



EUROPEAN
COMMISSION

HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 27.3.2014
SWD(2014) 99 final

JOINT STAFF WORKING DOCUMENT

Implementation of the European Neighbourhood Policy in 2013 Regional report : Eastern Partnership

Accompanying the document

**JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL,
THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

Neighbourhood at the Crossroads: Implementation of the European Neighbourhood Policy in 2013

{JOIN(2014) 12 final}
{SWD(2014) 69 final}
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1. INTRODUCTION

The **Eastern Partnership** (EaP) is a joint initiative of the EU and six eastern European partner countries (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova¹ and Ukraine) that aims to bring eastern European countries closer to the EU. It builds on existing bilateral relations between the EU and its partner countries and covers the eastern dimension of the European Neighbourhood Policy (ENP). It follows two parallel tracks: **bilateral and multilateral**. The bilateral dimension aims to foster closer bilateral relations between the EU and each eastern partner country. The multilateral dimension provides a forum for dialogue and exchange, through thematic platforms and flagship initiatives. It also strengthens activities in support of the EU's bilateral relationship with each of the eastern European partners. Partnership with **civil society and other stakeholders** is also a priority of the EaP. This report provides information on the progress made in 2013, since the previous report covering 2012.

Significant progress was made in implementing the Partnership in 2013. The Heads of State or Government or their representatives from the six partner countries, the representatives of the EU and Heads of State or Government and representatives of its Member States met in Vilnius on 28 to 29 November for the Eastern Partnership biennial summit. The **Vilnius Summit** constituted a significant step forward in concluding ambitious new **Association Agreements (AA)** including **Deep and Comprehensive Free Trade Areas (DCFTAs)** between the EU and some partner countries. An ambitious agenda for the way ahead, stressing the crucial necessity of implementing agreed commitments, in particular political, economic and social reforms, was agreed upon. New challenges have arisen in recent months. While the EaP is not confrontational in nature, Russia has proven extremely sensitive to developments in neighbouring countries. Partner countries are now faced with new and increasingly complex realities and pressures.

Considerable progress was made on **AAs** including **DCFTAs**. Ukraine made good progress with regard to the benchmarks for signing the Association Agreement, as set out by the Council conclusions of 10 December 2012. On 21 November 2013 Ukraine unexpectedly decided to suspend preparations for signing the Association Agreement. In the Joint Declaration of the Vilnius Summit it reiterated its commitment to signing it. Ukraine's decision sparked massive civil protests in support of political association and economic integration with the EU. Against the background of the Ukrainian political crisis and appointment of a new government, the European Commission proposed on 5 March a support package for Ukraine² to help stabilise the economic and financial situation, assist with transition, encourage political and economic reforms and support inclusive development; underpinning this approach is the ambition to help Ukraine fulfil the aspirations, which have been clearly demonstrated by citizens and civil society. Following the finalisation of the negotiations of the AAs, including DCFTAs, the **EU-Moldova** and the **EU-Georgia** AA/DCFTA were initialled in Vilnius. Negotiations on an AA/DCFTA with **Armenia** were completed. The agreement could

¹ Hereafter referred to as Moldova.

² SEC(2014)200

not be initialled however, due to Armenia's declared intention in September 2013 to join the Eurasian Customs Union comprising Russia, Belarus and Kazakhstan. Progress was made in the negotiations on an AA with **Azerbaijan**. Negotiations have now been launched between the EU and Moldova and Georgia respectively to agree Association Agendas to help prepare and implement the AA/DCFTAs.

With regard to **citizens' mobility** in a secure, well managed environment, the EU made progress towards the goal of visa liberalisation for short-term travel with five of the six eastern European countries. Moldova concluded its Visa Dialogue with the EU. In addition, negotiations for visa facilitation and readmission agreements with Belarus have now begun.

In Vilnius, participants welcomed efforts undertaken to enhance the Eastern Partnership awareness, stressing the need to intensify implementation of the **Visibility Strategy** including with the involvement of civil society. They called for further awareness raising efforts regarding the Eastern Partnership in Eastern European partners. Summit participants invited EU institutions, EU Member States, Eastern European partners and other stakeholders to contribute to the Eastern Partnership Visibility Strategy implementation by further informing society in partner countries and in the EU of the benefits derived from the Partnership, the implementation of the Agreements concluded in the framework of the Partnership for citizens, businesses and society as a whole.

In the coming period, the Commission and the High Representative will pursue the implementation of commitments set out in the Joint Declaration of the Eastern Partnership Summit in Vilnius, with particular reference to five priority areas.

a) Political association/economic integration

In order to consolidate and develop the processes of political association and economic integration, the EU will:

- work with partner countries to prepare and implement Association Agreements (AA) including DCFTAs;
- support partner country accession to the regional Convention on pan-Euro-Mediterranean preferential rules of origin and the Common Transit Convention;
- work with Partner Countries on strengthening the business dimension of the Eastern Partnership including through improving the business environment in partner countries to the benefit of local, regional and European SMEs and businesses; and
- conduct a feasibility study in due time regarding the creation of an economic area in light of implementation of relevant parts of the Vilnius Summit Declaration and the AAs/ DCFTAs.

b) Migration and mobility

Further advances on the mobility agenda are another priority for the period leading up to the next Eastern Partnership Summit in the first half of 2015. The EU will continue to support progress towards visa-facilitation, and visa-free regimes for individual partner

countries on a case-by-case basis provided that conditions for well-managed and secure mobility are in place. There is a clear and tailored agenda for each partner in this respect.

c) Interconnections and networks

Enhancing interconnectedness between the EU and partner countries in a variety of forms is a key tenet of the Eastern Partnership. In this regard:

- the Commission will carry forward work on transport and energy networks and pursue cooperation including through the Connect Europe Facility;
- the Commission and the High Representative will further examine ways to enhance mutual energy security between the EU and partner countries;
- collaboration with the international financial institutions (IFIs) is important to advancing our common agenda;
- support in the area of electronic communications regulation and the promotion of related policies with a view to creating interoperable cross-border services.

d) Connecting with people

Building the common area of shared democracy, prosperity and stability endorsed in Vilnius requires the active engagement of societies as a whole. Of great relevance moving forward will be:

- people-to-people exchanges, reinforced through the Erasmus+, Creative Europe, and Marie Skłodowska-Curie fellowships in the Horizon 2020 programmes;
- working more closely with stakeholders, including civil society, national parliaments, and local/regional authorities; and
- pursuing the implementation of the Eastern Partnership visibility strategy.
- further development of a Common Knowledge and Innovation Space (CKIS) linked to the Europe 2020 Smart Growth initiatives and in particular the Innovation Union flagship initiative to facilitate partner countries' integration into the European Research Area, and support work on the enhancement of framework conditions (including regulatory aspects and development of electronic infrastructures for education and research) to advance in the implementation of CKIS and enhance the participation of Eastern partners in the Horizon 2020 programme on research and innovation.

e) Underpinning common values

Irrespective of each country's degree of ambition, respect for common values is a prerequisite for the development of relations in the Eastern Partnership, consistent with the European Neighbourhood Policy (ENP) objective of deep and sustainable democracy. The Commission and High Representative will therefore prioritise activities in three areas identified in the Vilnius Declaration:

- strengthening the efficiency and independence of the judiciary;
- effectively tackling corruption; and
- implementing public administration reform.

Follow-up

The Fourth Eastern Partnership Summit, to be held in Riga, Latvia, in May 2015, will be the next occasion to formally review the implementation of the Vilnius Declaration and of the agreements concluded, and chart the way ahead. In the meantime, the EU and partner countries will assess progress at annual meetings of the Eastern Partnership foreign ministers and in informal Eastern Partnership dialogues.

2. DEEPER BILATERAL ENGAGEMENT

2.1. Political association and economic integration

Association Agreements and DCFTAs

The Association Agreements with DCFTAs will replace the **Partnership and Cooperation Agreements** concluded with the partner countries in the late 1990s (with the exception of Belarus). Each country negotiates its agreement individually with the EU. The **DCFTA** goes beyond a classical free trade agreement. It concerns not only the liberalisation of trade in goods (by lifting customs duties and abolishing trade quotas) and services, but broad provisions on establishment of companies and on the harmonisation of the partner countries' trade-related legislation with the EU *acquis communautaire* (the body of EU laws and regulations). Membership of the WTO is a precondition for entering negotiations on the DCFTA.

Ukraine: On 21 November Ukraine decided to suspend preparations for signing its Association Agreement, adducing national security interests and the need to restore lost trade with Russia and Commonwealth of Independent States (CIS) partners. In the Joint Declaration of the Vilnius Summit, it reiterated its commitment to signing the agreement. Against the background of the Ukrainian political crisis and appointment of a new government, the European Commission proposed on 5 March a support package to help Ukraine fulfil its aspirations.

Moldova: Negotiations on Moldova's AA/DCFTA were concluded in June 2013 and the EU-Moldova AA, including the DCFTA part, was initialled on 29 November 2013 at the Vilnius Summit. The intention is to sign the agreement by August 2014 at the latest.

Armenia: AA/DCFTA negotiations with Armenia were concluded in July 2013, but its Agreement, including the DCFTA, could not be initialled on account of its intention to join the Eurasian Customs Union. In a joint statement at the Vilnius Summit, the EU and Armenia reiterated their commitment to further developing their comprehensive cooperation in all areas of mutual interest within the EaP framework, stressing the importance of re-assessing the basis for their relations.

Georgia: Negotiations on Georgia's AA/DCFTA were finalised in July 2013. It initialled its agreement with the EU, including the DCFTA, at the Vilnius Summit. The intention is to sign the agreement by August 2014 at the latest.

Azerbaijan: Progress was made on negotiating an AA between the EU and Azerbaijan. The EU reiterated its readiness to launch negotiations on a DCFTA, as part of the AA, following Azerbaijan's accession to the WTO.

Belarus: The EU remains committed to a policy of critical/strategic engagement towards Belarus. This includes cooperation through the multilateral track of the EaP and technical dialogues on specific topics of mutual interest, as well as support for civil society and the Belarusian population at large. At the same time, the Council has approved the prolongation of the restrictive measures for one year. The European Dialogue for Modernisation with Belarusian society, launched on 20 March 2012, provides a forum for the free exchange of ideas for a modern Belarus. It is supported by a new two-year project that includes dialogue on a wide range of reform priorities.

Human rights dialogues

The human rights dialogues with eastern European partners cover various issues on a case-by-case basis, with certain priority issues on the agenda for every dialogue. These include the signing, ratification and implementation of international human rights instruments, adherence to international human rights procedures and mechanisms, combating torture, eliminating all forms of discrimination, children's rights, women's rights, freedom of expression and the role of civil society. In 2013, human rights dialogues were held with **Moldova, Georgia and Armenia**. In November, an ad hoc human rights experts meeting with Moldova took place, with the involvement of civil society organisations. Human rights were discussed in the justice, freedom and security sub-committee with **Ukraine** in May (and with **Azerbaijan** in February 2014). The human rights dialogues were complemented by **joint civil society seminars** in Armenia on anti-discrimination policy and in Georgia on the criminal justice system and labour law, and in Moldova with a joint seminar for the authorities on combating impunity.

Common Security and Defence Policy (CSDP)

The CSDP provides a framework for cooperation within which the EU can conduct operational missions in third countries. The aims of these missions are **peace-keeping** and strengthening **international security**. They rely on civil and military assets provided by Member States. A CSDP panel was set up to facilitate dialogue on CSDP development, including crisis management operations and exercises. At the Vilnius Summit, the Framework Participation Agreement with **Moldova** on EU-led crisis management operations was signed and entered into force. The Framework Participation Agreement with **Georgia** was also signed at the summit. The Commission is considering launching negotiations with other partners. By way of contribution to CSDP missions in 2013, **Ukraine** committed itself to extending its cooperation, including by supporting EU Naval Force Atalanta, and to contributing again to EU Battle Groups from 2014 onwards. On several occasions, **Armenia** expressed its wish to conclude a Framework Participation Agreement with the EU in order to be able to participate in CSDP missions. A formal request from Armenia would enable the EU to take the necessary steps to begin negotiations. It was agreed to hold additional discussions on CSDP cooperation with **Azerbaijan**.

Economic trends

Real GDP growth was uneven across the Eastern neighbourhood in 2013, with weak growth in Georgia, Belarus and Ukraine contrasted by rather rapid acceleration in both Azerbaijan and Moldova showing a clear improvement compared to 2012. Overall, Ukraine's flat growth led to a very weak weighted average³ of 1.3% in 2013 for the six Eastern Partners. The slowdown in the Russian economy affected Armenia, Belarus and Ukraine negatively, whereas the Georgian economy declined mainly due to domestic political tensions that saw a drop in both private investment and government spending. Conversely, activity in Azerbaijan grew by 5%, mainly in the non-oil sector as a result of government spending and transfers of energy export revenues, while strong growth in Moldova (5.5%) reflects a remarkable rebound in the large agricultural sector. Inflationary pressures remained subdued throughout the region (except for Belarus and Armenia), allowing central banks to either cut rates or keep them at already low levels. In Belarus monetary policy was kept tight to keep inflation on a declining path.

Fiscal deficits generally widened in 2013 as a result of slow growth leading to lower-than-expected fiscal revenues. In Ukraine, where the authorities refused to adjust domestic utility tariffs to move them closer to cost-recovery levels, the fiscal deficit increased to 6.5% of GDP. Azerbaijan is the only noteworthy exception where oil revenues made up 58% of total revenues in 2013 creating a fiscal surplus of 0.7% of GDP. However, when excluding oil transfers, the state budget recorded a deficit equal to 19% of GDP calling into question the long-term sustainability of the country's public finances.

At the same time, the external positions of most of the Eastern Partners improved, albeit marginally, in 2013, with the notable exceptions of Ukraine and Belarus. Armenia, Georgia and Moldova all managed to reduce their large current account deficits; Moldova largely thanks to resilient remittances. Georgia and Moldova were both helped by IMF arrangements that instilled much-needed confidence, though external debt levels increased further as a result. Ukraine's external position, on the other hand, deteriorated significantly partly due to the authorities reluctance to agree to much-needed reforms that would not only improve the trade balance, but also allow them to receive financing from the IMF. Ukraine agreed on a support package with Russia in mid-December and a first tranche of USD 3 billion was transferred before the end of the year, allowing Ukraine to meet its debt servicing needs without depleting its continuously deteriorating official reserves. Belarus' current account deteriorated to -9.4% of GDP in 2013 from -3% in 2012 due to a trade dispute with Russia, weak external demand in general and a decline in competitiveness caused by a rapid wage growth. Again, Azerbaijan represents the exception with a current account surplus equal to 16% of GDP, though the non-oil current account records a deficit equal to 17% of GDP.

Structural reform progress was mixed across the region in 2013. Ukraine reworked its PFM Strategy with accompanying Action Plan and pushed through a constitutional

³ Weights using GDP PPP 2012

amendment expanding the remit of the Accounting Chamber to audit the revenue side of the budget as well. At the same time, the authorities made no progress in the much needed gas tariff adjustments and decided to reintroduce the use of promissory notes to make VAT refund payments. In Azerbaijan the government raised various fuel product prices, increasing revenue, while in Georgia the government started increasing public spending on social protection and health, but stayed committed to fiscal consolidation. In Moldova, governance in the financial sector suffered from a number of challenges, notably a lack of transparency in the re-capitalization of some banks. The authority of the National Bank was also contested by a Constitutional Court's ruling in October 2013. Belarus adopted a Joint Action Plan on structural reforms in October. Although it contains a number of positive elements, these are mostly isolated measures that do not form a strategic vision on structural reforms. However, some progress was achieved in the area of price liberalisation and containment of credit growth.

The region placed well in the World Bank's Doing Business 2014 ranking with all six countries improving compared to the previous year. Ukraine improved the most - by 28 places; however it still remains the worst performer in the region, placing 112th out of 189 countries globally. Georgia stands out in the region as it ranks 8th in the world. Still, the fight against corruption, improving public procurement and reducing red tape and state intervention in the economy remain key challenges for the region.

Macro-Financial Assistance

The Eastern Neighbourhood countries are in principle eligible for MFA from the EU, if a programme agreed with the IMF and entailing the use of resources is in place. In 2013, the co-legislators approved a MFA programme for Georgia amounting to EUR 46 million (half in grants and half in long-term loans). The programme is based on a Commission proposal adopted in January 2011; its approval was delayed for more than two years by a disagreement between the Council and the European Parliament over the procedure to be used for the approval of the Memorandum of Understanding and was only secured after a compromise agreement was reached in May 2013. Though there is an IMF arrangement in place in Georgia it is of a precautionary nature and the authorities are not planning on drawing on the funds in the near future, thus precluding any possibility of MFA disbursements in the near future. Moreover, no disbursements were made in 2013 under the programme with Ukraine of up to EUR 610 million, in loans (under two legislative decisions, adopted in 2002 and 2010). The Memorandum of Understanding, which sets out the policy conditions for the release of the assistance, was signed in 2013 and submitted to the Ukrainian parliament for ratification though ratification has not yet happened. A request from the Armenian authorities for MFA support of an unspecified amount was received in February 2013. The Armenian authorities reached an agreement - at staff level - with the IMF for a new programme. The Commission is considering a proposal but will only finalise it following the approval of the agreement from the IMF Board (expected early March 2014).

Macroeconomic dialogue

In 2013, the macroeconomic dialogues with all six eastern partners were strengthened in line with the EaP 2012–13 Roadmap. With **Georgia, Armenia, Ukraine, Azerbaijan**

and **Moldova**, they took the form of sub-committees under the relevant Partnership and Association Agreements (PCAs). With **Belarus**, in the absence of a PCA with the EU, a technical dialogue on economic and financial issues took place.

Implementing the 'more for more' principle

The **Eastern Partnership Integration and Cooperation (EaPIC)** programme was set up in 2012 to provide incentives — in the form of increased financial assistance — for continued efforts in democratic transformation, in line with the incentive-based approach of the revised European Neighbourhood Policy (the 'more for more' principle). In 2013, three eastern European countries received additional funds under the EaPIC programme: **Moldova** (EUR 35 million), **Georgia** (EUR 27 million), and **Armenia** (EUR 25 million). The EaPIC allocations reflected key findings and recommendations of the 2012 Progress Reports on deep democracy and human rights. The additional 2013 EaPIC funding will be used to improve job market management and broaden the range of vocational education and training in **Georgia**; to boost economic opportunities in rural areas, provide support for energy reforms, and increase cooperation with the Council of Europe in **Moldova**; to improve national capacities for migration and mobility management and support civil service reform and the fight against corruption in **Armenia**.

Good progress was made in 2013 in implementing activities funded with 2012 EaPIC allocations. Thanks to additional funding in the justice sector, an institutional assessment of the Prosecutor's Office was carried out in **Georgia**, resulting in a number of recommendations which are now used as a basis for dialogue on structural reforms. New activities were launched in collaboration with the **Council of Europe** to improve detention conditions, for example by providing better prison healthcare. Additional funds also support better dialogue on monitoring the fight against ill-treatment in prisons. In **Moldova**, EaPIC additional funding contributed to job creation and business development in rural areas by facilitating access to investment grants, loan guarantees and start-up capital funds. Over 500 new rural businesses were set up in 2013.

Since its launch in 2012, the EaPIC programme has mobilised EUR 152 million of additional funding.

2.2. Migration and mobility, and other freedom and security issues

Introduction

The EaP has made a clear commitment to strengthening cooperation on **justice, freedom and security**. The first Eastern Partnership - Justice and Home Affairs Ministerial meeting took place on 7 (Justice session) and 8 October (Home Affairs session) 2013 in Luxembourg. The Home Affairs discussions focused on fight against corruption; fight against organised and transnational crime; cybercrime; and migration and mobility, and a Joint Statement was adopted.

For **Moldova, Ukraine, and Georgia** the visa liberalisation dialogues, and in particular the visa liberalisation action plans (VLAPs), proved to be key mechanisms for

implementing further structural reforms in the area of justice, freedom and security, including those aimed at strengthening the protection of fundamental rights. Progress was made on **migration** in 2013, but the need to operate modern, effective **asylum and international protection** systems has yet to be acted on in most partner countries. The **Moldovan** system is seen by some experts as one of the best in the eastern European region.

Regional cooperation projects supported by the EU focused on the protection of refugees and asylum-seekers, as well as the fight against irregular migration. **Continuous progress** was made on **border management**. Frontex signed a working arrangement with **Armenia** in February and with **Azerbaijan** in April.

Reform of the judiciary in order to ensure independence and efficiency and the fight against corruption in partner countries continued to be challenging throughout 2013. Preventing high-level corruption and ensuring that anti-corruption bodies are independent should remain a priority.

Good progress was also made on **data protection** in 2013. **Ukraine** amended its data protection law and set up an independent supervisory authority, in line with the Ombudsman's recommendations. Its remit still needs to be changed to cover the private sector too. **Georgia** appointed a data protection supervisor, who has commenced destruction of archives of illegal recordings amassed during the previous administration. Following ratification by **Armenia** of the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, all eastern European countries which are members of the Council of Europe ratified the convention.

Fighting illegal drugs continued to be high on the agenda and the EU Dialogue on Drugs with Eastern Partnership Countries took place on 16 July 2013. Regarding cooperation with European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), representative from of the Eastern Partnership Countries attended the 2nd Reitox week in May 2013 in Lisbon. The Eastern partners will participate in the EMCDDA technical cooperation two –year project starting in January 2014.

Mobility Partnerships

Mobility Partnerships provide a sound basis for dialogue and cooperation between the EU and its Member States and between the EU and non-EU countries. The focus is on four areas: i) better organising legal migration and fostering well-managed mobility; ii) preventing and combating illegal migration and eradicating trafficking in human beings; iii) maximising the development impact of migration and mobility; iv) promoting international protection and enhancing the external dimension of asylum . The Mobility Partnerships signed with **Moldova, Georgia and Armenia** were implemented in 2013, with a number of new initiatives approved. In December, the EU and **Moldova** held high-level meetings to review the progress made so far and discuss areas for future cooperation. The extended migration profile of Moldova was published in March. It is the result of more than two years of intense work done by a team of independent experts,

Moldovan government officials and the International Organisation for Migration. It was financed by the EU and its Member States. The implementation of the Mobility Partnership with **Georgia** progressed in 2013. Cooperation in the context of the EU-**Armenia** Mobility Partnership also advanced, with the commencement of the implementation of the targeted initiative project ‘Strengthening Armenia’s migration management capacities, with special focus on reintegration activities’. During 2013, talks on a Mobility Partnership with **Azerbaijan** were concluded and on 5 December the Joint Declaration was signed between Azerbaijan and the EU and eight participating Member States (the Czech Republic, Bulgaria, France, Lithuania, the Netherlands, Poland, Slovakia and Slovenia).

Visa liberalisation action plans (VLAP)

Moldova, Ukraine and Georgia are currently implementing their VLAPs. **Moldova** made substantial progress in implementing its VLAP. The Fourth and Fifth VLAP Progress Reports approved by the Commission in June and November 2013 confirm this. The Commission concluded that Moldova meets all the second-phase benchmarks. Taking into account overall relations with Moldova, on 27 November 2013 it put forward a legislative proposal to amend EC Regulation 539/2001. The European Parliament voted in February 2014 to approve this proposal, which was subsequently approved by the Council in March 2014. **Ukraine** made substantial progress in implementing its VLAP, speeding up its implementation and adopting a number of substantial legislative packages to fill the gaps identified. However, there are still a few outstanding issues for the completion of the first phase, in particular key amendments to anti-corruption and anti-discrimination legislation, finalising the legal framework for **document security** and amending the **asylum law**. Its VLAP was formally handed to **Georgia** in February 2013 and on 15 November the Commission published its First Progress Report on its implementation.⁴ According to the report, Georgia has made very good progress in implementing the first-phase VLAP benchmarks. The legislative and policy frameworks for document security, including biometrics, and for integrated border management, are almost complete. Georgia is also making good progress in implementing the benchmarks relating to migration management, asylum, public order and security, external relations and fundamental rights.

During the year under review, the VLAPs with **Moldova, Ukraine and Georgia** continued to be an effective way of advancing justice and home affairs reforms, triggering intensive cooperation and the exchange of information with the EU.

Visa facilitation and readmission agreements

The lifting of EU visa requirements for the citizens of partner states travelling to the EU is one of the Eastern Partnership’s key long-term objectives. Over the shorter term, the Partnership plans to conclude **visa facilitation agreements (VFA) and readmission agreements (RA)**. These have already been signed with **Ukraine, Moldova, Georgia and Armenia**. VFAs enable partner country citizens to benefit from quicker, simpler procedures for issuing visas and lower visa fees. RAs establish the procedures for the

⁴ COM(2013) 808 final.

return of persons (own and third-country nationals or stateless persons) in irregular situations to the EU or to the partner country in question. **Amended VFAs with Ukraine and Moldova** entered into force on 1 July 2013. Under the agreements, additional facilitations are provided to certain categories of bona fide travellers, in particular with regard to multiple entry visas with a long period of validity, and the holders of biometric service passports are exempt from the visa obligation. Implementation of the VFA **with Georgia and the RA** between the EU and **Ukraine, Moldova and Georgia** continued. **As of January 2013, Armenia granted visa-free access to EU citizens.** The EU-Armenia RA was signed on 19 April 2013 and on 9 October 2013 the European Parliament approved the readmission and visa facilitation agreements. They entered into force on 1 January 2014. **Azerbaijan** and the EU concluded negotiations on visa facilitation and readmission agreements on 29 July 2013. **The VFA was signed on 28 November 2013** at the Vilnius Summit. The RA is expected to be signed shortly after the necessary administrative procedures are completed⁵, in the course of 2014. Following **Belarus'** positive declarations at the Vilnius Summit, the EU has since launched negotiations with a view to concluding visa facilitation and readmission agreements with Belarus.

2.3. Comprehensive institution building (CIB) programmes

With the exception of Belarus, all eastern European countries benefited from **Comprehensive Institution Building** programmes aimed at providing assistance to key institutions in priority reform areas linked to the AAs, DCFTAs and the dialogue on mobility. **In 2013, several projects were ongoing in all countries.** Institutions responsible for developing and implementing national legislation compatible with EU standards on food safety controls (sanitary and phytosanitary standards), industrial standards and intellectual property rights received targeted support. The measures implemented helped partner countries set up the legal frameworks and institutional functions needed to fulfil future requirements for accessing the EU internal market under the DCFTAs. **Armenia's** CIB programme was revised in 2013. This is because institution-building support for DCFTA-related reforms is no longer a key area for cooperation and EU assistance. Assistance under the CIB programmes is provided in a wider framework of support for capacity development and institution building.

2.4. Sector Cooperation

Justice

To address these concerns, justice-related issues continued to be given prominence throughout 2013 in several political and technical fora. In parallel, wide-ranging **cooperation programmes** to support judicial reforms were ongoing in all countries except Belarus. The focus was on supporting the reform of the justice systems on the basis of nationally-owned strategies where relevant, aiming at having a long-term impact on the rule of law and the right to a fair trial. Measures to improve the protection of

⁵ The three-month period for the UK and Ireland to decide on their 'opt-in'.

human rights and anti-corruption measures were mainstreamed or integrated into the components of wider sectoral reform programmes dealing with those issues.

Some of the main results of the reforms are better **access to justice** (new court-houses, regional justice departments), better protection of the right to defence (more effective public defenders offices, School of Advocates), greater **transparency** (online publication of sentences and decisions), the introduction of **specialised juvenile justice** and better protection of **human rights** (including legislation on anti-discrimination). From the penitentiary perspective, among the main results are better rehabilitation and access to education and training and **significantly improved healthcare** in prisons and detention centres (clinics, medical sections). In addition to providing bilateral support, the EU is working with the Council of Europe to improve the judicial reform processes in the six partner countries and to bring them closer to Council of Europe and EU standards.

Regional development, including pilot regional development programmes (PRDPs)

The EU shared its **cohesion and regional development experience** with partner countries to help them address internal regional socio-economic disparities. Programmes on regional development, including pilot regional development programmes, have been or are being developed in most countries. A wide-ranging regional development programme has been in place in **Georgia** since 2011. It helps the government improve the socio-economic development of the regions and the population's living conditions. Several noteworthy results have already been achieved. The government approved regional development planning and implementation guidelines. Development strategies for all nine regions, prepared in collaboration with representatives of civil society and local authorities, were approved. Regional development councils were set up in every region, with working groups to advise them on agriculture, economic policy and education. A second regional development programme, approved in 2013, is currently being prepared to provide further support in this key sector. In 2013, **Armenia** approved a regional development support programme to ensure progress towards more balanced social and economic regional development. Under a pilot regional development programme for **Moldova** launched in 2012, a project for developing regional planning and project pipelines for north, south and central development regions, signed in October 2013, aims to help Moldova improve its economic, social and territorial cohesion. The project's focus is on developing the policy, legal, institutional and developmental framework for its regions.

Agriculture and rural development and ENPARD

Agriculture is a major economic sector for EaP countries, where a large share of the population lives in rural areas. The European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) is a EUR40 million initiative aiming to help partner countries develop and implement long-term sustainable agriculture and rural development strategies for those concerned to take full advantage of benefits of future DCFTAs and has been proposed to partner countries willing to engage in the sector. A large ENPARD programme is being implemented in **Georgia** since March 2013 and one is under preparation for **Armenia**. In **Moldova**, an ongoing EU programme supports

economic development of the rural areas and promotes small businesses, in line with the ENPARD approach. Over 500 new rural enterprises were created in 2013. Funds were also used to help farmers affected by the drought of 2012, especially in the field of agricultural insurance and irrigation. ENPARD activities involve also regional experience sharing, which started in 2013 through the exchanges of the EaP Panel on Agriculture and Rural Development.

Energy

In line with the EaP 2012–13 Roadmap, efforts continued to promote **energy efficiency** and the use of **renewables**, improve energy connections with the eastern partners and encourage them to diversify their gas supply. Both regional and bilateral programmes are supporting reforms in the energy sector. In addition to its regional capacity building components, the INOGATE⁶ ad hoc expert facility provided technical assistance on matters relating to energy market convergence and sustainable energy development at the specific request of partner countries. Energy has been one of the main priorities in EU-**Azerbaijan** cooperation. The EU support programme, which ran until the end of 2012, helped the government promote energy efficiency and the use of renewable energy sources. One of the results of the programme was the setting up of the State Agency for Renewable Energy Sources and Energy Efficiency in 2013; the government still needs to adopt an overall sector strategy. Since 2011, a wide-ranging EU cooperation programme has been promoting energy reforms in **Moldova**.

The energy strategy for **Ukraine** until 2030 was revised. Ukraine has begun implementing energy reforms in the electricity sector, bringing it closer to the EU in line with its Energy Community commitments. The joint initiative to modernise the Ukrainian gas transmission system went ahead, but further reforms are needed for the disbursement of the loan for the emergency gas transit project. Work proceeded with Ukraine to develop bi-directional gas flows for mutual energy security. The Commission has facilitated the negotiations on a Memorandum of Understanding for gas delivery to Ukraine through Slovakia. The final version of the MoU remains to be signed by the respective TSOs (transmission system operators). The **Eastern Europe Energy Efficiency and Environment Partnership**, initially opened only to **Ukraine**, was extended in 2013 to **Moldova, Georgia** and **Armenia**. Partner countries were encouraged to increase the use of renewable energy sources.

Progress was made in cooperation on **nuclear safety** with countries running nuclear power plants. Progress was also made with almost all partner countries on increasing **connections with the EU energy market**. The Energy Community made a significant contribution in this regard. It continues to attract the eastern European partner countries, as in the case of **Georgia**, with which accession negotiations were launched in February

⁶ INOGATE is an international energy co-operation programme between the EU and 12 countries (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkey (not beneficiary), Turkmenistan, Ukraine, Uzbekistan and Tajikistan). It focuses on enhancing energy security, convergence of member state energy markets on the basis of EU internal energy market principles, supporting sustainable energy development and attracting investment for energy projects of common and regional interest. The programme has been operational since 1996.

2014. In Georgia, the Black Sea Regional Transmission Network — co-financed by the EU and European financial institutions — is intended to strengthen the electricity grid in the Caucasus region and its interconnection with Turkey.

Transport

Partner countries continued to gradually integrate their transport systems with that of the EU, in line with the EaP 2012–13 Roadmap. An EU-Ukraine comprehensive air services agreement was initialled in the margins of the Vilnius Summit. Under the agreement, a **common aviation area** between Ukraine and the EU will be set up, based on common rules in important areas such as aviation safety and security. It will gradually open up to integrate other markets. At a meeting in Luxembourg in October 2013, the **EU and Eastern Partnership transport ministers** took stock of cooperation in this sector. The ministerial meeting approved the Eastern Partnership regional transport network and the list of priority projects on the network, including connections between eastern European countries themselves and with the Trans-European Transport Network (TEN-T). The **Joint Declaration of Ministers** outlined the progress made on regulatory convergence in all modes of transport, especially on market integration through aviation agreements. It also provided guidance for future cooperation in the sector. **Regional transport cooperation** progressed well. It currently focuses on improving motorways of the sea, hinterland connections, logistics centres and the safety and security of maritime and aviation transport, through TRACECA and SAFEMED programmes in particular. Support is also provided for infrastructure project prioritisation, preparation and investment promotion and regional dialogue in the transport sector.

Environment

In 2013, **cooperation on environment and climate change** improved. Progress was made in the water sector policy reform, along the lines of the EU Water Framework Directive and the principles of Integrated Water Resource Management. This was achieved thanks to the continued support provided by the EU Water Initiative at national level. It was provided through technical cooperation projects on the ground: trans-boundary river management for the Kura River Basin and the environmental protection of international river basins. Some positive results were also achieved by implementing **EU support programmes** in the form of a basin-wide cooperative approach to marine environmental monitoring in Ukraine and in the area of water supply and sanitation in Moldova. Environment, together with climate change, was recognised as a priority field for action in the Vilnius Declaration highlighting the need to pursue the process of regulatory approximation and policy convergence

Climate change

Cooperation on climate change advanced well in 2013, with partner countries preparing joint positions for the UN Conference of Parties in Warsaw in November in order to reach a global agreement on climate change in 2015. They expressed their willingness to learn from the EU's experience with regard to burden sharing and how this principle could work in an international context. The **Clima East Project** was launched in July 2013. The pilot and policy projects are expected to complement each other, with concrete action being the basis for policy and local initiatives getting national policy

support. The **Climate Change Vulnerability Assessment** for the Danube Delta in 2013 was written and endorsed by the relevant stakeholders. It will feed into the Danube Delta climate change adaptation strategy and action plan which is currently being prepared.

Education, youth and culture

Higher education was a key area for EU cooperation with eastern European countries. As part of the EU's strengthened European Neighbourhood Policy, the financial allocation for 2011–13 was almost doubled compared to previous years. Since 2007, **Erasmus Mundus** partnerships have resulted in mobility for more than 5,800 students and academic staff from the region. Nearly 160 **Tempus IV programme** projects have been recommended for funding since 2008. Independent evaluations show that both programmes have a significant impact on the higher education systems of partner countries. From 2014, they will be replaced by one programme called **Erasmus+**. An information day was organised in Kaunas to present future possibilities of the Erasmus+ programme, starting from January 2014, to students and academic staff from EaP countries starting. The Education Ministers' session of the Eastern Partnership Dialogue held in Yerevan in September highlighted the achievements of previous programmes and endorsed the objectives of the new Erasmus+ programme.

Cooperation in the area of youth took place within the **Youth in Action programme** and the dedicated EaP youth window as well as through the EaP project for capacity building in youth policy. The **EaP Youth Regional Unit** supports the capacity development of government and civil society actors in the youth sector and provided visibility for youth-related activities in the EaP. In 2012 and 2013, more than 30,000 young people and youth workers from Youth in Action and EaP partner countries participated in the **EaP window of the Youth in Action programme**, funded through a grants scheme, which finances small projects through youth exchanges, the European Voluntary Service and training and networking activities.

The Eastern Partnership **Culture Programme** continued to be implemented, with 15 small regional projects awarded to civil society cultural organisations and national and local institutions. Technical assistance addressing the specific priority needs of public institutions and the EaP region's cultural sector was also granted. In June, Georgia hosted the first Eastern Partnership ministerial conference on culture and issued the so-called "Tbilisi Declaration" conveying a strong message about a shared commitment to support culture as a driver for growth and stability in the region.

At the bilateral level, the EU supported **vocational education and training** reforms through wide-ranging budget support programmes or twinning operations. In **Armenia**, 12 colleges have been selected, renovated and equipped as regional vocational education and training centres. Since 2011, 1200 teachers and training instructors have been trained. The number of students receiving free education in vocational education and training colleges doubled in comparison to 2008. The higher education sector in **Belarus** received special support. In addition to the scholarships awarded through Erasmus Mundus, a specific scholarship scheme enables young Belarusians to study in European universities.

Economic development and support for small and medium-sized enterprises (SMEs)

Bilateral and multilateral cooperation in the area of SME policies is closely interlinked and mutually reinforces each other. The Eastern Partnership **flagship initiative on SMEs**, which aims to improve the business climate, in particular by supporting small businesses in the EaP region, was very active throughout 2013. 2013 saw the launch of the SME Competitiveness Project which assists Eastern partner countries to develop a Policy Roadmap to implement selected recommendations of the SBA Assessment. Furthermore, the STAREP (Strengthening Auditing and Reporting in the Eastern Partnership) project was launched in order to support the participating countries in their efforts to improve corporate financial reporting practices and bring them closer to EU and international standards. The SME Finance Facility continued to provide guarantee schemes for local banks to increase lending to SMEs in the region. SMEs and business support organisations in the eastern partner countries also benefitted from the East Invest programme (an active network of Business Support Organisations from the EaP region), the Enterprise Growth Programme and Business Advisory Services, a technical assistance programme that helps SMEs to grow their business and which brought already significant results. The Closing Conference of the first phase of the East Invest programme took place in Vilnius in November bringing together the members of the network that expressed their vivid interest to equally participate in the next phase of East Invest. Armenia, Moldova and Ukraine were also involved in the Enterprise Europe Network (EEN) via Business Corporation Centres. These Centres can provide advice and support to entrepreneurs wanting to establish a business, technology or research partnership with SMEs in the EU Member States as well as advice on other matters related to doing business with EU partners (EU legislation, formalities, etc.).

Common knowledge and innovation space

Progress was made in the number and diversity of collaborative research endeavours between entities in the Member States and those in the Eastern Neighbourhood. The EU **Seventh Framework Programme for research and development (FP7)** significantly contributed to the objective of developing a common knowledge and innovation space, with the participation of a total of 516 EaP research and innovation stakeholders in 309 FP7 projects. Such a high level of participation showed what high potential there is for cooperation in relation to various societal challenges and areas of technology, such as food and agriculture, sustainable energy, climate change, transport, new materials and health research. In order to increase the EaP countries' success rate in this new Framework Programme, a series of European Research Area projects have been launched to twin leading EaP research organisations with their peers in EU Member States and FP7 associated countries. In order to forge links between the research and business communities, **6 regional research-to-innovation (R2I)** projects have been selected out of the FP72013 work programme for international cooperation activities. The aim of these projects is twofold: to identify potential issues related to accelerating the commercialisation of research results and to strengthen related capacities, notably through the exchange of best practices, training and twinning activities.

In order to develop a more strategic and focused approach, a new **INCONET** website was launched in September 2013, as a reference platform for mobilising stakeholders from both the EU and the EaP countries and promoting opportunities for cooperation on

the ground. In addition, Armenia and Moldova asked for Association to the newly launched Horizon 2020 Programme for Research and Innovation, and negotiation with Moldova was launched in January 2014. Ukraine has a Science and Technology Agreement that will be renewed in 2014.

Integrated maritime policy (IMP) and fisheries

Cooperation on marine and maritime affairs between the EU and the Eastern partners from the Black Sea basin is foreseen in the Association Agreements with Georgia and the Republic of Moldova. It will allow the partner countries develop integrated maritime policy approaches and its tools in the relevant national policy areas and enhance the cooperation in the relevant regional and international marine and maritime fora.

Statistics

Statistical cooperation has been intensified through the development of a strategy for statistical cooperation with the ENP East countries for the period 2014-2020. This strategy was drafted together with the countries and aims at increasingly providing policy makers in the EU and the ENP East countries with statistical information compiled in accordance with European standards and thus comparable and of high quality. High level fora for discussion on quality management lead to increased engagement of the countries to develop quality assurance frameworks and to follow the European Statistics Code of Practice.

EU programmes and agencies

Ukraine, Moldova, Armenia and Georgia have already signed **Framework Agreements on participation in the EU programmes**, while an agreement with Azerbaijan is in the final stages of preparation. A new generation of EU programmes (2014–20) is about to be approved, with even more programmes open to the participation of eastern European countries.

3. STRENGTHENING OF MULTILATERAL COOPERATION

The EaP multilateral dimension provides a new forum for exchange and cooperation, **through four thematic platforms** to exchange best practices on matters of mutual interest: good governance, economic integration and growth, energy security, and contacts between people. They serve as forums for open discussion and include representatives from government ministries and agencies, parliaments, civil society, international organisations, international financial institutions, the private sector, as well as economic and social partners. The four Eastern Partnership thematic platforms meet twice a year to review and discuss next steps in a policy dialogue between the EU and EaP countries. A new set of 2014–17 work programmes was agreed for each platform. At the second **informal EaP dialogue** at ministerial level held in Tbilisi in February 2013, eastern European countries' foreign ministers discussed the implementation of the EaP 2012–13 Roadmap and discussed goals for the Vilnius Summit. The sectoral component under this informal dialogue, a meeting of transport ministers, prepared the ground for

the Eastern Partnership transport ministers meeting held in October in Luxembourg. The third **informal EaP dialogue** at ministerial level held in Yerevan on 13 September 2013 covered work ahead of the Vilnius Summit and cooperation afterwards. Ministerial representatives from Azerbaijan also attended the meeting. The sectoral part of this dialogue brought together ministers of education, who discussed cooperation in higher education. The meeting highlighted that a considerable amount of European funding would be available under the new Erasmus+ programme and the Marie Skłodowska-Curie Actions within the Horizon 2020 research programme.

3.1. Democracy, good governance and stability

Platform 1 aims to promote democratic principles, good governance and stability by improving key sectors of governance. In 2013, the platform's activities focused mainly on **cooperation in the area of Common Security and Defence Policy (CSDP), public administration reform, asylum and migration, improving the functioning of the judiciary and the safe management of state borders (Integrated Border Management)**. Organisers of activities on electoral standards, judicial reform, good governance, the fight against corruption and concerted action against cybercrime continued to benefit from the advice of the Council of Europe.

In 2013, a **new panel on cooperation with regard to CSDP** has been set up. The Member States organised several activities in this area throughout the year, such as a seminar on the engagement of partners in CSDP cooperation in Vilnius. A Swedish-Polish high-level course on CSDP, focused on CSDP missions and operations. A large group of participants from all six eastern European countries attended a CSDP orientation course organised by Lithuania and Austria, supported by the European Security and Defence College.

The work of the **panel on migration and asylum** in 2013 was devoted to the readmission, return and reintegration of migrants and refugees, their integration and the rights of internally displaced persons.

The EU and its partner countries stepped up their cooperation in the **fight against corruption**. The panel meeting held with the support of the Council of Europe involved over 70 participants from EaP and EUMS' public authorities and non-governmental experts. During the meeting, the participants discussed and identified a concrete set of actions to address the outstanding challenges on corruption relevant in EaP countries. The participants also suggested ways to enhance the cooperation between EU and partner countries.

The **panel on improved functioning of the judiciary** held its second meeting in June 2013 in Chisinau. It took stock of the results of the Regional Justice Reform Project on the independency and the efficiency of the judiciary and agreed on a Working Programme 2014-2017. Themes for the future include the reform of the Prosecutors' office and the role of the High Judicial Council.

The **panel on integrated border management** took stock of the good pace of implementation of the flagship initiative's training activities and pilot projects. In 2012

and 2013, 1000 border guards and customs officers benefited from training, thus fulfilling the objectives of the EaP 2012–13 Roadmap. Discussions at the panel meetings focused on integrated border management strategies and partner countries' action plans, the respect of migrants' rights at the borders and risks connected to the transit of goods. The panel approved new selection criteria for pilot projects that will be applied from 2014 onwards. A new training and capacity-building project is expected to start in early 2014. It will draw on lessons learnt from past projects.

The **panel on public administration reform** noted solid work in all areas, particularly in the areas of e-government, the transparency of asset declarations and information security policy. A new work programme is being prepared, focusing more on improving value-based public administration legislation in line with best European practices. This is being done in conjunction with the Support for Improvement in Governance and management initiative.

The Eastern Partnership **territorial cooperation support programme** conducted fact-finding, capacity building, advocacy, communication and awareness-raising activities in all the Eastern Partnership countries throughout the year to lay the ground for the Territorial Cooperation Programmes that will be launched at the 4 borders between Ukraine/Belarus, Ukraine/Moldova, Georgia/Armenia and Georgia/Azerbaijan, at the beginning of 2014. Local, regional and national authorities, as well as civil society organisations, international donors and the media were the main target groups of these activities. In addition, preparatory work to establish the programmes' Joint Decision Making Committees (JDMCs) was also undertaken in 2013. Next steps will be the inauguration of the JDMCs and the adoption of the Territorial Cooperation Programmes by the Commission.

3.2. Economic integration and convergence with EU sector policies

Platform 2 focuses on economic integration and convergence with EU sector policies. It has been seeing **more interaction** based on input and ideas provided by partner countries and other participants. This is a sign that partner countries and other stakeholders have a sense of ownership of the platform's work and that they are more involved in it than before.

The meetings held in 2013 focused on programmes, projects and studies related to competitiveness and economic matters; on economic integration issues that make a real difference for people on the ground; on future implementation of DCFTAs; on social dialogue and skills development; on participation in COSME (Programme for the Competitiveness of Enterprises and SMEs) and on economic recovery in the EU and partner countries.

The **panel meetings on transport** took care of the technical preparation of deliverables for the second eastern European transport ministers meeting held in October 2013 in Luxembourg.

The **agriculture and rural development panel** was set up, with its first meeting in May 2013 to facilitate the exchange of experiences and best practices as regards sustainable,

inclusive sector development. Discussions focused on long-term sector development strategies and the role and benefits of producer cooperation.

The discussions of the **panel on trade and trade-related regulatory cooperation** in October in Yerevan focused on the reform of systems of technical regulations and related infrastructures by looking at areas such as market surveillance, the setting up of infrastructure for conformity assessment and metrology. Partner countries appreciated the Panel on this subject and suggested to hold similar meetings in the future.

The Eastern Partnership **Network of Regulators for Electronic Communications** 1st plenary meeting took place in March in Kiev and the 2nd plenary meeting took place in October in Yerevan to strengthen the cooperation with EU in the field and exchange best practices and coordination of the regulatory reforms in the Eastern Partnership region. As a result the Network website (www.eapereg.eu) was launched and the Network Work Plan for 2014 was finalised alongside with the forward looking actions beyond 2014. Additionally, 5 EU-funded technical workshops/seminars took place in 2013, involving representatives of the Network Member' organisations.

Given that partner countries very much valued the work of the SME Panel, its mandate was extended in spring 2013 for an unlimited duration. The fourth meeting **of the panel on SME policy** took place at the end of November in Vilnius in the run-up to the Eastern Partnership summit. The panel focused on the presentation and discussion of the second round of the SBA (Small Business Act for Europe) and reviewed upcoming projects to assist SME development, especially as regards access to finance. It also discussed the impact of DCFTAs on SMEs and the idea of an EaP network of SME envoys.

Throughout 2013, several conferences, seminars and workshops took place, focusing on transport policy and customs issues, climate change, the regulation of electronic communications and professional skills matching in the context of entrepreneurship education.

3.3. Energy security

Support for reforms in energy regulation based on Eastern Partnership objectives under **Platform 3** on Energy Security continued. These efforts aim to approximate regulatory frameworks and energy policies, to support infrastructure development, interconnections and diversification of supply, as well as to promote energy efficiency and the use of renewable resources. It met twice in 2013. A second **workshop on regulatory convergence** was held in Tbilisi in June. Activities on regulatory issues will be continuing, including looking into the possibility of replicating a **twinning project** between the EU regulators and regulators in partner countries. The multilateral platform carried out activities on oil infrastructures and nuclear safety. In the context of **nuclear safety**, countries running nuclear power plants are currently conducting **nuclear power plant stress tests** with a view to implementing measures for improving nuclear safety. The stress tests are in line with the EaP 2012–13 Roadmap. The new work programme 2014-2017 confirmed the former four activities and added a fifth activity on conventional and unconventional oil and gas resources.

3.4. Contacts between people

Platform 4 supports interaction between EU citizens and those of partner countries. It focuses on students, teachers, researchers, young people, artists and cultural professionals. In 2013, the platform's work continued to be organised in a number of **EU international cooperation programmes** in higher education, youth, culture and research. At the two platform meetings held in May and November, partner countries were updated on the preparation for the **future cooperation programmes** in the areas of education and youth (**Erasmus+**), culture and media (**Creative Europe**) and research (**Horizon 2020**). The platform's members approved its work programme for the period 2014–17. The **Bologna Seminar** raised awareness about the Bologna process for Belarusian higher education institutions and students, explaining how to join the European higher education area and help modernise Belarusian higher education. **E-twinning** action for schools, supporting school collaboration through the use of ICT, was officially launched, the web portal for EaP schools was set up and the first exchanges and training sessions for the partner countries' support agencies followed.

The informal Eastern Partnership meeting had a **sectoral dialogue on education** (13 September, Yerevan). It highlighted the importance of European funding under the new **Erasmus+** programme and Marie Skłodowska-Curie Actions. The **EaP Youth Forum** (23-24 October in Kaunas) involved 250 young people, youth workers, youth researchers and youth policy makers from the Youth in Action Programme and Eastern Partnership countries. The aim of the forum was to increase recognition of youth work and non-formal education and their role for social inclusion, to showcase the Eastern Partnership Youth Window and provide information about the learning opportunities the Erasmus+ programme offers. An Information Day on Erasmus+ for higher education institutions was organised back-to-back with the youth forum and presented new opportunities for students.

The dialogue on culture under platform 4 led to the organisation of the first **EaP ministerial conference on culture** from 27 to 28 June, hosted by Georgia. A clear consensus emerged on the need to integrate culture into development agendas and to broaden dialogue on culture in the context of the Eastern Partnership. Participants agreed on the **Tbilisi Declaration**, conveying a strong message about a shared commitment to supporting culture as a driver for growth and stability in the region.

Work on **Information and Communication Technologies** (ICT) focused on mapping of EaP stakeholders, identification of research potential and priorities in the EaP region, organisation of training and assistance and enhancement of the ICT policy dialogue between the EU and EaP Countries. Information days took place in May in Kiev and in September in Yerevan aiming at enhancing EaP participation to the ICT part of Horizon 2020. Additionally, the EaP research and education community issued a joint declaration for strengthening ICT e-Infrastructure for the region and established a working group that elaborated the EPIC proposal for connecting the region together, as well as with Europe's flagship network GEANT. In this context, EaP regional workshops on e-Infrastructure took place in May in Kiev and in December in Tbilisi.

In terms of **research and innovation**, all eastern European partners continued to participate in the Seventh Framework Programme and the preparations for the next framework Horizon 2020 were made. All eastern European countries nominated FP7 contacts for Marie Skłodowska-Curie Actions. Armenia, Belarus, Moldova and Ukraine appointed FP7 legal and financial contacts. A panel on research and innovation was set up and a first meeting organised on 13 November in Brussels.

3.5. Update on flagship initiatives

Flagship initiative on integrated border management

The activities of the integrated border management flagship initiative, which aims to support exchanges of best practice among EU and EaP countries, training and capacity building and the funding of pilot projects, continued in 2013. The **EaP integrated border management flagship initiative training project** ended in June 2013. It had successfully trained almost 1 000 officers, well over the target set in the EaP Roadmap. Another project, under the leadership of FRONTEX, is currently being prepared. Support for pilot projects continued to focus on the supply of equipment and border-crossing infrastructure, complemented by a specific training component when necessary and focusing on the eastern partners' non-EU borders, where needs are greater than those along their EU borders.

Flagship initiative on prevention, preparedness and response to natural and manmade disasters (PPRD-East)

The **civil protection (PPRD) flagship initiative** focused on achieving the following objectives in its first phase: technically developing the Electronic Regional Risk Atlas, improving the disaster risks knowledge base, strengthening the countries' civil protection capacities, developing an awareness and communication strategy and analysing the gaps in the institutional and legislative frameworks to serve as a basis for the second phase of the flagship initiative.

Flagship initiative on small and medium-sized enterprises

The aim of the initiative is to provide **support for SME development** by improving the business climate, providing advisory services to SMEs, improving access to financing and enhancing the capacity of business (support) and SME organisations. The SME Flagship is active at different levels. At policy level, the EU (in cooperation with the OECD) is working on the assessment of SME policies in the EaP region based on the Small Business Act for Europe (SBA) and has issued country specific recommendations. A follow-up programme has been launched to support the implementation of these recommendations. The EU is also contributing to a World Bank programme aiming at improving the financial reporting in the region – today one of the key issues for SMEs to access financing. Additionally, the EU contributes to several SME finance facilities aiming at providing guarantee schemes for local banks to increase lending to SMEs in the region. As part of the SME Flagship, the East Invest programme has successfully created a network of EU and EaP Business Support Organisations and helps SMEs in the EaP region to access the EU market and to attract investment (more than 100 representatives

of business associations and 200 companies were already trained as part of this programme). Finally, the Enterprise Growth Programme and Business Advisory Services (EGP-BAS), implemented by the EBRD, is a programme that provides direct consultancy services to SMES aiming at growing, developing and improving their businesses – and is also part of the Flagship. To date more than 600 SMEs in the EaP have benefitted from the support of EGP-BAS with outstanding results in terms of increase of turn-over, staff and productivity gain.

Flagship initiative to promote good environmental governance

This initiative was implemented mainly through the regional programme ‘**Towards a Shared Environmental Information System Programme (SEIS) in the ENPI⁷ Region**’. The programme aims to improve the quality, timeliness and availability of environmental information and to set up an environmental information system in line with the EU’s Shared Environmental Information System. Moldova is one of the five ENP countries to have started an enhanced cooperation with the European Environment Agency (EEA). The **EaP-GREEN** project aimed to help eastern European countries shift to a greener economy by decoupling economic growth from environmental degradation and resource depletion.

Flagship initiative on regional electricity markets, energy efficiency and renewable energy sources

This initiative involved a series of technical cooperation projects delivered under the **INOGATE** programme and extending the Covenant of Mayors aiming at energy efficiency at municipal level towards cities in eastern European countries. 75 eastern European and central Asian cities joined the Covenant of Mayors until 2013. Of those, 18 have already submitted their **sustainable energy action plans**. The Covenant of Mayors provides technical assistance to strengthen capacity in the municipalities for preparing and implementing the action plans.

3.6. Cooperation with international financial institutions (IFIs)

In 2013, cooperation and coordination with IFIs continued at bilateral level (EIB and EBRD, interested Member State development agencies) and under the **Neighbourhood Investment Facility**. One country-specific high-level IFI meeting on **Ukraine** — with the participation, among others, of the World Bank and the IMF — was organised in February 2013. The second meeting, of all eastern European partners with six IFIs, took place in November, focusing on better policy coherence and better use of finance blending for implementing the EaP in the run-up to and after the Vilnius Summit. The IFIs participated in **EU strategic policy fora**, such as the Eastern Partnership panels on relevant sectors (transport, energy, SMEs). The dialogue continued with IFIs on macroeconomic developments and policies, on priority Neighbourhood Investment Facility projects which should better address EU policy priorities and key shortfalls in European strategic networks, and on the joint projects designed to improve the business

⁷ European Neighbourhood and Partnership Instrument.

environment, economic governance and access to financing for SMEs. In this respect, the EaP Business Forum held in Vilnius on 28 November provided a good opportunity for exchanging ideas and promoting investment in the six countries.

3.7. Relations with other stakeholders

The **Euronest Parliamentary Assembly (PA)** is a parliamentary forum that brings together Members of the European Parliament and elected representatives from the eastern European partner countries (except Belarus). The **Third Ordinary Session of the Euronest PA** took place on 29 May in Brussels. Four resolutions were adopted: one on regional security challenges, one on the approximation of national economic legislation, one on energy security and one on combating poverty and social exclusion. The PA also issued recommendations to the Heads of State and Government on the occasion of the Vilnius Summit and discussed financial perspectives.

The EaP launch gave a strong impetus to the EU's engagement with civil society. Following the creation of the **Civil Society Forum (CSF)** and subsequently the Neighbourhood Civil Society Facility, civil society is now a major stakeholder in the implementation of reforms and democratic changes. The **EaP Civil Society Forum (CSF)** was set up in 2009 to enrich governmental cooperation under the EaP and engage more civil society organisations from EaP countries. In 2013 the forum continued to provide input at EaP platform and panel meetings. It issued a number of statements and recommendations addressed to the partner countries' governments and the EU. It also engaged in advocacy to draw attention to developments in the eastern European partner countries.

EU support to civil society in the region has totalled **EUR 78 million** since the launch of the Eastern Partnership. Thanks to funding under the Facility, support has been provided for the involvement of civil society in a variety of sectors: oversight functions in the area of public finance policy and management, food safety reform, their policy dialogue with the parliament, election observation, environmental protection, social inclusion, local development and public policies, to name but a few sectors. The EU also supports the secretariat of the CSF and to some of its national platforms. At regional level, a technical assistance project contributes to the development of civil society organisations' develop their capacity to engage in reforms. From 4 to 5 October 2013, the **fifth annual meeting of the CSF** took place in Chisinau. It was the first of its kind to take place in a partner country. It provided a good opportunity for exchanging views on a broad range of issues and for civil society organisations from the EU and EaP countries to exchange best practices. The meeting issued several statements, including one in view of the Eastern Partnership Summit in Vilnius.

The Conference of Regions and Local Authorities of the Eastern Partnership held its annual conference in Vilnius in September. It prepared a high-level political statement for the November 2013 Vilnius Summit in the form of recommendations based on its comprehensive political report. The thrust of the recommendations related to areas of public administration reform, local and regional decentralisation and territorial cooperation.

Finally, the Eastern Partnership **Business Forum** in Vilnius followed on from the first of its kind which took place in 2011 in Sopot in Poland. Its purpose was to complement the Eastern Partnership summit on a business level. It brought together key representatives of the business community and of governments to discuss strategic issues ranging from further boosting trade, foreign direct investment, boosting SMEs and developing infrastructure for business success. It also afforded the business community of the Eastern Partnership region and the EU the opportunity to exchange views and to network. It was broadly supported by Member States, partner countries and civil society stakeholders alike.