

Moldova, Ukraine and Georgia: what has been done after the decisive Eastern Partnership Summit in Vilnius in 2013?

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1. Introduction

The Eastern Partnership was launched during the Prague Summit in 2009 by two EU member states - Poland and Sweden - with an aim to bring Ukraine, Armenia, Moldova, Belarus, Georgia and Azerbaijan closer to the European Union through political association and economic integration that already have helped earlier Central European and Baltic countries on their way towards democratic transition and membership in the European Union.¹ Promoting regional stability through institutional building and trade agreement is on the agenda of the Eastern Partnership (EaP). The main objectives of the EaP are to introduce political association and economic integration of the six countries. However, the EaP has also been criticized for the common approach towards the EaP countries by applying the same conditions without taking into consideration the countries' size and particular characteristics.² The EaP includes two important agreements – the Association Agreement (AA) and the Deep and Comprehensive Free Trade Area (DCFTA), which entail a number of reforms, aimed at promoting a closer relationship with the European Union and improving the countries' standards, legislation and way of life.³

2. What do the Association Agreement and the Deep and Comprehensive Free Trade Area (DCFTA) mean for Moldova, Georgia and Ukraine

The Association Agreement opens the door to European integration „without the institutions“. These agreements determine the criteria and conditions, which the EaP countries are supposed to fulfill in order to come closer to the EU. Moldova and Georgia introduced higher safety and

quality standards of agricultural products from local regions with the aim to protect consumers and increase the competitiveness as well as to promote a transition into a market economy. One of the main goals of the AA is to open access to new markets, which will provide more opportunities for business and cooperation for entrepreneurs. More entrepreneurial opportunities will secure inland employment market and diminish labour migration outside Georgia and Moldova. Moreover, such benefits as an access to modern sustainable technologies for energy saving and smart usage of renewable energy sources will help to reduce energy bills in the long run. Finally, a focus on a strengthening and prioritizing of the rule of law, democracy, detection and the fight of corruption as well as increasing the transparency in bureaucracy will improve the chances of Moldova and Georgia of joining the EU in the future.⁴

Signing the AA presumes a number of important key elements, which should be fulfilled by the partnership countries. The AA key elements consist of respect of common European values such as democracy, transparency and human rights, but also the sustainable energy security and a market economy. Moreover other AA important elements are justice, freedom and security with a focus on the rule of law, fight against terrorism, drugs, corruption, shadow economy and illegal migration. Finally, widened cooperation in main policy areas, which cover spheres of public administration, public health, civil protection, taxation, environment and climate protection, technological and educational development and many other not less important areas also belong to AA elements.⁵

Another key element of the AA consists of the DCFTA (Deep and Comprehensive Free Trade Area). For Moldova and Georgia, which signed the AA, DCFTA implies an increased opportunity for economic integration, trade, investments as well as support in the process of an implementation of a wide range of economic reforms, which are of high importance for Eastern European countries. DCFTA should increase integration of Moldovan and Georgian economies on the European and world economic and trade arena and provide better opportunities for import and export relations of these countries.⁶ Ukraine, in fact, signed only the political provision of the AA on the 21st of March 2014 with a further intention to proceed with other parts of the AA in the future in order to complete the whole range of remaining parts and to catch up with its two foregoers Georgia and Moldova.⁷ By signing the political provision Ukraine confirmed its intention to develop further political and economic integration with the EU.

The DCFTA has also a provisional application, which is delayed in the case of Ukraine until the 1st of January 2016. Even though until today the AA has been signed partially due to the ongoing Ukrainian conflict, it was considered as a great success domestically on the 15th of December 2014, when the first Ukrainian AA meeting was conducted and the democracy challenges in Ukraine were broadly discussed.⁸

3. Eurasian Union vs European Union?

Moldova, Georgia and Ukraine are all members of the former Soviet Union. Unlike other former Soviet counterparts such as Belarus, Armenia, Kazakhstan and Russia, Moldova, Ukraine and Georgia

declined to join the Customs Union (CU), which was initiated by Russian president Vladimir Putin and entered into force in 2010. In 2015 the CU became the Eurasian Union. Russia previously strived to create a united customs trade zone with members of the Commonwealth of Independent States (CIS) but has not succeeded.⁹ In comparison to the EU, where the goals for member states are set up from a long term perspective and equal participation, the Eurasian Union aims to unite former Soviet Union countries under the Russian aegis.¹⁰

Signing the AA as well as the DCFTA implies for Ukraine, Georgia and Moldova a step towards introduction of the EU's legal framework and the promotion of the rule of law, which is presently undermined in all countries of the former Soviet territory. It also means a first step to an eventual integration with the EU market in the long run, which contradicts to Russian interests.¹¹ Thus, the events that followed the Vilnius Summit are linked to strong Russian interests and resulted from the struggle for influence over former Soviet space.

4. After the Vilnius Summit: the case of Moldova

Moldova has not faced similar democratic revolutionary development as in Georgia and Ukraine, although it has another similarity in common with those two countries – a frozen conflict in Transnistria, on the Eastern Moldovan boarder with Ukraine. Transnistria, like Crimea in Ukraine and Abkhazia and South Ossetia in Georgia, has always been a stone of stumbling in Moldavian history since the independence. The reasons for it are rooted in complicated relations to its geographical homeland and the ties to Russia, like it is in the case of Crimea as well as in Abkhazia and South Ossetia, where Russia has shown clear attempts of hard power and influence. Russian interests in the abovementioned regions in Georgia and Ukraine resulted in the annexation of the Crimean peninsula by Russia through a referendum in violation of the Ukrainian constitution in spring 2014. Meanwhile the Transnistrian Parlia-

ment on the Eastern Moldovan border started an orientation towards possible reunification with the Russian Federation.

Due to its small territorial size and strategic location, Moldova offers an interesting perspective for the EU. The Moldavian political system, undermined by an ongoing conflict in Transnistria, is constantly facing a number of challenges.¹² Nevertheless, the Moldavian government took a clear direction towards European integration. In comparison to other Eastern Partnership countries such as Belarus and Azerbaijan, Moldova was among those, that appeared to be relatively eligible for the AA and DCFTA alongside with Ukraine, Armenia and Georgia. Thus, according to the assessment of the EU through the criteria of reforms in the legal sector, promoting democracy and good governance, free movement of labour and immigrants as well as markets' opening up showed that Moldova as well as Georgia achieved good progress. The changes are visible in terms of human rights, freedom and democracy ranking, which also matched up with data from Freedom House, showing that Moldova, Georgia, Ukraine and Armenia are "partly free", whereas Belarus and Azerbaijan are "not free" when it comes to human rights, freedom and democracy.¹³

Signing the AA and DCFTA in Vilnius in 2013 brought already some significant changes for Moldova. In spite of being a country outside the EU, the situation for Moldavian citizens in terms of visas has changed.¹⁴ After the Summit in Vilnius, Moldavian citizens are no longer required a visa entry within the Schengen zone in the EU. Through remaining "third country nationals" or "non EU foreign nationals", citizens of Moldova can travel to countries of the Schengen zone for 90 days within a 180- day period.¹⁵ Regulations on visa requirements imply a very significant factor for Moldavian citizens. However, even though a facilitation on visa-free Schengen entry does not mean residence or labour permit, it is still of big importance for students, young people, NGO activists, entrepreneurs and researchers

from Moldova. In comparison to Moldova, the negotiations in Georgia and Ukraine regarding visa free entry to the Schengen zone are still ongoing.

Another significant change, which Moldova experienced after the Vilnius Summit is decreased reliance on the Russian market, which fell from 80% to 25%.¹⁶ Moldova suffered repeatedly due to Russian bans on Moldavian wine exports in the past, numerous embargoes and threats to cut off energy supplies, which could influence the prices for Moldavian customers during winter period. In spite of these Russian threats, Moldova feels now more secure to follow the European path rather than the Russian, as in the end it is not dependent on energy supplies to such an extent as Ukraine and finds its alternatives in energy supplying from Azerbaijan and Romania.¹⁷

Today the EU takes the first place for Moldova when it comes to trading partnership and investing. 45.4% of Moldavian trade falls on the EU, 25.5% on Russia and 11.8% on Ukraine.¹⁸ Compared to other countries, the trade of the EU with Moldova accounts 0.1% of the all trade volume. During the first five months of 2014 Moldavian exports to the EU increased by 22.5% in comparison to the same period in 2013 and decreased drastically by 18.8% to Russia.¹⁹ The orientation of Moldavian goods for export is changing continuously and shows that Moldavian exporters try to adjust to the EU market by focusing on oil, fats, animal feed and chemicals of organic origins. The main export group from the EU to Moldova consists of tooling, machinery, chemical and mineral products and transport equipment. The Regulation on the export of Moldavian wine - one of the biggest export branches in Moldova, received its correction and improvement by extension of duty-free treatment. This regulation will be valid until the end of 2015 in order to support and prepare Moldavian business sphere to adjust to DCFTA and Autonomous Preference. Autonomous Trade Preference gives an opportunity to Moldova to have an unlimited duty-free access to the EU market and its products

until the end of 2015 and allows the Moldavian exporters to choose the customs preference regime for their goods.²⁰

5. After the Vilnius Summit: the case of Georgia

Being at the crossroads between Russia and Europe, Georgia took a European direction after the war with Russia in 2008. Georgia has a similar story as Moldova regarding the relations with Russia and its strive to control the Georgian political situation in the past as well as its trade relations with Russia. Georgia, due to its Rose revolution in 2003 and later on a war with Russia in 2008, has also a similar profile to Ukraine in terms of political relations with Russia. The Georgian opposition came out as a defender of rights for democracy and urged Georgia to sign the AA with the EU in 2013.

After the Russo - Georgian war in Georgia in 2008, Russia recognized the independence of Georgian separatists' regions of Abkhazia and South Ossetia, but at the same time increased its military presence in those two regions, which discouraged the members of NATO to invite Georgia to join the alliance despite the previous negotiations. Even though Georgia has lost its opportunity to join NATO, the country sent troops to Afghanistan. In support of the NATO mission, Georgia became one of the countries with a high number of troops deployed in the area, which contributed to the International Security Assistance Force. Also Georgian membership in NATO is still an open issue.

In fact, if one compares to Moldova (Transnistria), where the ceasefire agreement was signed in 1992 in order to regulate mass disturbances in Transnistria, there are still tensions on Georgian territory. It can be explained by the fact that the agreement's main points were constantly violated and were followed only formally on paper. Abkhazia and South Ossetia after a war between Georgia and Russia in 2008 remained on the crossroads between

Russia and Georgia, keeping an aborted conflict in a condition of a "sleeping bear".

Having experienced numerous Russian bans on Georgian wine, certain fruits, vegetables and mineral water, followed by a trade embargo, Georgia successfully showed a good example on changing orientation towards the EU despite of big losses in trade with Russia due to Georgia's European orientation. After Georgia had signed the DCFTA, Russia showed its concern about a possible threat to its market, as after the DCFTA the EU goods could be exported to Russia via Georgia.²¹

The negotiations on the facilitation of visa-free Schengen entry for Georgian citizens began in June 2012, followed by Visa Liberalisation Action Plan in 2013 and continuous work on completing the Plan is still ongoing. It implies that visa facilitation goal for Georgian citizens is still not achievable at the moment in comparison to Moldova.

By signing the AA and the DCFTA Georgia started to receive gradual support from the EU. First of all it is reflected in the Framework Agreement on common security and defence policy operations (CSDP), which came into effect in March 2014. As it was mentioned before, despite not being a NATO member, Georgia contributes to international Security Assistance Force by providing troops for training. Besides, within the Framework Agreement in 2014, Georgia contributed with 150 light infantry troops in the Central African Republic and sent two experts to Mali within the European Union Trading Mission (EUTM).²²

The EU provided assistance in promoting reforms for Georgia in areas such as public sector, justice, democracy, human rights, rural development and agriculture. This assistance is supported by coordination of laws in Georgia with the EU legislation within all areas, facilitation and empowerment of the civil society movement and the implementation of the AA and the DCFTA itself.

6. After the Vilnius Summit: the case of Ukraine

The Orange Revolution in Ukraine in 2004 brought changes in direction of the country's democracy vectors. The Orange Revolution contributed to rising an awareness within the Ukrainian society about European values and democracy. When the Eastern Partnership was initiated during the first Summit in Prague in 2009, Ukraine became its member along with Armenia, Moldova, Belarus, Georgia and Azerbaijan.

Later on in 2013 during the EaP Summit in Vilnius, Ukraine together with Armenia changed its agenda, choosing not to follow the EU Eastern Partnership direction and not to sign the AA. Nevertheless, the AA in 2014 replaced the EU-Ukraine Partnership and Cooperation Agreement, signed in 1998.

The AA plays an important role for Ukraine and its legal foundation for the future development of the bilateral relationships between Ukraine and the EU. Signing the AA implies changing direction for Ukraine towards common values of the EU countries, respecting human rights and freedoms, the rule of law and building good governance. Signing the DCFTA implies for Ukraine changes in its trade and economic systems, the conduction of necessary reforms, opening new markets and opportunities for export and import without customs tariffs between borders of the EU, equalizing main economy sectors in Ukraine and bring them closer to the EU standards. The first step of the AA implied for Ukraine the signing of political chapters at the EU Summit, which took place on the 21st of March 2014. Later, on the 27th of June 2014 the remaining parts of the Agreement were signed between Ukraine and the EU. As soon as all the EU member states and Ukraine have ratified the AA, it will enter into force.²³

Ukraine, as well as Moldova and Georgia, has experienced Russian punitive measures in the trade sector since summer 2013,

when debates about the AA took place during the presidency of former Ukrainian President Yanukovich. The Russian reaction contributed to changing vectors of Yanukovich politics and provoked him not to sign the AA and DCFTA in frames of the Vilnius Summit as it was promised. The Russian measures strengthened after Yanukovich's subversion and establishment of a temporary pro-European government in Ukraine. Taking into consideration the Ukrainian orientation towards agro-cultural production, the imports of goods from this sector were stopped from Ukraine to Russia due to the emerged mismatch between Russian and Ukrainian norms and standards. Apart from agri-food export restrictions, an import of railcars from Ukraine to Russia was stopped as well as an export of Russian gas to Ukraine in summer 2014. Apart from the abovementioned goods, further bans were introduced on Ukrainian poultry, milk and dairy, certain Ukrainian alcohol products and cheeses, confectionary products as well as general intensification of border controls between Russia and Ukraine.²⁴

Besides bans on products and geographical contentions with Russia over the territories within Georgia, Moldova and Ukraine, there is another factor in common which shows similarity between these three countries – military conflicts that include Russian interests. The most recent war is taking place in Donetsk and Lugansk close to the Russian boarder. Despite an official decision on ceasefire, which was agreed upon in Minsk and was launched in Ukraine on the 15th of February 2015, the war has practically not ceased and there are still casualties on both sides.

On the 27th of April 2015, the first EU-Ukraine Summit took place in Kiev in frames of the AA. The summit gave an opportunity for Ukrainian president Petro Poroshenko and leading figures of the EU to discuss financial aid from the EU, which today is largely provided for Ukraine, the necessary political and financial reforms within the AA, the compliance with the Minsk agreement and the Eastern Partnership Summit in Riga on the 21st-22th of May 2015.²⁵

7. Conclusion

The Association Agreement, signed by Moldova, Ukraine and Georgia has so far brought one-sided results due to the unstable political situation, corruption, economic decay, internal contentions between ethnic minorities and complicated relations with Russia, which destabilised the countries' strive for democratic freedoms and a vector towards European integration. The Eastern Partnership Summit in Riga in 2015 was an expected event in terms of new perspectives on reforms in the EaP countries, further positive improvements and changes. However inspite of a big number of the EU's expectations from the launch of EaP, the discrepancy between what is written on paper and implemented in practice is still divergent.

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