

EU-Georgia

Association Agreement

“What does the Agreement offer?”

++++ The Association Agreement in a nutshell:

- > The Association Agreement (AA) aims to deepen political and economic relations between Georgia and the EU, and to gradually integrate Georgia into the EU Internal Market-the largest single market in the world. This includes the setting up of a Deep and Comprehensive Free Trade Area (DCFTA), which is a core part of the Agreement.
- > The AA is a concrete way to activate the potential of EU-Georgian relations, focusing on support to core reforms, on economic recovery and growth, governance and sector cooperation.
- > The AA constitutes a reform agenda for Georgia, based around a comprehensive programme of Georgia's approximation of its legislation to EU norms, around which all partners of Georgia can align themselves and focus their assistance.
- > The AA negotiations were not a stand-alone exercise. EU assistance to Georgia is linked with the reform agenda as it emerges from the result of negotiations.

++++ Basic principles:

The EU-Georgia Association Agreement is part of a new generation of Association Agreements with Eastern Partnership countries and provides a **long-term foundation for future EU-Georgia relations** without excluding any possible future developments in line with the Treaty on European Union.

From the outset, it was agreed that the Agreement should take an ambitious and innovative approach, include a Deep and Comprehensive Free Trade Area and go qualitatively beyond the current Partnership and Cooperation Agreement (PCA) wherever possible. It contains binding, rule-based provisions and cooperation developed further than in traditional agreements and it is wide-ranging, covering all areas of interest.

Special attention has been given to implementation and subsequent enforcement issues, including clear timelines and the establishment of an appropriate administrative and institutional structure, so as to create the necessary predictability for economic operators.

++++ Key elements:

This ambitious and pioneering Agreement represents a concrete way to exploit the dynamics in EU-Georgia relations, focusing on support to core reforms, on economic recovery and growth, governance and sector cooperation in areas such as, for example, energy, transport, environment protection, industrial and small and medium enterprise cooperation, social development and protection, equal rights, consumer protection, education, training and youth as well as cultural cooperation.

Key elements include:

- > **Values and Principles**: : common values, namely democracy, respect for human rights and fundamental freedoms as well as the rule of law, a market economy and sustainable development;
- > **Enhanced cooperation in foreign and security policy**, with the focus on regional issues, weapons of mass destruction (WMD), non-proliferation and disarmament, conflict prevention, and crisis management;
- > **A DCFTA**, which goes significantly further than classical forms of economic integration, offering not only improved trade and investment opportunities but also assistance in trade-related reforms with the aim to contribute to economic recovery and growth and to better integration of the Georgian economy with the world markets;
- > **Justice, Freedom and Security**, covering the rule of law and respect for human rights and fundamental freedoms, protection of personal data, cooperation on migration, the fight against money laundering and terrorism, illicit drugs, and the fight against organised crime and corruption;
- > **Enhanced cooperation in some 28 key sector policy areas**, including in the fields of: economic dialogue; management of public finances and financial control; taxation; statistics; transport; energy cooperation; environment; climate action; industrial and enterprise policy and mining; company law, accounting and auditing and corporate governance; financial services; cooperation in the field of information society; tourism; agriculture and rural development; fisheries and maritime governance; cooperation in research, technological development and demonstration; consumer policy; employment, social policy and equal opportunities; public health; education, training and youth; cooperation in the cultural field; cooperation in the audiovisual and media fields; cooperation in the field of sport and physical activity; civil society cooperation; regional development, cross-border and regional level cooperation; civil protection based on **gradual approximation with the EU acquis and also** – where relevant – with international norms and standards.

++++ How will citizens benefit from the Association Agreement?

Once signed and implemented, concrete benefits can flow from the Agreement. Examples include the better protection of consumers through the higher quality and improved safety of locally-grown agricultural products; better business opportunities for small- and medium-sized enterprises through the opening of markets; better access to improved health services; and energy savings thanks to more efficient use of energy resources and the development of renewable energy sources; a better functioning judiciary and thanks to the strengthened rule of law, demanding accountability rules for public decision-makers and increased transparency.

++++ State of Play and content of the Association Agreement

On 29 November 2013 the EU and Georgia initialled the text of the Association Agreement, which included provisions on the establishment of a DCFTA as an integral part. Both sides expressed their common commitment to undertake further technical steps, required to prepare the Association Agreement, including the DCFTA for signature.

In June 2014 the EU and Georgia signed an Association Agreement, which includes a Deep and Comprehensive Free Trade Area (AA/DCFTA). The Agreement significantly deepens political and economic ties with the EU in the framework of the Eastern Partnership. It replaces the Partnership and Cooperation Agreement, the previous basis for EU-Georgia bilateral relations since 1999.

The EU-Georgia Association Agreement counts about 1000 pages and is comprised of:

- > **8 Titles which concern General Principles; Political Dialogue and Reform, Cooperation in the Field of Foreign and Security Policy; Justice, Freedom and Security; Economic Cooperation; Other Cooperation Policies; Trade and Trade-related Matters (DCFTA); Financial Assistance and Anti-Fraud and Control Provision as well as Institutional, General and Final Provisions;**
- > **34 Annexes laying down the relevant EU legislation to be taken over by a specific date; and**
- > **3 Protocols.**