



# EUROPEAN INTEGRATION INDEX **2013** FOR EASTERN PARTNERSHIP COUNTRIES



**EUROPEAN  
INTEGRATION  
INDEX 2013  
FOR  
EASTERN  
PARTNERSHIP  
COUNTRIES**

International Renaissance Foundation  
in cooperation with the Open Society Foundations  
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# WILL THE EASTERN PARTNERSHIP MAKE A BREAKTHROUGH IN 2013?

## RACING BACK AND FORTH

Weeks before the Eastern Partnership Summit in Vilnius and five years since the Eastern Partnership (EaP) was launched, the European integration trajectories of the six EaP countries are rather uneven. Countries have responded differently to the same initial offer by the European Union (EU), demonstrating different levels of commitment and performance. Nevertheless, the Index 2013 shows that all six countries, with some exceptions, are on a positive track towards European integration. Georgia, Armenia and Azerbaijan intensified their links with the EU, while Moldova and Belarus registered no change and only Ukraine had less intensive relations with the EU than last year. All six countries show progress in the reform process with the exception of Azerbaijan, which remains at the same level as in the previous year. However, all countries register both ups and downs in different areas. Four countries — Moldova, Georgia, Armenia and Belarus — improved the way they manage their relations with the EU; Ukraine has not changed its approach, while Azerbaijan slightly weakened its management mechanism.

The progress is no doubt below the high expectations raised at the launch of the Eastern Partnership. Insufficient political will of governing elites still hinders important reforms. Nevertheless, the registered progress might well mean that the Eastern Partnership does work and the goals set for the Vilnius Summit have brought these countries a few steps closer towards the EU.

## TESTING DEMOCRACY THROUGH ELECTIONS

In 2012 most of the EaP countries went through elections that tested the very foundations of the young democracies. Armenia, Belarus, Georgia and Ukraine held parliamentary elections, while Moldova finally elected a President. The cycle continues in 2013 with presidential elections held in Armenia and set for October in Azerbaijan and Georgia. The elections revealed cracks in the foundations of some of the countries, while others managed to reinforce the roots of democracy.

**Moldova** ended its political instability by electing a president in March 2012. The removal of imminent prospect of new general elections allowed the coalition government to adopt a series of progressive reforms demanded by the EU. Moldova was the first country in the region to adopt a comprehensive anti-discrimination law setting the standard for other EaP countries. The government reinforced the independence of the Anti-corruption Center and set-up an independent National Commission for Integrity tasked with verifying and investigating the conflict of interests and assets of officials and magistrates. However, the competing economic and power interests of governing elites generated another political crisis in early 2013, which led to the dismissal of the government. The new political crisis revealed that previous reforms could easily be undone. Immediately after the dismissal of the government major laws have been adopted overnight without any public consultation or parliamentary debate.

The parliamentary elections in **Georgia** led for the first time to a peaceful change of government through the ballot box without people taking to the streets. The election results were a surprise, following a tense and contested pre-electoral period marked by allegations that the ruling party had intimidated opposition supporters, as well as controversies about the electoral law, in particular rules on party financing. The Saakashvili government made a number of concessions in the run-up to the elections, including in response to the successful civil society campaign ‘This Affects You Too’ that argued for equal access for all partisan media to cable TV. Images of abuse in a Tbilisi jail that surfaced during the electoral period likely boosted the vote for the opposition party Georgian Dream, as citizens saw this as proof of the continued abuse of power by the executive and the failure of judicial reform. Since the election, President Saakashvili and Prime Minister Ivanishvili have entered into an uncomfortable ‘cohabitation’. However, in late March the Georgian parliament unanimously passed a key constitutional vote to limit presidential powers to dismiss the parliament, paving the way for a smoother transition. The new government has also proceeded with reforms to the labour code, demanded by the EU, as well as tackling reforms to the justice sector. Not all new measures have been without controversy such as reconstituting the High Council of Justice and a parliamentary decision in December 2012 to release designated ‘political prisoners’ detained under the former administration.

Democracy in **Ukraine** has continued to deteriorate during the past year. Ukraine did not pass the test posed by the general elections that were largely manipulated not only during the campaign, but also on the election day and during tabulation. Two major political opposition leaders, Yulia Tymoshenko and Yuri Lutsenko, widely seen as victims of selective justice, remained in prison. While Yuri Lutsenko was pardoned by President Yanukovich in April 2013, new cases against Tymoshenko continue to be opened. Media freedom experienced further limitations

as the UNIAN news agency and the major TV channel Inter had to opt for a more loyal coverage due to pressure from the authorities, while an independent TV channel TVi was consistently denied air space. Peaceful protests were increasingly banned by local courts, while the number of cases of harassment of demonstrators by police became more frequent. Growing corruption and public procurement lacking transparency is part of the Ukrainian reality. At the same time a progressive NGO law was adopted, a new Criminal Procedural Code was passed, and the national preventive mechanism against torture was established. In December 2012 the EU outlined a number of conditions for Ukraine to fulfil in order to sign the Association Agreement at the Vilnius Summit. Yet, Ukrainian authorities have demonstrated little political will to implement the required reforms.

Parliamentary elections in 2012 and presidential elections in 2013 in **Armenia** were — with the exception of the shooting of a minor presidential candidate — largely well-administered without the violence and fatalities that set Armenia back in March 2008. However, the presidential elections were hardly contested as major contenders did not run and allegations of fraud were made. The OSCE/ODIHR assessed that although candidates were able to campaign freely and had equal access to the media, there was ‘undue interference in the process, mainly by proxies representing the incumbent’ and observed that although attempts had been made to technically improve the voters’ list, public trust in the list and the process in general remained low. With the Republic Party incumbent Serge Sargsyan declared the victor of the presidential elections, leading opposition contender Raffi Hovannisyan addressed protest rallies attended by thousands of supporters at Liberty Square in March and April 2013. However, the absence of an opposition programme led to a lack of steam and the electoral result was largely seen as an expression of dissatisfaction with the incumbent. In the meantime, the country continues to struggle with emigration and major concerns remain regarding human rights



in closed institutions, the situation of alternative civilian service for Jehovah's Witnesses and concerns about media ownership amid pervasive and systemic corruption.

For **Azerbaijan** 2012 was marked by heightened international attention that came with hosting the Eurovision song contest. The authorities responded to criticisms of human rights abuses, including detentions, torture and property rights violations (the latter directly related to construction for the Eurovision song contest) by cracking down on dissent. Although the remaining individuals detained during the April 2011 protests inspired by the Arab Spring were freed in June 2012, there followed further intimidation and the arrests of journalists, bloggers and political opposition figures. The Council of Europe rapporteur on political prisoners continued to be denied access to the country. With presidential elections looming in October 2013 — during which the incumbent Ilham Aliyev will run for a third consecutive term — the authorities continue to use a de facto ban on freedom of assembly to disperse rallies in Baku and arbitrarily detain demonstrators. In a further attempt to restrict freedom of expression, the parliament extended the offence of criminal defamation and insult in the media to cover online content and lengthened the term of administrative detention. Azerbaijan continues to be selective in its relations with the EU and has made little progress on commitments undertaken in its 2006 Action Plan.

The elections in **Belarus** did not permit any opportunity for alternative candidates to enter the parliament, despite some minor improvement in the electoral process. Three political prisoners were released last year, while nine still remain in detention. Freedom of association, assembly and media are still highly restricted. In 2012 the country avoided a deep economic crisis only due to Russia's subsidising policy: its inflation was brought down from more than 100% to 22% by the end of the year.

## TESTING THE EU'S TRANSFORMATIVE POWER

The developments in the EaP countries confirm that the EU's ability to trigger reforms crucially depends on domestic factors. With the same offer on the part of the EU some countries have demonstrated progress, while others have remained mostly immune to the EU's leverage. Despite some progress noted above, the high expectations about a positive response in the partner countries to the EU's ambitious offer of Association and Deep and Comprehensive Free Trade Agreement (DCFTA), as well as future visa-free travel, did not materialise.

Firstly, in the countries where survival of the regime is at stake, the EU's offer did not become an attractive incentive. Reforms that would undermine the foundations of the regime — such as the release of political prisoners in Azerbaijan, Belarus or Ukraine, a level playing field during elections, media freedom and fighting corruption — have little chance to be implemented. Only in countries where political will for reforms is in place — Moldova and to some extent Georgia and Armenia — was progress achieved.

Secondly, in several countries political opposition is either weak or lacks a clear alternative agenda. Therefore, even if protest potential is high, there are no political forces to channel dissatisfaction into a constructive campaign.

Finally, the EU's ability to be a role model depends on its image and the level of trust it enjoys in the partner countries. According to the EU Neighbourhood Barometer<sup>1</sup> only in Moldova and Georgia has the majority of the population a positive image of the EU. Belarusians and Azerbaijanis trust the EU the least, 36% and 39% accordingly, compared to an overwhelming majority who trust the EU in the other four countries. The majority of Armenians, Georgians, Moldovans



1  
Latest Barometer published in March 2013  
[www.euneighbourhood.eu](http://www.euneighbourhood.eu)

and Ukrainians also believe that the EU is an important partner for their country, while only 37% of Azerbaijanis and 39% of Belarusians share this view. EU development support in the EaP countries is highly acknowledged by Armenians, Georgians and Moldovans. In contrast only a minority of Belarusians, Azeris and Ukrainians appreciate the EU's efforts.

Nevertheless, there is space for optimism. The expectation that the EU will play a greater role in the region is high across the EaP countries. EU support for economic development, trade, but also human rights and democracy is very much welcomed. Civil society in all six countries sees the EU as its partner and uses the EU as a reference in promoting the very same reforms that the EU put on the agenda.

The EU's 'more for more' approach is increasingly being applied to the EaP countries. Negotiations on Association Agreements (AA) including DCFTA with the three best performing countries — Moldova, Georgia and Armenia — were intensified and concluded in summer 2013. At the same time the signature of the Association Agreement with Ukraine was further delayed as a result of poor conduct during the elections and failures of the justice system. The EU is not able to start negotiation of DCFTA with Azerbaijan until the country's accession to WTO. Cooperation with Belarusian authorities was primarily limited to the multilateral track of the Eastern Partnership. The EU kept in place restrictive measures against 243 Belarusian officials and 32 companies.

One of the strongest incentives for EaP countries to reform is the perspective of visa-free travel for citizens to the EU. Moldova was the first country to complete the requirements prescribed by the EU and was moved to the second phase of the visa liberalisation process. Ukraine, who started negotiating visa liberalisation with the EU earlier than Moldova, has not yet been able to meet the EU's requirements. Georgia, on the other hand, received a Visa Liberalisation Action Plan only in 2013, but is catching up quickly.<sup>2</sup>

In 2012 the countries that had made the most progress in the area of deep and sustainable democracy received additional funding from the EU. Allocations to Moldova and Georgia were increased by one third, 28 million euro and 22 million euro respectively, while Armenia's allocation was increased by 25% (15 million euro). The EU assistance to the Ukrainian government remained relatively low for the size of the country. Moreover, a substantial amount of funding was frozen and partially withdrawn due to Ukraine's inability to meet sector-specific conditions and improve public funding management. While EU funding to the Belarusian and Azeri governments was insignificant, funding to civil society in those countries increased. Starting from 2014 the EU intends to make its funding to partner countries even more contingent on progress in the area of democracy and human rights.

## BEYOND THE POINT OF NO-RETURN

The conclusion of Association Agreements with DCFTA provisions with the four leading countries – Ukraine, Moldova, Georgia and Armenia - will mark the point of no-return on their European integration trajectory. The countries will be engaged in substantial regulatory alignment with the EU for many years after the Vilnius Summit. Governments who continue to flirt with the idea of joining the Russia-led Customs Union and the future Eurasian Union will have to reject Russia's offer. The EU made it clear that DCFTA with the EU is not compatible with participation in custom arrangements with third parties.

Concluding the AAs will not automatically lead to speedy Europeanisation of the EaP countries. The AA will not produce political will where it is not already in place. Indeed, the implementation of AAs might produce active opposition to the EU as short-term costs will have to be paid before the long-term benefits kick in. At the same time, the



2  
For regular updates see  
the Eastern Partnership  
Visa Liberalisation Index  
[www.monitoring.visa-free-europe.eu](http://www.monitoring.visa-free-europe.eu)

AA will create serious constraints for unwilling reformers. It will become more difficult to reject reforms that are both very specific and legally binding. Moreover, the AA will become a tool and provide leverage to those actors in the EaP countries who are interested in reform. It has the potential to increase their power in the long run. As the struggle between unwilling reformers and reform-minded actors will only intensify a strong external incentive beyond the AA will be needed to tip the balance in favour of the latter and give divided societies a sense of direction.

When the time comes the EU member states will have to reflect and agree on whether to offer “the most powerful foreign policy instrument of the European Union and the expression of its ultimate transformative power - the perspective for a country to accede, as provided by Article 49 of the Treaty on EU if it shares the principles of freedom, democracy and respect for the rule of law”<sup>3</sup>. In line with its approach of greater differentiation the EU should be able to look at each individual country and offer a ‘merit-based membership perspective’ rather than ‘geography based perspective’ for the entire region, taking into consideration the ambitions of each country, their capacity to adjust to the EU and proven track record of reforms. It should be possible to reach a positive decision on this EU’s offer before the next EaP Summit in 2015.

In the meantime the EaP reforming governments must do a better job at helping their advocates inside the EU to argue for possible membership perspective by providing frequent, consistent examples of being ready for accession discussions. The Index will continue tracking the record and the trajectory of each country in the following years.



3  
Štefan Füle,  
European Commissioner  
for Enlargement and  
Neighbourhood Policy,  
Presentation of the  
European Neighbour-  
hood Policy package in  
the European Parlia-  
ment, 20 March 2013  
[www.europa.eu](http://www.europa.eu)

# WHAT IS THE EAP INDEX?

All countries in Eastern Europe declared the intention to align with European values and standards and some of them pursue the ambition of joining the European Union. The countries embarked on a long road of transformation assisted by the EU's Eastern Partnership Initiative. The idea of comparing countries' speed and trajectories emerged in 2010, soon after the Eastern Partnership was launched. The first assembly of the EaP Civil Society Forum demonstrated that civil society in the region is strong, but it lacks collective effort to stimulate reforms on the ground.

The European Integration Index for Eastern Partnership Countries (EaP Index) is a tool of civil society monitoring and serves as a speedometer of European integration for EaP countries.<sup>4</sup> The Index is designed to keep countries on the right track and to provide warnings when countries depart from the expected trajectory or progress is at an unacceptable pace. Three aspects of the Index stand out. First, it sets out a detailed standard for the assessment of 'deep and sustainable democracy'. Second, the Index provides a nuanced and transparent cross-country and cross-sector picture and a comparative view. The six countries are assessed across the same list of questions and indicators (823 items). Third, the Index attempts to bolster existing EU efforts, such as the annual progress report, by offering independent analysis. The Index appears annually and reinforces the impact of EU assessments of reforms in EaP countries. Moreover, the Index results inform the EU about its 'more for more' approach. It shows where each EaP country stands in terms of reforms and its relationship with the EU. As such, the Index points to those reform areas in

each country where more progress is needed and serves as a reference point for civil society organisations in the EaP region that advocate policy change.

The Index interprets 'progress in European integration' as the combination of two separate yet interdependent processes: increased linkages between each of the EaP countries and the European Union and greater approximation between those countries' institutions, legislation and practices and those of the EU. While the linkage process reflects the growth of political, economic and social interdependencies between EaP countries and the EU, the approximation process shows the degree to which each EaP country adopts institutions and policies typical of EU member states and required of EaP countries by the EU.

The Index assumes that increased linkages and greater approximation mutually reinforce each other. However, this virtuous circle is not fully self-enforcing. Its dynamic depends on facilitative political decisions and structures. Such a concept of European integration has led us to identify three dimensions for evaluation:

1. *Linkage*: growing political, economic and social ties between each of the six EaP countries and the EU;
2. *Approximation*: legislation, practices and institutions in the EaP countries converging towards EU standards and in line with EU requirements;
3. *Management*: evolving management structures and policies in the EaP countries that aim at further European integration.

<sup>4</sup> The Index does not cover the situation in the break-away territories of Transnistria, Nagorno-Karabakh, Southern Ossetia and Abkhazia.

We subdivide these three dimensions into the various sections, categories and subcategories shown below in Table 1. All categories and subcategories are further broken down into items that can be found in full on the Index' website.<sup>5</sup> These items consist of questions for experts and quantitative indicators from public data sources.

The detailed methodology of the Index is explained in the Annex.

How we structure the evaluation of *Linkage* and *Approximation* reflects the multi-level and multi-sectoral nature of European integration. It also reflects the structure of bilateral Action Plans/ Association Agendas between the EU and EaP countries and the EU's annual Progress Reports. Since existing surveys have not covered systematically several items pertinent to *Linkage* and *Approximation*, we asked various local experts to provide their assessment and information.

*Linkage* looks at depth and intensity of contacts and cooperation between the EU and each EaP country, in particular political dialogue, trade flows, cooperation in various sectors, people mobility and the level of EU assistance to each country.

*Approximation* seeks to assess how closely institutions and policies in EaP countries resemble those typical of EU member states. The sections on deep and sustainable democracy and market economy and DCFTA not only constitute core conditions that the EU imposes on countries interested in closer relations with the Union, but they are also uncontested political aims and legitimising general principles in all EaP countries. These sections partly use ratings and composite indicators produced by international agencies and other non-governmental organisations (NGOs).

For certain areas that were not well covered by existing cross-national comparisons, we decided

to develop detailed catalogues of items through consultations with experts from civil society, public authorities and EU institutions. This was designed to obtain a more differentiated, first-hand comparative assessment that would make it possible to pinpoint the strengths and weaknesses of each country.

*Management* looks at institutional structures and European integration coordination and management on the ground. While the EU has no specific requirements or blueprints as to how European integration policies should be managed, we believe that this dimension reflects the level of commitment to European integration and the capacity to deal with the growing EU-related agenda in each EaP country.

The 2013 Index is based on a more elaborate questionnaire than the previous year in order to take better into account the actual implementation of reforms and not just the existence of legislation. In order to ensure crossannual comparison, the 2012 Index was updated to match the new questionnaire. As a result, the current Index shows not only the state of things in 2012 and early 2013, but also how the situation changed over the year. This allows us to trace progress or the lack thereof and make conclusions about reform efforts and political will in each of the EaP countries.

The Index has been developed by a group of over 50 civil society experts from EaP countries and the EU. Many more have contributed comments at various stages of the project. This Index is produced by the International Renaissance Foundation (IRF) and the Open Society European Policy Institute (OSEPI) in cooperation with the Open Society Foundations in Armenia, Georgia and Moldova, and the Eastern Partnership Civil Society Forum (CSF). The project is funded by the IRF's European Programme and the EastEast: Partnership Beyond Borders Programme of the Open Society Foundations (OSF).



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[www.eap-index.eu](http://www.eap-index.eu)

Table 1.

LINKAGE DIMENSION	APPROXIMATION DIMENSION
1. POLITICAL DIALOGUE	1. DEEP AND SUSTAINABLE DEMOCRACY
1.1 Bilateral institutions	1.1 Elections ( <i>national level</i> )
1.2 Multilateral institutions and Eastern Partnership	1.1.1 Fair electoral campaign
1.3 CFSP/CSDP cooperation	1.1.2 Legal framework and its implementation
	1.1.3 Organisation of elections
	1.1.4 Electoral competitiveness
2. TRADE AND ECONOMIC INTEGRATION	1.2 Media freedom, association and assembly rights
2.1 Trade flows: goods	1.2.1 Media freedom
2.2 Trade barriers: goods	1.2.2 Association and assembly rights
2.3 Services	1.3 Human rights
2.4 FDI	1.3.1 Protection of civil liberties
2.5 Trade defence instruments	1.3.2 Equal opportunities and non-discrimination
3. SECTORAL COOPERATION	1.4 Independent judiciary
3.1 Freedom, security and justice	1.4.1 Appointment, promotion and dismissal
3.1.1 Migration and asylum	1.4.2 Institutional independence
3.1.2 Border management	1.4.3 Judicial powers
3.1.3 Security and combatting organised crime	1.4.4 Accountability and transparency
3.1.4 Judicial cooperation: criminal and civil matters	1.5 Quality of public administration
3.2 Energy: trade and integration	1.5.1 Policy formulation and coordination
3.3 Transport: integration with Trans-European Networks	1.5.2 Impartial and professional civil service
4. PEOPLE-TO-PEOPLE	1.6 Fighting corruption
4.1 Mobility, including academic and students mobility	1.6.1 Control of corruption
4.2 Participation in EU programmes and agencies	1.6.2 Internal and external auditing
	1.6.3 Public procurement
5. ASSISTANCE	1.7 Accountability
5.1 Overall EU Development Aid	1.7.1 Executive accountability to legislature
5.2 European Neighbourhood and Partnership Instrument	1.7.2 Transparent budgeting
5.2.1 National	1.7.3 Democratic control over security and law enforcement institutions
5.2.2 ENPI East regional/ Interregional	
5.3 Thematic instruments and programmes and special technical assistance	2. MARKET ECONOMY and DCFTA
5.4 European financial institutions	2.1 Business climate
	2.2 Sector transition

## MANAGEMENT DIMENSION

<p>2.3 DCFTA</p> <p>2.3.1 Trade defence instruments and technical barriers to trade</p> <p>2.3.2 Sanitary and phytosanitary measures</p> <p>2.3.3 Customs and trade facilitation</p> <p>2.3.4 Services</p> <p>2.3.5 Capital</p> <p>2.3.6 Intellectual property rights</p> <p>2.3.7 Geographical indications</p> <p>2.3.8 Competition</p> <p>2.3.9 State aid</p> <p>3. SECTORAL APPROXIMATION</p> <p>3.1 Freedom, security and justice</p> <p>3.1.1 Visa dialogue</p> <p>3.1.2 Migration and asylum</p> <p>3.1.3 Border management</p> <p>3.1.4 Security and combatting organised crime</p> <p>3.2 Energy: legislation convergence and energy policy</p> <p>3.2.1 Energy community</p> <p>3.2.2 EU “Energy packages” implementation</p> <p>3.2.3 Institutional framework of energy market</p> <p>3.2.4 Energy efficiency</p> <p>3.3 Transport: regulatory policy</p> <p>3.4 Environment and sustainable development</p> <p>3.4.1 Environmental policy</p> <p>3.4.2 Sustainable development policy</p> <p>3.4.3 Resources efficiency</p> <p>3.4.4 Climate change</p> <p>3.4.5 Pressure to/ state of environment</p> <p>3.4.6 Sustainable development and trade</p> <p>3.5 Policies on education, culture, youth and information society</p> <p>3.5.1 Education</p> <p>3.5.2 Other policy areas</p>	<p>1. INSTITUTIONAL ARRANGEMENTS FOR EUROPEAN INTEGRATION <i>(coordination and implementation)</i></p> <p>2. LEGAL APPROXIMATION MECHANISM</p> <p>3. MANAGEMENT OF EU ASSISTANCE</p> <p>4. TRAINING IN THE FIELD OF EUROPEAN INTEGRATION</p> <p>5. AWARENESS RAISING ABOUT EUROPEAN INTEGRATION</p> <p>6. PARTICIPATION OF CIVIL SOCIETY</p>
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# INDEX 2013

## —KEY RESULTS

### AT A GLANCE

The Index 2013 shows the positive advancement of all six EaP countries towards the European Union, with a few exceptions. The different starting points, ambitions and the speed of reforms determine the variation in current positions.

**Moldova** is the top reformer in the region and is the closest to meeting EU standards. Although its *Linkage* score remains the same as last year, the country improved in *Approximation* and *Management*. Moldova continues to occupy the leading position in all three dimensions and holds the highest mark for deep and sustainable democracy.

**Georgia** is the second best performer. The country improved its scores in all three dimensions. Although it comes only third in *Linkage* after Ukraine, it still comes second in *Approximation*, and is almost on the same level as Moldova in *Management*. The country improved its scores in *Linkage* and *Approximation* and maintained the previous mark in *Management*. Georgia made the biggest advancement last year among the EaP countries in deep and sustainable democracy.

**Ukraine**, in overall third position, enjoys the highest intensity of political dialogue, trade and economic integration and sectoral cooperation with the EU. However, the country is not able to take full advantage of its geographical proximity and to translate its privileged relations with the EU into greater similarities to the EU system. Despite being second in *Linkage*, Ukraine comes only fourth in *Approximation* and third in *Management*. Compared to last year, Ukraine shows a

slight decline in *Linkage* and a slight improvement in *Approximation*, staying on the same level in *Management*.

**Armenia** made good progress towards the EU last year. Despite being fourth in *Linkage*, it comes third in *Approximation*. The country improved its scores in all three dimensions, especially in *Management*, where it reached almost the same level as Ukraine.

**Azerbaijan** comes fifth in all dimensions of the Index. Although the country improved its *Linkage* with the EU, it shows no progress in *Approximation* and even a slight decline in *Management*.

**Belarus** remains the furthest from the EU. The country has the lowest marks in all three dimensions. Nevertheless, although it shows no change in *Linkage*, Belarus improved its scores in *Approximation* and *Management*.

## UPS AND DOWNS

Although **Moldova** is a clear frontrunner in the Index, it slightly lags behind Ukraine when it comes to political dialogue, trade and economic integration and cooperation in different sectors with the EU. Although its approximation in all sectors is relatively high, its transport regulatory policy and policies on education, culture, youth and information society are far from meeting EU requirements. In this it lags behind all countries



bar Belarus. Its level of market economy and meeting DCFTA requirements is also behind that of Armenia and Georgia.

At the same time Moldova has the most developed people-to-people links with the EU and is the top recipient of EU assistance. It also shows the best results in all aspects of deep and sustainable democracy with the exception of fighting corruption where it shares the first position with Georgia.

When it comes to *Management of European Integration*, Moldova needs to improve training and awareness raising in the field of European integration both for civil servants and at university.

As compared to Index 2012, no major shifts occurred. Exceptions to this include a decline in people-to-people links and increased assistance.

**Georgia**, across all aspects of deep and sustainable democracy, is showing particularly good results in fighting corruption and fostering an independent judiciary. Moreover, it has the best business climate in the region and comes closest to meeting DCFTA requirements. Its policies of awareness raising in the field of European integration and participation of civil society in shaping EU-related policies are also fairly developed.

At the same time its trade and economic integration with the EU is relatively weak – on the same level as Armenia with only Belarus behind. It also needs to improve mobility for people and its policies on education, culture, youth and information society.

Georgia improved its scores compared to last year in all aspects of the Index apart from trade and economic integration and people-to-people links with the EU.

Although **Ukraine** enjoys the highest level of political dialogue with the EU and has the most advanced trade and economic integration and sectoral cooperation, it receives far less assistance

from the EU than Moldova, Georgia and Armenia. This has to do with objective factors — as a large country it receives less funding per capita compared to small countries. Notwithstanding, this is also connected to the poor progress in domestic reforms. For instance, Ukraine lags behind at least two or three other countries of the region in many aspects of deep and sustainable democracy and sectoral cooperation. In its level of market economy and meeting DCFTA requirements only Azerbaijan and Belarus are behind. We observe a similar situation in *Management of European Integration*. The exception is that Ukraine's system of legal approximation is the best in the region and its level of participation of civil society is also relatively high.

There are slight changes, both positive and negative, across most aspects of the Index for Ukraine. A clear improvement can be noted in *Approximation* in all sectors. Ukraine also improved its business climate. Ukraine's overall democracy score did not change since although problems with the 2012 parliamentary elections led to a decline in this area, there are improvements when it comes to human rights. The score for *Management of European Integration* did not change at all.

**Armenia**, despite occupying fourth position in *Linkage*, shows relatively high results in participation in EU programmes and agencies by making good use of opportunities offered by the EU. Nevertheless, its links with the EU in energy and transport sectors and mobility are rather low.

Armenia improved its relative position in *Approximation*: although last year it was on the same level as Ukraine, it has caught up and leaves Ukraine slightly behind in the current Index. Its performance in deep and sustainable democracy is not particularly high, somewhat below Ukraine, yet its quality of public administration is among the best in the region. Armenia's approximation in energy, transport and its policies on education, culture, youth and information society are the best in the region too.

Moldova

Georgia

Ukraine

LINKAGE

0.70

0.57

0.65

APPROXIMATION

0.67

0.63

0.58

MANAGEMENT

0.59

0.58

0.52

Armenia

Azerbaijan

Belarus



LINKAGE



APPROXIMATION



MANAGEMENT



## Moldova

## Georgia

## Ukraine

### LINKAGE

0.70

0.57

0.65

### POLITICAL DIALOGUE



0.79

0.69

0.88

### TRADE AND ECONOMIC INTEGRATION



0.71

0.54

0.72

### SECTORAL COOPERATION



0.61

0.51

0.66

### PEOPLE-TO-PEOPLE



0.71

0.47

0.54

### ASSISTANCE



0.68

0.65

0.46

# Armenia

# Azerbaijan

# Belarus



LINKAGE

## POLITICAL DIALOGUE

0.69

0.62

0.28



## TRADE AND ECONOMIC INTEGRATION

0.54

0.57

0.38



## SECTORAL COOPERATION

0.23

0.36

0.32



## PEOPLE-TO-PEOPLE

0.46

0.28

0.34



## ASSISTANCE

0.52

0.25

0.21



Moldova

Georgia

Ukraine

APPROXIMATION

0.67

0.63

0.58

DEEP AND SUSTAINABLE DEMOCRACY



0.75

0.64

0.60

MARKET ECONOMY and DCFTA



0.61

0.66

0.54

SECTORAL APPROXIMATION



0.65

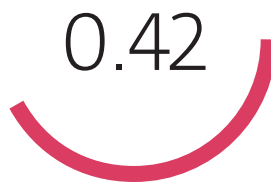
0.59

0.60

# Armenia

# Azerbaijan

# Belarus



APPROXIMATION

## DEEP AND SUSTAINABLE DEMOCRACY

0.59

0.31

0.27



## MARKET ECONOMY and DCFTA

0.57

0.43

0.38



## SECTORAL APPROXIMATION

0.62

0.53

0.35



MANAGEMENT

Moldova

Georgia

Ukraine



INSTITUTIONAL ARRANGEMENTS FOR EUROPEAN INTEGRATION  
*(coordination and implementation)*



0.73

0.63

0.43

LEGAL APPROXIMATION MECHANISM



0.59

0.59

0.66

MANAGEMENT OF EU ASSISTANCE



0.63

0.56

0.44

TRAINING IN THE FIELD OF EUROPEAN INTEGRATION



0.29

0.36

0.50

AWARENESS RAISING ON EUROPEAN INTEGRATION



0.36

0.43

0.36

PARTICIPATION OF CIVIL SOCIETY



0.92

0.92

0.75



## Armenia

## Azerbaijan

## Belarus



MANAGEMENT

### INSTITUTIONAL ARRANGEMENTS FOR EUROPEAN INTEGRATION *(coordination and implementation)*

0.57

0.23

0.03



### LEGAL APPROXIMATION MECHANISM

0.47

0.41

0.03



### MANAGEMENT OF EU ASSISTANCE

0.50

0.44

0.81



### TRAINING IN THE FIELD OF EUROPEAN INTEGRATION

0.57

0.29

0.00



### AWARENESS RAISING ON EUROPEAN INTEGRATION

0.43

0.21

0.14



### PARTICIPATION OF CIVIL SOCIETY

0.50

0.42

0.42



Armenia also has the best system of training and policy of awareness raising in the field of European integration (in the latter aspect together with Georgia), while in other aspects of *Management* there is room for improvement.

Armenia made slight progress in all aspects of the Index with the exception of people-to-people links where it shows decline. Its advance is particularly evident in sectoral cooperation and in *Management of European integration*, almost reaching the level of Ukraine.

**Azerbaijan**, although the second worst performer in all dimensions, enjoys a relatively high level of trade and economic integration with the EU and cooperation in the field of energy. Its *Approximation* in transport and its policies on education, culture, youth and information society are also fairly advanced. At the same time its cooperation in freedom, security and justice and people-to-people links with the EU and meeting environmental standards are the worst in the region.

In deep and sustainable democracy Azerbaijan lags behind the other six countries in elections, fighting corruption, accountability and democratic control over security and law enforcement institutions. The same concerns management of EU assistance and participation of civil society (in the latter aspect together with Belarus).

Azerbaijan slightly improved its links with the EU, especially the level of assistance it received and people-to-people links increased. Despite minor improvement in market economy, DCFTA and sectoral approximation, its deep and sustainable democracy performance slightly deteriorated. There is also marginal decline in civil society participation leading to an overall decline in *Management of European Integration*.

Although overall **Belarus** is in last position, the country scores better than other countries in some aspects of the Index. For instance, it has the highest level of trade in services with the EU and the best system of managing EU assistance. The country has high standards on environment

and sustainable development. Although Belarus scores the worst in deep and sustainable democracy, in some aspects the country is doing better than Azerbaijan.

Belarus intensified its trade and economic integration with the EU over the past year, but shows decline in transport integration and the level of EU assistance it receives. It improved its performance in some aspects of democracy and approximation in different sectors. Improved performance in management of EU assistance and participation of civil society account for the overall improvement in *Management of European Integration*.

## LINKAGE VS APPROXIMATION

The Index assumes that European integration results from the interaction of increased linkages and greater approximation: closer ties with the EU, for example through political and technical cooperation, are likely to support the transfer and implementation of EU norms, and a more EU-compatible regulatory environment in an EaP country is likely to increase investment from the EU and bilateral trade. If this dynamic works, one would expect higher *Linkage* scores to engender higher *Approximation* scores and vice versa.

The results of the Index suggest three different patterns. The aggregate scores for Moldova, Azerbaijan and Belarus tend to confirm the assumption of interdependent EU linkages and institutional similarities.

Moldova achieved similar overall scores for both dimensions and is the clear leader among the Eastern partners. Its high level of *Approximation* corresponds to its high *Linkage*. As Moldova improved its performance in 2012 in *Approximation*, there is now almost no gap between the scores in the two dimensions (L70 vs. A67). Azerbaijan and Belarus also display similar aggregate scores in both dimensions (L41 vs. A42 and L31 vs. A33

respectively), but at much lower levels, suggesting that a mutually reinforcing dynamic has not yet set in.

A second pattern can be seen in Georgia and Armenia where the *Approximation* scores clearly exceed the *Linkage* scores: A63 vs. L57 for Georgia and A59 vs. L49 for Armenia. These countries seem to be disadvantaged in *Linkage*. However, given their relatively high scores in *Approximation*, one can conclude that these countries are making good efforts in domestic reforms despite fewer links with the EU. Both countries lag behind Ukraine in *Linkage*, but show better results than Ukraine in *Approximation*. Georgia is ahead of Armenia in both dimensions. The gap between the *Linkage* and *Approximation* scores for both countries has slightly increased compared to last year — both countries improved their scores in both dimensions, but more so in *Approximation* than in *Linkage*. Increased *Approximation* scores have to do with improved democracy performance, particularly elections, which took place in both countries in 2012, but also improved approximation in all sectors.

Ukraine exemplifies a third pattern since its *Linkage* score is higher than its *Approximation* score. Like Georgia and Armenia, Ukraine shows a discrepancy between both dimensions, but its relation is reversed. The scores indicate that the country is not able to take full advantage of its geographical proximity and to translate its privileged relations with the EU into greater similarities to the EU system. However, the gap has narrowed as compared to last year due to slight decline in *Linkage* and slight improvement in *Approximation* — L65 vs. A58. The latter has to do with the improved business climate and approximation in other sectors, as well as the improved human rights situation, although due to manipulated elections in 2012 Ukraine's elections' score declined.

These correlations become even more evident when one compares sector specific *Linkage* and *Approximation*.

**Economy.** Ukraine, despite enjoying the most intensive trade and economic integration with the EU, shows poor results, compared to other countries, in its market economy and DCFTA performance. At the same time Georgia and Armenia, who are the least advantaged in their trade and economic integration with the EU, are the best performers in market economy and DCFTA.

The sector **Freedom, Security and Justice** shows no major discrepancies. The ranking of the four frontrunners is the same in both dimensions. Belarus and Azerbaijan change places: the former shows better results in *Linkage*, but weaker results in *Approximation*.

In the **Energy** sector Ukraine, Azerbaijan and Belarus are not making the best use of trade and cooperation with the EU in order to align with EU standards. Their *Approximation* scores are far below *Linkage*. Armenia also shows discrepancy, but the relation between dimensions is reversed — it is the least advantaged country in *Linkage* in this area, but is the second best performer after Moldova when it comes to *Approximation*. Moldova seems to make good use of its developed links with the EU and translates these into better approximation. Georgia would need to make better use of *Linkage* to catch up in *Approximation*.

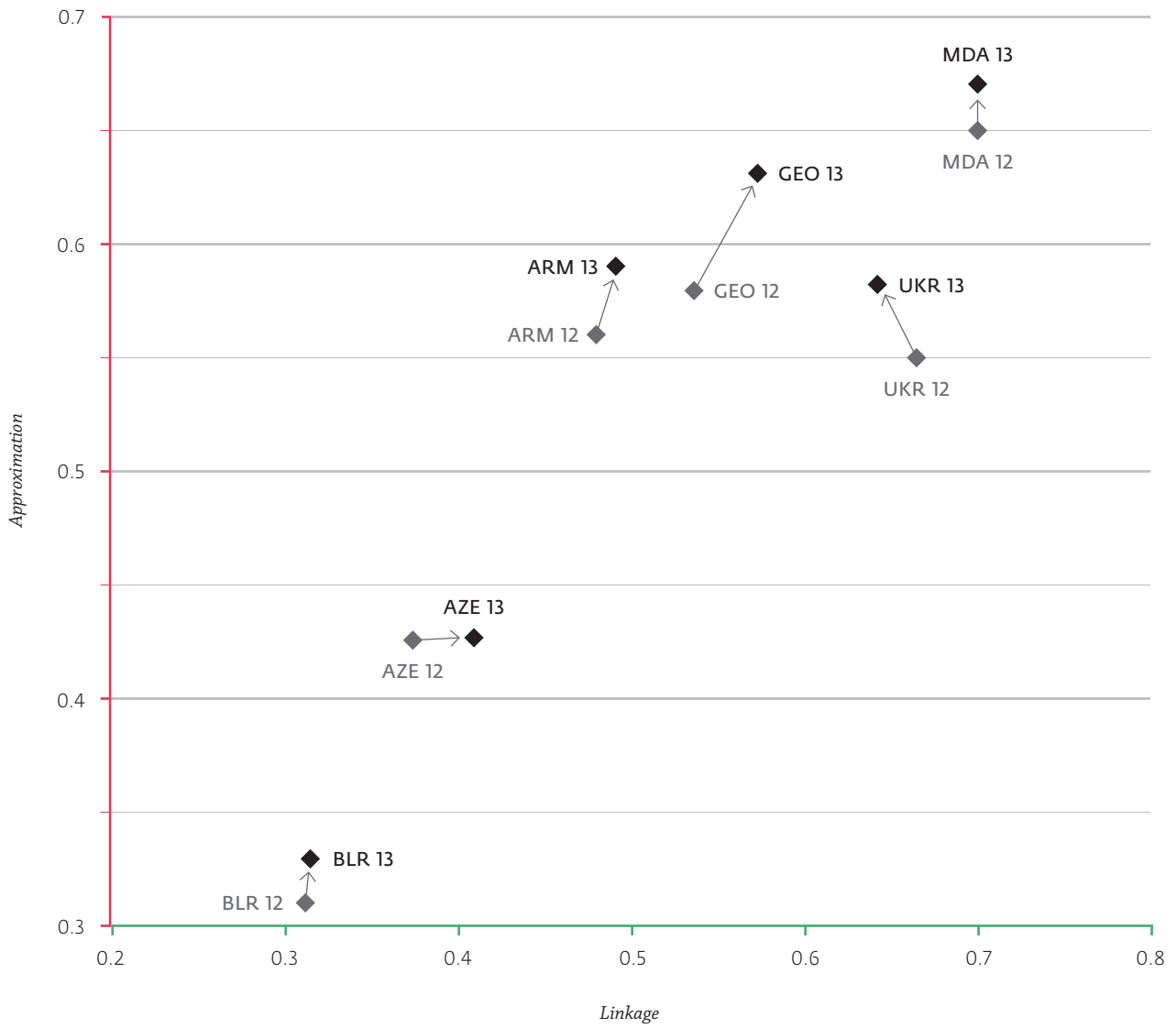
The **Transport** result shows that all countries, bar Belarus, are making good efforts to undertake domestic reforms. The biggest discrepancy appears to be in the case of Armenia and Azerbaijan — both are the frontrunners in *Approximation*, but rather disadvantaged in *Linkage*. Belarus' transport regulatory policy is furthest away from meeting EU standards, although Belarus has more advanced transport cooperation with the EU than Azerbaijan and Georgia.

A relatively high level of **People-to-People** contacts seems to translate into more developed policies on education, culture, youth and information society in the case of Ukraine, Georgia and, even more so, in Armenia. Less developed contacts between Belarus and the EU equally translate into lesser approximation in this area.

Moldova and Azerbaijan show large discrepancies. Although Moldova enjoys the highest level of people-to-people contacts with the EU, it is the second worst performer when it comes to domestic policies. Azerbaijan, having the lowest level of people-to-people contacts with the EU, is the second best performer after Armenia in approximation of domestic policies.

The relationship between **Assistance** in *Linkage* and **Deep and Sustainable Democracy** in *Approximation* also shows interesting results. According to the EU's 'more for more' approach, countries that demonstrate a relatively good quality of democracy and continue making progress receive additional rewards from the EU. Moldova, Georgia and Armenia enjoy the largest assistance from the EU. Since these countries improved their democracy performance last year, the level of EU assistance also increased. Although Ukraine scores slightly better than Armenia in terms of democracy, the country receives less EU assistance and this level dropped compared to the previous year. One of the reasons is that Ukraine has not registered improvement in deep and sustainable democracy in the last two years. Azerbaijan and Belarus score low both in democracy performance and the level of EU assistance.

Linkage vs Approximation 2012–2013 shift



LINKAGE VS APPROXIMATION

Moldova

Georgia

Ukraine



ECONOMY



0.71 / 0.61

0.54 / 0.66

0.72 / 0.54

FREEDOM, SECURITY AND JUSTICE



0.94 / 0.99

0.59 / 0.82

0.82 / 0.83

ENERGY



0.51 / 0.59

0.59 / 0.47

0.68 / 0.41

TRANSPORT



0.39 / 0.53

0.36 / 0.58

0.48 / 0.56

PEOPLE-TO-PEOPLE



0.71 / 0.48

0.47 / 0.51

0.54 / 0.64

ASSISTANCE / DEEP AND SUSTAINABLE DEMOCRACY



0.68 / 0.75

0.65 / 0.64

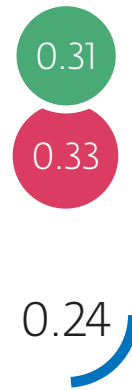
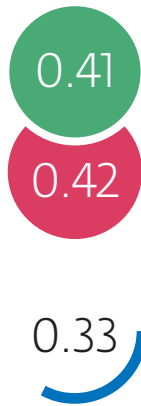
0.46 / 0.60

## Armenia

## Azerbaijan

## Belarus

LINKAGE VS APPROXIMATION



### ECONOMY

0.54 / 0.57

0.57 / 0.43

0.38 / 0.38



### FREEDOM, SECURITY AND JUSTICE

0.35 / 0.58

0.17 / 0.56

0.24 / 0.38



### ENERGY

0.18 / 0.49

0.65 / 0.24

0.40 / 0.19



### TRANSPORT

0.18 / 0.67

0.26 / 0.65

0.31 / 0.15



### PEOPLE-TO-PEOPLE

0.46 / 0.72

0.28 / 0.67

0.34 / 0.39



### ASSISTANCE / DEEP AND SUSTAINABLE DEMOCRACY

0.52 / 0.59

0.25 / 0.31

0.21 / 0.27



# COUNTRY SPECIFIC ASSESSMENT

## MOLDOVA

Moldova-EU relations reached a new high point in 2012 with many and substantive processes on the bilateral agenda and several key breakthroughs. However, 2012 and the beginning of 2013 also challenged the country's poster child reputation because of a growing political crisis, lack of trust within the governing coalition and the adoption of some worrying laws. Moreover, a fierce conflict among the country's oligarchs that became public in 2013, demonstrated that Moldova's reforms were not necessarily sustainable and could be easily reversed if the economic interests and power of the ruling class were in jeopardy. The transparency of the decision-making process remains limited, despite the fact that Moldova scores high on accountability and media freedom in comparison with other EaP states.

On the domestic level, Moldova managed to show progress on several issues, including the removal of one of the key obstacles to progress and stability: a 3 year-long political deadlock, which ended with the election of the President. The legitimate candidate finally took office in March 2012. The Index shows that Moldova demonstrated serious progress in 2012, but the political crisis, the politicisation of state institutions and the polarisation of the press are creating unfavourable conditions for the implementation of reforms. This could end Moldova's role as the EaP poster child.

Although the governing elite continued its positive rhetoric about the EU and continued to call for reforms, in many cases its actions were not consistent with the statements. There is a growing gap between the ruling parties and the opposition regarding future relations with the EU. On one hand, the Government advanced the idea that Moldova should behave as a EU candidate country and tune into positive signals of support coming from Brussels. On the other, the main opposition force, the Communist Party, withdrew its support for European integration and began to advocate rapprochement with Russia and its new Eurasian project instead. Polarisation on European integration is also deepening among voters. A recent opinion poll showed almost equal support for the EU (50.3%) and for the Russia-Belarus-Kazakhstan Customs Union (52.1%). When people are asked to choose between the two in a possible referendum, the EU has a slight advantage (18.6%) over the Russian project (17.4%).

Moldova's reform process lost a little steam in 2012 and the beginning of 2013. The primary cause was the political crisis and in certain cases lack of political will. Insufficient capacity to implement previously adopted laws was another major reason for the country's worsening performance.

At the same time, serious progress was achieved in the implementation of the Visa Liberalisation Action Plan (VLAP), when Moldova adopted all



the necessary laws by mid-2012—much earlier than Ukraine. As a result the EU advanced Moldova to the second phase of VLAP. Soon the country will have to prove that it is actually implementing the laws it has adopted. As part of its VLAP commitments, Moldova was the first country in the Eastern Partnership to adopt a comprehensive anti-discrimination law that also includes explicit protection for sexual minorities. Overall, Moldova is leading both in *Linkage* and *Approximation* in the areas of freedom, security and justice and represents a model for the rest of the countries.

Considerable progress was also achieved in the negotiation of a new agreement with the EU. The text of the Association Agreement was finalised and DCFTA negotiations were concluded in June 2013. For its achievements in implementing reforms last year, Moldova received a 'more for more' reward in the shape of EUR 28 million from the EU on top of its annual EUR 94 million grant. This makes Moldova one of the biggest per capita beneficiaries of EU funds. EU assistance supports, among others, the justice sector and healthcare reforms, energy efficiency, and vocational education and training.

Despite Moldova's relative successes in developing closer relations with the EU, the pace of European integration disappoints a significant part of Moldovans themselves. The country's politicians raise expectations recklessly high and create the illusion of that results will be quick. Former Foreign Minister and current Prime Minister Iurie Leanca promised that Moldovans would have visa-free travel to the EU by the end of 2012, while the previous Prime Minister, Vlad Filat, promised that Moldova would sign a new agreement with the EU at the Vilnius Summit. Such unrealistic promises are one of the reasons why support for the EU has been declining among voters.

Moldova, once the EU's favourite, has lately become a country of odd contrasts. On one hand, it has shown progress in adopting anti-discrim-

ination and anti-corruption legislation. On the other, decision-making has become less transparent. Important laws changing the electoral system, increasing the electoral threshold and the appointment and dismissal of the Prosecutor General were adopted overnight without any consultations with civil society or input from the Venice Commission and without much debate in the legislature. Many critical state institutions, including the Constitutional Court, the Tax Inspectorate, the National Anti-Corruption Centre, the Ministry of Internal Affairs and the Prosecutor's Office, are believed to act on political orders rather than as independent institutions. Several top officials are currently under criminal investigation for suspected corruption, abuse of office and influence-peddling.

A considerable part of the domestic press accurately reflects developments in the country and provides varied information about political life. Yet, a serious 'berlusconisation' of the media is taking place that is increasing the distortion of information and polarisation. The Moldovan legislators who own media through off-shore companies are blocking legislation on media ownership transparency that is crucial to ensure an unbiased reflection of political processes taking place in the country.

The Moldovan economy showed no signs of recovery, with GDP slipping 0.8% in 2012. The business climate remains largely unfavourable. Moldova holds 83rd position in the 2012 Doing Business rating, just a small improvement from the 86th position in 2011. For comparison Georgia is on the 9th place. At the same time, in *Linkage* in the area of trade of services with the EU, Moldova has second worst results after Armenia, while Ukraine, despite the high level of corruption, has done the best. On *Linkage*, Moldova also has very modest results on energy, ranking 4th among the EaP countries.

The government has yet to convince ordinary Moldovans of the benefits of the DCFTA. The business community remains undecided and there is no consensus on the costs and benefits of the DCFTA. One of the main concerns among businesses is that local producers are likely to fail once faced with competition from EU products. In the short and medium term, this might generate new problems, such as declining trust in the EU and the inability of the Moldovan companies to develop.

On *Approximation*, Moldova is leading in most areas, including on elections and public administration. When it comes to Management of European Integration, Chisinau is again among the leaders, although important shortcomings can be seen in training and awareness-raising in this area.

Considering all this, Moldova has made good progress, compared to other countries in the region. However, many reforms have been only partly implemented and significant efforts need to be put into finalising these reforms. Moldova should not dither but rather put its reforms into practice in a sustainable manner.



# Moldova

## LINKAGE



POLITICAL DIALOGUE

0.79

TRADE AND ECONOMIC  
INTEGRATION



0.71

SECTORAL COOPERATION



0.61



PEOPLE-TO-PEOPLE

0.71



ASSISTANCE

0.68

## APPROXIMATION



DEEP AND SUSTAINABLE  
DEMOCRACY



0.75

MARKET ECONOMY and DCFTA



0.61

SECTORAL APPROXIMATION



0.65

# Moldova

## MANAGEMENT



INSTITUTIONAL  
ARRANGEMENTS FOR  
EUROPEAN INTEGRATION  
*(coordination and implementation)*



0.73

LEGAL APPROXIMATION  
MECHANISM



0.59

MANAGEMENT  
OF EU ASSISTANCE



0.63

TRAINING IN THE FIELD OF  
EUROPEAN INTEGRATION



0.29

AWARENESS RAISING  
ON EUROPEAN INTEGRATION



0.36

PARTICIPATION  
OF CIVIL SOCIETY



0.92



## GEORGIA

Georgia made good progress in 2012 and early 2013. The country improved its performance on most aspects of the Index, including deep and sustainable democracy, and received increased EU assistance in return for its progress. As in the 2012 Index, Georgia remains the second best performer after Moldova among the EaP countries. Still, numerous shortcomings were observed during the parliamentary election in October 2012. This led to a difficult 'co-habitation' between the two biggest parties in the Parliament, which are headed by the country's President and Prime Minister.

The 2012 elections dominated political developments in Georgia during the period assessed in the Index. High-ranking officials from among Georgia's strategic partners, including the EU, frequently emphasised the importance for the country's Euro-Atlantic inspirations of elections that met international standards. While official rhetoric remained unchanged and strongly in favour of European integration, in the run-up to this election, the government was unable to foster a pre-election environment that fully met European standards. Despite the strong polarisation before the actual election, Georgia managed the first ever peaceful transfer of power and this was assessed as a major achievement by Georgia's key partners. According to OSCE/ODIHR, the 2012 parliamentary elections "marked an important step in consolidating the conduct of democratic elections in line with OSCE and Council of Europe commitments."

The political landscape in Georgia changed dramatically after Bidzina Ivanishvili, a Georgian billionaire, declared his intention to run against the ruling United National Movement party in the October election. On one hand, the emergence of a strong opposition force on a political stage long dominated by the ruling party was seen as a positive step towards a genuine, pluralistic democracy. On the other, polarisation between the ruling National Movement Party and the then-opposition

Georgian Dream Coalition, the intimidation and harassment of opposition supporters, the use of administrative resources by the incumbent party, and alleged vote buying undermined the efforts of the Saakashvili Administration to deliver the promise of 'genuinely free' elections.

By the end of 2011, the Parliament introduced stringent party financing regulations that significantly increased the discretionary power of the State Audit Office, previously the Oversight Chamber, banned donations from legal entities, and imposed disproportionate fines and restrictions on companies and individuals with 'declared political and electoral goals'. In March 2012, however, the legislation was watered down somewhat after pressure was brought to bear by Georgia's vibrant civil society organisations.

Throughout the reporting year, there were verified cases of harassment of opposition supporters, politically motivated dismissals from the civil service and arrests of political activists. In September 2012 alone, some 60 opposition supporters and activists were arrested and 44 were imprisoned for misdemeanors. The arrests were allegedly carried out arbitrarily and without due process. 2012 was also marked by large-scale rallies staged by political parties to get their messages out to voters. While there were reports of smaller scale peaceful gatherings being curtailed, mostly in the regions, these demonstrations were generally conducted in a calm atmosphere without any interference on the part of the authorities.

The media environment largely benefited from a civil society driven campaign called 'This Affects You, Too'. What's more, after consultations with CSOs, the Parliament introduced 'Must Carry, Must Offer' provisions into the Election Code in June 2012. These amendments increased access to alternative information for those residing in the regions.

The leakage of video material showing the ill-treatment and torture of prisoners at a penitentiary in September 2012 uncovered abusive prac-

tices within the justice system and significantly harmed the chances of the ruling party.

Since the parliamentary elections, co-habitation between the Georgian Dream and the United National Movement has proved challenging. President Saakashvili has vetoed several legislative initiatives introduced by the ruling coalition, including an amnesty law and a package of legislative amendments aimed at reorganising the High Council of Justice. In both cases, the Parliament was able to overturn the presidential veto.

The judiciary benefited from the improved legislative environment introduced after consultations with CSOs in March 2012. However, judiciary has remained largely dominated by the Prosecutor's Office and, as the prison scandal showed, it did not provide a proper response in cases involving human rights violations. A package of amendments passed by the newly-elected Parliament, closely reflecting the recommendations of civil society and the Venice Commission, could play a crucial role in the fundamental reform of the judiciary. However, the results of the reform have yet to be tested.

Before this election, Georgia's Parliament remained a relatively weak institution dominated by one ruling party. However, the 2012 elections brought it new life. A new political force in the majority and a strong opposition presence from the former ruling party gives a promising signal that the institution could play a key role in balancing the executive branch.

Meanwhile, however, there have been alarming signals with dismissals of government workers and officials from local government in the regions. According to information from reliable CSOs, more than 1,000 employees in local government bodies were laid off within four months of October 2012.

The foreign policy vector has occupied a central place in parliamentary debates. The Prime Minister chose Brussels for his first foreign visit

right after the election, stressing that the change of Government would not change Georgia's foreign policy vector. Besides, in 2012 Georgia has hosted several high level visits of EU officials, including European Council President Herman Van Rompuy, EU Commissioner Štefan Füle and High Representative Foreign Affairs and Security Policy Catherine Ashton.

Active negotiations between the Georgian Government and the European Commission continued after the election. The Second Informal Eastern Partnership Dialogue was held in Tbilisi on February 12-13, 2013. Negotiations over the Association Agreement and DCFTA were concluded in July 2013. Negotiations on visa liberalisation advanced significantly as well, with the launch on 4 June 4, 2012 of the Visa Liberalisation Dialogue. On February 25, 2013, EU Commissioner for Home Affairs Cecilia Malmström presented the new Government of Georgia with a Visa Liberalisation Action Plan (VLAP). Georgian officials expect that the first phase of VLAP, which requires meeting the benchmarks related to the establishment of legislative, policy and institutional frameworks, will be concluded before the Eastern Partnership Vilnius Summit in November 2013.

Communication between Georgia's political parties and their European counterparts has also increased. Before the election, a debate on the situation in Georgia took place in the European Parliament (EP). Another debate on October 26, 2012 resulted in an EP resolution on the parliamentary elections in Georgia. A subsequent blunt exchange between the Prime Minister and the Speaker on one hand and the European People's Party on the other demonstrated that Georgia remains high on the agenda of European political parties. Judging from past experience when the international community was reluctant to voice any concern over serious human rights violations in Georgia, scrutiny from European actors, particularly of a non-partisan nature, should be welcomed.

Indeed, this Index shows intensified political dialogue and improved cooperation between the EU and Georgia in many sectors, especially in freedom, security and justice. People-to-people contacts have not improved, however, suggesting that more efforts are needed to increase freedom of movement among Georgians. How Georgia manages European integration did not see significant improvement in 2012 and early 2013. Still, Georgia continues to show relatively high results compared to other EaP countries, almost at the same level as Moldova.





# Georgia

## LINKAGE



POLITICAL DIALOGUE

0.69

TRADE AND ECONOMIC  
INTEGRATION



0.54

SECTORAL COOPERATION



0.51

PEOPLE-TO-PEOPLE



0.47

ASSISTANCE



0.65

## APPROXIMATION



DEEP AND SUSTAINABLE  
DEMOCRACY



0.64

MARKET ECONOMY and DCFTA



0.66

SECTORAL APPROXIMATION



0.59

# Georgia

## MANAGEMENT



INSTITUTIONAL  
ARRANGEMENTS FOR  
EUROPEAN INTEGRATION  
*(coordination and implementation)*



0.63

LEGAL APPROXIMATION  
MECHANISM



0.59

MANAGEMENT  
OF EU ASSISTANCE



0.56

TRAINING IN THE FIELD OF  
EUROPEAN INTEGRATION



0.36

AWARENESS RAISING  
ON EUROPEAN INTEGRATION

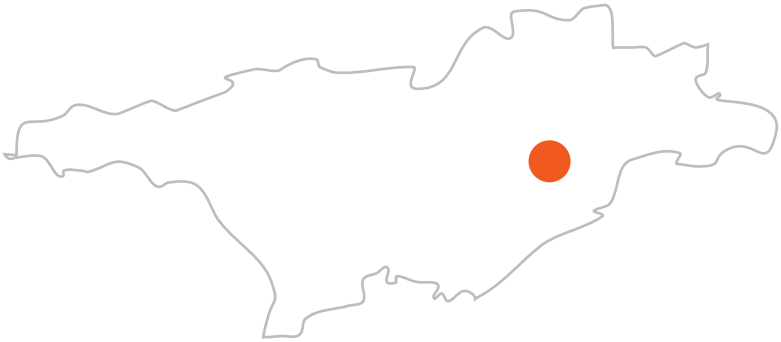


0.43

PARTICIPATION  
OF CIVIL SOCIETY



0.92



## UKRAINE

In 2012, Ukraine and the EU finally initialed the Association Agreement (AA), including the Deep and Comprehensive Free Trade Area (DCFTA), negotiations for which had been completed in late 2011. However, Ukraine failed to show any progress in 2012 in fulfilling the conditions set out by the EU for signing the AA. Most importantly, it failed to conduct free and fair parliamentary elections in October 2012 and to end selective justice.

To facilitate the signing process, on December 10, 2012, EU Foreign Ministers decided that the next Eastern Partnership Summit in Vilnius in November 2013 would be a good opportunity to sign the AA—provided that Ukraine demonstrated ‘determined action and tangible progress’ in three areas: free and fair elections, that is, organising fair elections in five contested districts and adopting an Electoral Code; ending selective justice and implementing the decisions of the European Court of Human Rights; and undertaking a number of reform steps defined in the jointly agreed Association Agenda, mostly related to rule of law, fighting corruption and improving the business climate.

In late 2011, the European Parliament even organised a special mission consisting of the former EP President Pat Cox and former Polish President Alexander Kwasniewski initially intended to assist Ukraine in ending selective justice. By July 2013, the Mission had visited Ukraine 19 times and was given the mandate to facilitate the broader reform process.

Despite the EU’s efforts, the politically-motivated jailing of former Prime Minister and opposition leader Yulia Tymoshenko still had not been resolved by July 2013. In April 2013, President Victor Yanukovich issued a decree on pardoning another opposition leader, former Interior Minister Yuriy Lutsenko, who had been sentenced to four years in jail for alleged abuse of office in February 2012. This move was positively assessed by the EU, but only as the first step in addressing the bigger issue of selective justice.

Unfortunately, the overall climate of EU-Ukraine relations has noticeably deteriorated, with President Viktor Yanukovich gradually becoming an unwelcome guest in most EU capitals. To demonstrate their protest against the political persecution of opposition politicians, the majority of European leaders boycotted Euro 2012, the European football championship co-hosted by Ukraine and Poland in summer 2012. The May 2012 East-Central European Initiative Summit in Yalta had to be cancelled because the majority of European leaders refused to attend.

2012 and early 2013 were marked by growing pressure from Moscow on Kyiv to join the Russia-led Customs Union and growing debate in Ukraine on the issue. The EU made it consistently clear that membership in the Customs Union was incompatible with a DCFTA with the EU. For the time being, the European choice seems to have held its dominant position at the political level in Ukraine, at least de jure. Ukraine requested and was granted observer status in the Customs Union, thus avoiding a zero-sum situation. Public opinion among Ukraine’s voters is less clear cut: some polls show more support for the EU, others show more support for the Customs Union. Overall, public opinion remains indecisive and highly receptive to manipulation. The fact is that the overwhelming majority of Ukrainians, 77%, has never been to any EU member states. This means that there is enormous potential for improving Ukraine’s people-to-people links with the EU: according to the Index, Ukraine significantly lags behind Moldova here.

The failure of Ukraine to carry out domestic reforms, especially those pertaining to democracy, is well reflected in the Index. In deep and sustainable democracy Ukraine ranks third after Moldova and Georgia and only slightly above Armenia. In 2012, Ukraine’s record for press freedom, freedom of association and assembly and independent judiciary worsened slightly, while its record for elections worsened significantly. Indeed, the October 2012 Verkhovna Rada elections were criticised for failing to provide a level playing field, primarily because of widespread

abuse of administrative resources, a lack of balanced media coverage, and problems with the tabulation and verification of election results in a number of single-mandate districts.

At the same time, Ukraine improved its record on human rights by adopting a free legal aid system and setting up a national preventive mechanism against torture. It also improved non-discrimination policies in 2012 by amending the Law on Advertisement aimed against discrimination in job ads on the ground of sex and age and adopted a non-discrimination framework law, which, nevertheless, failed to meet EU standards. It needs to be amended to ensure effective implementation by shifting the burden of proof of discrimination from the victim on the offender and prescribing legal penalties for the offense, as well as to broaden the basis on which discrimination is prohibited, namely, to include sexual orientation as a ground in the Labour Code. That would pave the way to the second phase of the Visa Liberalisation Action Plan (VLAP) with the EU.

Ukraine is the only country in the EaP region that shows a big gap between links with the EU and approximation to EU standards. Thus, although Ukraine is a leader among EaP countries in political dialogue, trade and economic integration and cooperation in different sectors in *Linkage* of this Index, it lags behind Moldova and Georgia in deep and sustainable democracy and even behind Armenia in market economy and DCFTA under *Approximation*. This means that Ukraine is not taking full advantage of its geographical proximity and is unable to translate its privileged relationship with the EU into greater closeness with EU system.

Reforms in specific sectors offer good examples of this discrepancy. Although Ukraine is a leader when it comes to energy integration, it is only fourth in energy legislation convergence and policy. Indeed, despite membership in the European Energy Community since 2011, Ukraine has not shown any major results in adhering to its commitments, including the implementation of re-

lated acquis, and has not yet started the reforms called for in the Third Energy Package. Given the political sensitivity of the issue, the political leadership remains unwilling to increase residential gas rates and, thus, has not achieved any progress in renegotiating the Stand-By Arrangement (SBA) with the International Monetary Fund. The SBA expired in 2012 and was a precondition for receiving EU macro-financial assistance in worth EUR 610 million.

As to the business climate, Ukraine improved its performance due to progress made in the areas of starting business and paying taxes. Ukraine also made progress in facilitating market entrance, with related procedures now requiring less time and resources. Still, Ukraine continues to share the lowest business climate score among the EaP countries with Belarus. This is particularly disappointing, given Ukraine's leading position in trade with and FDI from the EU, not to mention the fact that Ukraine was the first EaP country to start and finalize DCFTA negotiations.

Lack of political will for reforms reveals itself in other ways, too. For instance, Ukraine is the only country in the region, along with Belarus, that has not yet started issuing biometric passports. It has also so far failed to conclude negotiations on the Open Sky Agreement with the EU, which would liberalise its domestic aviation market, although Moldova and Georgia did so long ago. Moreover, while Moldova, Georgia and Armenia were granted additional funding in 2012, Ukraine did not even make use of the funding already available. Since 2011, EUR 170 million in direct budget support has been frozen because of Ukraine's inability to meet sector-specific conditions and reform the system of managing public funds. While EUR 70 million of that sum is gone forever, since Ukraine failed to bring its civil service legislation in line with EU requirements, the country could still receive the remaining EUR 100 million if it reforms the management of public funds. This reform will also release the allocation of an additional EUR 150 million now being negotiated.

In *Management of European integration*, Ukraine lags behind Moldova and Georgia and shows only slightly better results than Armenia. No institution coordinating European integration policy was established at the central level in Ukraine after the dissolution of the Coordination Bureau under the Secretariat of the Cabinet of Ministers back in 2010. Although one of the Vice Prime Ministers was responsible for EU integration issues until 2012, since the formation of the new Government in December 2012, Prime Minister Mykola Azarov, declared himself personally in charge of European integration. Nominally, this raised the political weight of EU-related issues, but did little to facilitate implementation. Still, Ukraine has maintained its leading positions in legal approximation. This is not to say that comprehensive approximation is really taking place in Ukraine, but is more the afterglow from policies and procedural arrangements introduced before the current Administration came to power in 2010.

Ukraine also shows good results in training civil servants in European integration, since it has a special educational program at the School of the Senior Civil Service under the National Academy of Public Administration. At the same time, Ukraine has the lowest score in EU assistance management, much like Azerbaijan, because its mechanism for aid coordination under the Ministry of Economic Development and Trade is ineffective.



# Ukraine

## LINKAGE



## APPROXIMATION



POLITICAL DIALOGUE

0.88



DEEP AND SUSTAINABLE  
DEMOCRACY

0.60



TRADE AND ECONOMIC  
INTEGRATION

0.72



MARKET ECONOMY and DCFTA

0.54



SECTORAL COOPERATION

0.66



SECTORAL APPROXIMATION

0.60



PEOPLE-TO-PEOPLE

0.54



ASSISTANCE

0.46



# Ukraine

## MANAGEMENT



INSTITUTIONAL  
ARRANGEMENTS FOR  
EUROPEAN INTEGRATION  
*(coordination and implementation)*  
**0.43**



LEGAL APPROXIMATION  
MECHANISM  
**0.66**



MANAGEMENT  
OF EU ASSISTANCE  
**0.44**



TRAINING IN THE FIELD OF  
EUROPEAN INTEGRATION  
**0.50**



AWARENESS RAISING  
ON EUROPEAN INTEGRATION  
**0.36**



PARTICIPATION  
OF CIVIL SOCIETY  
**0.75**



## ARMENIA

Over the year since the presentation of the previous EaP Index, the discourse and approach of the Armenian Government within the Eastern Partnership has changed. On one hand, certain steps have been taken with regard to domestic policy and technical reforms, which resulted in advances in negotiations. This led to Armenia being seen as a good pupil and is reflected in improved Index scores for the country on many aspects. Overall, six negotiation rounds on the DCFTA were held and negotiations concluded in July 2013, while the EU strengthened its positions as Armenia's main trade partner. Readmission and Visa Facilitation Agreements between the EU and Armenia were signed and, importantly, as of 2013, Armenia lifted visa requirements for EU citizens traveling to Armenia.

On the other hand, heated debates over the Eurasian Union and the Customs Union as an alternative to the Association Agreement and Deep and Comprehensive Free Trade Agreement have challenged the earlier consensus regarding European integration among the country's political elites. Although the Armenian Government has strived to dismiss any perception that these two initiatives contradict each other, the mutual exclusion of the two integration processes was voiced publicly by some Armenian and foreign politicians and officials, and members of the expert community and the topic has become controversial.

The avoidance of the topic by Armenian politicians during recent election campaigns also suggested that this was a divisive issue and raised doubts as to whether getting closer to the EU is an obvious and easy choice for Armenians. A rise in the price of Russian gas supplied to Armenia in 2013 and some other steps by Moscow have further exacerbated the situation and given rise to a widespread perception among Armenian voters that their country is being punished for 'lack of loyalty.' Now, as the prospects of signing the Association Agreement with EU are taking on

a more realistic shape, professional and impartial assessments of the costs and benefits of one or the other integration agendas are needed in order to move discourse in Armenia into a more constructive dimension.

When it comes to the domestic reform process, the time covered by this Index was marked by a cycle of elections. Parliamentary elections took place in May 2012, Presidential elections in February 2013, and municipal elections after that. As reflected by the scores in this Index, Armenia's electoral environment has improved and international and local observers recognised progress in press coverage of the electoral process and the absence of violence. At the same time, the use of administrative resources to the advantage of the ruling party, vote-buying, the non-participation of some influential candidates in the elections, the low level of voter trust in the official results as a whole all suggest that expectations regarding free and fair elections meeting European standards were not entirely met.

The same concerns a number of key reforms that Armenia committed to in its 2006 Action Plan. While there have been definite improvements, many problems still need to be tackled. On the positive side, recent progress in ensuring the right to freedom of assembly and the handling of defamation cases in the courts needs to be recognised. Whereas in previous years, the exacerbating tensions around elections led to the restraint of the opposition's right to conduct rallies and gatherings, the 2012-2013 election was characterised by the absence of any visible obstacles for political parties and candidates to meet with voters in any format. Rallies were held in central Yerevan without interruption or interference.

Judicial practice in 2012 largely dispelled concerns about the negative effects of the decriminalisation of libel and insult in Armenian legislation. The tendency of Armenian courts to impose high fines for moral damage, which was observed shortly after the decriminalisation in 2010 and threatened the most critical media outlets and

investigative journalists to end with bankruptcy has not continued. Armenia also set up a unit to enforce Intellectual Property Rights (IPR) under the republic's Customs Service. This was important to meet DCFTA requirements.

The liberalisation of the judicial practice, balanced coverage of electoral campaigns and progress in the application of the right to freedom of assembly resulted in an improvement in Armenia's scores in international indices measuring democracy and human rights, such as Freedom House and Reporters Without Borders, as well as the EaP Index.

Still, many problems are unresolved. The judiciary remains by and large dependent on the executive. Armenia has not yet adopted legislation criminalising domestic violence. The draft anti-discrimination legislation is hardly comprehensive. There are no new developments in fight against corruption, not even improvements in the state procurement system. Despite overall improvement in the management of European integration, the Government continues to lack a certain capacity to deal with all aspects of the process. Armenia did not establish specific positions to deal with legal approximation with EU within the legal services of government bodies, nor the necessary monitoring and reporting systems. The same is true for the monitoring and evaluation of EU assistance.

Importantly, progress in several key reform areas mentioned earlier is clearly linked to the efforts of civil society, its monitoring on the current state of affairs and its constantly offered expertise. For a long time, the Government underestimated the potential contribution of independent civil society organisations (CSOs) to the EU integration process and civil society was regarded as a thorn in the side of a Government agenda based largely on imitating reforms. But in 2012 and early 2013, there was a marked change in relations between Armenian CSOs and the Government of the Republic of Armenia. The Government has demonstrated greater openness to discuss and

participate in information exchange initiatives. This was, among others, demonstrated in its greater readiness to provide key information for studies like this EaP Index, and for civil society to monitor the implementation of the Eastern Partnership Road Map. This change of attitude is partly the result of effective work by CSOs and, crucially, by the consistent stand of the EU Commission and European External Action Service in supporting the engagement of civil society in EU integration process, including through the Civil Society Forum and its national platforms.

Much work still needs to be done in Armenia in terms of raising public awareness about European integration and the benefits it offers to the domestic reform process. One of the distinctive features of the most recent 18 months in Armenia was the lack of public discussion of the official EU-Armenia dialog. Even though the official dialog progressed rapidly and effectively, its specific elements did not form part of the political agenda or the election debates and was poorly communicated by the Government, with the result that awareness of European integration processes remains low among Armenians. This undermines the 'more for more' approach being pursued by the EU, since Armenian voters still do not see any fruits of the European integration agenda in many areas of the domestic reform process, particularly in environmental protection, fighting corruption, education and other areas that are of concern to ordinary citizens.

# Armenia

## LINKAGE



POLITICAL DIALOGUE

0.69

TRADE AND ECONOMIC  
INTEGRATION



0.54

SECTORAL COOPERATION



0.23

PEOPLE-TO-PEOPLE



0.46

ASSISTANCE



0.52

## APPROXIMATION



DEEP AND SUSTAINABLE  
DEMOCRACY



0.59

MARKET ECONOMY and DCFTA



0.57

SECTORAL APPROXIMATION



0.62

# Armenia

## MANAGEMENT



INSTITUTIONAL  
ARRANGEMENTS FOR  
EUROPEAN INTEGRATION  
*(coordination and implementation)*



0.57

LEGAL APPROXIMATION  
MECHANISM



0.47

MANAGEMENT  
OF EU ASSISTANCE



0.50

TRAINING IN THE FIELD OF  
EUROPEAN INTEGRATION



0.57

AWARENESS RAISING  
ON EUROPEAN INTEGRATION

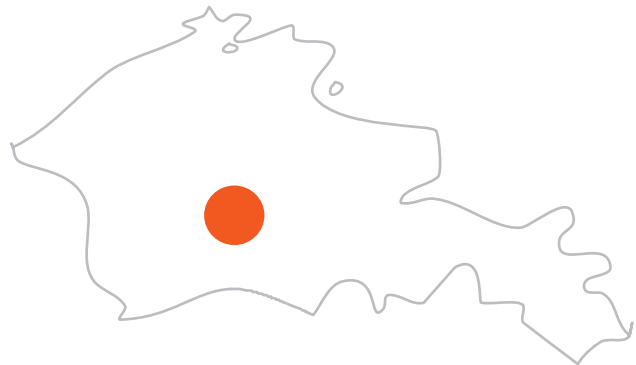


0.43

PARTICIPATION  
OF CIVIL SOCIETY



0.50



## AZERBAIJAN

EU-Azerbaijan relations continued to develop in 2012 against the background of Azerbaijan's active foreign policy, which resulted in a number of achievements aimed at garnering visibility and prestige for Baku. Azerbaijan chaired the UN Security Council in May-June 2012; it hosted the Eurovision Song Contest in June and the UN Internet Governance Forum in November 2012; it reached agreement on discontinuing the lease on the radar station in Gabala by the Russian military; and the capital city of Baku was selected to host the inaugural European Games in 2015.

At the same time, Azerbaijan reasserted its leading role in EU and regional energy security by signing an agreement on the construction of the Trans Anatolian Pipeline or TANAP, a pipeline that would connect natural gas producer Azerbaijan and transit state Turkey to provide an alternative gas line to Europe over which the Azeri state oil company has a control. These successes in foreign policy and energy security were marred by the lack of progress in resolving the decades-old Nagorno-Karabakh conflict: hostilities erupted again in June 2012, which led to a greater than usual number of casualties along the line of contact. Moreover, Azerbaijan saw worsening of state of democracy and human rights record and a clear move away from European standards in this area.

The country's growing self-confidence and increasing role on the international and regional stage were reflected in the nature of EU-Azerbaijan relations in 2012. Within the framework of political dialogue, European Council President Herman Van Rompuy visited Baku in July 2012, European Commission Vice President Neelie Kroes in November, and EU Commissioners Stefan Füle and Günther Oettinger in April and August. Baku also hosted the second Euronest meeting, which was the first to take place outside the EU. Yet the only official EU-Azerbaijan meeting on human rights took place within the subcommittee of Freedom Security and Justice, not as a separate institution.

Despite some progress on economic and legal issues in the Association Agreement negotia-

tions and a breakthrough in negotiations on the Visa Facilitation Agreement—negotiations are complete and the VFA will be signed in Vilnius in late November—official statements and lack of progress in reforms reflected the Government's increasing tendency to cherry-pick areas of cooperation as opposed to embracing the broader integration agenda in relations with the EU. Officials continue to express interest in 'strategic' cooperation with the EU, but the low level of approximation reflects a lack of political will and incentive, while the still unfinished negotiations with the WTO keep the country from signing DCFTA. By contrast, Azeri civil society demonstrated a high level of interest in European integration, as witnessed by numerous public statements by civil society leaders and the highest number of applications of all 6 EaP countries to participate in the 2012 Assembly of the Eastern Partnership Civil Society Forum.

Azerbaijan's political life was characterised in 2012 by increased spontaneous social protests, amid growing activism in civil society and the opposition. The opposition was joined by a broad coalition of intelligentsia, young professionals and youth movements. Independent civil society groups used the Eurovision Song Contest to run an advocacy campaign called 'Sing for Democracy,' which drew attention to human rights violations in Azerbaijan. The Government responded by stepping up pressure on NGOs, journalists, human rights advocates and youth groups. Criticism of the state of human rights in Azerbaijan caused further tension in relations with Germany in Spring 2012. Politically-motivated arrests, which had intensified in 2011 in reaction to opposition rallies inspired by the Arab Spring, continued into 2012, with more severe trumped-up charges. While one group of political prisoners was amnestied in June 2012, an increasing number of human rights advocates, youth activists including members of the NIDA movement, bloggers and, most recently, in February 2013, two opposition activists, Tofiq Yagublu, a journalist and second-in-command of the opposition Musavat Party, and Ilgar Mammadov, a presidential candidate from the REAL movement, were placed behind bars on what appear to be trumped-up charges. Journalists were subjected to smear campaigns

and even assaulted, while newspapers were swamped with lawsuits. The opposition Azadliq newspaper was on the verge of closure after a local court slapped it with high fines on defamation charges. Worse, against international recommendations, criminal defamation charges were extended to the relatively open territory of the internet.

Moreover, in 2012 and early 2013, Azerbaijan continued to translate its policies into legislation in a manner that strengthened the institutions of authoritarian rule. Among laws directed at restricting access to information, freedom of press and assembly were provisions increasing fines and detentions for participating in public meetings; provisions allowing commercial information to be secret; and provisions criminalising defamation on the internet. Although the Government finally introduced public funding for political parties, due to the controlled nature of Azeri elections, its impact on the development of a proper party system will be minimal—and could even be counterproductive to pluralism.

While the possibilities for petty corruption were somewhat reduced with the introduction of a new system of rendering services to the population known as the Azerbaijan Service and Assessment Network ([asan.gov.az](http://asan.gov.az)), the country was shaken by a series of revelations in publications and videos disseminated via social media that told of large scale corruption with the involvement of high level officials and the President's family. The impact of corruption spread well beyond state borders through what an independent European research and policy institution termed 'caviar diplomacy.' For instance, despite revealing publications and increased attention to the situation in Azerbaijan, the Council of Europe's co-rapporteur Christofer Strasser was prevented from getting approval for his report on political prisoners in Azerbaijan at the PACE session in January 2013 because of opposition within the Parliamentary Assembly.

Azerbaijan's economic growth continued to be heavily dependent on oil production and revenues from it. Yet production witnessed a further decline in 2012, dropping by 5.5 % and forcing

the Government to adjust the GDP growth rate downward from its projected 5.7% to 2.2 % in 2012. The state budget continued to benefit from significant transfers from the State Oil Fund (SOFAZ). Yet, SOCAR, the national oil company, continued to expand its investments abroad and issued 500 million Eurobonds. It also opened a network of gas stations in Switzerland, Ukraine and Georgia, and started construction on a STAR refinery in Turkey.

Azerbaijan was once again 5th place in the Index, outperforming only Belarus on many dimensions. According to the Index, Azerbaijan's links with the EU intensified on many levels in 2012. Azerbaijan has also slightly improved its business climate and approximation in most sectors. At the same time, its overall democracy aspect has deteriorated. For instance, its record of elections remains the worst in the region. Azerbaijan shows no improvement in Management of European integration despite the fact that it re-structured its State Committee for European Integration, which is now headed by the Minister for Economic Development.

Azerbaijan's significance will grow in 2013, following the decision to choose pipelines to take gas further from the borders of Turkey to European markets, given the tensions with Iran and the upcoming withdrawal of US troops from Iraq and Afghanistan. This will give its authorities much more room to maneuver in this election year, when President Aliyev is going to try for a controversial third term in office. Despite his seemingly firm grip on power, the growing mobilisation of civil society and the opposition, as well as growing social protest in early 2013, could force the Government to adjust as the international community pays increasing attention to the country. Oil-rich Azerbaijan's strategic location between Russia, Iran and Turkey will keep the elections at the centre of attention among external powers. For the EU, the upcoming presidential election will represent an even harsher test of its capacity to reconcile value-based and interest approaches to its Eastern Neighbourhood.

# Azerbaijan

## LINKAGE



POLITICAL DIALOGUE

0.62

TRADE AND ECONOMIC  
INTEGRATION



0.57

SECTORAL COOPERATION



0.36

PEOPLE-TO-PEOPLE



0.28

ASSISTANCE



0.25

## APPROXIMATION



DEEP AND SUSTAINABLE  
DEMOCRACY



0.31

MARKET ECONOMY and DCFTA



0.43

SECTORAL APPROXIMATION



0.53



# Azerbaijan

## MANAGEMENT

0.33



INSTITUTIONAL  
ARRANGEMENTS FOR  
EUROPEAN INTEGRATION  
*(coordination and implementation)*



0.23

LEGAL APPROXIMATION  
MECHANISM



0.41

MANAGEMENT  
OF EU ASSISTANCE



0.44

TRAINING IN THE FIELD OF  
EUROPEAN INTEGRATION



0.29

AWARENESS RAISING  
ON EUROPEAN INTEGRATION

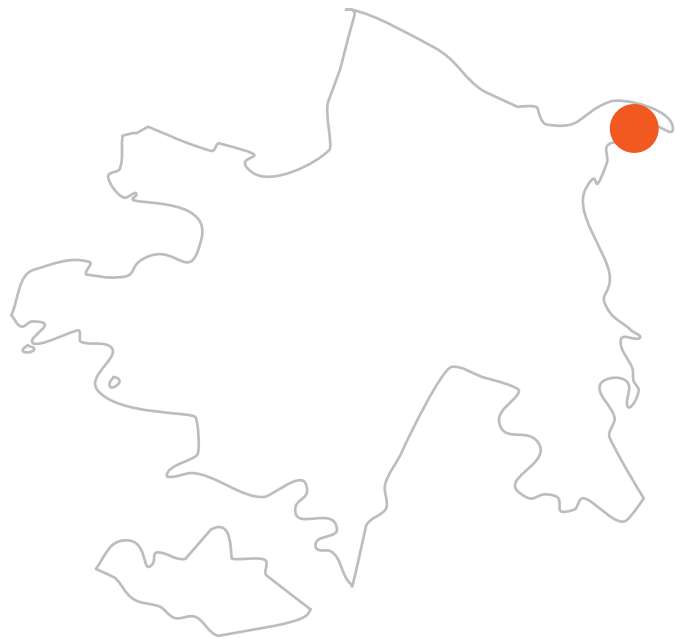


0.21

PARTICIPATION  
OF CIVIL SOCIETY



0.42



## BELARUS

In 2012, Belarus found itself in political and economic stagnation, which is reflected in its low, but stable scores in the Index. Belarus lags far behind the other countries in the region, both in its links with the EU and in its approximation to European standards.

Belarus's 2012 parliamentary elections were marked by serious violations of international and domestic standards for fair democratic elections. The elections took place in an atmosphere of political persecution of the government's opponents that prevented voters from making an informed choice. The use of administrative resources for the benefit of pro-government candidates was widespread throughout the campaign. State media published compromising materials about the activity of opposition forces. Compared to the 2008 parliamentary elections, the rules for campaigning were nevertheless improved. However, authorities restricted the campaigning opportunities envisaged by the new legislation. Ballot counting was not transparent. In the end, not a single opposition candidate gained a seat in the legislature.

Belarus refused to cooperate with the newly appointed UN Special Rapporteur on Belarus, who issued the first report depicting systemic restrictions of fundamental freedoms and abuse of human rights by the authorities. Despite the fact that the number of politically-motivated administrative arrests fell in 2012, from 323 in 2011 to 100,<sup>6</sup> the persecution of human rights activists, journalists, political opponents and other activists continued. Three political prisoners were released during the year, while nine still remain behind bars.

During 2012, the EU expanded its sanctions against Belarusian officials accused of human rights violations. The EU list contains 243 individuals who under a travel ban and have had their assets frozen. Moreover, 32 Belarusian companies are also subject to the asset freeze. In retali-

ation, Belarusian authorities put together a list of about 40 opposition politicians, civil society activists, independent journalists and analysts who have been banned from travelling abroad. Only after civil society representatives challenged the ban were the restrictions removed. Continuing checks by the Ministry of Taxes and Duties on some public figures suggest that pressure on dissidents has not diminished. Furthermore, in June 2012, the Belarusian legislature introduced administrative penalties for carrying out un-sanctioned public opinion polls, which is likely to seriously limit the activity of independent sociologists.

The EU's sanctions provoked a harsh counter-reaction. Belarusian authorities expelled one of the European ambassadors in August 2012 and increased persecution within the country. The two diplomatic crises were followed by intensified political and diplomatic contacts at the end of 2012. This trend continued in the first half of 2013. In June 2013 the EU suspended the Belarusian Minister for Foreign Affairs, Vladimir Makey, from its travel ban in order to facilitate diplomatic contacts between the two partners. Both sides were firm about their interest in constructive dialog and improved relations. Still, official Minsk consistently demonstrated reluctance to fulfill the EU's demands on democracy and human rights.

Meanwhile, Belarus continued informal communication and negotiations with Brussels. Despite conflicted relations at the political level, trade and business relations continued to develop successfully, as well as bilateral relations with individual member states. For instance, Belarus enjoys the highest level of trade in services with the EU among the EaP countries. Surprisingly, Belarus citizens receive the most EU and Schengen visas per capita among EaP countries.

When it comes to domestic reforms, business climate marked slight improvement, mainly due to lower expenses for construction permits and de-bureaucratisation of tax procedure.



6

Viasna Human Rights  
Centre database  
[www.spring96.org](http://www.spring96.org)  
(In Belarusian only)

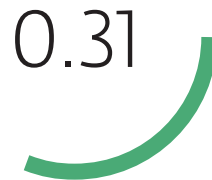
At the same time access to credits and declaring insolvency became more cumbersome. Belarus also improved its record of approximation to EU standards in most sectors and its record of fighting corruption: legislation was improved and the number of corruption crimes decreased from 2416 in 2011 to 1779 in 2012.

In spring 2012, the EU launched an exclusive initiative for Belarus called the European Dialogue for Modernisation with Belarusian Society (EDM). The new mechanism offers an additional platform for communication and cooperation among civil society, business and the authorities. The EDM can be also used to build capacity in civil society and a human resource pool capable of developing and implementing modernisation programs. So far, however, the EDM has not proved its effectiveness. Its ultimate goals remain unclear, it lacks financial resources and there is little interest among Belarusian authorities to cooperate with it.

The dynamics of Belarus-EU relations remain largely dependent on how relations go between Minsk and Moscow. Overall, Belarus continues to adhere to a policy of maneuvering between its two major partners. Belarus approaches the EU only when it has problems with Russia. Its foreign policy is guided by tactical considerations and highly dependent on external political and economic circumstances. European integration is not one of the goals being pursued by Belarusian authorities. Under such circumstances, there is little hope for any breakthrough in EU-Belarus relations.

# Belarus

## LINKAGE



POLITICAL DIALOGUE

0.28

TRADE AND ECONOMIC  
INTEGRATION



0.38

SECTORAL COOPERATION



0.32

PEOPLE-TO-PEOPLE



0.34

ASSISTANCE



0.21

## APPROXIMATION



DEEP AND SUSTAINABLE  
DEMOCRACY



0.27

MARKET ECONOMY and DCFTA



0.38

SECTORAL APPROXIMATION



0.35

# Belarus

## MANAGEMENT



INSTITUTIONAL  
ARRANGEMENTS FOR  
EUROPEAN INTEGRATION  
*(coordination and implementation)*



0.03

LEGAL APPROXIMATION  
MECHANISM



0.03

MANAGEMENT  
OF EU ASSISTANCE



0.81

TRAINING IN THE FIELD OF  
EUROPEAN INTEGRATION



0.00

AWARENESS RAISING  
ON EUROPEAN INTEGRATION

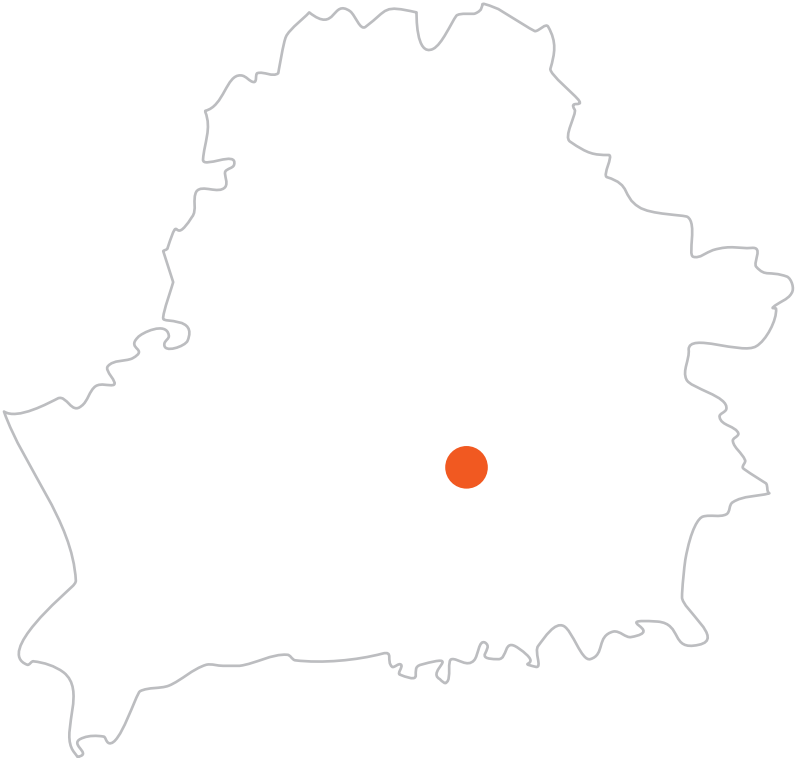


0.14

PARTICIPATION  
OF CIVIL SOCIETY



0.42



# SECTOR SPECIFIC ASSESSMENT

## POLITICAL DIALOGUE

Differences in the institutional framework that govern the relationship between the EaP countries and the EU continue to influence the depth and intensity of political dialogue. In this regard, Ukraine has many advantages over the other EaP partners as it is the only country that holds an annual summit and has seven cooperation sub-committees. Although the annual EU-Ukraine summit did not take place in 2012 due to a number of political factors, being postponed to February 2013, Ukraine keeps its leading position concerning activities of bilateral institutions. In contrast, Belarus is the only EaP country that has no contractual framework with the EU, i.e. no Partnership and Cooperation Agreement (PCA) and, although it is a part of the Eastern Partnership Initiative, its bilateral relationship with the EU is frozen.

In 2012, Georgia, Ukraine and Moldova maintained their leading positions relating to the density of high-level bilateral visits, while Azerbaijan and Belarus lag behind. For the first time, Armenia joined the frontrunners, thus suggesting an increasing interest of the EU in strengthening relations with Armenia and encouraging further domestic reforms.

Interestingly, Ukraine, Georgia and Belarus were the subject of the most statements released by the European External Action Service (EEAS), apparently due to the fact that all three countries had parliamentary elections in autumn 2012.

At the same time, political parties from all EaP countries have established cooperation with European political party families. It is noteworthy that both ruling and opposition parties have established links with European party families. Three of the six heads of state and government — in Armenia, Georgia and Moldova — are affiliated with the European People's Party. Remarkably, all three parties in the Moldovan governing coalition are associated with the three main European party families: People's Party, the Socialists and the Liberals. The number of parties that are members of or observers in parties at the European level varies from five in Moldova to two in Azerbaijan.

As far as multilateral cooperation is concerned, all countries constantly participate in the work of the Eastern Partnership institutions. In contrast to the bilateral track, Belarus is fully involved in the multilateral dialogue within the EaP institutions, except for Euronest. The participation of Belarus in Euronest was indefinitely postponed for political reasons.

EU cooperation on human rights has various formats and is of varying intensity with individual EaP countries. Moldova, Georgia, Armenia and Belarus established dedicated human rights dialogues with the EU. However, the EU-Belarus dialogue took place only once, in 2009, and since then has been suspended. Moldova has two dedicated meetings with EU officials a year, whereas Georgia and Armenia one meeting a year. Ukraine and Azerbaijan refused to launch dedicated

human rights dialogues. The EU is able to raise human rights concerns with these two countries only within the Justice, Freedom and Security (JFS) sub-committee.

Ukraine has preserved its leading position in cooperation in the Common Foreign and Security Policy (CFSP) and Common Security and Defence Policy (CSDP). Ukraine is the only EaP country that cooperates with both the EU Military Committee and the EU Political and Security Committee. At the same time, Moldova demonstrated a closer alignment with the EU foreign policy by subscribing to most of the EU CFSP statements and by signing the Framework Agreement on participation in EU crisis management operations. Ukraine is still the only EaP country that participates in EU military missions. In 2012 Moldova and Georgia received a positive reaction from the EU regarding their potential participation in the EU EUCAP Nestor mission. At the same time, all EaP countries, except for Belarus, show an interest in strengthening security cooperation with the EU, by participating in different CSDP consultations and trainings.

## DEEP AND SUSTAINABLE DEMOCRACY

The Index devotes special attention to Deep and Sustainable Democracy – a concept which helps the EU to apply the ‘more for more’ approach. It looks at elections, media freedom, association and assembly rights, human rights, independent judiciary, quality of public administration, fighting corruption, accountability and democratic control over security and law enforcement institutions. The Index shows which of the countries improved in these areas and thus deserve additional rewards from the EU and which of the countries regressed and might require a special warning.

In the 2013 Index Moldova is again the best performer in Deep and Sustainable Democracy. The

difference between Moldova and Georgia, who comes second, is relatively large. Ukraine and Armenia share similar scores in third and fourth position. Azerbaijan and Belarus are closing the gap between their positions, but both lag significantly behind the four frontrunners.

Most importantly, Moldova, Georgia and Armenia have improved their democracy performance in the current Index, which implies that these countries should be offered additional funding from the Eastern Partnership Integration and Cooperation (EaPIC) instrument, as happened last year. Ukraine stays on the same level as in the 2012 Index. Belarus has slightly improved its scores, while the situation in Azerbaijan slightly deteriorated.

More specifically, Moldova shows deterioration in Elections after the uncompetitive election of the President by the parliament. At the same time the country improved its performance in all other aspects of democracy and human rights. Moldova was the first country in the region to adopt a comprehensive anti-discrimination law in 2012.

Georgia took over second place from Ukraine. Georgia improved its score after the elections in autumn 2012 and shows significant progress in Independence of Judiciary and Fighting Corruption.

Ukraine slipped down the rankings from second place and moved very close to Armenia in third and fourth place respectively. Ukraine’s score in Elections deteriorated, following the negative assessment of its parliamentary elections by international and domestic observers. Instead the country improved the situation of human rights by adopting free legal aid and setting up a national torture preventive mechanism. Ukraine also adopted a non-discrimination framework law, which, however, failed to comply with EU standards.

Armenia shows improvement in Elections; Media Freedom, Association and Assembly Rights; and Independent Judiciary, with little changes in other aspects of democracy.

Moldova

Georgia

Ukraine



0.75



0.64



0.60

ELECTIONS (*national level*)

0.75

0.56

0.51

MEDIA FREEDOM, ASSOCIATION AND ASSEMBLY RIGHTS

0.67

0.63

0.58

HUMAN RIGHTS

0.75

0.59

0.72

INDEPENDENT JUDICIARY

0.75

0.81

0.47

QUALITY OF PUBLIC ADMINISTRATION

0.78

0.52

0.59

FIGHTING CORRUPTION

0.75

0.75

0.57

ACCOUNTABILITY

0.83

0.63

0.74



## Armenia



0.59

## Azerbaijan



0.31

## Belarus



0.27

### ELECTIONS (*national level*)

0.46

0.05

0.16

### MEDIA FREEDOM, ASSOCIATION AND ASSEMBLY RIGHTS

0.55

0.26

0.19

### HUMAN RIGHTS

0.55

0.48

0.13

### INDEPENDENT JUDICIARY

0.62

0.22

0.19

### QUALITY OF PUBLIC ADMINISTRATION

0.63

0.49

0.34

### FIGHTING CORRUPTION

0.65

0.33

0.40

### ACCOUNTABILITY

0.66

0.34

0.48

No positive changes were registered in Azerbaijan over the last year. As Belarus improved its score in fighting corruption, the ranking gap between the two countries is closing in relation to the quality of democracy and human rights.

## Elections

The 2012 parliamentary elections held in Armenia, Georgia, Belarus and Ukraine did slightly affect the scores on the quality of elections. While the situation in Belarus did not change, the situation in Georgia and Armenia improved and that in Ukraine deteriorated. Notwithstanding, an increasing number of shortcomings in the electoral process was still registered in all four countries.

Overall, none of the EaP countries meet the standards of democratic elections set by the Index. Moldova remains far ahead of the other EaP countries in organizing and conducting free, fair and competitive elections, followed by Georgia, Ukraine and Armenia. The biggest problems in ensuring a fair electoral competition and the transparency of the electoral process were again registered in Azerbaijan and Belarus.

The 2013 Index recorded progress in Georgia and Armenia and decline in Ukraine and Moldova in Elections. Armenia's progress is explained by better and more equal access to media for all candidates, mainly during the parliamentary elections in May 2012 compared to earlier elections, better implementation of the legal framework and increased electoral competitiveness. Both international and local observers and the national regulatory body registered progress in balanced and equal media coverage. The positive change was due not only to adequate mechanisms to ensure balanced and equal media coverage, but also due to the political will to provide such guarantees.

In Georgia the implementation of electoral legislation slightly improved, as well as the overall

legitimacy of elections. Independent candidates had better opportunities to register as a result of amendments introduced to the Electoral Code in 2011. Moreover, electoral competitiveness increased significantly, as the difference between the share of the votes in the parliament held by the strongest party (The Georgian Dream of Ivanishvili) and the main oppositional party (United National Movement of Saakashvili) diminished.

Ukraine, on the contrary, experienced considerable decline compared to the last year's Index, mainly because of the unlevel playing field and deficient implementation of new electoral legislation. Moreover, many problems with vote counting were registered. Overall both domestic and international observers reported a number of serious problems with legal provisions and how the elections were conducted.

The Moldovan parliament elected a new President in March 2012 after a more than two year stalemate. To avoid further obstruction by the opposition the law was changed to allow the election of a president even if only one candidate is registered. The opposition still boycotted the election, but the ruling coalition managed to garner enough votes for their candidate. This situation undermines competitiveness in electing the President, which resulted in a lower score for Moldova in the 2013 Index compared to the previous year.

The negative assessment of elections in Belarus in 2013 did not change its already low position compared to the previous Index, while in Azerbaijan the elections are not until October 2013.

Apart from the dynamics highlighted above, most countries in the region still have serious problems with elections. The quality of the election process in Georgia, Armenia and Ukraine is comparable and the pattern of deficiencies also does not differ much. The key problems that undermine the fairness of elections in these countries are unclear criteria for the delineation of electoral districts, use of administrative resources by the ruling parties, selective implementation of the

election legislation and an inefficient system for complaints and appeals. Lack of adequate mechanisms to ensure a balanced and equal media coverage is another problem. Although, it should be noted that the situation considerably improved in Armenia, where 2012 saw unprecedented plurality in media coverage of the elections. The National Committee for TV and Radio monitored extensively what was broadcasted to ensure a balanced and equal media coverage.

None of the EaP countries has an effective system preventing vote-buying, although all of them have legislation prohibiting this action. Georgia is the only state that provides both direct and indirect public funding for political parties. Ukraine, Moldova, Belarus and Armenia provide only indirect public funding and its extent varies depending on the country.

As far as electoral competitiveness is concerned, Ukraine and Moldova maintained their leading positions, although the difference between the share of the vote held by the strongest party and the strongest oppositional party increased in the case of Ukraine. In Georgia and Armenia competitiveness between parties also increased, as the difference between the number of seats held by the leading party and the main opposition party decreased in the 2012 elections. Nevertheless, one should note that the ruling party in Armenia in 2012 received more seats than in the previous election in 2008, while the second biggest party in terms of number of seats cannot be considered truly oppositional.

## Media Freedom, Association and Assembly Rights

The countries' scores in this part of the Index mostly rely on the assessments of independent international institutions such as Freedom House, Bertelsmann Transformation Index and Reporters without Borders.

The situation of media freedom is uneven. Moldova remains the best performer, although according to Reporters without Borders the media situation in the country deteriorated. Georgia comes second. Both Freedom House and Reporters without Borders highlight improvements in Georgia. Armenia comes third. While Freedom House praises Armenia's progress, Reporters without Borders point to certain deterioration. Local experts in Armenia state that the situation rather improved, mostly due to unprecedented plurality in the media coverage of elections and essential improvements in court practice on defamation. Ukraine follows Armenia. Here while Freedom House shows deterioration, Reporters without Borders point to certain improvements. Azerbaijan and Belarus continue to pay the least respect to this aspect of democracy, although Reporters without Borders highlight certain improvements in both countries.

Where association and assembly rights are concerned, we see a somewhat different pattern. Moldova still is in the lead, but it is followed closely by Ukraine and Georgia and further away by Armenia. Azerbaijan and Belarus are again far behind. Ukraine, Azerbaijan and Belarus show decline compared to last year's Index, while Armenia shows improvement. No changes are recorded in the case of Moldova and Georgia.

## Human Rights including Equal Opportunities and Non-Discrimination

This category of the Index looks at civil liberties and adoption of international standards in the field of human rights. It also includes the very detailed and elaborate subcategory Equal Opportunities and Non-Discrimination.

Civil liberties are most severely violated in Belarus and most protected in Moldova and Ukraine. Belarus is notorious for being the only country in Europe that retains the death penalty and for its lack of international cooperation on the

prevention of torture. While Azerbaijan adhered to many international instruments on human rights, its practice of protecting civil liberties is the second worst among the EaP countries.

Ukraine's record on human rights improved compared to the Index 2012 due to the fact that a free legal aid system was introduced in January 2013, although it is still limited to criminal cases and receives only limited funding from the state. Additionally, Ukraine established a National Preventive Mechanism according to the criteria of the Optional Protocol to the UN Convention against Torture (OPCAT). It is the Ombudsman who performs this function. We also noted certain improvement in the area of non-discrimination, since Ukraine adopted a relevant framework law. However, the law fails to comply with EU requirements for such laws and a new amended version is required. Nevertheless, the adoption of this law should be acknowledged as a step in the right direction.

Moldova also saw improvement in human rights during 2012 and early 2013. Although freedom of expression slightly deteriorated according to Freedom House, Moldova adopted a framework anti-discrimination law in May 2012, the first EaP country to do so despite domestic tensions. The new law was generally praised by the EU.

The human rights situation in the other four EaP countries has not undergone any significant changes.

Observance of the principle of non-discrimination and adoption of measures to guarantee equality through new legislation remained high on the bilateral agenda of the EU and EaP countries. Adoption of comprehensive and effective legislation is one of the requirements for future visa-free travel. Three major groups of indicators were used to assess the state of play and progress of EaP countries in this area: ratification of international non-discrimination legal instruments;

domestic anti-discrimination legislation; and policy, the latter including the degree of empowerment of disadvantaged social groups.

In the area of ratification of international legal instruments Ukraine remains a leader among EaP states. Moldova and Armenia follow closely, both countries progressing at the same pace. Interestingly, Azerbaijan signed up to more international legal instruments than Georgia. Belarus is the most reluctant EaP country in signing up to international human rights instruments. It is also the only European country not yet a member of the Council of Europe.

When it comes to anti-discrimination legislation, two EaP countries showed progress in this area by adopting national framework anti-discrimination legislation in 2012 — Moldova and Ukraine. Moldova's pioneering law on ensuring equality was adopted in May 2012. Ukraine followed in October 2012. However, according to EU assessment Ukraine's law on anti-discrimination does not meet basic European standards, as it does not provide sufficient protection to certain categories. Until Ukraine revises its current legislation its progress cannot be considered sufficient.

All EaP countries have provisions prohibiting discrimination in their Constitutions. However, a clear distinction should be made between Georgia and Moldova, where the Constitutions contain solely an overarching requirement of equal treatment and do not prohibit discrimination per se, and other EaP countries where the Constitutions more explicitly prohibit discrimination and thus afford a higher level of protection.

All EaP countries guarantee certain protection from discrimination within their penal laws, labour laws and education laws. Moldova introduced changes into its criminal and conventional codes. It also explicitly prohibited discrimination on the grounds of sexual orientation in employment. The EU asked the Ukrainian

authorities to prohibit discrimination on the grounds of sexual orientation in its Labour Code. This request was met by a huge wave of criticism from Ukrainian religious groups, who considered it a threat to so-called traditional values. As a result MPs from different political parties, including the opposition, are now reluctant to vote for the relevant changes despite pressure from the EU and domestic civil society.

The situation as regards protection from discrimination on a broader range of grounds remains almost without change across the EaP countries. The EaP states are uniform in the number of 'factual' grounds on which protection against discrimination is guaranteed. The leaders in this aspect are Moldova, Ukraine and Georgia, as they guarantee protection on the largest number of specific grounds, including sexual orientation in Moldova and Georgia. Ukraine and Moldova should be praised for keeping the list of protected grounds open in its legislation, since as courts tend to interpret the law broadly this might mean de-facto that the law covers discrimination on unlimited kinds of grounds. Other EaP countries have not provided the same scope of protection.

Ukraine and Moldova introduced clear definitions of direct and indirect discrimination and harassment. The latter is also defined and prohibited in the Armenian legislation. Failure to provide reasonable accommodation is defined only in the Moldovan anti-discrimination law, while all other countries fail to regulate this guarantee. The Moldovan anti-discrimination law is the most comprehensive and covers all major spheres to guaranty better protection. It covers assumed discrimination, discrimination by association and multiple forms of discrimination. The Ukrainian framework law covers these issues only partially, while Armenia prohibits discrimination by association and Georgia provides for the prohibition of assumed discrimination in such area as public healthcare. All EaP countries, except for Moldova, Azerbaijan and partly Ukraine, fail to establish

affirmative action measures to ensure prevention of future discrimination and redress for past discrimination.

When it comes to enforcement mechanisms all EaP countries except Moldova follow the same model of the Ombudsman office acting as the national equality body. In Ukraine one of the four specialised departments within the Ombudsman office works on non-discrimination, gender and children's rights. In Georgia the Public Defender's Office deals with non-discrimination and simultaneously runs the Tolerance Centre and two Civil Councils, one on National Minorities and another on Religious Minorities. Belarus, Armenia and Azerbaijan showed no progress in enforcing equality. Moldova is the only country in the region that set up a specialised equality body – the Council on Ensuring Equality and Combating Discrimination. The Council is composed of five members from civil society appointed by the parliament and investigates cases of discrimination.

## Independent Judiciary

Georgia and Moldova have implemented the most rules and procedures guaranteeing an independent and professional judiciary. Not only did both countries show the best results among the EaP states in the current Index, they also improved their performance as compared to the Index 2012. The indicators of an independent judiciary improved in Armenia as well, while they deteriorated in Ukraine and Azerbaijan. Belarus showed no progress whatsoever.

The biggest problem in this areas in all EaP countries is the lack of sufficient guarantees that the appointment, promotion and dismissal of judges is guided only by professional standards and is free from political meddling. This problem appears to be most severe in Azerbaijan and Belarus where the president has extensive pow-

ers over judges. Armenia lags behind the front-runners, Georgia and Moldova. Ukraine is far behind as it has serious problems not only with impartial appointment, promotion and dismissal procedures, but also with the weak protection of judges against harassment, assault and even assassination.

When it comes to the institutional independence of the judiciary the discrepancies among the EaP countries are less evident. Georgia, Moldova and Armenia are the frontrunners, while Ukraine and Azerbaijan both lag behind on the same level, leaving Belarus even further behind. Where financial independence is concerned, the situation appears to be the worst in Azerbaijan and Belarus, where the judiciary is financed by the government or only through informal mechanisms, putting it under the direct control of the president.

In all EaP countries, apart from Belarus and Azerbaijan, the judiciary retains strong powers without significant changes compared to the Index 2012.

When it comes to accountability and transparency of the judiciary, Moldova shows improvement, while Armenia and Azerbaijan show decline compared to the Index 2012. Georgia retained its leading position, while Ukraine stayed somewhere between the frontrunners (Georgia, Moldova and Armenia) and Belarus and Azerbaijan at the other end of the scale.

Internal rules, such as a code of ethics for the judiciary system, are partially provided in Ukraine and Moldova. In Ukraine the Congress of Judges adopted a fully revised version of the Code of Judicial Ethics in February 2013. However, its provisions duplicate the existing legislation in many respects, while at the same time fail to provide answers to a lot of practical questions. Judicial ethics training exists in Ukraine; however, its content is not practical in nature.

None of the six countries ensure that judicial deliberation is sufficiently protected from undue

influences by senior judges, private interests or officials from other branches of power. Only Georgia and Moldova have a judicial self-governing body that has a decisive influence on the career paths of judges, with the majority of members elected by judges. Establishing this element of self-government in the court system is key to depoliticising appointment and promotion decisions, but this step requires that incumbent judges be of outstanding integrity and not abuse their immunity to violate the law. Protecting functional immunity while maintaining accountability is a problem that has not been adequately solved in most EaP countries.

## Quality of Public Administration

The quality of public administration is an important prerequisite to ensure effective reform in any country. The EaP Index considers such aspects as policy formulation and coordination and impartial and professional civil service, the latter including legal, institutional and procedural aspects and the management of public service quality. The current Index shows an absence of any significant developments in this field compared to last year.

Moldova has the best quality of public administration in the region. The country also improved indicators in policy formulation, coordination and assessment, as well as the state of the civil service. Armenia follows second. A new law on public service entered into force in Armenia last year. It launched the formation of commissions on the ethics of civil servants and senior officials. However, the activities of these commissions are not fully unbiased.

Ukraine comes third in this category. A new responsibility has been added to the portfolio of the Minister of the Cabinet of Ministers to ensure the effective functioning of the civil service. Moreover, a novelty was introduced, which helps

to ensure the higher quality of service delivery. Citizens are informed about the standards that they can expect and if a certain service does not match up to the required level of quality they can launch an appeal.

Georgia follows Ukraine. Although overall its public administration still needs major improvements, Georgia shows good results in the quality of public service and rates second after Moldova here. Additionally the practice of public consultations in Georgia has slightly improved.

Azerbaijan lags slightly behind. Nevertheless, a new system, the so called Azerbaijan Service and Assessment Network (ASAN - [asan.gov.az](http://asan.gov.az)), was established. It provides administrative services to the population and to a certain degree reduces the possibilities for petty corruption.

Belarus has the worst quality of public administration among the EaP countries. However, it is worth noting that a new law adopted in 2012 put in place a uniform process for the promotion of civil servants and provides civil servants with access to their personal files.

## Fighting Corruption

The current Index shows no significant changes in the field of fighting corruption in most EaP countries compared to the Index 2012. Two countries, Georgia and Belarus, improved their indicators during the last year. Overall Georgia and Moldova are the leaders in fighting corruption. Armenia comes third, followed by Ukraine. Belarus and Azerbaijan switched positions. Currently Azerbaijan has the worst indicators on fighting corruption in the region.

Despite overall low scores, Belarus made progress in preventing corruption. In April 2012 the law on fighting corruption was amended to include a new definition of 'state official' and a new list of persons required to submit declarations of income and property. The law introduced a new

definition of 'conflict of interests' and set measures for its prevention and settlement. The number of corruption crimes decreased from 2416 in 2011 to 1779 in 2012. In Georgia, the powers and independence of the State Audit Office — the supreme audit institution — were strengthened.

Supreme audit institutions exist in all EaP countries. However, the Belarusian State Control Committee lacks institutional independence safeguards and the Azeri Chamber of Accounts heavily depends on the President's Administration. In Georgia, the State Audit Office, although institutionally independent from the executive branch, did not manage to fully exercise its new task of monitoring political parties and campaign financing in the run up to parliamentary elections without bias.

There are legislative guarantees ensuring protection against arbitrary dismissal for the heads of the audit agencies in all countries of the Eastern Partnership, except for Belarus, where the head of the State Control Committee is appointed and dismissed directly by the President.

A regulatory framework governing transparency and parliamentary scrutiny of the audits carried out by the audit agencies is in place in Armenia, Georgia, Moldova and Ukraine. However, findings of the audit agencies do not receive sufficient attention in any of the Eastern Partnership countries.

Public procurement remains the area most prone to corruption. Although legislation requires competitive bidding in all cases of major procurements, vaguely formulated exceptions create a risk of arbitrary interpretation of the law in Ukraine and Georgia, while in Azerbaijan and Armenia requirements of the legislation are not often respected in practice. Public procurement regulations and results of major public procurement bids are nevertheless easily accessible to the general public in all six countries of the Eastern Partnership.

## Accountability

A properly functioning system of checks and balances necessarily implies the accountability of the executive to the legislative branch, where those elected by the public can control and hold representatives of the government accountable. However, for a legislator to effectively exercise its control over the executive branch, adequate constitutional and institutional mechanisms have to be in place. If one recognises that the level of accountability might vary depending on the constitutional model of a particular country, drawing parallels or finding differences among the EaP countries might not reflect the complexity of the reality. Notwithstanding, major trends could nevertheless be identified.

Moldova, being a parliamentary republic, is the frontrunner among the six Eastern Partnership countries, followed by Ukraine, Armenia and Georgia. Moldova still remains the only country in the Eastern Partnership that allocates positions as parliamentary committee chairs to the opposition allowing the minority to influence the political agenda in the parliament.

Compared with last year's Index Georgia and Armenia improved their scores. This positive dynamic in strengthening the role of legislative bodies in Georgia and Armenia can be attributed to the results of the parliamentary elections conducted in these countries during the reporting period. The election in Georgia resulted in a considerably changed seat differential between the governing coalition and the main opposition party giving more space for alternative opinions in the parliament. Compared to data from the previous parliament, the number of bills submitted by opposition deputies has increased in Armenia.

Belarus and Azerbaijan score the lowest as their parliaments have limited power or only formally exercise oversight over the executive branch. The legislators of the two countries do not play a role in the appointment of the cabinet of ministers, have limited law-making power and lack control

over the 'power ministries'. Belarus is the only country where the president de-facto decides who can become a member of the legislature (although, according to the Constitution, he can only appoint 8 members of the upper chamber) and the budget of the parliament is under the control of the President's administration.

Legislators in Armenia, Georgia, Moldova and Ukraine have the power to summon government officials and have regular hearings with representatives of the executive branch. While the parliaments of these countries have constitutional powers to conduct independent investigations in case of abuse of power by government representatives, how these commissions operate is not clear in Ukraine and Armenia. In Georgia, creation of a temporary investigative commission depends on the will of the majority in the parliament. Legislators in Belarus and Azerbaijan completely lack these powers.

In terms of parliamentary control over the agencies of coercion, only in Moldova does the parliament effectively exercise this function. In Ukraine and Georgia legislators can exert general control over these agencies through parliamentary interpellation, but it is not in their authority to dismiss the ministers of defence and interior.

The powers of the legislative branch in the formation of the government are limited in most EaP countries. Only in Georgia and Moldova is a vote of confidence by the parliament required for the appointment of the cabinet of ministers. Despite the limited functions of the legislative branch in Azerbaijan it is the only country where the president does not have power to dissolve the parliament.

Legislative bodies in all six countries have a formal mechanism to override the presidential veto – a power not frequently exercised by legislators in practice. However, during the reporting period, the parliament of Georgia successfully overrode the presidential veto a number of times.



Generally, parliamentarians in Eastern Partnership countries enjoy immunity from criminal prosecution. However, in recent years there have been cases of allegedly politically motivated criminal prosecutions against individual parliamentarians in Armenia and Azerbaijan.

## Democratic Control over Security and Law Enforcement Institutions

Irrespective of the seriousness of the alleged threat, security concerns cannot override the rule of law in a democratic state. Accordingly, the extent to which legislative bodies, national human rights institutions and civil society have the possibility to exercise control over law enforcement and security services is a crucial indicator of the state of democracy. In order to understand whether the six Eastern Partnership countries satisfy this criteria, the Index looks at the internal regulations within the security and law enforcement bodies, the level of control exercised by the parliament and national human rights institutions in cases of abuse of power by police, army and security personnel, and transparency and openness of those institutions.

Similarly to the Index 2012, Moldova shows the best system of democratic control over its security institutions, followed by Ukraine. Georgia and Armenia lag somewhat behind, while Belarus and Azerbaijan have the worst scores. Ukraine, Georgia and especially Moldova improved their performance, while the situation in the other three EaP countries almost did not change.

Excessive use of force by police and security personnel while handling demonstrations has been a concern in almost all EaP countries during the last three years, except for Moldova where the last case of police violence in crowd control was registered in April 2009. Moldova also adopted a new law clearly defining the principle of propor-

tionality for law enforcers while applying coercive measures, thus considerably strengthening its position in this category of the Index. In contrast with Moldova, relevant legislation in Belarus and Azerbaijan lacks the necessary precision on the use of lethal force and fails to secure a system of adequate and effective safeguards against arbitrariness. Internal control and enforcement mechanisms to deal with abuse of power by security and law enforcement agencies exist in all six countries. However, the effectiveness of such mechanisms is questionable everywhere except for in Moldova.

Theoretically, parliaments in all EaP countries have the possibility to exercise control over security forces. What form this control takes varies from country to country. The legislative bodies in Ukraine, Georgia, Belarus and Azerbaijan are either reluctant or lack the possibility to use this leverage effectively. For instance, the law enforcement ministries usually do not report to the parliament in Belarus and Azerbaijan. At the same time in all six countries the speaker of the parliament is a member of the National Security Council. However, only in Moldova are the decisions of the Council subject to parliamentary scrutiny.

The control exercised by the Ombudsman's Office over security and law enforcement bodies is considerably weak in Azerbaijan and there is no such human rights institution in Belarus. Over the last three years there have been cases of persecution and intimidation of journalists and representatives of civil society organisations in Azerbaijan, Armenia, Belarus and Georgia. Lack of transparency in the law enforcement and security bodies remains a problem in all EaP countries. However, the situation in Georgia improved since last year, whereby meetings with civil society organisations and the Ministry of Justice became institutionalised.

## ECONOMIC COOPERATION: TRADE IN GOODS, SERVICES AND FDI



7

The GSP is an autonomous trade arrangement through which the EU provides non-reciprocal preferential access to the EU market. The system allows exporters from developing countries to pay lower duties on some or all of what they sell to the EU. It envisages duty-free access for non-sensitive products and a reduction in import duties for sensitive products.

[www.ec.europa.eu](http://www.ec.europa.eu)

8

The GSP+ constitutes additional preferences available to vulnerable developing countries as an incentive for them to ratify and effectively implement a set of key international conventions. These represent widely recognised international standards in the fields of core human rights and labour standards, sustainable development and good governance.

As the largest regional market, the EU has been an important trading partner for all EaP countries. In 2012 the EU-27 remained the leading trading partner in both the export and import of goods for four EaP countries: Armenia, Azerbaijan, Georgia and Moldova. For Belarus and Ukraine, the EU remained the second largest trading partner after the Russian Federation.

On average, goods turnover with the EU constitutes around one third of total EaP turnover. Countries' figures vary between 27% and 45%, with the highest EU goods trade observed in Moldova and Azerbaijan—the latter due to energy exports—and the lowest in Belarus and Georgia.

Three EaP countries, namely Armenia, Moldova and Belarus, increased their exports to the EU in nominal terms, while exports of three other EaP countries dropped. All EaP countries increased the import of goods from the EU.

The importance of the EU in services trade is less homogeneous across EaP countries. Services trade turnover with the EU is estimated between 13% and 22% of total service trade of each country for the four smaller EaP countries (Armenia, Azerbaijan, Georgia and Moldova). The respective shares for the two larger countries — Belarus and Ukraine — constitute 51% and 36%.

While the EU occupies a leading position in exports and imports in the EaP countries, these countries represent only a small percent in the EU overall trade. Altogether, the six countries of the region account for around only 2% of EU goods trade and a marginal 0.4% of EU services trade. As a comparison, the Southern neighbours represent 5% of the EU's trade and Russia 10%. Ukraine has been the EU's largest trading partner among the EaP countries. It accounts for 52% of overall trade between the EaP region and the

EU. Armenia is the least significant trade partner accounting for only 1% of total EaP-EU trade. Georgia and Moldova follow closely behind with 3% and 4% respectively.

Apart from trade links, the EaP countries rely heavily on EU investments. The share of foreign direct investments (FDI) from the EU remains between 30% to 80% of the total inward stock of FDI in the EaP countries. This share is the largest for Ukraine and Moldova and the lowest for Belarus.

Currently, trade regimes between EaP countries and the EU are regulated by several frameworks, namely bilateral Partnership and Cooperation Agreements (for Belarus a Trade and Economic and Commercial Cooperation Agreement), WTO rules and practices (except for Belarus and Azerbaijan) and unilateral preferences offered by the EU.

The EU and EaP countries accord each other the 'most favoured' treatment in the trade of goods. Moreover, most EaP countries enjoy additional preferences in access to the EU market, being eligible either for the Generalised System of Preferences (GSP)<sup>7</sup>, the GSP+<sup>8</sup> or even Autonomous Trade Preferences (ATPs). These preferences are non-reciprocal and provided by the EU to developing countries with the primary aim of reducing poverty and promoting sustainable development and good governance in these countries.

All EaP countries except for Belarus are eligible for the GSP. Preferences to Belarus were temporarily withdrawn in June 2007 in response to systematic and serious violations of the core principles of the International Labour Organisation. Three EaP countries (Armenia, Azerbaijan, Georgia) benefit from preferences provided by the GSP+. Moldova has been entitled to the ATPs above the level of GSP+ since March 2008. The ATPs have provided unlimited and duty free access to the EU market for all products originating in Moldova, except for certain agricultural products for which quotas are applied.

The actual level of tariff protection faced by the EaP countries in the EU is determined by the Import Tariff Schedule of the EU, eligibility to existing preferential schemes (GSP, GSP+, ATPs) and bilateral agreements, as well as the commodity structure of each country.

Among the EaP countries Belarus exporters face the highest level of tariff protection in the EU, followed by Ukraine and Moldova's exporters face the lowest level of tariff protection. EU exporters have to deal with the highest tariffs in Belarus (reciprocity principle) and in Azerbaijan. The lowest import tariffs on EU products are applied in Georgia. Both the EU and EaP countries tend to have higher average tariffs on agricultural products than on industrial goods.

Three EaP countries, Azerbaijan, Belarus and Ukraine, apply export tariffs that also affect exports to the EU. The list of products subject to export tariffs includes metals and scrap metal from Azerbaijan and Ukraine, mineral products from Belarus and Ukraine, and selected other sensitive raw products like oil seeds and skins from Ukraine and wood from Belarus. The EU does not apply export tariffs. The establishment of the DFCTA between Ukraine and the EU will result in the eventual elimination of Ukraine's export tariffs in trade with the EU, although the agreement envisages long transition periods and temporary trade remedy measures allowing for the existing level of protection to be kept during the transition period.

Trade defence measures have been rarely used in trade between the EU and the EaP countries. In 2012, the EU did not launch any new anti-dumping or safeguard investigations that concern products from the EaP countries. Among the EaP countries in 2012 only Belarus launched new investigations that concern EU products.

Ukraine accounts for the majority of currently registered cases. In the EU, measures applied towards Ukraine's products were adopted more than five years ago, that is, before Ukraine be-

came a member of the WTO, and the number of applied measures gradually reduced in 2011-2012.

Measures applied in Ukraine towards goods produced in the EU are quite recent. Two anti-dumping measures were enacted in 2009 and 2012 and two safeguard measures in 2011 and 2013. In particular, in April 2013 Ukraine introduced safeguard measures on the import of motor cars. The decision has caused serious concerns among WTO members, in particular the EU, regarding its compatibility with the provisions of the WTO Safeguards Agreement. The list of raised issues includes whether there was adequate consultation opportunities before the adoption of the decision, causality issues and issues relating to the maintenance of substantially equivalent levels of concession. The Government of Ukraine has expressed its readiness to continue consultations with the WTO.

## MARKET ECONOMY

In assessing domestic economic performance and market economy status we focused on the quality of the business climate in the countries and their transition progress. The analysis is based on widely used indicators for international economic comparison rather than country size, specific factors and short-term shocks. In particular, we used indices produced by the World Bank (Doing Business), EBRD (Transition Reports), World Economic Forum and the Heritage Foundation.

A number of conclusions can be drawn from the analysis. According to the World Bank Doing Business (DB) 2013, Georgia has preserved its leading position in the category ease of doing business among the EaP countries. Armenia holds the second place. Despite significant progress in starting-up businesses and paying taxes, Ukraine still has the least attractive business climate in the group.

In general, five out of the six EaP countries improved their performance compared to the results in the DB 2012. A reduction was registered only in Azerbaijan. Armenia and Ukraine were the front-runners in terms of positive changes.

Four of the six EaP countries — Armenia, Azerbaijan, Belarus and Georgia — ensure that businesses can be established quickly, both in terms of time and monetary costs, thus allowing free entry to the market. Ukraine has also achieved significant progress in freeing market entrance thanks to reductions in the time, cost and number of associated procedures required. Nevertheless, the country is still lagging far behind the group average, especially when it comes to the duration of registration procedures.

At the same time, all countries have set up obstacles for resolving insolvency, thus preventing free market exit, which is another basic principle of the market economy. Armenia and Belarus are the leaders in ease of resolving insolvency, while Ukraine has the worst ranking due to high associated costs and low recovery rate. The situation considerably deteriorated in two markets — Belarus and Georgia.

Paying taxes remained quite cumbersome in all EaP countries, except for Georgia that features a low tax rate and a system of only five payments per year. Four out of six EaP countries demonstrated significant progress in the simplification of tax payments, while the situation in Azerbaijan improved only slightly and Belarus regressed. Ukraine is still the worst performer in the group.

The EaP countries have a moderate standing in contract enforcement, with the exception of Armenia whose performance worsened in comparison with the DB 2012 as the country increased delays. Belarus holds the leading position in ease of contract enforcement according to DB 2013 with the lowest number of procedures. According to Heritage Foundation assessments, enforcement of property rights has remained quite

weak in all the EaP countries and corruption constitutes a serious challenge for the economic development of the region.

The EBRD country transition indicators show that five out of six EaP countries, with Belarus remaining the exception, have achieved comprehensive price and trade liberalisation and completed the privatisation of small companies with tradable ownership rights. The progress in large scale privatisation is not uniform across the EaP countries. The most significant progress in large-scale privatisation and corporate governance is registered in Georgia and Armenia, while Azerbaijan and Belarus preserved state ownership for a considerable part of the economy and the process of large privatisation is just at the beginning. All EaP countries feature little progress in governance and enterprise restructuring and in competition policy reform. According to the World Economic Forum the effectiveness of promotion of competition policy in the EaP countries is quite moderate.

There is very little change in the EBRD sector transition indicators of the EaP countries compared to last year's Index. All EaP countries have room for improvement in market structure and market-supporting institutions and policies in the majority of sectors. Armenia, Georgia, Ukraine and Moldova have a relatively more developed market structure, while Belarus and Azerbaijan are lagging behind. Across sectors, the corporate sector and selected sectors in infrastructure have been developed the most. At the same time, further regulatory efforts should be devoted to the development of the financial and energy sectors.

There seems to be no direct link between trade turnover between the EU and each of the EaP countries, on the one hand, and business climate, on the other. For instance, Ukraine has the most intensive trade with the EU and is the largest recipient of FDI from the EU, partly determined by the size of the country, and yet its business

climate is the worst among the EaP countries. However, once the business climate improves, it further boosts investments and trade between the parties.

## Towards DCFTA

Deep and Comprehensive Free Trade Agreement (DCFTA) along with the prospect of visa-free travel are the two biggest incentives that the EU offers to its partner countries within the Eastern Partnership Initiative. DCFTA is the most comprehensive free trade arrangement that the EU has so far offered to any third country, which will have profound implications for domestic reforms in EaP countries.

The DCFTA part of the Index looks at all the sectors that are relevant to the free trade area and that are included as chapters in the Association Agreements (AA) between the EU and EaP countries. The AA with Ukraine is now technically ready for signing and the text is published. At the same time the EU concluded negotiations with Moldova, Georgia and Armenia. The EU cannot start DCFTA negotiations with Azerbaijan before the country's accession to WTO, while DCFTA is not at the moment in sight for Belarus.

The six EaP countries can be divided into three pairs according to their DCFTA performance. Georgia and Moldova are the best performers, as they demonstrate the highest level of compliance with DCFTA requirements and both made progress compared to last year. This is despite the fact that both countries started DCFTA negotiations much later than Ukraine and concluded the negotiations faster. Ukraine and Armenia are on the same level, but below the frontrunners. The difference is that Ukraine's performance deteriorated, while that of Armenia improved. Azerbaijan and Belarus lag behind and find themselves almost on the same level. The fact that Belarus and Azerbaijan are on the same level is interest-

ing since Belarus is a member of the Customs Union of Belarus, the Russian Federation and Kazakhstan and therefore cannot have a free trade area with the EU independently from the Customs Union. This might mean that trade with the EU is still attractive for Belarus and a limited level of regulatory adjustment is needed in order to increase trade flows. However, in 2012 both countries slowed down in meeting DCFTA requirements.

Liberalisation of trade policy is one of the key DCFTA requirements. Moldova, Ukraine and Armenia pursue the most liberal trade policies. Georgia made significant progress in 2012 and is catching up with the frontrunners. Azerbaijan has the most protectionist trade policy.

Ukraine's sanitary and phito-sanitary standards are the most compatible from the region with DCFTA requirements. It is the only country that made progress in 2012 leaving the other countries far behind.

All six countries score rather highly when it comes to customs and trade facilitation provisions and there is no change compared to last year.

Regulations for services and establishments are also rather developed in all six countries with Belarus lagging behind. Armenia made the biggest improvement, while Azerbaijan's performance worsened.

Capital provisions are the most developed in Moldova, Georgia and Armenia. Ukraine demonstrates a mixed pattern — halfway between good conditions for the free movement of capital and too much state regulation. For instance, there are restrictions on the acquisition of agricultural land by foreigners and administrative procedures that limit the free movement of capital. In Belarus and Azerbaijan capital market is too heavily controlled by the state.

Four countries — Moldova, Armenia, Georgia and Azerbaijan – fully meet EU intellectual property rights requirements. Ukraine and Belarus lag behind as countries that offer low protection in the United States Trade Representative (USTR) watch list.

Georgia is the only country in the region that meets EU geographical indications requirements. Moldova's performance is also relatively high, while the other four countries lag far behind at approximately the same level.

Competition and state aid requirements are fully met only in Georgia. The gap among the countries in this area is large. Moldova comes second, followed by Ukraine and Armenia. Belarus and Azerbaijan are far from meeting EU requirements in this area. Moldova and Armenia both made significant progress compared to last year.

All these differences no doubt reflect the level of political will in each country to meet EU requirements. However, one should also take the differences in structures of domestic economies into account. The large production sector in Ukraine naturally advocates for more protectionist measures and the costs of adjustment in Ukraine might be higher than in Georgia, Moldova and Armenia, at least from the perspective of strong interest groups.

## Freedom, Security and Justice

Freedom, Security and Justice (FSJ) remains a key area of cooperation between the EU and EaP countries. The EU pursues the creation of an area of security and prosperity at its Eastern border, while the EaP governments declare their commitment to fighting against corruption, organised crime, illegal migration, human trafficking and promoting efficient law-enforcement and human rights.

The catalyst for efficient cooperation in FSJ matters is the EU's promise to all EaP countries of at some point visa-free travel to the EU under certain conditions. This visa policy became one of the most effective foreign policy tools used by the EU to encourage reforms in the EaP countries. The prospect of visa-free travel is appealing to both the political elite and ordinary citizens. For most EaP countries' governing elites this prospect became a more powerful incentive than that of full EU membership, as politicians are willing to deliver results while still in office in order to increase their chances to hold on to power. Whilst the prospect of membership remains a long way off and impacts minimally on ordinary people in the short term, visa-free travel would benefit all citizens, thus increasing support for the incumbent government.

The EaP Index measures the level of cooperation of each EaP country with the EU on FSJ matters and implementation of domestic reforms required by the EU, mostly included in the Action Plans on Visa Liberalisation (APVL).

The 2013 Index confirms Moldova's leading position in implementing required reforms. Ukraine is lagging behind Moldova and the gap between Chisinau and Kyiv is increasing both institutionally and technically. Moldova moved to the second phase of APVL in 2012, which is largely well implemented, while Ukraine is still in the first phase. Kyiv still needs to adopt and implement a comprehensive anti-discrimination law in line with European standards and establish an independent anti-corruption agency. Georgia is slowly catching up with Moldova and technically has almost reached Ukraine's level. The country was handed an APVL in February 2013 and started implementing many of the prescribed reforms even prior to this event, especially on combating corruption.

Armenia has not yet received an APVL. Despite this fact, Armenia started a series of reforms aimed at aligning its legislation with EU stan-

dards and showed progress in 2012. Belarus and Azerbaijan are far from receiving an APVL, since, unlike the other four EaP countries, they have not even concluded visa facilitation agreements with the EU. The latter facilitates the process of issuing Schengen visas to certain categories of EaP citizens by EU member states' consulates. One particular impediment to greater progress in Azerbaijan and Belarus is the worsening human rights situation and limited cooperation with the EU in some of the FSJ areas. Belarus continues to register the lowest results among the EaP countries. One has to note, though, that Belarus receives the highest number of both EU and Schengen visas per capita among the EaP countries. This probably has to do with the informal policy pursued by EU member states' consulates of facilitating greater mobility for Belarus citizens as a counterbalance against the authoritarian regime.

Four countries – Ukraine, Moldova, Georgia and Armenia – have visa facilitation and readmission agreements with the EU, while Azerbaijan is expected to sign them in November 2013. Moldova and Ukraine signed the second generation of visa facilitation agreements, which further eases visa requirements and broadens the list of categories of citizens eligible for visa facilitation.

All countries of the region are relatively advanced in ensuring document security, except for the fact that not all states issue biometric passports. Ukraine has a legal framework for biometric passports, but lacks the necessary secondary legislation, which prevents issuance of the new documents. Belarus started to issue biometric passports as a pilot project. However, it is not clear to what extent these are in accordance with the International Civil Aviation Organization standards. While the remaining countries issue biometric passports, not all of them have plans in place to phase-out the old travel documents.

Most EaP countries have good standards in the area of irregular migration. Some shortcomings

are observed in Georgia, where there is no competent civilian authority dealing with migration and Azerbaijan which does not have a framework document on migration. Compared to previous years, the EaP countries progressed in most areas related to migration, integrated border management and asylum. Belarus and Armenia still score low on border management both in *Linkage* and *Approximation*.

Public security and order represents one of the most difficult areas to reform. Countries show good progress in terms of adoption of legislation, which is a part of *Approximation*, while the *Linkage* dimension scores remain low for most countries. The implementation of recently adopted laws remains a challenge. Only Georgia shows a high level of controlling corruption in our Index, based on indicators from Transparency International and the World Bank, leaving other countries behind with Ukraine and Azerbaijan showing the worst results.

The reforms in the area of external relations and human rights are difficult to implement for most of the countries. Moldova was the only country to adopt an anti-discrimination law in line with basic standards of the EU in 2012. The rest of the countries have no specific or general legislation in place and as such no effective mechanism for protection against discrimination, in particular for sexual minorities.

The *Linkage* and *Approximation* dimensions of FSJ show no major discrepancies. In most cases developed links with the EU in this area translate into a better domestic reform process. Yet, one could highlight that Georgia, Armenia and Azerbaijan seem to exert more efforts where domestic reforms are concerned than Ukraine. For instance, Georgia shows almost the same level of approximation as Ukraine, although its links with the EU are far less developed. Armenia and Azerbaijan, although disadvantaged in terms of links with the EU, are also catching up with domestic reforms.

Thus, although most countries adopted important new legislation in 2012, the hard work remains to be done in 2013 and 2014 when most of the legislation will have to be implemented in a comprehensive and sustainable manner. To make this happen the authorities and societies of the EaP countries will have to put in significant efforts and resources. This will pave the way for visa-free travel to the EU, but first of all to a modern justice and security system based on European standards that could offer more rights and opportunities to citizens.

## Energy

Trade-related and other economic factors matter more for EaP countries' *Linkage* with the EU in the field of energy than participation in multilateral dialogue mechanisms initiated or supported by the EU. In this regard Armenia is a very minor player with little trade between the EU and Armenia. Azerbaijan, Georgia and Belarus are mainly exporting fuels and minerals to the EU. Ukraine and Moldova are increasingly importing energy from the EU. The engagement with Azerbaijan is set to grow as it will become the main supplier in the future Southern Gas Corridor, while Georgia and Ukraine will remain key transit countries.

The EaP countries are slowly yet confidently transforming their energy sectors in accordance with EU regulations. The success of such change largely depends on the systematic nature of approach of the country. For instance, Belarus distances itself from any cooperation on energy and demonstrates a poor performance in energy reforms. Both Azerbaijan and Armenia made significant steps in gas and electricity market restructuring. Azerbaijan signed a Memorandum of Understanding on energy sector cooperation with the EU and Armenia gained observer status in the Energy Community. Armenia and partly Moldova implemented ownership unbundling rules. Armenia also established an independent regulator, similar to Georgia and Moldova.

Georgia, who applied for membership to the Energy Community, is still way behind Ukraine and Moldova who are already full members. Yet, Georgia offers free access to infrastructure and has better energy efficiency indicators than any EaP country. At the same time Kyiv and Chisinau have the highest level of formal commitments but show moderate progress in implementation of the *acquis communautaire*. The Ukrainian energy market is being liberalised in both gas and electricity sectors, while the Moldovan market is more open and non-discriminatory. Both countries developed renewable energy national targets and greenhouse emissions reduction mechanisms. However, none of the EaP countries started to implement the far-reaching reforms within the Third Energy Package.

In comparison to the period assessed in the previous Index energy consumption of EaP countries changed slightly. Belarus, Moldova and Georgia were most successful in reducing energy intensity and greenhouse gas (GHG) emissions, while Ukraine and Armenia showed almost no progress.

In order to produce sustainable results in reforming the energy sector the EU should increase its technical and expert support. Regulatory approximation should be followed by effective enforcement of the new rules. *Approximation* should also address the structure of the energy markets by optimising the energy mix and developing infrastructure, including cross-border connections. Only such a holistic approach can provide better energy security for both the EU and partner countries.

## Transport

Transport plays an important role in the facilitation of economic cooperation, trade and people-to-people contacts. However, the development of transport infrastructure lacked appropriate attention from the EU in recent years most probably due to the financial troubles of the euro zone.



Some improvement in transport policies and infrastructure in the EaP countries was registered mainly due to initiatives launched in the late 2000s or to substantial domestic support.

The *Linkage* dimension reflects the lack of relatively recent integration initiatives in the field of transport. For instance, in the aviation sector one of the EU's priorities is the enlargement of the Common Aviation Area (CAA). Georgia and Moldova already signed agreements on CAA, but their ratification on the side of the EU is pending. The progress of Azerbaijan and particularly Ukraine, who started talks in 2007, is considerably slower. Belarus and Armenia have not started negotiations on joining the CAA, although Armenia started approximation with the EU aviation safety legislation. Some progress was achieved in strengthening administrative capacities of transport bodies mainly due to joint projects with the EU launched some years ago. In particular, independent or quasi-independent transport incident investigating bodies were finally created to correspond to the EU's safety requirements.

The *Approximation* dimension illustrates a somewhat different trend. Mostly driven by the scarcity of financial means to invest in transport infrastructure, EaP countries initiated reforms in the transport sector. These have been aimed at reducing the state's power in transportation and at attracting private investments. Following this model, Ukraine adopted relatively liberal legislation regulating ports and railway freight. Moldova also started reforming its railways and allowed concessions of airports. Armenia and Georgia have liberalised almost all transport markets.

The EU's relatively decelerating involvement in the field of transport has resulted in lack of progress in safety aspects and in ongoing EaP countries' reluctance to establish independent transport regulatory bodies. In particular, the number of road accidents remains substantial and their rate did not change across the countries compared to the Index 2012. Also, the Index 2013 shows no considerable improvements in transport regulation.

In previous years Ukraine was the leader in the field of transport, but recently Moldova and the Caucasus countries, in particular Georgia, caught up. Armenia, Azerbaijan and Georgia have increased the quality of transport services and ensured greater participation of private companies in their provision. Meanwhile, Ukraine and Belarus having a closer geographical position to the EU lag far behind in transport development. Namely, Belarus has not adjusted to the EU's standards and policies despite having the largest share of land connections to the EU among the EaP countries.

## Environment and Sustainable Development

In this Index all countries except Moldova, who was the best performer in the previous Index, improved their scores. Ukraine achieved the biggest increase. The gap between the best and worst environmental performers tended to reduce, although Moldova still remains the leader. Belarus is in second place. Armenia took over the third position from Georgia. Ukraine and Azerbaijan have the lowest results, due to high pressure on the environment and complicated environmental conditions. Georgia is in fourth position being very close to Ukraine.

The Index assessment here is composed of two major parts: 1) environment, climate change and sustainable development policy; and 2) resource efficiency, pressure on and state of the environment.

In the first part Moldova has the highest result mainly for starting preparation of a national environmental policy and a Shared Environmental Information System Action Plan. Ukraine follows second and Armenia third. Georgia and Belarus come next. Azerbaijan closes the 'policy' chart with a significant gap.

Although Moldova still leads on policy adoption, no considerable progress in environmental policy integration (EPI) has been achieved. Nevertheless, Moldova has never been recognised as non-compliant under the main conventions with compliance mechanisms. Ukraine is in second position in terms of policy development and implementation. It has been implementing the new environmental law on the State Environmental Strategy and the governmental National Environmental Action Plan (NEAP), where the EPI is a core principle, but last year's attempts to adopt EPI instruments concerning Environmental Impact Assessment (EIA) and public participation in EIA failed. The 2011 decisions on Ukraine's non-compliance with the Aarhus and Espoo UN ECE Conventions have not been lifted. After implementing the recommendation of the Compliance Committee of the Kyoto Protocol, the suspension imposed on Ukraine in 2011 under the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC) was lifted in March 2012.

Armenia ranks third and remains the only country among the six EaP states that has ratified the Protocol on Strategic Environmental Assessment to the Espoo Convention, one of the main EPI instruments. Only three countries (Ukraine, Georgia and Armenia) have separate environmental policies adopted by the government or parliament. Armenia started to develop the third generation of the NEAP in 2013.

Georgia and Belarus share fourth place in the ranking. Georgia adopted the second generation of the NEAP in January 2012. It is the only country from the region that is yet neither a signatory nor party to the Espoo Convention. Belarus ratified the Bern Convention on European Wildlife and Natural Habitats in 2013. Ukraine keeps the lead in the region regarding the number of Environmental Conventions and Protocols ratified. The environmental policy and legislation development process shows some positive dynamics in

Azerbaijan as well, since a new draft law on EIA has been recently submitted for adoption and a separate environmental policy development is envisaged.

In terms of sustainable development (SD) policy, Belarus is implementing a National Strategy for sustainable development for the period to 2020, which was adopted in 2004. Armenia has recently adopted the National Programme on Sustainable Development, elaborated with active public participation. The country has a functioning National Council on Sustainable Development (NCSD) under the President, where NGOs take part. The NCSD in Moldova was established with NGO participation and elements of SD strategy are being implemented in sectoral programmes such as on sustainable agriculture. For the period 2008-2015 Azerbaijan has two SD programmes: the State Programme for Sustainable Development of the Regions and the Sustainable Development and Poverty Elimination Programme. No SD policies have been adopted so far in Moldova, Georgia and Ukraine. The latter has, however, SD principles and elements incorporated into its State Environmental Strategy. All countries, except partially Armenia, lack effective SD institutional provisions at the national level, although preparations for the Rio+20 Conference on Sustainable Development revitalised some SD-related activities in the region. The 10-years framework policy on Sustainable Consumption and Production is under preparation in Armenia, Ukraine and Moldova. Discussions on the need for Green Economy policy is the most popular new trend after Rio+20 among the six EaP countries.

Several indicators were considered to assess sustainable development and trade. Ukraine ratified the greatest number of ILO conventions (69) among the EaP countries; 60 out of those are in force. Azerbaijan follows with 57 and 55 conventions correspondingly, Belarus 49 and 42, Moldova 42 and 40, Armenia 29 and 8 and Georgia closes the list with 16 ILO conventions ratified

and effective. There is some progress in the introduction of the EU-comparable mechanism for prevention of illegal and unofficial fishery. A corresponding law was adopted in Moldova in 2006, while Ukraine adopted several relevant normative acts in 2012. A slightly better situation is observed in control on legal trade in forestry, in particular in Armenia, Belarus and Ukraine.

Climate change policies are under different stages of preparation. The Low Emissions Development Strategy of Moldova, after public consultation in 2012, was sent to the government for approval in March 2013. Climate mitigation policy exists in all six EaP countries, but is varyingly developed. Climate adaptation is a relatively new topic and policy instruments for its implementation are generally at the phase of preparation and/or adoption. There are difficulties in getting the Draft National Action Plans on Climate Change Adaptation agreed to since there is a lack of inter-agency coordination on environmental matters that would help find the right balance between economic considerations and climate friendly economic activity.

The Index rating system and analysis of 12 indicators on resource efficiency, pressure on and state of environment demonstrate that Belarus remains the country with the best environmental situation among the EaP partners, followed by Armenia and Georgia. Moldova is no longer among the top three countries and equalled with Azerbaijan. Ukraine has the worst results in this section. At the same time, Ukraine has shown the biggest progress in comparison with the 2012 Index. Armenia and Azerbaijan follow while Belarus, Georgia and Moldova performed worse than last year. Azerbaijan possesses the highest Water Exploitation Index (WEI), while in Armenia it has been significantly reduced. Both Moldova and Ukraine achieved some improvement in this indicator. Belarus remains the best with no changes in its WEI, as well as with the lowest level of wastewater discharge. While Ukraine's and now

Armenia's WEI is comparable with the EU-27 average, Azerbaijan's is twice as high and growing. A slight reduction in water pollution is observed in Ukraine, Armenia and Moldova, but it has grown significantly in Azerbaijan and Georgia. Ukraine is the leader in SO<sub>2</sub> pollution, showing approximately three times higher emission than the EU-27, although the amount slightly reduced in 2012. Belarus has overtaken Ukraine in leading on NO<sub>x</sub> pollution in EaP countries in 2012.

At the same time, the level of individual consumption in all EaP countries still has not reached the EU-27 levels, which manifests in lower municipal waste production per capita by weight. The domestic waste generation per capita seems to not be changing or even to have reduced in kilos. However, there is a tendency that the waste structure is changing, therefore the volume is growing. The share of plastics is increasing and the overall recycling share dropped in Ukraine. Recycling has slightly improved in Armenia, grown in Moldova, reached in Azerbaijan 15% and grew in Belarus up to 16%, compared to a more than 22% average in the EU-27.

In terms of the intensity of countries' activities to realise their emission reduction potential, which was considered as a target, Ukraine, Belarus and Moldova are leading in the region, although the reduction rate has slightly declined compared to last year's Index.

Georgia has the highest pesticides input per hectare, almost twice exceeding the EU average. Moldova and Belarus correspond to the EU practice, and Ukraine is the forerunner using only 0,6 kg per hectare and thus putting the least pressure on the soil. Meanwhile, the level of soil erosion remains very high in EaP countries. All of them exceed the EU-27 average. The worst situation is in Ukraine, where erosion reached 57.5% in 2011 and only slightly improved in 2012, still being three times higher than in the EU-27. Armenia follows with 42%, which is an improvement;

Azerbaijan and Georgia stay without change with 36.4% and 33% correspondingly. The situation in Moldova and Belarus has worsened. In absolute figures the situation in these two countries still looks relatively well, but Moldova's eroded areas grew by 4% in comparison with 2011 and now constitute 30% of the territory; and in Belarus soil erosion grew by 9% in 2012, constituting already 28% of the territory.

In terms of forest area, only Belarus and Georgia exceed the EU-27 share. The trend for Belarus is negative: 2% was lost in 2012. Other countries remain on the same level: Ukraine has proportionally half as much forestland as the EU-27 average, while Armenia, Azerbaijan and Moldova each have only one third. A similar situation is observed with natural protected areas. None of the EaP countries came close to the EU-27 average, however, Azerbaijan ranks highest with two thirds of EU areas, followed by Ukraine with one third and Moldova with one fourth being the worst. In 2012, the majority of countries enlarged their natural protected areas. Armenia was the best performer and increased its share by 3% in 2012, leading the EaP group with overall 12%. Ukraine, Moldova and Georgia have also improved the situation. Azerbaijan with a total 10% and Belarus with 7.7% share are second and third without change to the size of their natural protected areas.

The general conclusion can be drawn that the majority of the EaP countries are slowly progressing in environmental policy reform required by the bilateral agreements with the EU and Multilateral Environmental Agreements (MEAs). This refers to planning, adoption, implementation and reporting of environmental policy and its sectors. Slight improvements in the water sector, waste management and soil rehabilitation signal some positive trends in the effectiveness of environmental protection measures. However, this is also the result of many years of long-term activities having a cumulative effect, since a

year is too short a period to feel the difference in such stressed sectors as water and waste and even more so soil. Another factor is the quality of statistics, which is also gradually being improved. Overall, it is too early to conclude that the trends identified here are stable.

Interagency coordination and cooperation remains to be the main challenge in reducing environmental pressure and increasing resource efficiency. The trend of growing air pollution is observed in all countries with significant contribution from the energy sector. To combat this and other negative trends, the environmental governance reform should receive more attention and support within the countries' cooperation with the EU.

The progress in policy elaboration and international cooperation was slower in some countries. The gap between the adoption of new strategies, plans and laws and the resource efficiency and the state of the environment has tended to reduce. Moldova remains the most successful in ensuring environmental policy effectiveness, followed by Belarus and Armenia. Despite having the biggest territory in Europe and inheriting heavy environmental problems from the past, Ukraine has shown the best overall positive dynamics in environmental performance in the current Index in comparison with the other EaP countries.

## PEOPLE-TO-PEOPLE AND POLICIES ON EDUCATION, CULTURE, YOUTH AND INFORMATION SOCIETY

This part of the Index looks at the mobility of citizens, including students, at educational policies, focusing on the Bologna process, and at policies on education, culture, youth and information society.

Moldova is the best at using the opportunities for mobility to the EU and ranks highest in people-to-people contacts. Ukraine follows second, while Georgia and Armenia stay closely behind in third and fourth position.

In 2012 the EU countries issued the highest number of Schengen visas, about 1.3 million, to Ukraine. The number of Ukrainians travelling to the EU has increased in the last year, as a result of the facilitated visa regime. Although the EU does not have a visa facilitation agreement with Belarus, Belarusians are the most frequent travellers to the EU. Every 13th Belarusian received a Schengen visa last year and travelled at least once to the EU. At the opposite end of the scale, Armenia has the lowest number of Schengen visas issued and only 1 for every 715 Armenians had a visa to travel to the EU last year.

According to the migrant stock data for 2012 almost 8% of Moldovan citizens are residing legally in EU countries. Belarus is next with 3% of its population having moved to the EU. Ukraine has the biggest diaspora in the EU with more than 1 million of its citizens, or 2.35% of the entire population, living in the EU. Azeris are the least attracted to move to the EU, with less than 35,000 choosing this path.

Participation in EU programmes and agencies is open to all EaP countries that have Partnership and Cooperation Agreements (PCA) with the EU. However, despite Belarus not having a PCA, the EU opened several programmes for Belarus' participation as well. Eligibility for participation in selected programmes and agencies is defined by the European Commission according to the needs of each country and is provided for in bilateral protocols. PCA Protocols were signed with Ukraine, Moldova and Armenia. Azerbaijan and Georgia are still negotiating their protocols. All six EaP countries participate in the 7th Framework Programme for Research and Technological Development (FP7).

Georgia is the most active participant in EU programmes and agencies among the EaP countries. Armenia, Ukraine and Moldova follow next more or less at the same level. Azerbaijan and Belarus are the most reluctant participants.

Georgia hosted the highest number of youth projects, 36, in 2012, compared to only one project each in Belarus and Azerbaijan. Armenia has the highest number of participants in youth exchanges per capita, while Ukraine the lowest. Georgia also hosted the most EU volunteers per capita, while Armenia sent the most volunteers to the EU. Armenian students are the best at taking advantage of the EU funded scholarship programme Erasmus Mundus, while Azeri students are the least keen.

Although Ukraine has the highest number of universities involved in EU funded Tempus projects, compared to the total number of universities, the country ranks the lowest in this category. Armenian, Georgian and Moldovan universities participate more often in Tempus projects. All six countries had a similar level of involvement, 10-11 projects per country, in bilateral and multilateral projects of the European Training Foundation.

When it comes to the Bologna process and general education reforms, Georgia is the best performer. The country managed to undertake serious reforms back in the early 2000s and the current situation in many ways reflects that change. Belarus is lagging behind on the majority of education indicators. This is due to the fact that education in Belarus is totally subordinated to the government, while reforms are mostly formal. Other countries, notably Ukraine, Moldova, Armenia and Azerbaijan, have so far preserved the soviet legacy of the government trying to control universities and at the same time are implementing Bologna principles. Moldova still debates the new Code on Education, which, once adopted, will bring together all the legal provisions on educa-

tion and replace the outdated law on education from 1995. In Ukraine the three-cycle system is rather a formality, since it coexists with the old two-cycle system and limits the potential for the mobility of students. The situation is similar in Armenia where MA programmes exist rather as a variation of the old specialist programme.

The situation regarding the autonomy of universities with respect to academic, institutional, personnel and financial components shows that the government controls universities in many respects, denies them the right to issue diplomas and grant qualifications and allows only limited institutional and academic freedoms. Ukraine is the only EaP country that lacks modern legislation on education. A new bill on Higher Education is currently being debated. At the same time, Ukraine is doing better in terms of the National Qualifications Framework. In April 2012 the Ministry of Education and Sciences of Ukraine approved the implementation plan for the National Qualification Framework for 2012-2015. In November 2012 a similar Regulation on Educational Qualification was adopted in Armenia.

No EaP partner has made progress in providing better opportunities for foreign, including EU, students to study in the EaP countries. The majority of foreign students still come from neighbouring post-soviet countries and Central Asia.

All EaP countries have similar scores assessing policies in culture, youth, information society, media and audio-visual use. More specifically, Ukraine, Moldova and Armenia are the most progressive in cultural policy, although Ukraine initiated reforms and monitoring through the Cultural Policy Review later than other EaP countries.

The youth policy scores take into account the existence of legislation, national youth reports and legal provisions for volunteering and youth work. All EaP countries are making progress in developing new strategies and laws, e.g. on volunteering. There are strong debates on the

provision of youth work and informal education in Armenia. Until 2009, there were only fragmentary provisions for youth policy in Georgia when the development of a National Youth Policy started. The new law was adopted and came into force in 2012.

Georgia adopted its legislation on cultural policy relatively recently and opened the debate on improving the youth policy. Moldova still has no comprehensive youth report — only numerous fragmented studies on youth. There has been progress though in preparing a new law on youth. Moldova and Ukraine adopted laws on volunteering. Civil society in Belarus has advocated a number of amendments to the law on volunteering, yet the authorities have so far been reluctant to improve the legislation.

## ASSISTANCE

Among the EaP countries, Moldova and Georgia are the main beneficiaries of and the most reliant on EU assistance. According to the latest available data funding from the EU and its member states to Moldova and Georgia accounts for about 3.8% and 2.5% of their GDP. Armenia took over the third position from Ukraine in the overall ranking of EU assistance. Belarus and Azerbaijan benefit very little from EU assistance. While the relatively low result of Ukraine is mainly determined by its large population size and high GDP, in the case of Azerbaijan and Belarus the low scores are a reflection of the EU's 'less for less' approach according to which the EU offers little assistance to countries with little democracy.

The European Neighbourhood and Partnership Instrument (ENPI) is the EU's main assistance instrument in relation to the EaP countries. In 2007-2010 the EU committed around EUR 1 billion to the EaP countries; this amount increased to over EUR 1.2 billion in 2011-2013. Ukraine is the largest beneficiary of the ENPI among the EaP countries receiving around EUR 470 mil-

lion in 2011-2013. Yet, when ENPI assistance is calculated per capita, Ukraine is on the same level as Azerbaijan and Belarus, with only EUR 3.3 per capita allocated from the EU in 2012. In contrast, the EU allocation per capita to smaller countries is much higher: EUR 35 in Moldova, EUR 24 in Armenia and EUR 19 in Georgia per year.

In 2012, for the first time, the EU distributed funding from the Eastern Partnership Integration and Cooperation (EaPIC) programme. The new instrument worth EUR 130 million for 2012-2013 provides additional funding to EaP countries according to the principle of 'more for more' – the more a country progresses in its internal reforms for democracy, respect of human rights and the rule of law, the more support it can expect from the programme. According to EU assessment and supported by the findings of last year's Index, three countries made good progress on deep and sustainable democracy last year and received additional financial support: Moldova (EUR 28 million), Georgia (EUR 22 million) and Armenia (EUR 15 million). Unfortunately the EU has done very little to publicise and to explain to the people in Ukraine, Azerbaijan and Belarus why their governments were not entitled to increased funding.

Moldova and Armenia were the only countries to continue benefitting from macro-economic assistance from the EU in 2012. While Moldova received a grant of EUR 30 million, Armenia received EUR 39 million as a loan from the EU. In February 2013 the EU committed EUR 610 million in macro-economic financial assistance to Ukraine. However, so far no funds have been disbursed as Ukraine did not meet the IMF requirements.

As a measure of linkage between the EU and EaP countries in terms of transfer of experiences, know-how and contacts between civil servants, the Index looks at the number of TAIEX and Twinning projects. TAIEX provides targeted policy and legal advice, usually by sending EU experts to help a ministry or local government

in a partner country with a specific reform task or to provide short term training. The countries most eager to receive EU advice are Moldova (113 requests), Ukraine (100 requests) and Belarus (58 requests). Moldova and Ukraine hosted the largest number of TAIEX events in 2012, 39 and 37 accordingly. Surprisingly, Azerbaijan and Belarus hosted more TAIEX events than Georgia and Armenia. Ukraine and Belarus lead on the number of officials participating in TAIEX trainings.

Twinning projects are longer term peer-to-peer projects between public administrations of EU member states and EaP countries. Ukraine and Azerbaijan initiated three new twinning projects each in 2012. Georgia added two new projects and Moldova one. Additionally Armenia and Moldova host high-level EU advisors who help individual ministers and high ranking officials with sectoral reforms. In 2012 the EU delegated 15 high-level advisors to Moldova and 13 to Armenia.

All six EAP countries are entitled to funding within the Comprehensive Institution Building (CIB) initiative designed to strengthen the capacities of key institutions involved in preparing, negotiating and implementing the new Association Agreements with the EU. The EU support for CIB in 2012 varied from EUR 17 million for Moldova to EUR 7 million for Azerbaijan. Belarus is the only EaP country that did not receive CIB funds. Three countries — Ukraine, Moldova and Azerbaijan — received EU funds for regional and rural development in 2012.

All EaP countries, except Azerbaijan, are involved in ENPI East regional and interregional projects. Ukraine, Moldova and Belarus are the most active participants in cross-border projects taking advantage of their geographical proximity and shared land borders with EU member states.

In 2012 the Neighbourhood Investment Facility (NIF) contributed EUR 69.2 million to three regional and seven national projects in Eastern Europe. Armenia received the greatest funding

from NIF, EUR 17 million, for two new infrastructure projects. Georgia is the second biggest beneficiary with EUR 12 million for two new projects. Belarus and Ukraine did not receive any new grants from NIF in 2012.

EU support to civil society in Eastern Europe increased considerably in 2012. EU funds to civil society organisations (CSOs) flow through the European Instrument for Democracy and Human Rights (EIDHR), the thematic programme Non-State Actors and Local Authorities (NSA&LA) and the Eastern Partnership Civil Society Facility (CSF). The CSF is the newest of the instruments and has a budget of EUR 23.3 million for 2012-2013. The CSF aims at strengthening civil society to become an agent of change and democratisation in the EaP countries. In 2012 the CSF focused on strengthening civil society's networking capacity and improving their abilities to promote national reform and increase public accountability. Overall, the EU distributed more funding to CSOs in countries that are lagging behind in adopting EU standards or are notorious for restricting CSOs activities. Thus, in 2012 the EU provided EUR 5.5 million to Belarusian CSOs, EUR 5.2 million to Azeri CSOs, EUR 4 million to Ukrainian CSOs and only EUR 1.5 million to Moldovan CSOs. Moldova is the only country that did not receive any country allocation from the CSF, while Azerbaijan received the highest amount of EUR 3.6 million.

The Index also looks at cooperation between the EaP countries and European financial institutions — the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). While all EaP countries have recently benefitted from loans offered by the EBRD, the EIB funded projects only in Ukraine, Moldova, Georgia and Armenia. Ukraine is the biggest beneficiary of loans from these institutions with accumulative figure of around EUR 1.6 billion for 39 projects. However, comparatively in terms of level of loans to GDP and population, smaller countries – Georgia, Moldova and Armenia – are leading in terms of benefits from the European financial institutions.

## MANAGEMENT OF EUROPEAN INTEGRATION

The scores on Management of European Integration explain how EaP countries 'manage' and organise both their links with the EU and approximation to the EU. Thus the Index looks at the institutional framework for European integration, mechanisms of policy coordination and implementation, legal and institutional approximation, management of EU assistance, professional development in the field of European integration available to civil servants and to students at universities, and the participation of civil society.

The chosen approach to Management of European Integration seems to reflect the importance attached by each EaP country to its relations with the EU. In this respect we can clearly identify two groups of countries: the first group – Georgia, Moldova Ukraine and Armenia – have a rather developed system of management; and the second group – Azerbaijan and Belarus – invest fewer efforts in developing closer links and approximation with the EU. Georgia and Moldova have the most sophisticated system of management, while Ukraine and Armenia lag somewhat behind. In terms of trends as compared to last year's Index, we do not see any significant changes in any of the countries apart from Armenia, who clearly made progress. The 2013 Index also registers a rather slight improvement in Moldova and Belarus and insignificant decline in Azerbaijan.

Performance with respect to different aspects of Management is uneven. When it comes to institutional arrangements for European integration, in particular policy coordination and implementation, Moldova remains the leader followed by Georgia. Moldova is the only country in the region that not only has a European Integration Strategy, which helps to streamline reforms in line with objectives agreed bilaterally with the EU, but also committed budgetary resources for strategy implementation. Although none of the



EaP countries has established an EU coordination mechanism that is comparable to that applied by the new member states before EU accession, e.g. UKIE in Poland, in Georgia the Office of State Minister on European and Euro-Atlantic Integration, at least where its powers are concerned, can be seen as an efficient model. This office serves as the Secretariat of European Integration Commission, chaired by the Prime Minister. In Moldova, the Minister of Foreign Affairs and European Integration is in charge of EU issues, but key decisions concerning European integration are considered at the level of the Governmental Committee for European Integration, similar to the one in Georgia. Both in Georgia and Moldova the official in charge of European integration occupies the position of the Deputy Prime Minister with respective powers of coordination.

Armenia progressed even further in Management during the past year than in 2011. Experts reported better ability of the government to implement decisions and agreements reached in the field of European integration. Moreover, Armenia's sectoral policies became more consistent with EU requirements. Two collegiate bodies dealing with European integration exist in Armenia: the Inter-agency Commission chaired by the Secretary of the National Security Council, established back in 2008, which is responsible for cooperation with European structures and surveying the implementation of the ENP Action Plan, and the more recent Inter-agency Commission chaired by the Prime Minister, responsible for coordination of cooperation between Armenia and the European Union.

Ukraine continues to lag behind, since it has no European Integration Strategy and the objectives defined jointly with the EU within the Association Agenda are barely followed through at the domestic level. Moreover, the country lacks a coordination mechanism for European integration, a structure that was in place up until 2010. The situation became even less clear since December 2012 when no deputy prime minister in charge

of European integration was appointed in the new government. Instead, the Prime Minister Mykola Azarov stated that he was personally in charge of coordinating the European integration efforts. Additionally, the chairman of the National Security and Defence Council was assigned competences to deal with European integration without any powers over the government and individual ministries. In February 2013 the head of the Ukrainian Mission in Brussels acquired additional 'integration' functions, being appointed as a special envoy on integration. These overlapping competences with no added value have no positive implications for streamlining the reform process in line with the EU requirements. The Ukrainian side of the EU-Ukraine Cooperation Committee — what used to be a collegiate body responsible for European integration — is no longer functional given that it has not convened for a very long time.

In Azerbaijan there is a collegiate body – the State European Commission, chaired by the Minister of Economic Development since December 2012. The Commission includes 34 representatives from different ministries. Yet, it is not clear whether the Commission meets regularly and whether it exercises de-facto coordination functions.

Ukraine has the most elaborated system for legal approximation, closely followed by Georgia and Moldova. This is not to say that comprehensive approximation takes place in reality in Ukraine, but it takes into account policies and procedural arrangements that were introduced in Ukraine before 2010. This part of the Index looks at policy and procedures, while the impact of approximation is assessed in the *Approximation* dimension of the Index. Georgia probably has the most efficient system of legal approximation given that procedurally any bill or regulation submitted to the legislature has to be accompanied by an explanatory note that scrutinises compliance with the EU acquis. No significant changes in legal approximation occurred in any of the EaP countries compared to last year's Index.

Management and coordination of EU assistance shows interesting results. Belarus and Armenia improved their scores, while other countries stayed at the same level. As a result, Belarus became the leader among the EaP countries, followed by Moldova, Georgia and Armenia. Ukraine and Azerbaijan, joint fourth and fifth, lag behind.

While Belarus had a relatively efficient system of assistance management already last year, it adopted the National Program of International Technical Cooperation for 2012-2016 in May 2012. This innovation explains Belarus' improvement. Moreover, as a result, Belarus is now the only country in the region that has a needs assessment report for international assistance. It also has, along with Moldova and Armenia, a web resource with a database of assistance instruments and information about funding opportunities. This excludes, however, funding opportunities for civil society.

All EaP countries have national coordinators for EU assistance tasked with the strategic planning of national reforms and coordinating the instruments for their implementation. Georgia developed a best practice in Management of European Integration by combining the powers of managing EU funds and coordinating EU-related policy in one post, that of the State Minister for European Integration. In Ukraine, Armenia and Azerbaijan the Minister of Economy or Economic Development holds this EU assistance coordination function. In Moldova, the External Assistance Unit within the State Chancellery is in charge of EU assistance, while in other EaP countries the coordination of EU assistance is placed within the Ministry of Economy or Foreign Affairs.

Ukraine lost its leading position when it comes to training in the field of European integration, both for civil servants and at the university level. Ukraine's score did not change, but Armenia made significant progress and overtook Ukraine to now be the leader among EaP countries. Georgia lags significantly behind, leaving Moldova and

Azerbaijan, both at the same level, even further behind. Armenia's progress has to do with the fact that there are now various training programmes for civil servants, mostly funded by the EU, while last year this was not the case. Moreover, Armenia is the only country in the region that allocates state funding for European Studies at university-level. However, this practice is so far limited to only one university, i.e. the State Science Committee of the Ministry of Education and Science provides annual grants to the Centre for European Studies at the Yerevan State University. Ukraine still scores highly, since it has a special state programme for training in the field of European integration with limited budget allocations. This programme is implemented by the School of Senior Civil Service and National Academy of Public Administration, which reports to the Office of the President of Ukraine. Other EaP countries (especially Moldova and Armenia) rely mostly on international donor support, including TAIEX and twinning instruments of the EU. Unfortunately none of the EaP countries has introduced a mechanism for assessing the effectiveness of training programmes for government officials in the field of European integration, indicating a lack of data on the effectiveness of training and the use of resources (both national and international). Only two EaP countries — Georgia and Armenia — assess training needs of public servants in the area of European integration and publish relevant reports.

Overall, there is much room for improvement in all EaP countries when it comes to the capacity building of civil servants at central and local level who deal with the EU and increasing the effectiveness of respective training programmes.

This dimension of the Index also looks at awareness-raising about European integration. Similarly to last year's Index, the current report shows limited awareness-raising activities in all EaP countries. Most activities are funded and implemented by foreign donors and NGOs, while the governments of these countries place little im-

portance on this issue. All EaP countries are more or less at the same level. Armenia and Georgia show better results than Ukraine and Moldova. Azerbaijan and Belarus are again the underdogs.

There might be improvements in the next Index if some of the efforts currently underway deliver. In March 2013 the Ukrainian government adopted a concept of awareness-raising for the period until 2017. It should however be followed up by an action plan and budget allocations. Similarly, in Georgia the process of consultations with civil society to elaborate an awareness-raising strategy started in 2013. It should be noted that special EU information centers were established in all EaP countries, except in Azerbaijan, but those are funded entirely by donor organisations. Georgia again provides a good example, where public funds are used to fund the NATO and EU Information Centre.

Finally, the Index looks at the level of civil society involvement in the Management of European Integration. It looks at both civil society activities and their impact on decision-making. Moldova and Georgia are the frontrunners due to the fact that civil society organisations in these countries have more opportunities to be included in the policy process, using institutionalised forms of public consultations with governmental officials – the National Participation Council in Moldova and the Public Advisory Body under the State Minister on European Integration in Georgia. NGOs in all EaP countries produce regular reports and assess government performance and progress on European integration.

# ANNEXES

# THE METHODOLOGY OF THE INDEX

How can the European Integration Index achieve a valid and reliable measurement of its items? The research relies on two types of data: expert assessments commissioned by the core project team and numerical data from publicly available sources. It is intended that this general design uses the best existing knowledge and improves this body of knowledge by focused, systematic data collection that benefits from the Open Society Foundations' unique embeddedness and access to local knowledge in EaP countries. However, expert surveys are prone to subjectivity. Many existing expert surveys are characterised by a mismatch between 'soft', potentially biased expert opinions and 'hard' coding and aggregation practices that suggest a degree of precision not matched by the more complex underlying reality and their verbal representation in country reports.

The expert survey underlying the Index therefore avoids broad opinion questions and instead tries to verify precise and detailed facts. Complex issues are disaggregated into detailed questions that enable experts to provide more specific responses. Guided by a detailed questionnaire, experts are less often forced to assign subjective weights to different aspects of reality in their evaluation. Most of our survey questions asked for a 'Yes' or 'No' response to induce experts to take a clear position and to minimize misclassification errors. Experts were requested to explain and document their responses.

As a rule, all questions to be answered with 'Yes' or 'No' by the country experts were coded 1 = yes or positive with regard to EU integration and 0 = no or negative with regard to EU integration (labeled '1-0'). If the expert comments and the correspondence with experts suggested interme-

diante scores, such assessments were coded as 0.5 or even 0.25 or 0.75 when a more nuanced valuation was needed (labelled 'calibration').

For items requiring numerical data (quantitative indicators) the figures were coded through a linear transformation using information about distances between country scores. The transformation used the following formula:

$$y = \frac{x - x_{\min}}{x_{\max} - x_{\min}}$$

where  $x$  refers to the value of the raw data;  $y$  is the corresponding score on the 0-1 scale; and  $x_{\max}$  and  $x_{\min}$  are the endpoints of the original scale, also called 'benchmarks'. We preferred this linear transformation over other possible standardisation techniques (e.g., z-transformation) since it is the simplest procedure.

The benchmarks may be based on the empirical distribution, on theoretical considerations, on the country cases examined or on external standards. In the case of the Eastern Partnership Index, this problem is intertwined with the question of the finalité of the Eastern Partnership. Whereas the EU refuses to consider accession an option, at the same time it tends to expect standards similar to those of the accession process and some EaP countries aspire to EU membership. In addition to this uncertain finalité, many items entail the problem of determining unambiguous best or worst practice benchmarks, both in terms of theory and empirical identification. Given these difficulties, we have opted for a mix of empirical and theoretical benchmarks.

Question	Assessment	Score
<p>Is the electoral management commission perceived as impartial, transparent and legitimate by parties and voters? <i>Yes/No</i></p>	<p><b>No.</b> According to a national opinion poll conducted by IFES before the 2012 parliamentary elections more Ukrainians lack confidence in the CEC (47%) than have confidence (34%) in this commission. The CEC is generally perceived as transparent. Meanwhile, the impartiality of the CEC raises serious doubts since its members are political appointees.</p>	0
	<p><b>Yes.</b> According to OSCE/ODIHR LEOM “the election administration performed in an overall transparent and professional manner and was perceived as impartial by the majority of stakeholders” during the 5 June 2011 elections. Parliamentary parties nominated members to serve on election management bodies at all levels. Nevertheless, the main opposition party, Party of Communists, contested the political independence of the Central Electoral Commission (CEC) since its composition does not represent the parliamentary majority and the opposition in a balanced manner. The CEC meetings were generally conducted in a collegial manner and were open to the public, media and observers and broadcasted online. The decisions were published on the CEC website. The level of confidence in the electoral bodies at the regional and local level is lower.</p>	1
<p>Are there systems in place to preclude vote buying? <i>Yes/No</i></p>	<p><b>Yes,</b> but the system is ineffective. Although under the Electoral Code, a political party or candidate could be de-registered if the fact of vote buying is proved in court, the system is totally ineffective. In practice, none of the cases of vote buying identified by the political parties and non-governmental organisations and brought to the attention of the election administration and courts have been effectively examined or followed up. The article on vote buying was considerably amended in December 2011. Following a civil society campaign the implementation of the Criminal Code provision on vote buying was also amended in May 2012. However, according to the OSCE/ODIHR report “... it remains unclear as the current wording has yet to be tested and interpreted in court”. Moreover the articles on vote buying in the Election and Criminal Codes should be harmonized.</p>	0.5

For items scored with 0-1 or the intermediate 0.5, benchmarks are defined theoretically by assigning 1 and 0 to the best and worst possible performance. In contrast, benchmarks for quantitative indicators were defined empirically: in the *Linkage* dimension we assigned 1 and 0 to the best and worst performing EaP country to emphasise the relative positioning of a country vis-à-vis its peers. This holds with a few exceptions mostly in the questions on people-to-people linkage and assistance, where 0 was used as a baseline in order to make tracking of the progress possible from one year to the next. In the *Approximation* and *Management* dimensions we defined benchmarks either on the basis of theoretical considerations or based on the performance of other East European countries (including new EU member states) in order to focus on gaps or catching-up relative to this group.

To construct an Index that is a composite indicator it is necessary to aggregate the individual scores resulting from numerical data and expert assessments. However, aggregation implies decisions about the relative weighting of components that need to be explained. The hierarchical structure of the Eastern Partnership Index reflects theoretical assumptions about the components and boundaries between concepts. For example, we define the section deep and sustainable democracy as consisting of seven categories: elections; media freedom, association and assembly rights; human rights; independent judiciary; quality of public administration; fighting corruption; and accountability. The individual weighting of each category should depend on the importance each category has for deep and sustainable democracy. One could, for example, argue that free and fair elections constitute the core of democracy and should therefore be given a higher weighting than the category of association and assembly rights. Conversely, one could also argue that democracy in most EaP countries is mainly impaired by unaccountable governments and lacking media pluralism, while elections are more or less well organised.

Since it is difficult to establish a clear priority of one or several categories over others, we have decided to assign equal weighting to all categories. The equal weighting of all components is also intuitively plausible since this method corresponds to the conceptual decision of conceiving democracy as composed of seven categories placed on the same level. Equal weighting assumes that all components of a concept possess equal conceptual status and that components are partially substitutable by other components.

An arithmetical aggregation of components is, strictly speaking, only possible if the components in the data set are interval variables, that is, that the distances between the scores of items, subcategories, categories, sections and dimensions have meaning. Most numerical data is measured at interval level: in these cases we know, for example, that a share of EU exports amounting to 40% of GDP is twice the share of 20% and that this ratio is equal to the ratio between 60% and 30%. For the yes-no questions and items measured with other ordinal scales we only have information about the ordering of scores, not about the distances between scores.

For example, we do not know the distance between a yes and a no answer for the question regarding parties' equitable access to state-owned media. Neither do we know whether the difference between yes and no for this question is equivalent to the difference between yes and no for the subsequent question on whether political parties are provided with public funds to finance campaigns.

In principle, this uncertainty would limit us to determine aggregate scores by selecting the median out of the scores a country has achieved for all components (assuming equal weighting). This would, however, mean omitting the more detailed information contained by the numerical items. To use this information and to put more emphasis on big differences between countries, we have opted to construct quasi-interval level scores by adding the scores of items measured at ordinal

Annex 1

<b>Item</b>	<b>Raw data</b>	<b>Transformation</b>	<b>Score</b>
Share of commodity imports from the EU, % (three-year moving average for 2010-2012)	26 percentage points	Linear transformation. Benchmarks defined by best and worst performing EaP countries; best = Moldova (44.1%); worst = Belarus (20%)	$0.24 = \frac{26 - 20}{44.1 - 20}$
Vote differential between strongest party / electoral alliance and the main opposition party/ alliance, in most recent legislative elections. Difference between vote shares in percentage points.	4.46 percentage points. In the 2012 parliamentary elections in Ukraine the Party of Regions received 30% (6,116,746) of the votes, while the main opposition party Batkivshchyna 25.54% (5,209,090 votes).	Linear transformation, best = 0 (maximum competitiveness), worst = 100 (no competitiveness)	$0.96 = \frac{4.46 - 100}{0 - 100}$
Personal autonomy and individual rights (Freedom House, Freedom in the World 2013, subscore)	11 (subscore)	Linear transformation. Benchmarks defined by the subscores of the best and worst performing EBRD transition countries; best = Estonia, Slovakia (14); worst = Turkmenistan, Uzbekistan (3)	$0.73 = \frac{11 - 3}{14 - 3}$
ENP Social Cohesion funds: Regional and Rural Development – EU committed amount for 2012 (EUR million)	EUR 7 million	Linear transformation, benchmarks defined by best performing EaP country and absence of financial support: best = Ukraine (EUR 23), worst = 0	$0.30 = \frac{7 - 0}{23 - 0}$



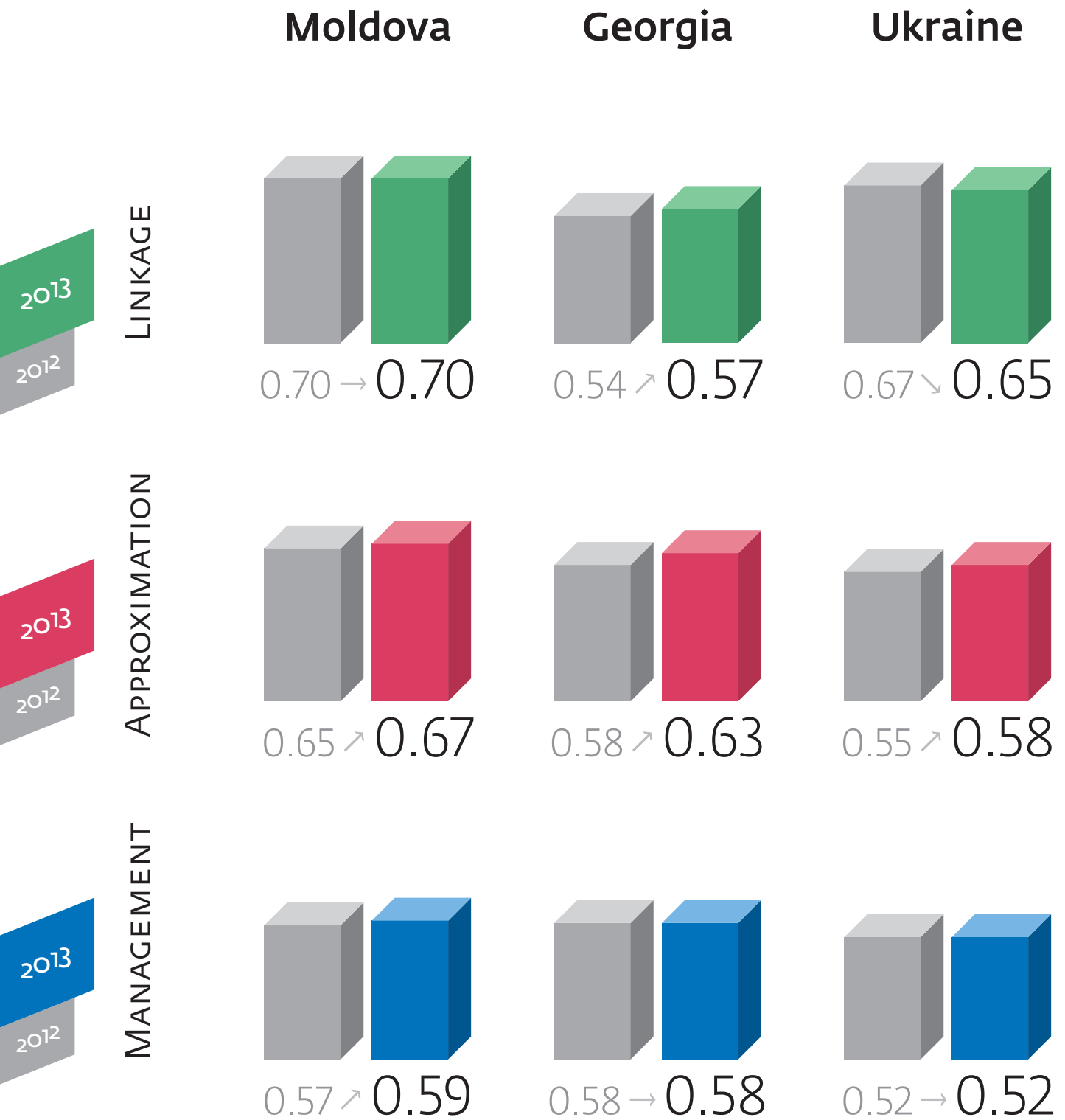
level. This has been standard practice in many indices and can also be justified by the rationale behind equal weighting. Given the frequent uncertainty about the importance of components for aggregate concepts, the safest strategy seems to be assigning equal status to all components. Equal status suggests assuming that a score of 1 used to code a positive response for one question equals a score of 1 for another positive response. Moreover, equal status means that all components constituting a concept are partially substitutable. The most appropriate aggregation technique for partially substitutable components is addition.

Since the number of items differs from subcategory to subcategory and since we wish to apply equal weighting, we have standardized the subcategory scores by dividing them by the number of items. Thus, the subcategory score ranges from 1 to 0 and expresses the share of yes-no-questions answered positively in terms of the aggregate concept (and/or the extent to which numerical items or ordinal-level items are evaluated positively).

Quasi-interval level scores allow a range of aggregation techniques at higher levels of aggregation (subcategories, categories, sections and dimensions). The most important methods are multiplication and addition. Multiplication assigns more weight to individual components, emphasising the necessity of components for a concept. In contrast, addition facilitates the compensation of weaker scores on some components by stronger scores on other components, emphasising the substitutability of components for a concept.

We apply an additive aggregation of subcategories, categories and sections because this method fits the method used on the item level, reflects the substitutability of components and is less sensitive with regard to deviating values in individual components. To standardise the aggregate sums and ensure equal weighting, arithmetical means are calculated.

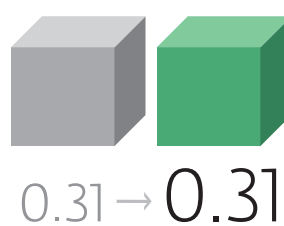
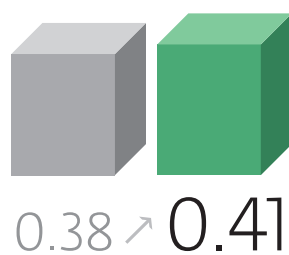
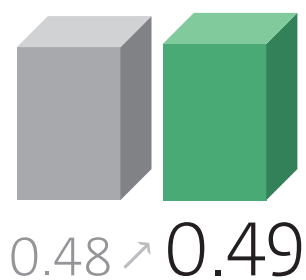
The survey was implemented in five steps. First, the country team leaders selected and commissioned local experts, asking them to evaluate the situation in their country on the basis of the questionnaire. Different parts of the questionnaire were assigned to sectoral experts. Next, the country team leaders returned the responses to the core project team, which reviewed and coded the responses to ensure cross-national comparability. The experts' comments allowed us to make a preliminary coding (scoring) that was sensitive to the specific context that guided individual experts in their assessments. In a third step, the core project team returned the coded assessments for all six EaP countries to the local country team leaders and experts, requesting them (1) to clarify their own assessments where necessary and (2) to review the codings by comparing them with codings and assessments made for the other countries. Experts who disagreed with the evaluation of their country were requested to explain their disagreement to the core team. In a fourth step, the answers and the scores were peer-reviewed. This stage is crucial to ensure the accuracy of data and therefore involves several parallel processes. (1) An external review was commissioned for some parts of the Index. An expert on a particular topic from a particular country, who was not involved in filling in the questionnaire, was asked to review the answers submitted by the Index expert from the same country on the same topic. (2) Guided by one of the experts, experts from the six countries working on the same topic had to review the scores in the respective parts of the Index once again and provide feedback to the core team. (3) The Open Society Foundations' experts also offered their expertise and made observations. Finally, the core team reviewed and adapted the scores in light of this multi-level expert feedback. This interactive evaluation was intended to facilitate mutual understanding among the experts, as well as between the experts and the coders in order to improve the reliability and validity of the assessments.



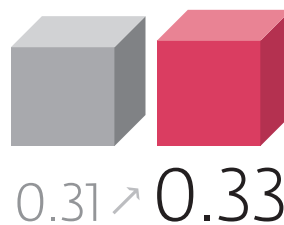
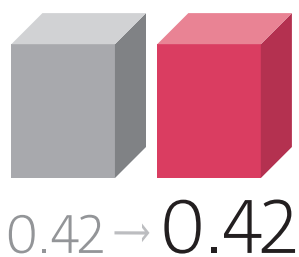
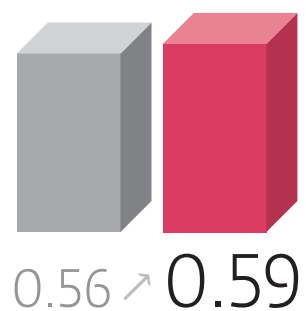
### Armenia

### Azerbaijan

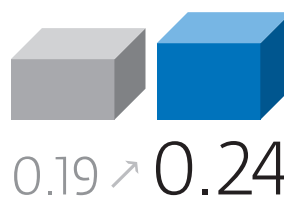
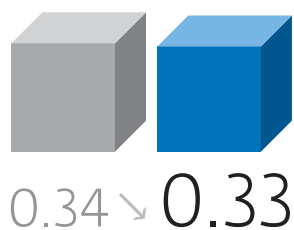
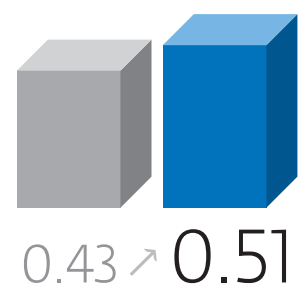
### Belarus



LINKAGE



APPROXIMATION



MANAGEMENT



# LIST OF EXPERTS

## ARMENIA

**Boris Navasardian**

Yerevan Press Club

**Arevhat Grigoryan**

Yerevan Press Club

**David Tumanyan**

Community Financial Officers Association

**Vahagn Ghazaryan**

independent expert

**Varuzhan Hochtanyan**

Transparency International  
Anticorruption Center

**Ara Ghazaryan**

“Arni Consult” law firm

**Gevorg Arakelyan**

Association “For Sustainable  
Human Development”

**Karine Danielyan**

Association “For Sustainable  
Human Development”

## AZERBAIJAN

**Leila Alieva**

Center for National and International Studies

**Intigam Aliyev**

Center for Legal Reforms

**Cabir Aliyev**

independent expert

**Vugar Godjayev**

Human Rights House

**Togrul Juvarli**

Turan information agency

**Samir Isayev**

Legal Think Tank

**Ilgar Hesenli**

Center for National and International Studies

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## INTERNATIONAL RENAISSANCE FOUNDATION

International Renaissance Foundation (IRF) is the largest Ukrainian charity organisation that promotes civil society development in the country. The IRF is a part of the Open Society Foundations (OSF) network founded by American financier and philanthropist George Soros.

Its main objective is to provide financial, operational and expert support for open and democratic society development in Ukraine. IRF initiates and supports key civic initiatives, which foster the development of civil society, promote rule of law, independent mass media, democratisation of education and public health, advancing social capital and academic publications and ensuring protection of national minority rights and their integration into Ukrainian society. IRF's European Programme was established in 2004. The goal of the Programme is to promote Ukraine's European integration by providing financial and expert support to the relevant civil society initiatives.



## THE OPEN SOCIETY FOUNDATIONS

The Open Society Foundations (OSF) work to build vibrant and tolerant societies whose governments are accountable and open to the participation of all people. The Foundations seek to strengthen the rule of law; respect for human rights, minorities, and a diversity of opinions; democratically elected governments; and a civil society that helps keep government power in check. The OSF implement initiatives to advance justice, education, public health, and independent media. Working in every part of the world, the OSF place a high priority on protecting and improving the lives of people in marginalized communities.

The Open Society European Policy Institute (OSEPI) is the EU policy arm of the Open Society Foundations. OSEPI works to foster open societies inside and outside Europe by leveraging the EU's policies, legislation, funding, and political influence.



## THE EASTERN PARTNERSHIP CIVIL SOCIETY FORUM

The Eastern Partnership Civil Society Forum (EaP CSF) is an umbrella organisation for more than 700 civil society organisations from the six Eastern Partnership countries and the EU. Launched in 2009, the Forum provides a platform for interaction between the EU and EaP civil society organisations and aims at facilitating reforms in the EU's Eastern partners and bringing them closer to the EU.

The Forum operates as an independent, transparent, and inclusive actor to secure changes on key policy areas across the four Eastern Partnership thematic platforms, in which the Forum has a permanent participant status. On the national level, the Forum aims to strengthen diversity and plurality of public discourse and policy making in the EaP countries by holding governments accountable and protecting and promoting fundamental freedoms, participatory democracy and human rights.





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