Another challenge (but less critical in comparison to political empowerment) is economic participation and opportunity. In 2021, the difference between females and males in the estimated earned income reached 40% (in 2020 – 39%).

246 Ukraine and the Council of Europe. Department of Execution of Judgments of the European Court of Human Rights, Committee of Ministers of the Council of Europe: <https://cutt.ly/vLr5YBY>

247 Про схвалення Національної стратегії розв'язання проблеми невиконання рішень судів, боржниками за якими є державний орган або державне підприємство, установа, організація, на період до 2022 року. Розпорядження Кабінету Міністрів України: <https://cutt.ly/HLr6R8U>

248 The Cabinet of Ministers of Ukraine adopted Order No. 210-r on 17 March 2021 “On approving the Action Plan on the implementation of the National Strategy for resolving the problem of the non-execution of court judgments by state bodies or state enterprises, institutions or organisations as debtors by 2022”. Ministry of Justice of Ukraine: <https://cutt.ly/ALr6Lq7>

249 Ukraine. The International Gender Gap Index Report 2021. World Economic Forum: <https://cutt.ly/hLrRBNC>

250 Ukraine. The International Gender Gap Index Report 2020. World Economic Forum: <https://cutt.ly/pLr7IP>

Also, just 60.5% of women are engaged in the labour market, while for men this rate is 72.9%. In addition, 40.4% of the females and 59.6% of males on the market are in the positions of legislators, senior officials, and managers. It is worth noting that in two other parameters – educational attainment and health – women in Ukraine are almost in equal positions with men: scores reach 1 and 0.978, respectively.

At the same time, the UNDP Ukraine Gender Equality Strategy for the period 2019–2022 is still valid. The document, particularly, points to the country's problems in women's rights and suggests steps to eliminate them²⁵¹. Also, every year (2021 is not an exception) the Ukrainian Government adopts an action plan, which, among other tasks, is mainstreaming the gender equality issues in achieving aims in various scopes, from economy and education to military service²⁵². In addition, in 2021, the Ministry of Social Policy prepared a draft of the State Strategy for Ensuring Equal Rights and Opportunities of Women and Men by 2030²⁵³. The Government has not adopted it yet. All in all, despite the fact, that the following information is beyond the reported period, it is worth noting, that in June 2022 the Ukrainian Parliament ratified the Council of Europe Istanbul Convention.

In 2020, the EU supported 7836 SMEs in Ukraine via the EU4Business instrument, of whom 28.22% were women²⁵⁴.

251 UNDP Ukraine Gender Equality Strategy for the period 2019–2022. UNDP: <https://cutt.ly/qLyNchA>

252 Про затвердження плану пріоритетних дій Уряду на 2021 рік. Розпорядження Кабінету Міністрів України: <https://cutt.ly/zLyNY7t>

253 Про затвердження Державної стратегії забезпечення рівних прав та можливостей жінок і чоловіків на період до 2030 року. Проект Постанови Кабінету Міністрів України: <https://cutt.ly/9LyNFF5>

254 Number of SMEs Supported. Results 2020. EU4Business: <https://cutt.ly/ILyNCCh>

1.5.5. Mobility

According to the fourth report on the monitoring of the EU visa-free regime (summer 2021)²⁵⁵, Ukraine continued to fulfill benchmarks on migration, asylum and readmission. Thus, the state proceeded to implement the 2019–2025 integrated border management strategy. But the European Commission stressed that only a limited number of objectives with deliverables have been completed. Also, Ukraine continued achieving goals of the 2018–2021 migration policy strategy and cooperation with Frontex and the EU Member States in border management. For example, four jointly operated crossing points between Poland and Ukraine were set up. Another problematic issue was that the visa policy of Ukraine not fully aligned with the list of third countries whose nationals were subject to a visa for short stays in the EU. Also, the European Commission admitted generally good cooperation between the Member States and Ukrainian partners in readmission. But the unclear delimitation of competencies of various state agencies in the scope is still an issue. In addition, the European Commission recommended Ukrainian authorities to eliminate the possibility of holding more than one valid passport by citizens.

At the same time, it was noted in the report that Ukraine had taken many steps to achieve the benchmarks for judicial cooperation, public order and security. Thus, Ukrainian institutions continued cooperating with Europol and Eurojust. The Ukrainian Parliament adopted a new law on the combatting organised crime, and the Ukrainian President issued a decree on the National Coordinator for combatting human trafficking. The High Anti-Corruption Court began to operate and the cooperation between the National Anti-Corruption Bureau and

255 Report from the Commission to the European Parliament and the Council. Fourth report under the visa suspension mechanism. 2021. European Commission: <https://cutt.ly/NLif5ds>

the Specialised Anti-Corruption Prosecutor's Office improved. But the European Commission stressed that the progress of Ukraine in the fight against corruption is not sufficient, especially due to the low productivity in investigating and prosecution regarding the cases of high corruption and state capture. Also, several institutional obstacles emerged. For example, the Constitutional Court of Ukraine declared unconstitutional the 2015 presidential decree appointing the NABU Director and certain provisions of the NABU-related law. Also, the Constitutional Court declared unconstitutional the asset declaration system, the criminal liability for false declarations and key corruption prevention powers of the National Agency for Corruption Prevention. Therefore, the European Commission recommended improving the efficiency of anti-corruption institutions and carrying out a transparent, depoliticised and merit-based selection of the heads of the respectful services to fulfill the requirements of the visa liberalisation regime. In addition, the national legislation on preventing money laundering needs to be elaborated at the level of the secondary legal acts.

1.5.6. Health resilience

In 2021 the EU allocated 190 million EUR support package and a 1.2 billion EUR macro-financial assistance programme for Ukraine to tackle the COVID-19 pandemic and its socio-economic impact. It is far beyond what the EU has provided to any other partner²⁵⁶. Also, in 2021, in the frame of the COVAX programme facilities, the EU Member States shared over 7.6 million doses of vaccines against COVID-19 with Ukraine²⁵⁷. Also, at the end

256 Joint statement following the 23rd EU-Ukraine Summit. The website of the President of Ukraine: <https://cutt.ly/HLimWxV>

257 EU disburses €600 million in Macro-Financial Assistance to Ukraine to address the economic fallout of the COVID-19 pandemic. The European Commission: <https://cutt.ly/vLimKrP>

of 2021, the European Investment Bank transferred a 50 million euros loan to Ukraine for the purchase of vaccines against COVID-19²⁵⁸. But, as of the last week of December 2021, a totally of 43.8% of the Ukrainian citizens received the first dose of vaccine against COVID-19, and 37.2% received the second one (total number of received doses reached 25 million)²⁵⁹. In Europe, Bulgaria, Bosnia and Herzegovina, Moldova, and Armenia had lower rates at that time²⁶⁰. Moreover, in 2021 the EU officially recognised Ukrainian digital COVID certificates²⁶¹.

In addition, the implementation of the project ‘Support to Ukraine for Developing a Modern Public Health System’ continued in 2021. The initiative was launched by the EU at the end of 2019 with a total budget of 3 million EUR²⁶². Particularly, in 2021 the project team completed the research on the public health facilities’ capacity and training requests of the medical workers in all the regions of Ukraine (except those temporarily occupied by Russia)²⁶³. As a result, the mechanisms of the EU technical and knowledge/skills assistance for the sector in Ukraine were improved.

258 Долаємо COVID19: Україна отримала 50 млн євро кредитних коштів від ЄІБ на вакцинацію від коронавірусу. Міністерство охорони здоров’я України: <https://cutt.ly/1LiQPHx>

259 Система охорони здоров’я України. Вакцинування від COVID-19. Рада національної безпеки та оборони України: <https://cutt.ly/FLiERUN>

260 Share of people vaccinated against COVID-19, Dec 31, 2021. Our World in Data: <https://cutt.ly/1LiUlss>

261 Ukrainian COVID certificates in Diia are officially recognized by the EU. Cabinet of Ministers of Ukraine: <https://cutt.ly/CLiOtoN>

262 EU launches EUR 3 mln project to improve public health and blood safety system in Ukraine. Delegation of the European Union to Ukraine: <https://cutt.ly/4LiDqQa>

263 Support to Ukraine for Developing a Modern Public Health System. Project Newsletters: <https://cutt.ly/JLiDhAo>

Current perception of the EaP policy in Ukraine

Since the inception of the EaP Ukraine has taken a special position on the policy and its bilateral and multilateral tracks. While acknowledging its European aspirations and interest in the development of bilateral cooperation with the European Union, official Kyiv expressed its reluctance to the multilateral track and overall EU's approach towards copying Ukrainian-EU bilateral negotiation framework and applying it to the other partner states.

At the level of official communication in Ukraine, bilateral relations with EU and Eastern Partnership policy have always been positioned as two different policies with respect to the European Union. Even administering functions of the bilateral and multilateral track were largely divided between the different government bodies. All commitments under the EU-Ukraine Association Agreement and subsequent bilateral agreements are overseen by the Governmental Office for European and Euro-Atlantic Integration, while participation of Ukraine in the multilateral EaP architecture is coordinated by the profile department of the MFA. That said, there is no surprise that Ukrainian citizens cast vast public support for the integration of Ukraine into the EU, while they are much less aware of anything related to the Eastern Partnership policy. There is a lack of opinion polls related to the EaP policy and Ukraine.

Ukraine's participation in the Eastern Partnership before the full-scale Russian aggression in February 2022 may be divided into three layers: bilateral cooperation, Trio initiative and multilateral mechanism for all six partners.

As mentioned above, bilateral relations with the EU have been always prioritized by the Ukrainian elites. Ukraine demonstrated significant progress in deepening sectoral integration with the EU, calling for 4 Unions: customs, digital, energy and integration into the Schengen area. Integration into

the EU has been declared a state course, envisaged by the norms of the Constitution of Ukraine. Politically, official Kyiv traditionally benefited from the annual EU-Ukraine Summit and a very intensive agenda of the Association bodies at the governmental, parliamentary and expert levels.

After the EaP Summit in December 2021, Ukraine became frustrated with the Trio format as this club of three partner states has not succeeded in actively influencing the EaP agenda in the run-up and during the Summit. Many joint proposals, as well as European perspective pledges, went unanswered by the EU side. Especially, Ukraine was frustrated by the arguably inadequate response from the EU side to these security related requests from the three partner states, both in terms of institutions and substance security component of EaP which was very weak.

During the war of Russia against Ukraine, the Trio lost its relevance for Ukrainian authorities due to many interconnected reasons. First, the response of Moldova and particularly Georgia to the Russian aggression since 24th of February did not meet Ukrainian expectations. The Ukrainian Minister of Foreign Affairs Dmytro Kuleba, as well as other members of the Government, unleashed harsh criticism towards an ambiguous position of the partner states. The tensions have been provoked by the issues of poor solidarity in sanctions against Russia. Moreover, Ukraine was concerned with Moldova's and Georgia's applications for candidacy status in parallel with Ukraine. Any delay in the progress of Chisinau and Tbilisi could have caused inhibition in the European integration of Kyiv. Back then, it was considered a risk for the Ukrainian pitch under special circumstances. Naturally, at that juncture, there was no real will on the Ukrainian side to act in communication with the EU in the format of three.

Second, Ukraine being now under exceptional conditions is the core beneficiary of the EU assistance. EU provides macro financial support and military assistance, launches the Platform

for the Recovery of Ukraine, delivers humanitarian help, accommodates Ukrainian war refugees etc. Such a level of the EU's backing is accessible for Kyiv without addressing more modest EaP resources (in comparison to the current needs of Ukraine). In these areas of cooperation with the EU, the Trio format is also not needed.

A multilateral track for six partners (or five partner states, since Belarus suspended its participation) presents little added value for Ukraine. Being focused on the bilateral track, Ukraine paid less attention to participation in all multilateral initiatives of the Eastern Partnership. At the highest level, during EaP Summits, political messages in joint declarations were blurred by Russia's friendly states, Armenia and Belarus. No strong wording or decision against Russia was adopted in that format. That is why Kyiv preferred political statements of the EU-Ukraine summits or GUAM organization to those of the EaP format.

At the same time, it must be admitted that Kyiv has always demonstrated interest in new financial instruments, which were proposed to the partner states in the framework of the Eastern Partnership policy (Horizon 2020, Creative Europe, SME, Erasmus Europe etc.). The European Investment Plan or financial resources under the Team Europe initiative, which provided new possibilities for cooperation under the new EU financial framework for 2021–2027 were of significant interest for the Ukrainian side.

In the process of war, the official Kyiv is interested in potentially all EU resources, which might be allocated to war-affected areas of Ukraine to recover and rebuild a normal life. Therefore cooperation with IFIs under the EaP framework might also create a real financial vehicle for the Ukrainian government. Before Ukraine officially joins the IPA instrument, it should explore all the existing EaP programs to cover current needs.

Ukraine is still interested in the EaP policy, being aware of the fact that such policy might be beneficial for other partner states to

find resources to counterbalance Russian influence in the region of Eastern Europe and South Caucasus.

Finally, Ukraine will prioritize deep and substantial integration into the European internal market and a comprehensive cooperation agenda with the EU in all sectors. It is a natural process, bearing in mind overwhelming support among citizens of Ukraine for joining the EU. In October 2022, opinion polls in Ukraine demonstrated over 90% of popular support for the EU's membership in Ukraine (Rating Group agency).

Entering the accession process as a candidate country will further decrease the relevance of the multilateral EaP architecture for Ukraine.

Ukraine's vision of the updated EaP policy

The new status of Ukraine, Moldova and, soon, Georgia in relations with the EU emphasizes the update that the policy of the Eastern Partnership demands. This format of relations should not come into conflict with the aspirations of Kyiv, Chisinau and Tbilisi to become part of the United Europe and cannot be a substitute to the membership. However, Ukraine is interested in preserving and developing this policy as a tool for establishing regional stability and guaranteeing the shared prosperity of the Eastern European countries. In this context, the Ukrainian expert community sees the following essential and promising directions for the implementation of the Eastern Partnership in the future:

At the level of relations of the entire Eastern Partnership region with the EU:

- Strengthening of regional security cooperation. Nowadays, the topic of security unites almost all the states of the Eastern Partnership and is worrisome for the whole Europe. The ongoing Russian aggression poses existential risks for Ukraine, daily deaths and injuries among military

and civilians, humanitarian disasters, and the destruction of infrastructure. Armenia and Azerbaijan are looking for ways to permanent peace, which would guarantee the sustainable development of both countries and stability in the South Caucasus. Moldova and Georgia are still dealing with the problems associated with the presence of the Russian threat coming from their temporarily occupied territories.

Due to the different nature of the challenges faced by the states and the peculiarities of their foreign policy orientations, it is currently impossible to find a common regional security denominator. However, the Eastern Partnership could help to set contacts and to solve problems related to soft security and the consequences of hostilities, including joint initiatives for the rehabilitation and reintegration of veterans and refugees, demining areas, restoring destroyed infrastructure, and focusing on programs and facilities that would guarantee the personal safety of citizens. Investing in developing good governance and justice mechanisms should also be a priority in creating a stable environment in the region. In addition, within the framework of the Eastern Partnership, it is possible to create a platform for finding solutions to establish a safe environment for trade and economic activity in the Wider Black Sea region. First, it is about the joint efforts of Ukraine, Georgia, Moldova and the EU; however, Azerbaijan and Armenia may be also interested in securing this region. Also, an effective step in improving regional security cooperation could be the more active involvement of the Eastern Partnership countries in the EU PESCO Initiative. It is necessary outline the possible contribution and proposals of the states regarding this European policy. Each of the states of the region has its

own security challenges, so it is a depository of experience in minimizing or eliminating them. In addition, it is necessary to maintain the EU's attention to counteracting Russian hybrid threats in the countries of the Eastern Partnership. Moscow may consider individual countries of the region as a springboard for further undermining the continental security infrastructure.

- **Strengthening the resilience of the countries of the region to threats through a comprehensive deepening of regional cooperation.** For years, the Eastern Partnership for many actors was primarily an instrument of interaction between the EU and individual countries of Central Europe and the South Caucasus. This created the conditions under which the participants of the policy acquired varying degrees of integration and interest in the format. Security and economic challenges require the strengthening of general regional cooperation, which, however, is often hindered by individual political contradictions between the states.

In this sense, the Eastern Partnership can become a platform for deeper practical rather than political cooperation. Thus, the role of sectoral cooperation between the countries of the region is growing. It may include resources for researching opportunities and needs for the development of regional trade, creating new transport infrastructure and supporting small and medium-size enterprises, with a special emphasis on technological and digital projects. Further development of inter-expert, inter-scientific and people-to-people contacts in the region should contribute to the implementation of these projects.

Also, bearing in mind the changing conditions in the European energy market and the growing need for modernization of the sphere, **joint energy projects between the states of the region are becoming**

especially relevant. The demand for Azerbaijani energy resources is growing in the countries of Southern and, partially, Central Europe. Ukraine and Moldova are looking for the opportunities of closer cooperation in the field of electricity as well. The role of renewables is increasing in all the countries of the Eastern Partnership. These and other issues may become the focus of projects supported within the framework of the reformed Eastern Partnership.

- **Creation of a separate track of cooperation and project implementation control for Ukraine, Moldova and Georgia. Kyiv, Chisinau and Tbilisi are currently in much more advanced positions in cooperation with the EU within the framework of the Eastern Partnership than the rest of the countries in the focus of the policy.** Therefore, in matters that do not concern the deepening of regional cooperation, but concentrate on the bilateral relations of the states with the EU within the framework of the format, it is necessary to note the achievements of Ukraine, Moldova and Georgia and to create a new system for evaluating the success indicators of decisions and projects and a new system for supporting and encouraging changes.
- **Establishment of a new format of relations with representatives of the civil society of Free Belarus.** In the interests of the Eastern Partnership region and the entire EU, it is necessary to identify the actions of the regime that seized power in Belarus as a threat to common regional security. Countering its aggressive and treacherous policy and creating conditions for stability in Central Europe requires the active support of the civil society of Free Belarus. At the same time, it should be recognised that the implementation of EU approaches applied to the other countries of the Eastern Partnership

is irrelevant in the case of Belarus. In fact, nowadays the country cannot be a contributor to the improvement of regional cooperation except at the interpersonal level.

At the level of bilateral cooperation between Ukraine and the EU within the framework of the Eastern Partnership:

- **Stable support to Ukraine during active hostilities and during the country's recovery.** While countering the Russian invasion, the Ukrainian state cannot function without stable foreign aid. The most important issues – such as support for the defence sector, the social sector and the reconstruction of critical infrastructure – are generally secured via contacts at the highest level. However, there are still topical problems that are not adequately resourced e.g. targeted humanitarian assistance to victims of hostilities, providing internally displaced persons with job positions and income, supporting educational institutions and students who cannot fully carry out their activities due to the war, and many other issues. Overcoming these challenges, which are not part of the priority level of international aid to Ukraine, could be prioritized by the Eastern Partnership policy.

In this regard, the fact that Ukraine proves its readiness and will to continue participating in EU programs supporting small and medium-size enterprises, Horizon Europe, Creative Europe and others is important. These initiatives are essential for maintaining the integrity of Ukrainian society and its ability to further contribute to the development and reconstruction of Ukraine.

- **Use of Ukrainian proposals and scientific developments in joint European defence procurement.** By successfully resisting Russian aggression, Ukraine proved that it is an important

contributor to the security system of the whole of Europe. The involvement of Ukrainian manufacturers and developers of defence equipment and technologies in the procurement of security structures of European countries would be a logical continuation of this fact and may eventually strengthen the region's resistance to threats and resilience. Moreover, such a step, through international cooperation and improvement of the work of the relevant industrial sector, could strengthen the defence capability of Ukraine itself in the long term.

At the level of bilateral cooperation between countries within the framework of the Eastern Partnership:

- **Implementation of infrastructure projects between the individual countries of the Eastern Partnership.**

There are many opportunities for the implementation of bilateral initiatives between the states of the region, which could solve their critical problems and spill over to other states of the policy. For example, strengthening the stability of Ukraine and Moldova requires the development of transport and energy infrastructure between the two countries. Since these two countries are in the more advanced positions in relations with the EU, the implementation of joint projects between them could become the first example for similar successful initiatives in other Eastern Partnership states.



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