



EASTERN PARTNERSHIP

A POLICY THAT DELIVERS

BRUSSELS, 21 MAY 2015



The Eastern Partnership, a joint undertaking of the EU and its Eastern European partners Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine, has advanced in concrete terms across a range of bilateral and multilateral cooperation areas since the 2013 summit in Vilnius.

The signing, provisional application and first steps in implementation of the most ambitious ever bilateral **Association Agreements including a Deep and Comprehensive Free Trade Area** (AA/DCFTAs) with Georgia, the Republic of Moldova and Ukraine have brought the EU's relations with these countries to new levels. The focus is now on the implementation of these agreements, through reforms, to unlock a broad range of concrete benefits. A majority of the EU Member States have already ratified the AA/DCFTAs.



Provisional application of DCFTAs has shown an increase in **trade**, which is an important engine for growth:

The overall trade figures for 2014 are very positive for imports from Moldova, which increased by 20% on the year-on-year basis, while Moldova's total trade volume increased by 8% on a year-on year basis.

- Georgian exports to the EU rose by 12% in the first six months of the DCFTA. EU exports to Georgia have remained stable and there has been no sudden increase.

- Trade with Moldova is increasing significantly, thanks to Moldovan exports. A sharp rise in trade began already in 2014, prior to the signature of the Association Agreement. EU imports from Moldova rose by 20% overall and imports of agricultural products by over 30%. EU exports to Moldova remain stable and there has been no sudden increase.

- Trade facilitation actions continued with the signature of the **Strategic Framework for EU-Georgia Customs Cooperation** in March 2015 and the ratification under way in Moldova of the **Pan-Euro-Mediterranean regional convention on rules of origin**. This will make trade in goods easier and will simplify customs procedures.

- To support the implementation of DCFTAs a special **DCFTA Facility for Small and Medium-sized Enterprises** was created to unlock new investments in Georgia, Moldova and Ukraine.

Against the background of the conflict in eastern Ukraine and its difficult economic situation, the EU has stepped-up its **engagement with Ukraine** providing consistent political, financial and economic support in a short space of time.

- In March 2014 the EU adopted a comprehensive financial package of EUR 11 billion to help the reform process in Ukraine. Since then, the EU and European Financial Institutions have delivered EUR 6 billion, including the additional Macro-Financial Assistance package of 1.8 billion in 2015.

- In April 2014 the EU granted **Autonomous Trade Measures** to Ukraine.

- The EU has also provided substantial humanitarian assistance to Ukraine amounting, together with its Member States, to EUR 100 million.

- As part of its comprehensive engagement with Ukraine, the EU also brokered a **winter energy** deal between Russia and Ukraine and is actively supporting a new, lasting deal in view of the next winter. Energy sector reform will continue with enhancing the energy efficiency and restructuring of Naftogas.

- The EU has deployed an Advisory Mission to assist Ukraine in its efforts of reforming the civilian **security sector**. The European Commission also created a group of experts to support the reform process in Ukraine – the Support Group for Ukraine.

The EU and **Armenia** have reached an understanding on the scope of their **future contractual** relations that take into account the other international commitments of Armenia, in particular its decision to join the Eurasian Economic Union (EEU). The European Commission adopted on 19 May a proposal to the Council for a new mandate, paving the way for negotiation of a new agreement between the European Union and Armenia soon.

Enhanced mobility of citizens in a secure and well-managed environment remains a core objective of the Eastern Partnership.

- A successful **visa free regime introduced with Moldova** since April 2014 is an example of progress achieved on the agenda of visa liberalisation and enhancing mobility with our Eastern Partners and facilitating travel, business, education and training, and people-to-people contacts. Over the past year, nearly half a million Moldovans have travelled visa free to the EU.

- The summit will also note the substantial progress achieved by Georgia and Ukraine in implementing their **Visa Liberalisation Action Plans**. Provided they continue with the required reforms, the Commission will conduct a further assessment by the end of this year.

- Negotiations with Belarus on Visa Facilitation and Readmission Agreements are near completion and signing of the Mobility Partnership Declaration is foreseen in June.

Partner countries' association with a number of EU Agencies and programmes, such as Horizon 2020, Creative Europe and COSME, has broadened considerably over the last year. The Erasmus+ programme has been opened to the EaP partners.

- **Erasmus+** (exchanges in the higher education): a call for proposals was opened to all EaP countries with results to be published in summer. Under the Erasmus+ we expect to fund more than 15,900 mobilities of EaP nationals from 2014 to 2020.

- **Creative Europe** (promoting media and artistic creation): Georgia participates since February 2015; Moldova and Ukraine are joining in the course of this year.

- **COSME** (for SMEs networking): Moldova is participating since February 2015; Ukraine and Armenia are exploring their participation.

- **Horizon 2020** (allowing for joint research programmes): Moldova is associated since January 2014; Ukraine since January 2015; progress towards associating Georgia and Armenia.

Energy interconnections in the Eastern Partnership region have been enhanced since the Vilnius summit.

- Natural gas **reverse flow capacities** to Ukraine from Hungary, Poland and Slovakia have been enabled.

- Work has advanced considerably on the **Southern Gas Corridor**, on the expansion of the South Caucasus Pipeline, the Trans-Anatolian Pipeline and the Trans-Adriatic Pipeline.

- **Iasi-Ungheni gas interconnector** has been inaugurated last year and preliminary work started on electricity interconnector Issacea-Vulcanesti.

- A Cooperation Arrangement between the European Commission and Belarus on an Early Warning Mechanism in the area of energy has been finalised.

To the existing EaP Flagship Initiatives in areas such as border management, civil protection, SMEs, environment and energy a **new Flagship Initiative on sustainable municipal development** will be added, increasing the number of projects that bring closer to citizens the benefits of cooperation with the EU.

The EU has made a substantial financial commitment to the Eastern Partnership in support of the agreed reforms in the partner countries.

- Since the launch of the EaP, the EU has made **EUR 3.2 billion** available to partner countries. In 2014 alone, EUR 730 million have been provided by the European Neighbourhood Instrument.

- **Moldova** is one of the highest recipients of EU aid per capita worldwide, with new bilateral commitments in 2014 of EUR 131 million and bilateral assistance in 2014-2017 of **up to EUR 410 million**.

- For **Georgia**, the EU has substantially increased its bilateral assistance from EUR 180 million in 2011-13 to **up to EUR 410 million** in the period 2014-17. In addition, Macro-Financial Assistance of EUR 46 million was mobilised for Georgia with first EUR 23 million already paid.

- **SMEs** in Georgia, Moldova and Ukraine will also benefit from the newly created **DCFTA Facility** for SMEs, where EUR 200 million grant from the EU budget will combine with loans from the European Financing Institutions (notably, EBRD and EIB) in order to unlock up to EUR 2 billion of new investments in the three countries.

Finally, a number of Eastern Partnership Ministerial meetings leading up to the summit is a proof of further strengthening of **sectoral cooperation**:

- Justice and Home Affairs Ministers in January discussed closer cooperation of the law enforcement institutions, establishing efficient mechanisms to **fight corruption** and strengthening the independence of judges and prosecutors.

- Trade Ministers in May discussed achievements in the area of trade and the opportunities and challenges to the further development of a **successful trade** dimension of the Eastern Partnership.

- Ministerial meeting on Digital Markets foreseen in June will launch a new area of cooperation that is of interest to both the partner countries, as well as the EU Member states.

- High level conference on **Health** in March discussed cooperation in fighting Tuberculosis and its multi-drug resistance.

- High level conference on **Agriculture** in April considered best practices on rural and agricultural advisory systems.

- A high level Informal Partnership Dialogue focussed on **Environment** is being prepared for June in Minsk.

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