



Visegrad 4 the Eastern Partnership: Towards the Vilnius Summit

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Preface

This policy paper examines prospects for the further development of the Eastern Partnership (EaP) in the context of the forthcoming third EaP summit that will be held in Vilnius during Lithuania's presidency of the EU Council in November 2013. It also looks at how Visegrad Four (V4) countries could contribute to the positive outcomes of the Vilnius summit. In particular, this policy paper aims, first, to assess the state of EaP affairs on the eve of the Vilnius summit, including preconditions for its positive outcomes; second, to identify the capacity requirements of the EaP countries (focusing on Ukraine and Moldova) in dealing with the EU offer as part of the EaP; third, to specify the capacities of the V4 countries to assist Ukraine and Moldova in coping with the EaP agenda primarily in the most problematic fields; fourth, to explore possible scenarios for the further development of the EaP following the expected outcomes of the Vilnius summit; and fifth, to outline policy recommendations for the EU and the governments of V4 countries to further improve EaP.

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The goals of the National Convention on the EU (NCEU) in both Moldova and Ukraine are to stimulate direct, transparent and open dialogue on European integration among the target groups, including the government and civil society, to provide them with expert information and feedback from different networks, groups and local organizations, and to engage crucial segments of society in the discussion on the key issues of European integration. From an institutional point of view, the NCEU is an appropriate instrument for maintaining and furthering nation-wide discussion on the EU, which fulfills three main objectives: first, it facilitates elaboration of national positions on particular issues held by government representatives of EaP countries at talks on association agreements and implementation of reforms; second, it lends democratic legitimacy to the performance of the EU in the eyes of the public in Ukraine and Moldova; and third, it serves as an active and permanent information resource on the EU for the Ukrainian and Moldovan public. Thanks to the support of the International Visegrad Fund, the NCEU in Moldova and Ukraine has been strengthened by new activities aimed at identifying a niche for the V4 in the EaP, sharing V4 best practices and creating a structured and coherent platform for dialogue between the V4 and EaP countries focused on their relations with the EU

¹ The authors of this paper give special thanks to Elena Korosteleva, Professor of International Politics and Co-Director of the Global Europe Centre at the University of Kent, who after the proceedings of the Odessa conference, kindly contributed to part 1 of this paper (paragraph on Belarus) as well as part 5 (policy recommendations on EU policy on Belarus, strengthening people to people contacts and cooperation in education).

1. The Vilnius summit: How to make it a success

The November 2013 Vilnius summit represents a critical benchmark for the EaP. Four years after the launch of EaP it is high time the EU sought tangible results in relation to its ambitious offer to six post-soviet countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). These partner countries have been offered political association and economic integration with the EU if they conclude association agreements, including deep and comprehensive free trade areas (AA/DCFTA). In order to enter into an AA/DCFTA partner countries have to harmonize their national legislation with around 95 per cent of the EU trade and economic *acquis communautaire*.² In addition, the EU has engaged in a visa-dialogue with partner countries ultimately to achieve a visa-free regime. In order to conclude the visa-free regime agreements with the EU they are requested to meet security standards, procedures, and implement the relevant Schengen *acquis*. Finally, partner countries are expected to accomplish domestic democratic reforms, ensure rule of law and protection of human rights, and prove their commitment to European values. If no tangible contractual deal has been achieved with partner countries by the 2013 Vilnius summit, for instance, the signing of an AA/DCFTA with Ukraine and/or finalization of talks and initialing of agreements with Armenia, Georgia and Moldova, it might undermine the future dynamics of the EaP.

There is a risk that the recent EU financial crisis together with the increasingly worrisome events in the Mediterranean region, including civil war in Syria and the rise of radical Islamist groups in the post-Spring Arab countries, could not only affect EU funding of the EaP, but also divert the EU's attention away from this initiative. The eurozone crisis has prompted a new institutional rearrangement within the EU – which means, in general terms, that for the time being the EU will be less willing to deal with its external agendas. Politically, the EaP enjoys less support across the EU member states than it did four years ago, not only because of EU concerns about the deteriorating political situation in some partner countries, but also because of the eurozone crisis.

Thus, the November 2013 Vilnius summit represents an opportunity for the EaP in terms of testing its ability to uphold the EU agenda. The EU member states that support the EaP, including the V4 countries, desperately need a successful EaP summit in Vilnius in order to keep the EaP high on the EU agenda. The Vilnius summit will be a success providing at least one EaP country has achieved tangible progress in its contractual AA/DCFTA deal with the EU by the time of the summit. The AA/DCFTA is the centerpiece of the EU offer to EaP partner countries. In order to demonstrate and maintain the congruity of its four-year old offer the EU desperately requires evidence that the EaP countries are capable of achieving it. At the same time, the EaP countries also need the Vilnius summit to be a success. The act of concluding one or more AA/DCFTA agreement(s) would send a strong signal to audiences in the EaP region that cooperation with the EU is rewarded with meaningful benefits. A “carrot” of this kind would make it easier for local pro-EU political elites to convince their electorates of the necessity for further reforms.

The EU Foreign Affairs Council of February 18, 2013 concluded that four of the six partner countries might have achieved progress in their talks on an AA/DCFTA by the time of the Vilnius summit, i.e. they will either have signed an association agreement (Ukraine) and/or

² For an analysis see A. Duleba, V. Benč, V. Bilčík, *Policy Impact of the Eastern Partnership on Ukraine: trade, energy, and visa dialogue*. Bratislava: Research Center of the Slovak Foreign Policy Association, 2012, pp. 73-4.

finalized talks and initialed an agreement (Armenia, Georgia, and Moldova).³ So far Ukraine is the only partner country to have concluded talks on its AA/DCFTA at a working level (in December 2011). However, the EU has decided to postpone the process of signing an AA/DCFTA with Ukraine due to concerns about selective justice – after President Victor Yanukovich took office in 2010 – following the sentences handed out to representatives of the former “orange” government, including ex-Prime Minister Yulia Tymoshenko and ex-Minister of interior Yuriy Lutsenko. During 2012 hopes had been entertained that the political frost in EU–Ukraine relations might begin to thaw after Ukraine’s parliamentary elections in October 2012. However, the way the elections were carried out led the OSCE election monitoring and observer missions to conclude that Ukraine had taken a step backwards in regard to international standards on free and fair elections.⁴

The EU Foreign Affairs Council of May 14, 2012 laid out three basic conditions for creating the appropriate circumstances for the signing of the AA/DCFTA with Ukraine: (1) progress in addressing the issue of selective justice and preventing its recurrence; (2) ensuring that the 2012 parliamentary elections comply with international standards; (3) the implementation of reforms as defined in the jointly agreed association agenda.⁵ The joint statement of the EU–Ukraine summit of February 25, 2013 reiterated the commitment of leaders on both sides to officially signing the initialed AA/DCFTA as soon as specific actions and tangible progress have been demonstrated in the afore-mentioned three areas. The statement also notes the specific progress Ukraine was expected to achieve by May 2013.⁶

In spite of the recent political mess in EU–Ukraine relations, we argue that Ukraine is still most prepared to implement the ambitious AA/DCFTA with the EU. EU progress reports on AA/DCFTA talks with partner countries indicate that Moldova and Georgia are also moving swiftly forward followed by Armenia. However, even though Moldova, Georgia and Armenia may have completed their AA/DCFTA talks and have initialed the agreement by the time of the Vilnius summit in November 2013, we argue that they are not ready to implement the DCFTA part of their association agreements for the following main reasons: first, the governments of Moldova and Georgia do not have control over all of their custom territories; second, the government of Armenia would have to establish strict custom controls on its border with Nagorno Karabakh, which is a political price one can hardly expect Yerevan to pay; and finally, it is unclear whether the administrative capabilities of these three partner countries are sufficient to enable implementation of the provisions of the DCFTA. The EU could begin provisional application of parts of their AA, however, it could not deal with the DCFTA, which includes both harmonization with the EU’s sector *acquis* and specific conditions including tariffs and quotas on commodities and services. Implementation of the DCFTA would assume that the governments of partner countries are able to implement its provisions throughout their states, and that partner countries represent unified customs territories.

There are questions as to how Moldova would be able to implement the DCFTA with the EU and guarantee its implementation in Transnistria. Georgia finds itself in a similar position

³ “Council Conclusions on the Eastern Partnership,” Council of the European Union, 3222nd Foreign Affairs Council meeting, February 18, 2013. Available online: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/135513.pdf (accessed on August 20, 2013).

⁴ “Post-Election Interim Report October 29 – November 6, 2012,” OSCE Office for Democratic Institutions and Human Rights, Election Observation Mission, Ukraine, Parliamentary Elections on October 28 2012, November 9, 2012. Available online: <http://www.osce.org/odihr/97077> (accessed on August 20, 2013). For an analysis see Duleba, A., Benč, V., Bilčík, V. (2012), op. cit.

⁵ “The European Union and Ukraine. Factsheet,” European External Action Service, December 10, 2012. Available online: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/134147.pdf (accessed on August 20, 2013).

⁶ “16th EU–Ukraine Summit: Joint Statement,” Council of the European Union, February 25, 2013. Available online: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/135667.pdf (accessed on August 20, 2013).

with the situation regarding South Ossetia and Abkhazia. The DCFTA is a two-sided process. It would regulate exports from Moldova and Georgia to the EU market, and also imports from the EU as well as the business activities of EU companies on the territories of Moldova and Georgia, including the separatist enclaves. It is clear that Chisinau and Tbilisi are harmonizing the trade related EU *acquis*; however, it is unclear how Tiraspol and/or Tskhinvali and Sukhumi in the separatist territories will treat goods and services from the EU. There is a tried and tested mechanism for checking the origin of goods and for encouraging businesses from separatist territories willing to export their goods to the EU market to register themselves in Chisinau (and/or in the future in Tbilisi as well). However, the question is how will the governments of Moldova and Georgia guarantee not only equal treatment of EU goods and services throughout their territories, including the separatist enclaves? How will they enforce implementation of AA/DCFTA mandated reforms from Tiraspol and/or Tskhinvali aimed at ensuring that the business environment throughout the countries meets AA/DCFTA provisions, for example, rules of competition, verification of goods, certification, state aid rules, establishment, etc., not to mention access of EU inspectors to production plants in Transnistria and/or South Ossetia.

There are three possible ways in which the EU, Moldova and Georgia could approach the crux of the issue: first, Chisinau and Tbilisi agree to establish custom borders with their separatist territories at the expense of deepening the current divides within their sovereign territories and further delaying the prospect of reunification; second, the EU suspends implementation of the DCFTA sections of the AA with Moldova and Georgia (even once a full AA/DCFTA has been concluded and initialed with both partner countries prior to the Vilnius summit) until Chisinau and Tbilisi are able to regain full control over the customs territories of their states; and third, the EU grants Transnistria, South Ossetia and Abkhazia all the privileges of the DCFTA, which would mean creating “holes” within the EU single market by potentially allowing goods produced outside the DCFTA, including goods produced in Russia, China and other non-DCFTA countries, to freely enter the EU market.⁷ None of the above three options make it possible to fully implement the core of the EaP, i.e. an AA/DCFTA with Moldova and Georgia in the foreseeable future. Is establishing a total border between Moldova and Transnistria, Georgia and South Ossetia or Abkhazia the solution? These questions require clear answers.

In Armenia’s case, the fourth partner country expected to have signed an AA/DCFTA by the Vilnius summit, how will the EU politically manage the situation with Azerbaijan and the potential involvement of Nagorno Karabakh in the DCFTA via an AA/DCFTA with Armenia? Is Yerevan ready to establish a strict customs border with Nagorno Karabakh? Not to mention the fact that Azerbaijan is not eligible to negotiate a DCFTA with the EU, as it is still not a member of the World Trade Organization (this is also true of Belarus – the sixth EaP country). As it is unrealistic to expect that Moldova and Georgia will settle the problem of their separatist territories within the foreseeable future, much the same can be said for Armenia and Azerbaijan regarding their bilateral conflict over Nagorno Karabakh. It is not a question of whether Moldova, Georgia and Armenia can negotiate their respective association agreements with the DCFTA; it is a question of whether they can subsequently implement them and this demands some clear answers. This also relates to prospects for achieving a visa free regime between the EU and these three partner countries. Would a visa free regime

⁷ Neither Chisinau nor Tbilisi are able to inspect manufacturers on their separatist territories in order to enforce the rules of origin, which are designed to prevent the re-export of goods produced outside the DCFTA area into the EU. For analysis of the Transnistria–Moldova DCFTA case, which is also applicable to the Georgian separatist territories of South Ossetia and Abkhazia see – W. Konończuk, W. Rodkiewicz, “Could Transnistria block Moldova’s integration with the EU?,” Centre for Eastern Studies, OSW Commentary, October 23, 2012. Available online: <http://www.osw.waw.pl/en/publikacje/osw-commentary/2012-10-23/could-transnistria-block-moldovas-integration-eu> (accessed on August 20, 2013).

between the EU and these countries also mean a visa free regime for the inhabitants of Transnistria, South Ossetia, Abkhazia, and Nagorno Karabakh? The outcome of the visa dialogue with Moldova, Georgia, and Armenia much like the implementation of their AA/DCFTAs is unclear.

Belarus continues to remain outside the EU's policy dialogue with the eastern region. EU–Belarus bilateral relations have been suspended since 1997 offering no legal basis for developing a sustainable framework for cooperation; while Belarus' activities under the EaP's multilateral track are essentially confined to a selected few policy platforms and flagship initiatives. Sanctions against President Lukashenko's entourage were renewed and expanded in October 2012, and became more focused targeting members of the regime's business elite.⁸ Although the political dialogue has been suspended, the EU continues to make efforts to instigate reforms in the country. In June 2010 the Commission invited Belarus to start negotiations for visa facilitation and a readmission agreement, albeit with limited engagement from the Belarus authorities.⁹ In March 2012 Commissioner Füle launched a European dialogue on modernization with the people of Belarus, which extended multi-level opportunities to interested parties, but was subsequently criticized for the lack of strategic vision and weak engagement with major public stakeholders.¹⁰ In May 2013 MEP Justas Paleckis, a rapporteur for the European Parliament, drafted a series of recommendations (PR_INI_art97) suggesting that dialogue with the country be restarted at the Vilnius summit, and that a roadmap be launched for facilitating negotiations on a new comprehensive agreement with Belarus.¹¹ Much work still remains to be done in preparing the ground for a renewed political and legal dialogue with Belarus. The official authorities seem to indicate renewed interest in cooperation,¹² while the European Parliament's recommendations are still subject to the consensual approval of the Council, the Commission and the EEAS, and particularly, opposition members in Belarus.¹³

Looking beyond the Vilnius summit and assessing the further dynamics of the EaP we argue that achieving any contractual deal between the EU and partner countries by the time of the summit is of crucial importance. Moreover, we argue that it is no less important for the EU than for the partner countries, at least those that have declared their European aspirations. The EU's performance as an international actor in the field of external relations is affected by two contradictory elements. On the one hand, it is not easy for 28 member states to speak with one voice, due to the different projections of their national interests vis-à-vis third actors, including Eastern European countries. On the other hand, all 28 member states agree that the

⁸ In particular, 29 companies belonging to three businessmen linked to the regime are now subject to sanctions, the introduction of which coincided with the release of presidential contender Andrey Sannikov and Dmitriy Bondarenko from prison. See J. Korosteleva, "Impact of targeted sanctions on Belarus," Brussels: DG EU External Service, European Parliament, 2010. Available online: <http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=73753> (accessed on August 20, 2013).

⁹ A. Yeliseyeu, "EU-Belarus Visa Facilitation: Existing Barriers and Expected Benefits," Belarus Institute for Strategic Studies, Research Paper SA # 07/2012EN, November 10, 2012. Available online: http://pasos.org/wp-content/uploads/2012/11/sa_07_2012_en.pdf (accessed on August 20, 2013).

¹⁰ "How to increase the transformation potential of the European Dialogue on Modernisation with Belarusian society?," Coordination Committee of the National Platform of the Eastern Partnership Civil Society Forum, March 18, 2013. Available online: <http://www.eap-csf.eu/en/news-events/news/position-paper-on-european-dialogue-on-modernisation-with-belarus/> (accessed on August 20, 2013).

¹¹ "Draft Recommendation to the Council, the Commission and the European External Action Service on EU Policy towards Belarus," European Parliament, Committee on Foreign Affairs, May 6, 2013. Available online: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2F%2FEP%2F%2FNONGMIL%2BCOMPARL%2BPE-506.234%2B01%2BDOC%2BPDF%2BV0%2F%2FEN> (accessed on August 20, 2013).

¹² V. Makei, "Belarus is ready to resume dialogue with the European Union after a favourable decision of the EU Council," Official website of the Republic of Belarus, April 6, 2013. Available online: http://www.belarus.by/en/press-center/video/vladimir-makei-belarus-is-ready-to-resume-dialogue-with-the-european-union-after-a-favorable-decision-of-the-eu-council_i_409.html.

¹³ R. Astapenia, "Belarus-EU: From Sanctions to an Unwanted Dialogue," *Belarus Digest*, June 2, 2013. Available online: <http://belarusdigest.com/story/belarus-eu-sanctions-unwanted-dialogue-14245> (accessed on August 20, 2013).

EU should export its *acquis communautaire* to non-EU countries wherever possible via legal contractual deals. Exporting the EU *acquis* to partner countries through a comprehensive AA/DCFTA is the primary goal of the EaP, and is fundamental to achieving consensus between all EU member states for continuing implementation. Completing an AA/DCFTA with partner countries, any of them for that matter, is of crucial importance for the very viability of the EaP as EU policy.

There are two basic scenarios for making the Vilnius summit a success: the first and optimal one includes signing a AA/DCFTA with Ukraine, including provisional implementation clauses, and possibly also initialing an AA/DCFTA with all or at least some of the partners countries that are on track and will have completed their talks on the agreement by the time of the Vilnius summit, i.e. Moldova, Georgia and Armenia; the second and less than optimal scenario includes initialing an AA/DCFTA with any of the expected partners countries but not signing it with Ukraine. Of course, the Vilnius summit might be considered a success if it adopted a new EaP road map and achieved progress in other areas, including visa-dialogue with some partner countries, sector cooperation, and the implementation of flagship initiatives. However, this would most certainly not be the breakthrough required to revitalize the EaP after the summit.

Following the EEAS progress reports on the AA/DCFTA talks, Moldova seems to be in the best position to have completed talks and initialed its AA/DCFTA by the time of the Vilnius summit, though this strongly depends on the outcome of the current domestic political crisis. Thus, the performances of the Ukrainian and Moldovan governments in meeting the EaP goals and in interacting with the EU over the EaP in the run up to the Vilnius summit are crucial factors that will shape its outcomes. Taking into account the importance of Ukraine and Moldova for the future dynamics of the EaP, including the interest of the V4 countries in promoting the European aspirations of their Eastern neighbors, this paper will now concentrate on assessing the capacity needs of Ukraine and Moldova in handling the EU offer as well as the capacity of the V4 countries to deliver assistance to Kiev and Chisinau on their EaP tracks.

2. Capacity needs of Ukraine and Moldova to perform

This part of the policy paper, first, sums up the key limitations of Ukraine and Moldova that prevent them from fully engaging with the EU over the EaP offer, and second, indicates key areas for cooperation with the EU that might serve as drivers to speed up progress along the EaP track. The aim of this part of the policy paper is not to retrace the EU's progress reports on the EaP and how Ukraine and Moldova are currently performing nor is it to re-summarize a list of goals and/or tasks that both countries have agreed jointly with the EU within the EaP.¹⁴ Its primary purpose is to prioritize key limitations and the present achievements of Ukraine and Moldova in the EaP based on independent analytical assessment with the aim of defining possible priority actions to be taken by V4 countries to assist Ukraine and Moldova on their EaP path going forward to the Vilnius summit and beyond.¹⁵

Ukraine

- Ukraine's most challenging limitation in proceeding with the signing of the AA/DCFTA concerns the stability and functioning of its democratic institutions. The EU has stated that the signing of the AA/DCFTA with Ukraine is conditional on its addressing the issue of selective justice and preventing reoccurrence as well as ensuring the election process complies with international standards. However, this is only the tip of the iceberg; the Ukrainian constitution enables political power to be concentrated in the hands of the president and the executive arm of power. Comprehensive constitutional reform, separating power between the executive, legislature and judiciary, and introducing effective checks and balances is prerequisite to Ukraine's further democratic development and will make its European aspirations real.
- There is an over-centralization of power, which also affects the vertical structure of the public administration, i.e. there is very weak self-governance at regional and local levels in Ukraine to say the least. The councils elected in regional and municipal elections have limited capacities to implement decisions within their territorial units since these are subordinated to the regional state administrations. Public administration reform that would allow true self-government of regional and municipal units in Ukraine is a task yet to be fulfilled. Moreover, the existing over-centralization of power in Ukraine runs contrary to the long tradition of strong regionalism in the country. The dichotomy between the political traditions and the actual political system results in numerous regressions, shortcomings and breakdowns.
- Analysis of the Ukrainian government's performance in implementing the association agenda shows that the pace slowed in implementing priorities in 2010–2012 compared to

¹⁴ For the jointly agreed reform program between the EU and Ukraine see "EU-Ukraine Association Agenda to prepare and facilitate the implementation of the Association Agreement," Joint Committee of the Association Agenda at Senior Officials level, May 20, 2011. Available online: http://www.eeas.europa.eu/ukraine/docs/2010_eu_ukraine_association_agenda_en.pdf (accessed on August 20, 2013); and respectively for Moldova see "EU-Moldova Action Plan," European Commission, February 22, 2005 (prolonged in February 2008). Available online: http://ec.europa.eu/world/enp/pdf/action_plans/moldova_enp_ap_final_en.pdf (accessed on August 20, 2013).

¹⁵ In addition to drawing on the regular EaP progress reports produced by EEAS (Available online: http://www.eeas.europa.eu/eastern/index_en.htm (accessed on August 20, 2013)), this part of the paper draws from the experiences of the Research Center of the Slovak Foreign Policy Association (RC SFPA) in running the National Convention on the EU project in both Ukraine and Moldova, supported by SlovakAid since 2010. For more information on the NCEU in Ukraine visit the project website at: <http://www.euconvention.org.ua>; and for the NCEU in Moldova visit: <http://conventia.md>. Another source of information is research published in – A. Duleba, V. Bilčík, ed., *Taking Stock of the Eastern Partnership in Ukraine, Moldova, Visegrad Four, and the EU*, Bratislava: RC SFPA, 2011, in particular the contributions by Yulia Tyshchenko on Ukraine (pp. 10-58) and Eugen Revenco on Moldova (pp. 59-103); and also Duleba, A., Benč, V., Bilčík, V. (2012), op. cit.

2005–2009, especially in the following areas: political dialogue, respect for human rights and fundamental freedoms, public internal control, external control and audit, information society and protection of the environment. For instance, in 2010 the Ukrainian government implemented only eight out of the total of 78 association agenda priorities. Ukraine has achieved moderate progress in economic and sectorial reforms – 42 of the 48 priorities set for 2011–2012 were implemented, three have been completed and three have not been carried out. Even taking into consideration the fact that some priorities are indeed harder to implement than others, these figures show a slow-down in the Ukrainian government’s performance in this area over the last three years. The implementation of the jointly agreed priorities within the association agenda is the third condition set by the EU for Ukraine to have signed the AA/DCFTA at the time of the Vilnius summit in November 2013.

- Ukraine lacks an efficient administrative structure that would facilitate better management of the European integration process. The present state of affairs in EU–Ukraine relations calls for a higher level of institutional consistency, planning and coordination, including legal framework and information support for the integration process on the part of the Ukrainian government.
- Domestic debate on the association agreement with the EU and the pros and cons is mostly centered on issues relating to Ukraine’s foreign policy. Ukrainian society lacks open rationalization and public discussion on the AA/DCFTA; the political and social debate on EU integration is mainly focused on EU membership or integration is considered to be a pilot project for domestic reforms. In general, the issue of European integration and deeper cooperation with the EU has never been controversial for the Ukrainian public. Most Ukrainian citizens are positive about the idea of deepening EU–Ukraine relations despite the lack of information.¹⁶ There is also a pro-European consensus among the main political parties.
- EU–Ukraine foreign trade grew by 500 per cent during the period 1999–2011, and FDI to Ukraine increased by 741 per cent from 2004 to 2011, 80 per cent of which came from EU member states. However, it should be noted that the majority of FDI from the EU (28.1 per cent of the total) comes from Cyprus, which means that it involves reinvested Ukrainian or Russian capital. There is no doubt that trade and investment between the EU and Ukraine will continue to grow overall, despite some stagnation over the last couple of years due to the economic crisis, and regardless of the slow process of reforms within Ukraine’s business environment, which is characterized by weak rule of law and widespread corruption. The research shows that the EaP does not as yet play a visible role in trade and investment relations between the EU and Ukraine.¹⁷ This situation could change on conclusion of the association agreement with DCFTA. It would allow for legal enforcement of reforms in Ukraine’s business environment as well as a further increase in trade and investment as part of EU–Ukraine relations. Taking into consideration the positive dynamics in foreign trade and FDI within the last decade (with some slow-down over the last four years due to the economic crisis), one can assume that completion of the

¹⁶ A public poll carried out by the Ilko Kucheriv Democratic Initiatives Fund (Kiev) in March 2013 in which respondents were asked how they would vote if there was a referendum on Ukraine’s EU accession indicates that 59 per cent would vote “for” EU accession, whereas 41 per cent would vote “against”. When asked whether they would choose EU accession, accession to the Customs Union between Russia, Belarus and Kazakhstan, 52 per cent of respondents would prefer EU accession as against 48 per cent who would vote for the Customs Union. For the results of the public poll see “YeS chy Mytnyy soyuz: za shcho proholosuvaly b ukrayintsi na referendum,” Fond Demokratychni initsiatyvy imeni Ilka Kucheriva, March 18, 2013. Available online: <http://dif.org.ua/ua/publications/press-relizy/es-chi-mitnij-soyuz-za-sho-progolosuvali-b-ukrainci-na-referendumi.htm> (accessed on August 20, 2013).

¹⁷ Duleba, A., Benč, V., Bilčik, V. (2012), op. cit.

association agreement with DCFTA will facilitate accelerated growth in business between the EU and Ukraine.

- Expert predictions on the impact of the DCFTA on the Ukrainian economy show that the number of sectors whose output would grow under the DCFTA with the EU is almost the same as the number of sectors whose output would decrease. According to research conducted by the Institute for Economic Research and Policy Consulting (Kiev), the DCFTA would have a positive effect on agriculture, fishery, forestry, textile and tanning industries and many sectors of the service industry; it would have a less positive effect on metallurgy, machine-building, transport, coal and chemical industries as a result of the redistribution within the economy.¹⁸
- Recent reforms in Ukraine's energy sector are driven by Ukraine's accession to the European Energy Community rather than by EaP programs and tools. The Accession Protocol of Ukraine to the European Energy Community is the only contractual element of the existing institutional framework of EU–Ukraine relations that stipulates compulsory reforms for Ukraine's energy sector. Although our research found that none of Ukraine's commitments under the Accession Protocol to the Energy Community Treaty had been carried out in full or on time, it records positive developments, especially in the areas of regulatory policy, liberalization of natural gas and electricity markets, energy efficiency, and the use of renewables.
- The EU and Ukraine have made practical progress on visa dialogue. There has been a gradual, albeit not uniform, improvement in the process of visa facilitation by EU member states. The growth of the EU's visa industry in Ukraine has been accompanied by liberalizing measures and friendlier practices when it comes to issuing Schengen visas. So while a full visa free regime is not on the cards at the moment, greater facilitation of the existing visa regime is realistic.

Moldova

- In Moldova's case one can observe a “stable political crisis” rather than stable democratic institutions. Nevertheless, Moldova's major political parties support the European integration process. The ruling parties in the Alliance for European Integration (AEI; the Liberal Party, Liberal–Democratic Party and Democratic Party formed the AEI coalition government after the elections in 2009) are unconditionally promoting this strategic goal with minor tactical differences. The support for concluding the AA/DCFTA is consensual across Moldova's political spectrum, including the Communist Party. Over the last few years public opinion polls have also showed that a slim majority of citizens support Moldova's European integration. However, neither the position of the Communist Party nor the pro-European preferences of the Moldovan public should be taken for granted.¹⁹ The recent collapse of the Alliance for European Integration government led by Prime Minister Vlad Filat, which failed a parliamentary vote of no confidence on March 5, 2013,

¹⁸ For more see I. Burakovsky, ed., *Analitychna dopovid YeS-Ukrayina: ekonomichni naslidky ta perspektyvy Yevropeyskoyi Polityky Susidstva (YePS)*, Kiev: Institute for Economic Research and Policy Consulting, Heinrich Boell Foundation, 2008.

¹⁹ In a public poll carried out by the Institute for Public Policy (Chisinau) in November 2012 some 22.5 per cent of respondents said they would vote for Moldovan accession to the Customs Union between Russia, Belarus and Kazakhstan if a referendum were to be held, and only 16.1 per cent would choose the European Union; 2.2 per cent would not take part in the ballot at all. Over 50 per cent are undecided. A referendum on joining the Customs Union would attract 55.8 per cent votes in favour and 27.1 per cent against. Source: “Poll: Moldovans prefer Customs Union to EU,” *KyivPost*, November 21, 2012. Available online: <http://www.kyivpost.com/content/russia-and-former-soviet-union/poll-moldovans-prefer-customs-union-to-eu-316441.html> (accessed on August 20, 2013).

means that early parliamentary elections will be held in 2014.²⁰ Thus, the fog is lifting over the ambitious plan of both the EU and the Filat government to complete talks on the AA/DCFTA by the time of the Vilnius summit, and the new government's commitment to Moldova's European integration.

- Since 2009 the AIE government has managed to make significant progress in civil liberties, human rights and electoral reform. On the other hand, it has still not carried out the structural and economic reforms without which real change in the country will be impossible. No reforms have been implemented within the Ministry of the Interior, the police force, or judiciary. The AIE has also failed to decentralize governance and has had no real success in reducing corruption; its attempts to rebuild the country's financial institutions have proved equally unsuccessful. The main reasons for this poor performance include mutual mistrust and conflicting interests among coalition members, a shortage of financial resources, strong resistance to change by the public administration bureaucracy, and significant pressure from political and business groups whose interests could suffer as a result of the proposed reforms.²¹
- There are two key challenges Moldova has to face in its European integration process. The first one concerns the weak capacities of the state administration to implement reforms as well as uncertainty over the capacity of Moldavian businesses to perform in the new environment once the AA/DCFTA enters into force. The weak public administration that employs extremely low paid civil servants may become a challenge for the country's European aspirations. Therefore, public administration reform, including a radical and effective change in the remuneration system for civil servants, should become a priority, particularly, since a better paid administration is essential for the successful fight against corruption as well.
- The second challenge relates to prospects for settling the Transnistrian conflict. The Moldavian authorities do not control the secessionist administration of Transnistria and the government cannot enforce legislation across the whole country. The European Commission's recommendations on the DCFTA addressed this challenge by appealing to the Moldovan government to take action to ensure that the future AA/DCFTA provisions will be applied fully throughout Moldova, including Transnistria. However, the Transnistrian authorities rejected the Moldovan government's invitation to participate in the talks on Moldova's AA/DCFTA. However, a positive example might be found in the custom stamps and compulsory registration of private Transnistrian companies in Moldova, which were enforced in Transnistria (with the help of Ukraine and the EUBAM mission) after 2007. Nevertheless, there is no mechanism in place that would ensure harmonization of legislation applicable to the Transnistrian territory affecting around 95 per cent of EU trade and economic related *acquis communautaire*.
- The Moldovan state administration lacks a coordination mechanism for the European integration process and timely decision-making. The existing Government Commission for European Integration meets on an ad-hoc basis; it does not have a permanent secretariat and the decision-making process lacks transparency. It is not an inclusive institutional entity as it is not in regular contact with parliament, and does not include

²⁰ According to the Moldovan constitution, President Nicolae Timofti has 45 days from the date of the parliamentary no-confidence vote and has three attempts within this time-frame to obtain parliamentary approval for his choice of new prime minister, e.g. see "Moldavian parliament passes vote of no-confidence in Filat government," *Reuters*, March 5, 2013. Available online: <http://www.reuters.com/article/2013/03/05/us-moldova-government-vote-idUSBRE9240FU20130305> (accessed on August 20, 2013).

²¹ See K. Calus, "Reforms in Moldova: moderate progress and an uncertain outlook for the future," Centre for Eastern Studies, OSW Commentary, January 23, 2013. Available online: <http://www.osw.waw.pl/en/publikacje/osw-commentary/2013-01-23/reforms-moldova-moderate-progress-and-uncertain-outlook-future> (accessed on August 20, 2013).

other regulatory authorities associated with European integration. There is a need to strengthen the institutional capacity of the commission by establishing a permanent secretariat within the prime-minister's office. Experts at home and abroad have repeatedly proposed that a legislation harmonization mechanism be established, however, the government of Moldova has not yet been able to undertake conclusive steps towards this end. The parliament should improve its controls over executive power in relation to European integration and adjust to horizontal coordination of European integration issues, eventually adding cross-sector functions to the Foreign Policy and European Integration Committee.

- Moldova has progressed quite well in aligning its legislation with EU standards in the energy sector; it has acceded to all relevant international conventions on energy. The basic legislation on natural gas and electricity, energy efficiency has been substantially harmonized with the EU energy *acquis* thanks to Moldova's accession to the Energy Community in March 2010. However, secondary energy legislation still has to be introduced
- Analysis of the Moldovan government's performance in mobility and visa dialogue with the EU shows that there is a deficiency when it comes to institutional synchronization between the legislative and executive authorities. The Governmental Commission for European Integration has limited communication with parliament. Therefore many governmental initiatives adopted as part of the visa liberalization action plan face changes when they are dealt with by parliament.

3. Capacities of V4 countries to deliver

The Eastern Partnership is one of the priority areas of regional cooperation within the V4. In 2004, at the summit held in Kroměříž, the V4 prime ministers stated with great satisfaction that the key objectives laid out in the 1991 Visegrad Declaration had been achieved and declared their determination to continue developing collaboration between the Visegrad Group countries as members of the European Union and NATO. They also declared that the V4 was ready to assist countries aspiring to EU membership by sharing and transferring knowledge and experience. In addition they stated that the V4 countries were prepared to use their unique regional and historical experience and contribute to shaping and implementing the European Union's policies towards the countries of Eastern and Southeastern Europe. The Kroměříž Declaration of 2004 became the document which would set the priorities for post-accession regional cooperation within the Visegrad Group.²²

Since joining the EU in 2004 the V4 countries have become active promoters of the European Neighborhood Policy (ENP), primarily supporting the development of its Eastern dimension. The coordinated efforts of the V4 countries within the EU helped the EU in its ambitious proposal for Eastern neighbors, including the possible signing of association agreements (with DCFTAs) within the Eastern Partnership in 2008. The V4 prime ministers adopted a new enhanced program declaration at their summit in Bratislava commemorating the 20th anniversary of Visegrad cooperation in 2011. The 2011 Bratislava Declaration reiterates the V4 countries' commitment to facilitating enlargement of the area of stability and democracy in the EU neighborhood and actively contributing towards the implementation of the European and Euro-Atlantic ambitions of the countries of the Eastern Partnership.²³

This section of the policy paper offers brief insights into the V4 countries' national policies on the EaP, including their capacities to assist Ukraine and Moldova in meeting the goals of the Eastern Partnership and in implementing reforms in line with EU standards and institutions.

Czech Republic

By Věra Řiháčková

Policy, programs, and assistance

Following its EU accession and during its presidencies of the V4 (2007–2008) and EU Council (January–June 2009) in particular, the Czech Republic lent support to the initiatives that led to the emergence of the Eastern Partnership. A Czech non-paper prepared in cooperation with like-minded EU countries was circulated in 2007, paving the way for the ensuing Polish–Swedish Eastern Partnership initiative adopted in 2008.²⁴ With the Eastern policy at the top of the EU presidency agenda on external relations, in 2009 the Czech Republic seized the moment and followed up on the French proposal for a Union for the Mediterranean, and contributed to improving the Eastern Partnership agenda, arguing for a

²² “The Kroměříž Declaration,” The Visegrad Group, May 12, 2004. Available online: <http://www.visegradgroup.eu/2004/declaration-of-prime> (accessed on August 20, 2013).

²³ “The Bratislava Declaration,” The Visegrad Group, February 15, 2011. Available online: <http://www.visegradgroup.eu/2011/the-bratislava> (accessed on August 20, 2013).

²⁴ “The European Neighbourhood Policy and the Eastern Neighbourhood: time to act,” The Ministry of Foreign Affairs of the Czech Republic, 2007.

balanced approach to the ENP. The inaugural EaP summit took place in Prague on May 7, 2009, adopting the Prague Declaration, a policy designed to include the multilateral platforms that copied the Czech presidency priorities to a certain extent.²⁵

Since the EaP was introduced, the Czech Republic has been a pro-active EU member state aspiring to shape policy (for example, contributing significantly to the EU position following the October 2012 elections in Ukraine) and keep it on the EU agenda, working with a group of like-minded countries, the European External Action Service (EEAS) and the European Commission (Commissioner Štefan Füle). At the multilateral level, the Czech Republic in its capacity as V4 presidency country organized a high-level meeting in spring 2012, bringing together the V4 countries, the Baltic states, Denmark (EU presidency), and EaP representatives, along with HR Catherine Ashton and Commissioner Štefan Füle, to discuss the roadmap for the 2013 Vilnius summit (subsequently presented by the Commission in May 2012) and other issues, including the launch of a new funding instrument targeting EaP civil society established within the International Visegrad Fund – V4EaP. The Czech Ministry of Foreign Affairs (MFA) supports the new funding line and actively seeks additional contributors via bilateral consultations. Czech foreign policy has also helped secure additional funding from the Netherlands for the V4EaP.

In the run up to the Vilnius summit, Czech foreign policy continues to pursue an active approach, with consultations in Brussels, the EU capitals and EaP countries while keeping a realistic policy line and pushing the summit to deliver on defined goals (an AA including DCFTA to be signed with Ukraine if the country complies with EU demands, AAs including DCFTAs to be initiated with Armenia, Georgia and Moldova, significant headway on a visa-free regime with Moldova – a declaration of a visa-free regime for Moldovan biometric passport holders in the first half of 2014). The Czech foreign ministry advocates a rather indulgent attitude towards Ukraine, on the condition that the basic obligations set by the commission are met by the Ukrainian side as not signing would result in significant setbacks. The hitherto fragmented Czech policy line on a Moldovan visa-free regime has been pulled together and all the domestic parties involved (the relevant MFA departments, and the Ministry of Interior) now support its introduction. Furthermore the German–Polish–Swedish–Czech non-paper titled “Reinforcing the Eastern Partnership in the run-up to the 3rd EaP Summit” published at the beginning of 2013 defines the policy goals and outlook.²⁶

The only EaP countries to be currently in receipt of Czech overseas development assistance (ODA)²⁷ are Moldova (a target country) and Georgia (a priority country).²⁸ The bilateral development projects have an annual budget of 396.5 million Czech crowns (approx. 15.4 million euro) for 2013 to 2015. Nineteen per cent of this is allocated to Moldova and 6–7 per cent to Georgia.²⁹ In 2012, Czech development cooperation projects in Moldova amounted to 68.7 million Czech crowns (approx. 2.7 million euro) and 25.6 million Czech crowns (approx.

²⁵ See D. Král, “The Czech Republic and the Eastern Partnership – from a by-product to a beloved child?,” in I. Albrycht, ed., *The Eastern Partnership in the Context of the European Neighbourhood Policy and V4 Agenda*, Krakow: The Kosciuszko Institute, 2010.

²⁶ “Reinforcing the Eastern Partnership in the run-up to the 3rd EaP Summit,” The Ministry of Foreign Affairs of the Czech Republic, 2013.

²⁷ There were two forestry development projects implemented in Ukraine between 2004 and 2007 amounting to 11.4 million crowns (approx. 450,000 euro).

²⁸ “Development Cooperation Strategy of the Czech Republic 2010-2017,” The Ministry of Foreign Affairs of the Czech Republic, 2010. Available online: http://www.mzv.cz/file/762314/FINAL_Development_Cooperation_Strategy_2010_2017.pdf (accessed on August 20, 2013).

²⁹ “Priorities of Development Cooperation in 2013 and their funding. Outlook for 2014-2015,” Czech Development Agency, 2013. Available online: http://www.czda.cz/download.php?group=stranky3_soubory&id=486 (accessed on August 20, 2013).

1 million euro) in Georgia.³⁰ In addition to the ODA the Czech Republic is the only V4 country to have a self-standing transformation cooperation program that focuses on promoting human rights and democracy through civil society in the target countries. In terms of the EaP this includes Moldova, Ukraine, and Georgia. In 2013 the transformation cooperation program has a budget of 50 million Czech crowns (approx. 1.93 million euro). Of this 35 million (approx. 1.4 million euro) is to be spent on projects; the rest is to be used flexibly.³¹ In 2010³² the projects implemented in Moldova amounted to 5.9 million Czech crowns (247,182 euro), in Ukraine to 3.8 million Czech crowns (159,657 euro), and in Georgia to 6.6 million (273,060 euro).

In addition to Czech civil society projects implemented in the EaP countries in partnership with local bodies and funded through the Transition Promotion Program and the V4-EaP program, the Czech MFA introduced a special EaP funding line administered by the Transition Promotion Program targeting EaP civil society organizations, and members of the EaP Civil Society Forum (WG1 and WG4). Annual funding amounts to 3.5 million Czech crowns (approx. 140,000 euro). There is also a scholarship program for EaP students at Czech universities. Furthermore, the representatives of the EaP CSF national platforms met foreign minister Karel Schwarzenberg during his visit to Georgia and Armenia at the beginning of April 2013. (It would be advisable to follow on from this and establish a practice of expressing political support for local civil societies when on official visits to EaP countries.) Czech civil society operating in the field is regularly briefed on policy developments and the MFA is usually open to dialogue and civil society initiatives. The Czech private sector has also been approached by the MFA concerning a special workshop on potential projects in EaP countries involving one to one consultations with those interested.

The Czech Republic is active within the P1 and P4 multilateral platforms and in the panel on public administration reform organized under P1. The Czech Republic is a leading country in reform of local and regional administration. In this capacity, the MFA has organized several workshops (in Prague, Benešov, Kharkiv, Tbilisi, and an upcoming meeting in Chisinau), bringing together EaP local authorities, civil society, and associated EU member state representatives and experts.

The policy is being carried out by the MFA's Department of Northern and Eastern Europe (policy), the Department of Transformation Cooperation and Human Rights (Transition Promotion Program), and is represented by the special envoy/ambassador for the Eastern Partnership (currently Petr Mareš) who actively engages EU and EaP representatives at the corresponding level. The Czech Republic has embassies in all EaP countries; the last of which was opened in Armenia in May 2012.

Assistance to Ukraine and Moldova

The Czech Republic is a mid-sized country that has declared the EaP to be one of its foreign policy priorities. In this respect the bilateral support and assistance it provides corresponds to the country's resources and capacities. Given that the country has a newly elected president (Miloš Zeman) and given the current outlook for the upcoming general elections (2014),

³⁰ "2012 Annual Report," Czech Development Agency, 2012. Available online: http://www.czda.cz/download.php?group=stranky3_soubory&id=463 (accessed on August 20, 2013).

³¹ "Transformation Cooperation Concept," Ministry of Foreign Affairs of the Czech Republic, 2010. Available online: http://www.mzv.cz/jnp/en/foreign_relations/archiv/archives_2002_2005/transition_promotion_program_concept.html (accessed on August 20, 2013).

³² The most recent data apply to 2010.

policy may be refocused in the forthcoming period towards economic cooperation, with less emphasis on transition cooperation. The current EaP special envoy, Petr Mareš, will most likely leave the post to take up the position of Czech ambassador to Canada; continuity should be assured by the appointment of another senior diplomat, at least until the next general elections.

Ukraine is considered a key EaP country and important partner (economic interests, a transformation cooperation target country); however, the policy lines of various domestic bodies in the Czech Republic have not always converged completely, with the Ministry of Interior pursuing its asylum policy without consulting the MFA (political asylum was awarded to Oleksandr Tymoshenko and Bohdan Danylyshin). Potential bilateral assistance for legal reforms is currently being discussed in order to support Ukraine's compliance with EU demands. The Czech Republic's bilateral assistance with Moldova operates as per demands. Recently Moldova has been offered assistance on visa liberalization related issues, especially capacity-building of the law enforcement authorities. The Czech ministry of interior is engaged in a project targeting these issues. Czech civil society with the support of the Transition Promotion Program has been implementing several projects in Moldova, including Transnistria.

Hungary

*By András Rác*³³

Political relations with Ukraine and Moldova

Hungary has been very actively engaged with Ukraine since the latter gained independence, for both strategic reasons and in the interest of solidarity. The main strategic motivations are the geographical neighborhood, Ukraine's key position in transiting Russian oil and gas supplies to Hungary, and its importance as a transit country in terms of logistics and trade. In addition, preventing organized crime, smuggling and trafficking from Ukraine has also been in Budapest's key interest, as has flood prevention. (The Tisza, Hungary's second largest river, rises in Ukraine.) In addition to these strategic reasons, the approximately 150,000 ethnic Hungarians living in the Transcarpathian region of Ukraine provide an enduring motivation for engagement, and for fostering cross-border cooperation.

Supporting Moldova's independence and development has been a lasting policy objective of Hungarian foreign policy ever since the democratic transition. The motivations behind this commitment have been multifold. In the early 1991–1994 period, Hungary was interested in fostering relations with Moldova mostly in order to counter-balance minority-related tensions with Romania. In other words, Budapest used relations with Chisinau as a tool in discussions with Bucharest. Hungarian support for Moldova's independence and territorial integrity was often voiced in documents and declarations. Officially it only applied to the Transnistrian conflict, but in reality it also meant independence from Romania as well.³⁴ As unification with Romania was removed from the agenda in Moldova by the 1994 referendum, and a less minority-oriented leftist-liberal government came to power in Budapest in 1994, Moldovan–Hungarian relations became much less energetic for approximately a decade.

³³ The views presented here are the author's own, and do not represent either the official position of Hungary or the Hungarian Institute of International Affairs.

³⁴ For more details on Hungarian foreign policy on Moldova see: A. Ambrus, A. Rác, "Hungary: A Supporter of Moldova's Independence," in M. Kosienkowski, W. Schreiber, ed., *Moldova. Arena of International Influences*. Lanham: Lexington Books, 2012. pp. 105-117.

Changes first became evident with Hungary's EU-accession, which gave Hungary a chance to become a policy shaper as opposed to its pre-accession position of policy taker. This also applied to the neighborhood policy dimension. However, the priorities of the European Neighborhood Policy and Hungarian neighborhood policy only overlapped in part. While the EU promoted relations with both the wider Eastern and Southern neighborhood, Hungary focused on Ukraine and Moldova from the Eastern neighborhood.³⁵ The situation was the same with the Eastern Partnership (EaP): Hungarian engagement in the EaP framework is concentrated on Ukraine and Moldova.³⁶ The three states of the South Caucasus are far from Hungary, and there are few historical and economic ties that would connect Budapest to the region. Belarus is not much different.

The specific policy objectives held by the Orbán government on the EaP region are set out in a government document published in December 2011, titled "Hungary's Foreign Policy after the Hungarian Presidency of the Council of the European Union."³⁷ This strategy declares that "It is in Hungary's interest that transit routes for people, goods, and energy be developed and made secure in the target areas of the Eastern Partnership." Thus the document enumerates visa facilitation, people-to-people contacts, trade and economic cooperation and energy security as specific policy objectives relating to the EaP region.³⁸

However, engagement is limited by a serious shortage of funds, connected to the overall weak performance of the Hungarian economy. This affects both Hungarian foreign policy in general and also the Eastern Partnership in particular.³⁹ The only exception is minority policy, where the Orbán government has been much more active than any other Hungarian government before (double citizenship law, increased number of consuls working in Hungarian-populated regions, etc.).

Notwithstanding the shortage of funds, both Ukraine and Moldova receive considerable attention from the Hungarian government in terms of political support, both in terms of the EU framework and on a bilateral level. Recent steps and initiatives relating to Ukraine include Ukrainian Prime Minister Mykola Azarov's visit to Budapest in March 2013, the EU-Ukraine Forum in May 2013, and the reverse gas flow agreement.

Hungary held remarkably strong EU posts in Moldova in the second half of the 2000s, when both the EUBAM Commander and the EU Special Representative were Hungarians. Currently the most important EU-level project operated by Budapest in Moldova is the Common Application Center at the Hungarian Embassy in Chisinau. In addition to this, Moldovan ministers and state officials frequently come to Budapest for consultations, assistance, etc. The fact that the current interim prime minister of Moldova, Iurie Leanca, is fluent in Hungarian (a consequence of his MGIMO years) plays a very positive role.

³⁵ Ibid.

³⁶ For more see: A. Rácz, "Hungary and the Eastern Partnership," in I. Albrycht, ed., *The Eastern Partnership in the Context of the European Neighbourhood Policy and V4 Agenda*, Budapest: CEU Centre for EU Enlargement Studies, 2010. pp. 19–35. Available online: http://3csep.ceu.hu/sites/default/files/publications/the-publication_0.pdf (accessed on August 20, 2013).

³⁷ "Hungary's Foreign Policy after the Hungarian Presidency of the Council of the European Union," Ministry of Foreign Affairs of Hungary, December, 2011. Available online: http://www.kormany.hu/download/e/cb/60000/foreign_policy_20111219.pdf (accessed on August 20, 2013).

³⁸ Ibid., pp. 24 and 40-1.

³⁹ For more information on these effects see: A. Rácz, "An Unintended Consequence: Is the Hungarian Commitment to the EU's Enlargement and Neighborhood Policy Weakening?," paper presented at the UACES annual conference in Passau, September 2-5, 2012. Available online: <http://events.uaces.org/documents/papers/1201/racz.pdf> (accessed on May 8, 2013).

Official development assistance to Moldova and Ukraine

A general feature of Hungarian official development assistance (ODA) is that it is predominantly conducted through multilateral agencies, mainly through the EU. In 2011 the rate of multilateral ODA was 76 per cent. Another feature is that bilateral aid is concentrated almost exclusively on Afghanistan and on the countries neighboring Hungary.⁴⁰ This last fact is obviously related to Hungarian foreign policy's general interest in supporting Hungarian minorities abroad.

Thus in Ukraine Hungarian development activities are focused on the Hungarian-populated Transcarpathian region. According to a recent MFA report on ODA activities⁴¹, in 2011 some 708 million Hungarian forints (approx. 2,400,000 euro⁴²) were spent on various assistance programs in Ukraine. The majority of this money was targeted at explicitly supporting the Hungarian minorities living there, altogether 688 million of the 708 million forints, thus well above 95 per cent. The rest was spent on training programs, conferences and on the EUBAM mission.

Moldova features much less in Hungarian ODA activities. In 2011 altogether slightly more than 17 million forints (some 58,000 euro) was spent on projects related to Moldova, primarily on various expert training sessions, capacity building, conferences, consultations and scholarships. Moreover, a Hungarian NGO, the International Centre for Democratic Transition, has been engaged in creating the Dniester Euro Region with the participation of Moldova, including its separatist region, Transnistria, and Ukraine.

The overwhelming focus on Ukraine and particularly projects targeting the Hungarian minority is a new feature in Hungarian development activities that started with the Orbán government. Before 2010 the difference between spending on Ukraine and Moldova was much less significant: for example, in 2008 a total of 76 million forints was spent on Moldova, and 403 million on Ukraine.⁴³

Evaluation

The large differences in the amount and breakdown of Hungarian ODA spending on Ukraine and Moldova indicate the different policy priorities Budapest has in the two countries. In Ukraine the focus is clearly on the Hungarian-populated region, and support is aimed at the wider public (social and political organizations, schools, etc). In Moldova most Hungarian activities are concentrated on the elite and on good governance, aimed at supporting the Europeanization and modernization of the country.

As far as Ukraine is concerned, Budapest is likely to continue in its trend of devoting most attention and resources to the Hungarian-populated region. However, together the strategic interest behind the Europeanization of Ukraine and the lasting dominance of multilateral forms of engagement ensure that Hungary will support all V4 projects on Ukraine in the future, just as it did before.

⁴⁰ "Hungary," AidWatch Report 2012. Available online: <http://aidwatch.concordeurope.org/countries/project/hungary/> (accessed on May 8, 2013).

⁴¹ "Report: International development and humanitarian assistance activities of Hungary in 2011," Ministry of Foreign Affairs, 2012.

⁴² Calculated using a EUR-HUF exchange rate of 1:295.

⁴³ "Beszámoló a magyar nemzetközi fejlesztési együttműködés 2008-ban megvalósított tevékenységéről," Ministry of Foreign Affairs, 2009. Available online: http://www.kulugyminiszterium.hu/NR/rdonlyres/D2DB5DD4-42B2-4D3B-BB59-3F6808D15F03/0/Beszamolo_2008_KB_utan_modositott_vegleges_gya.pdf (accessed on May 8, 2013).

The most important feature of Hungarian engagement in Moldova is that it is politically neutral. Instead of openly supporting a particular political force, Budapest has been concentrating on training, capacity building, education and technical assistance projects related to good governance. Thus far this lasting engagement has resulted in the accumulation of considerable expertise on the Hungarian side, and a high level of trust on the Moldovan side as well. This indeed presents important opportunities for further V4 level projects, particularly in the field of good governance and capacity building.

All in all, one may come to the conclusion that if further V4 engagement is planned in the region, the various Hungarian capabilities will mean it plays different roles. In terms of Ukraine Hungary is much more likely to be a policy-taker, despite the comparatively large resources spent there, while in Moldova Budapest has the experience and potential to play a more active role, and be a policy-shaper as well.

Poland

By Rafał Sadowski

Political engagement and development assistance

The Eastern European countries participating in the Eastern Partnership (EaP) initiative have been ever-present in Poland's foreign policy priorities. This is especially true of the two countries Poland shares a border with: Ukraine and Belarus. Poland stepped up its activities in Moldova around 2008–2009 following the launch of the EaP initiative and when a pro-European government coalition took power in Chisinau. Poland's main foreign policy aims regarding the countries of Eastern Europe are to extend and develop bilateral political and economic relations, to bring these countries closer to European structures, and to bring about systemic change along EU lines. Warsaw has taken political measures in pursuit of these goals both in bilateral relations and also by acting as a catalyst for action on the EU level. These actions were complemented by the support provided as part of official development assistance (ODA).

Poland was one of the initiators of the Eastern Partnership (EaP) and has been actively involved in developing the initiative. On the political level this involvement has been geared towards bolstering the significance of the EaP as the main and fundamental EU instrument for developing the European Union's relations with its neighbors to the East on the basis of two assumptions. Firstly, the EU's proposal to its Eastern neighbors should be strengthened so it becomes an instrument which has a real ability to bring about a change in EU–EaP relations and also stimulate changes in those countries. Secondly, the role of the EaP in the EU agenda should be enhanced to increase the EU's political engagement and level of support in its Eastern neighborhood.

In contrast to more restrained EU members, Poland is in favor of the EaP countries becoming as integrated as possible. Warsaw recognizes the European aspirations of the partner states. It is persuaded that membership prospects should be brought to the table but accepts that at the current stage economic integration along the lines of the European Economic Area is a realistic goal. To this end it supports the shortest possible route to signing and implementing the AA/DCFTA agreements. This is also the case with Ukraine, where the issue of signing these agreements has sparked broad controversy within the EU due to the deteriorating level of democracy in Ukraine. Poland is actively lobbying for the visa regime with EaP countries to be lifted as soon as possible. It unequivocally supports increasing EU engagement with

Eastern Europe both in political terms and in terms of financial and technical support. Political lobbying is very important on this issue. One example of this is a letter from the ministries of foreign affairs of Poland, the Czech Republic, Germany and Sweden to Catherine Ashton of January 15, 2013, which put forward specific arguments for stepping up the EU's relations with its Eastern neighbors.⁴⁴ Another example is Poland's initiative on the establishment of a new EU support instrument – the European Endowment for Democracy (this is led by a Polish diplomat).

It is also important to be politically involved in supporting and stimulating systemic transformation, particularly in Ukraine and Moldova. Furthermore, political dialogue on a bilateral level is a crucial instrument since European integration is an ongoing element in bilateral contacts. Entering into dialogue with the participation of other EU countries is also important. An example of this is the meeting between the presidents of Poland and Slovakia and the president of Ukraine in Wisła, Poland, on February 21, 2013. Political support for the European integration of Moldova is evidenced by the visit of the foreign affairs ministers of Poland, Sweden and the United Kingdom to Chisinau on February 19, 2013.

The countries of the Eastern Partnership are also the main recipients of Polish official development assistance. Poland has earmarked a significant part of the funds for EU programs (approx. 70–75 per cent per year), while small payments are made to other international institutions. Approximately 20–25 per cent of Poland's aid allocation is directed into bilateral aid. The institutions with chief responsibility for the distribution of bilateral aid are the Ministry of Foreign Affairs, Ministry of Finance (which handles loan guarantees and debt relief), Ministry of Interior (soft security as well as migration and border management), and the Ministry of Science and Higher Education (education programs along with academic and student scholarships). The aid implemented by the Ministry of Foreign Affairs plays a crucial role since it defines the priorities of development aid as a whole, and coordinates the work of other institutions.

Polish development assistance. PLN in millions (EUR in millions in brackets*)

| | year | 2008 | 2009 | 2010 | 2011 | 2012** |
|------------|-------------------------|---|---|-------------------|--|----------------|
| entire ODA | total | 897.11 (254.86) | 1,165 (269.05) | 1,139 (285.46) | 1,200 (291.26) | |
| | multilateral assistance | 695.15 (197.49) | 841 (194.22) | 810 (203.00) | 978 (237.38) | |
| | bilateral assistance | 201.96 (57.38) | 285.55 (65.95) | 329 (82.46) | 261 (63.35) | |
| | Polish Aid MFA | 110 (31.25) | 115.7 (26.72) | 100 (25.06) | 109 (26.26) | 128 (30.55) |
| | priority beneficiaries | Afghanistan, Angola, State of Palestine, Belarus, Georgia, Moldova, Tanzania, Ukraine | Afghanistan, Belarus, Ukraine, Moldova, Georgia, State of Palestine, Angola | | Eastern Partnership countries in particular: Belarus, Ukraine, Georgia Afghanistan and North Africa and the Middle East | |

Source: Polish Aid. Available online: www.polskapomoc.gov.pl

* Author's own calculation based on the National Bank of Poland's average annual exchange rate.

** Incomplete data for 2012.

Both Ukraine and Moldova, together with Belarus and Georgia, were recognized as priority beneficiaries of bilateral Polish aid. Priority areas for aid given to Ukraine and Moldova were

⁴⁴ A. Rettman, "Germany and Poland join up on EU foreign Policy," *EUObserver*, February 20, 2013. Available online: <http://euobserver.com/foreign/119125> (accessed on March 28, 2013).

defined similarly, although there has been a slight change over the years. Polish aid to Ukraine has been concentrated within the following three main areas: 1) good governance, primarily: fighting corruption, harmonizing Ukraine's legislation with the EU *acquis*, and strengthening administrative capacity; 2) support for rural areas and the development of agriculture; and 3) enhancing energy efficiency. As for Moldova, the main areas of Polish aid are: 1) good governance and strengthening the administration; 2) support for rural areas; and 3) the development of local government and civil society.

Polish development assistance for Ukraine and Moldova

| | | 2008 | 2009 | 2010 | 2011 | 2012* |
|---------------------------------|---------|---|--|---|--|-----------------|
| Funds earmarked in MFA aid for: | Moldova | 4.3 (1.22) | over 1.5 (0.35) | over 2 (0.5) | 3.253 (0.79) | 4.5 (1.07) |
| | Ukraine | 17 (4.83) + 1.5 (0.43) to combat the effects of flooding | over 9 (2.08) | 11.9 (2.98) | 11.7 (2.84) | 9.755 (2.33) |
| Number of projects in: | Moldova | 26 | 15 | 13 | 20 | |
| | Ukraine | 96 | 75 | 44 | 37 | |
| Priorities | Moldova | - agriculture and the development of rural areas, - civil society - public administration reform | - agriculture and the development of rural areas, - local government and civil society, - small business, - public administration reform | - good governance, - agriculture and the development of rural areas, - countering human trafficking - implementation of European standards | - good governance - support for rural areas | |
| | Ukraine | - local government and territorial reform (including regional and cross-border co-operation), - strengthening the institutions of central administration. - economic reforms, - social reforms, - development of agriculture and rural areas, - building civil society, - obtaining EU funding. | - local government and territorial reform, - strengthening administrative and central institutions and supporting process of adjustment to EU standards (in particular reform of the justice system and of customs and the border guard), - agricultural reform (legal solutions in the trade of land, including the land register, energy saving programs, FTA and AA talks), - agriculture - European and Euro-Atlantic integration. | - good governance, - local government co-operation, - European integration - reform of the justice system, customs and the border guard, - development of agriculture - energy efficiency. | - good governance), - development of the rural and agricultural industries, - small and medium business, - energy efficiency. | |

Source: *Polish Aid*. Available online: www.polskapomoc.gov.pl

* Incomplete data for 2012.

** Author's own calculation based on the National Bank of Poland's average exchange rate.

Assistance was provided through projects implemented by individual ministries or government agencies and also by Polish non-governmental organizations. In addition Polish NGOs receive a large proportion of their funding for their work in Ukraine and Moldova from foreign donors (e.g. from the USA and other EU countries). It should be noted that Polish Aid in the East is rather disjointed as regards the bodies implementing projects and scope of activity. A whole host of players are involved, including state and civic organizations. Furthermore, there is no single institution or organization which has overall control in implementing projects. This approach differs somewhat from that employed by the Czech Republic and Slovakia. Polish organizations are also active in a wide range of areas and it would be difficult to single out one particular specialization. This is different to the approach taken by, for example, Estonia, which has concentrated its efforts on providing support for reform of state and public administration and in the EaP states. The amount of development aid Poland provides to Ukraine and Moldova makes up a rather small proportion of total Polish aid. Between 2011 and 2013 Moldova calculates it will receive 187 million euro in bilateral aid from EU countries⁴⁵ whereas Poland's total aid to Moldova will be about 3.2 million euro.

Given the amount of funding, it is practically impossible to establish a general scale of action. However, by focusing these limited means and activities on selected, specific areas, it is possible to bring about tangible results. For Poland one of these areas may be support for agriculture and transforming it along EU lines, taking into account Poland's experiences with transformation of its own agricultural sector. Another area where Poland has both potential and experience is administrative reform, building administration capacities and implementing EU standards. Poland has undergone systemic transformation itself and is thus better equipped to adapt its activities to the specific conditions in Ukraine and Moldova than countries which have not undergone such transformation. Finally, the development of small and medium sized businesses in Poland means that Polish experience and skills could be used in developing this segment in Ukraine and Moldova. This also relates to the fact that a significant amount of investment and trade co-operation in these countries is carried out by Polish small and medium businesses and not by large-scale companies.

Slovakia

By Rebecca Murray

From the very outset when the idea of creating an Eastern dimension of the EU's ENP was first proposed, Slovakia supported the initiative. Even before Slovakia became an EU member in 2004, it actively pursued this idea and officially supported democratization in the region, focusing particularly on Ukraine and Belarus.⁴⁶ Slovak state officials and NGOs actively promoted Ukraine membership of both the EU and NATO. Back in 2008 when the Eastern Partnership was unveiled, the then foreign minister, Ján Kubiš, stated that the EaP was "very good preparation for the future unification of all of Europe's parts in one European project."⁴⁷ Furthermore, as Juraj Marušiak has underlined, for Slovakia the EaP program had "a value

⁴⁵ "Moldova to re-launch reforms backed by foreign aid," *Moldpress*, March 30, 2010. Available online: <http://politicom.moldova.org/news/moldova-to-relaunch-reforms-backed-by-foreign-aid-207709-eng.html> (accessed on March 28, 2013).

⁴⁶ J. Marušiak, "Slovakia and the Eastern Partnership," in P. Brezáni, ed., *Yearbook of Slovakia's Foreign Policy 2009*, Bratislava: Research Centre of the Slovak Foreign Policy Association, 2010, pp. 147.

⁴⁷ *Ibid.*

and ethical dimension” Foreign Minister Miroslav Lajčák saw the program as a chance to repay the assistance Slovakia had received during its transformation in terms of sharing experience.”⁴⁸

In 2009 the EaP was confirmed as one of Slovakia’s foreign policy priorities. Furthermore, Slovakia’s foreign policy on EaP maintained continuity even after the change of government in 2010 and has continued to do so throughout the last three years. EaP was prioritized by the Ministry of Foreign Affairs (MFA) under both Fico governments (July 2006–July 2010 and April 2012–onwards) and under Radičová’s government (July 2010–April 2012).

The 2009 Annual Report of the MFA reflected on Slovakia’s participation in preparations for and launch of the EaP and states that Slovakia was “one of the spiritual fathers of the initiative” at its inception within the V4⁴⁹ and played an active role in the first phases. According to the report, during the preparation stage Slovakia “advocated achieving as strong as possible a collective commitment of the EU members”, ensuring the project was as robust as possible and that it be implemented as soon as possible.⁵⁰ Slovakia advocated that further negotiations on an association agreement be held with Ukraine. The report also affirmed the position taken by Slovakia at MFA bilateral and multilateral meetings or in meetings with other key political representatives: that Slovakia would concentrate on Ukraine, Moldova and Belarus, developing relations with these countries first.

The year 2010 was the year in which Slovakia began implementing projects and it was hoped the newly adopted EaP initiative bear the first fruit. The MFA launched a specific bilateral assistance program for the Western Balkans and the Eastern Partnership via the Centre for Transfer of Integration and Reform Experience (CETIR). The EaP countries (namely, Ukraine, Moldova and Georgia) were also recipients of bilateral official development assistance in 2010. An agreement between the Slovak and Moldovan government on development assistance came into force in September 2010.

Slovakia focused on negotiating association agreements with partner countries, implementing a visa free regime, and increasing the effective utilization of the EU financial instruments available to partners.⁵¹ Furthermore, Ukraine and Moldova were offered bilateral action plans aimed at sharing Slovakia’s experience of the transformation process, harmonization of EU law, administrative capacity building and anti-corruption activities.⁵² The MFA also highlighted cooperation with civil society, namely via two large projects, the national conventions that were launched in Ukraine and Moldova. The projects sought to establish public discussion on EU-related issues based on a partnership between governmental and non-governmental organizations, business and interest associations, and the wider public. It also sought to create a valuable and specialist source of information on EU-related issues.

At the Warsaw summit in September 2011 Slovakia was represented by former prime minister Iveta Radičová, who stressed that the EaP countries cannot expect economic integration if they do not grant political freedom, respect human rights, introduce transparency, and adhere

⁴⁸ Ibid.

⁴⁹ “Annual Report Ministry of Foreign Affairs of the Slovak Republic, Foreign Policy in 2009,” Ministry of Foreign Affairs of the SR, 2009. Available online: [http://www.mzv.sk/App/wcm/media.nsf/vw_ByID/ID_5F93D8825C2681D6C1257703002496CE_SK/\\$File/Vyrocná_správa_2009_EN.pdf](http://www.mzv.sk/App/wcm/media.nsf/vw_ByID/ID_5F93D8825C2681D6C1257703002496CE_SK/$File/Vyrocná_správa_2009_EN.pdf) (accessed on August 20, 2013).

⁵⁰ Ibid., p. 41.

⁵¹ Ibid, p.19.

⁵² Ibid, p.19.

to the basic principles of democracy and pluralism.⁵³ She confirmed that both Slovakia and the EU would pursue a policy of “more for more” and until further reforms were implemented, a positive approach from the EU could not be expected.

Slovakia focused mainly on supporting the European paths of Moldova, Ukraine and Georgia and this continued during 2012. As part of the Community of Democracies and Task Force Moldova, Slovakia became a co-chairing country of the working group for migration. In 2012 relations between Slovakia and Ukraine were affected by parliamentary elections in both countries; however, political dialogue continued and one of Slovakia’s main goals was to adopt practical measures that would simplify and liberalize the visa regime. The ODA funded projects mainly concern education and environmental projects aimed at enhancing the state administration and capacities of the countries to implement reforms, enhancing dialogue between the government and NGOs and supporting the trade environment.

Ukraine

When the Eastern Partnership was launched, relations between Slovakia and Ukraine were rather reserved owing to the “gas crisis” that erupted in early January 2009. However, when former Ukrainian foreign minister Petro Poroshenko visited Brussels in December 2009, Minister Lajčák confirmed that Slovakia would support Ukraine and its efforts towards European integration. The issue of energy security and stable energy supplies from Ukraine is crucial for Slovakia and thus talks with Ukraine after January 2009 mostly focused on ensuring the uninterrupted flow of gas. Another rapprochement came in March 2010 at the V4 foreign ministers meeting in Budapest when Minister Lajčák provided the Ukrainian Minister of Foreign Affairs with a non-paper on cooperating over the implementation of the EaP program. During the meeting Lajčák also informed the Ukrainian Ministry of Foreign Affairs that Slovakia would abolish fees for national long term visas for Ukrainians. The question of visa liberalization is raised at most meetings and in October 2010 an Intergovernmental Agreement on the Abolition of Consular Fees was signed. In the third year since the EaP was launched a bilateral agreement on amending the local border traffic agreement was concluded. Citizens of both countries living close to the borders are now able to obtain their small border traffic permit free of charge.⁵⁴ The visa procedures were further simplified at the end of 2012.

Another issue concerning Slovak–Ukraine relations was the requirement that Ukraine fulfill not only economic criteria, but political criteria as well. On a number of occasions, including a meeting with President Yanukovich, former minister of foreign affairs Mikuláš Dzurinda raised concerns regarding developments relating to the case of Yulia Tymoshenko and the position of the opposition. Furthermore, before the parliamentary elections in October 2012, Slovakia issued a joint statement with the V4 countries and Benelux calling for Ukraine to continue on the path of democratization and take necessary steps against selective justice and hold transparent and independent trials, a further reference to the case of Tymoshenko and other politicians from her government. Improving the rule of law is essential if the country wishes to sign an association agreement, a fact that has been stressed by all Slovak political representatives. Despite recent developments in Ukraine, Slovakia has remained supportive of Ukrainian ambitions to sign both a DCFTA and association agreement, despite actively condemning the democratic deficiencies.

⁵³ “Summit Východného partnerstva vo Varšave,” Government Office of the Slovak Republic, September 29, 2011. Available online: <http://www.premierkasr.sk/summit-vychodneho-partnerstva-vo-varsave/> (accessed on August 20, 2013).

⁵⁴ “Slovakia and Ukraine sign a change to local border traffic agreement,” *Slovenský rozhlas*, June 20, 2011. Available online: <http://www.rozhlas.sk/Slovakia-and-Ukraine-Sign-a-Change-to-Local-Border-Traffic-Agreement-?l=1&c=0&i=11928&p=1> (accessed on August 20, 2013).

Moldova

The political changes occurring after the early parliamentary elections in Moldova in 2009 prompted greater enthusiasm for European integration and led to enhanced cooperation between Moldova and Slovakia. Minister M. Lajčák met with Moldovan Minister of Foreign Affairs Iurie Leanca in December 2009 and expressed Slovakia's support for Moldova's efforts regarding EU integration.⁵⁵ During the talks, Lajčák also assured his counterpart that Slovakia was ready to share its experience and allocate funding for projects. He also expressed support for the territorial integrity of the country in relation to the Transnistrian conflict. Minister Leanca visited Slovakia in February 2010 and during a meeting with Minister M. Lajčák he received a Slovak non-paper on assistance in implementing the EaP program objectives.⁵⁶

In general, 2010 marked a breakthrough in relations between Moldova and Slovakia and the country became one of Slovakia's foreign policy priorities. Minister Lajčák then visited Moldova in May 2010 providing 100,000 euro in development assistance for the modernization of Moldova's public television channel, Tele Radio Moldova. The positive tone of relations continued following the change of government in Slovakia. In November 2010 a joint visa center was established at the Hungarian Embassy on the basis of an inter-ministerial agreement between the Slovak and Hungarian foreign ministries as Slovakia does not have its own embassy in Moldova. However, the Slovak MFA has decided to open an embassy in Moldova in 2013. The last three years have further confirmed Slovakia's active engagement in Moldova through the CETIR program, but also via official development aid and enhanced bilateral cooperation and agreements.

Slovak official development assistance for EaP countries

Slovakia supports the EaP countries both politically and financially via its official development assistance program. However, Slovakia only supports four countries via ODA: Ukraine, Moldova, Georgia and Belarus. Since 2003 projects have been implemented in Ukraine and Belarus and since 2009 in Moldova and Georgia.

In 2009 a total of 1,073,407 euro in aid was provided, supporting eight projects. In 2010 the same four countries were again supported and an agreement between the Slovak and Moldovan governments on development assistance came into force in September 2010. In line with the medium-term strategy and principles of the Eastern Partnership the projects mainly focused on laws and harmonizing norms in these countries with EU standards and supporting integration ambitions and building administrative capacities. In 2011 Moldova was made a priority country in terms of development cooperation focusing particularly on projects related to social development, health care, education and water management. The remaining countries, Belarus, Georgia and Ukraine, will also be supported through the newly introduced technical support program – CETIR.

The Center was established in May 2011 to make use of Slovakia's experience of the reform and integration processes. The aim of this center is to strengthen the reform efforts, achieve the prospect of European integration, and improve good governance in the four countries. The program is also to help the countries formulate and implement policies relating to reform and the integration process using the Slovak example. In 2012 CETIR lent support to six projects

⁵⁵ J. Marušiak, "Slovakia and the Eastern Partnership," in P. Brezáni, ed., *Yearbook of Slovakia's Foreign Policy 2009*, Bratislava: Research Centre of the Slovak Foreign Policy Association, 2010, p. 153.

⁵⁶ Ibid.

– two in Ukraine, one in Georgia and three in Moldova. Slovakia hosted experts from the Ukrainian Ministry of Foreign Affairs as well as experts involved in preparations for the reform of public administration in Ukraine and at the State Migration Office, and provided training on issues related to the Schengen area, controlling migration, and issuing biometric passes. Training for Moldovan experts focused on police cooperation in the fight against illegal migration, instituting norms and standards and removing trade barriers in agriculture, and in relation to WTO. Experts from the Georgian Ministry of Finance visited the Slovak Ministry of Finance on a study trip.

Similar projects will also be carried out during 2013, and as the National Program for ODA in 2013 states, new opportunities will be created in Moldova through the opening of an embassy, but also due to the fact that Slovakia will be involved in the joint planning of the EU development cooperation initiative and the “Task Force Moldova” working group⁵⁷ Funding totaling 500,000 euro has been allocated to Ukraine, Moldova, Georgia and Belarus for 2013.

| | | 2009 | 2010 | 2011 | 2012 |
|--|---------|---|--|---|--|
| MFA ODA (In EUR) earmarked for: | Moldova | 139,356 | 210,011 | 378,537 | 180,000 |
| | Ukraine | 421,314 | 358,966 | 0 | 97,260 |
| | Georgia | 407,159 | 430,204 | 176,047 | 99,139 |
| | Belarus | 105,578 | 0 | 129,399 | 54,350 |
| Number of projects in: | Moldova | 1 | 2 | 4 | 1 |
| | Ukraine | 3 | 2 | 0 | 2 |
| | Georgia | 3 | 2 | 2 | 1 |
| | Belarus | 1 | 0 | 2 | 1 |
| Priorities | Moldova | - infrastructure | - building democratic institutions | - e-learning methods and modernization of education - building democratic institutions -strengthening dialogue between NGOs and government on sector policies - environment protection | - strengthening civil society |
| | Ukraine | - environmental management - social station ROMSOM - education – university lecturer training | - building democratic institutions - cooperation between NGO sector and state administration | | -building democratic institutions - building market economy environment |
| | Belarus | inter-sector cooperation | | - corporate social responsibility | - strengthening civil society |
| | Georgia | - youth support - water sanitation - marginalized groups | - managing public finances at the local authority level - adaptation and helping integrate families of displaced people | - European integration/reforms - implementation of directive on assessment and management of flood risks | -building democratic institutions |

⁵⁷ “Národný program oficiálnej rozvojovej pomoci na rok 2013,” Slovak Agency for International Development Cooperation, February 7, 2013. Available online: <http://www.slovakaid.sk/?p=8245> (accessed on August 20, 2013).

4. Beyond the Vilnius summit: four basic scenarios

There are four basic scenarios for the future of EU policy on post-Soviet Eastern Europe depending on the outcomes of the Vilnius summit in November 2013. First, the EaP might have a second wind if partner countries have progressed in their AA/DCFTAs with the EU by the time of the summit. Second, the EU might need to apply a selective approach towards the Eastern Partnership due to different levels of readiness and ability in the EaP countries to engage with the EU in relation to the EaP proposal, including signing and implementing the AA/DCFTAs. Third, if none of the partner countries have advanced towards an AA/DCFTA, the EU will have to recognize that its “neighborhood offer” in the existing shape of the EaP does not work and should be reformed so that partner countries can achieve it. And fourth, the EU might not have the capacity to reform the EaP either due to a lack of political will and/or any other reason. Its relations with Eastern neighbors post-Vilnius would then be driven by “real politics” rather than normative goals.

Scenario A: Second wind for the Eastern Partnership

As mentioned earlier in this paper, there are two basic factors that would make the Vilnius summit a success: the first and optimal one assumes a AA/DCFTA will be signed with Ukraine and possibly that agreements will also be concluded and/or initialed with all or at least one of the partner countries that might/are expected to have completed their talks on the agreement by the time of the summit, i.e. Moldova, Georgia and Armenia; the second and less optimal situation involves progress being made in achieving a AA/DCFTA contractual deal with any of the expected partners countries, but not Ukraine. Nevertheless, either option would make the Vilnius EaP summit a success.

A successful Vilnius summit would enable the EU, first of all, to continue pursuing normative policy goals in relation to Eastern European countries, second, to sustain its capacity to perform as a transformative actor in the post-Soviet area, and third, to facilitate expansion of its standards and institutions into the region. A contractual deal with partner countries in the form of an AA/DCFTA would strengthen the EU’s leverage and capacity to assist them in completing their post-Soviet transition and leave behind the Soviet legacy. An AA/DCFTA would expand the European Economic Area and anchor signatory countries on the European integration track. Economic integration would lead, first of all, to a gradual opening up of EU institutions to partner countries, and sooner or later, in conformance with the model of EU relations with EEA/EFTA countries, and second, it would speed up the process of achieving visa-free regimes with the EU. The free movement of people, capital, goods and services, together with the socialization of political establishments in signatory partner countries, including their expert communities, through growing engagement with their counterparts from the EU member states and institutions, would step by step lay the foundations for their prospective political membership of the EU.

Implementing the ambitious EaP project, which would facilitate the modernization of any Eastern partner country, would bring new strategic dynamism to developments within the post-Soviet area. It would strengthen reform processes in other post-Soviet countries sustaining prospects for modernization in line with EU standards and values. In addition, a successful Vilnius summit may pave the road for increased EU funding for cooperating EaP countries. This way a successful EaP is the key factor in preventing Europe from dividing into

EU and non-EU parts. If the Vilnius summit is a success the EU will maintain its strategic initiative in developing a European project through engaging the regions of the Western Balkans, Eastern Europe and the Mediterranean. If the EU is to become a successful actor in global affairs, first it has to become a successful player in Europe. The outcomes of the Vilnius summit will have an impact on the EU's capacity to act as a global international actor, and not only in the region of Eastern Europe.

Scenario B: A selective Eastern Partnership

The Vilnius summit is highly likely to produce good results as far as Moldova and Georgia are concerned (e.g. the conclusion and possible initialing of AA/DCFTAs), and supposedly also Armenia. However, Ukraine's outcome is as yet unpredictable. If Ukraine cannot obtain an AA/DCFTA, then Russian dominance over the country becomes much more likely.

This scenario would result in a highly diverse Eastern Partnership region, in terms of the countries' relations with the EU. Out of the six EaP countries, two of them (Moldova, Georgia) would be strongly tied to the EU, furthering ambitions for EU membership, and as close as cooperation with the EU as is possible. The other extremes would be Belarus and Azerbaijan, having anti-democratic regimes and – both politically and institutionally – very limited ambitions to cooperate with the EU. In the middle would stand Ukraine and Armenia, with strong Russian influence over the countries (membership of Russia-led integration projects, military presence, economic pressure and partial takeover, etc). The EU would only be able to partner these countries in their “multi-vectorial” (Ukraine) or “complementarist” (Armenia) foreign policies, i.e. policies aimed at counter-balancing the Russian influence to the maximum possible extent.

This scenario calls for a highly diversified, openly selective EU approach. The EaP region was very diverse even at the beginning of the initiative. Since 2009 the differences between the six partner countries have increased significantly, as described above. General answers will necessarily fail; given the partner countries are as different as they are. Hence, instead of insisting on (in vain) comprehensive projects that embrace all six EaP countries, and pursuing the same agenda with all six of them, the EU should openly diversify its policies towards the EaP countries.

With Moldova and Georgia the EaP processes should be continued and also strengthened, if possible, as described in Scenario A. The transformative power of the EU works very well in these two countries, as Vilnius will hopefully demonstrate, so it should be continued, with prospects of future membership not excluded. Active engagement is needed.

With Belarus and Ukraine the present practices, e.g. limited engagement should be maintained, basically “business as usual.” This limit is set both by the EU's commitment to democratic values and also by the partners' very limited intentions to cooperate with the EU. The circumstances only leave room for a predominantly passive EU approach.

With the two “multi-vectorialist” EaP countries, i.e. Ukraine and Armenia, the EU should continue and further develop cooperation along the “more for more” principle. On the strategic level it is impossible to determine the extent to which Kiev and Yerevan will be ready – and able – to cooperate with the EU in the future. It greatly depends on their domestic political situation and on how their dependence on Russia will develop over time in terms of security, defense (for Yerevan, because of Nagorno Karabakh) and the economy. Hence, from the EU's side a reactive, “more for more” type engagement seems to be a sustainable approach, as it leaves Kiev and Armenia to decide which offers they are ready to take up.

Scenario C: Reform of the Eastern Partnership

If Scenario A fails, the EU should revise the EaP by making its offer less ambitious and more manageable for partner countries. Even in scenario B the EU should initiate reform of the EaP for partner countries that will not be ready to accept the offer of an AA/DCFTA. Scenario C might be a follow-up to scenario B applied to some of the partner countries or it may become a new fully improved version of the EU's Eastern Neighborhood Policy. Instead of a comprehensive association agreement with a DCFTA, the EU should focus on developing sector cooperation; including sector based contractual arrangements with partner countries. The ideas behind the ENP Plus proposal of 2006 might serve as good inspiration for this kind of reform.⁵⁸

The ENP Plus formula, as proposed by the EU in 2006–2007 to ENP partners during the two consecutive Finnish (second half of 2006) and German (first half of 2007) EU Council presidencies, who were both ready and willing to go beyond the then ENP Action Plan, may be summarized as follows: a contractual sector-oriented relationship based on two fundamental principles: an obligatory approximation to the relevant EU sector *acquis*, and access to EU sector programs and institutions. In this way, the EU developed a new and superior ENP in comparison with the previous neighborhood policy from 2004 to 2006. First of all, it went beyond the scope of the original definition of ENP – “everything but institutions.” The first level of ENP had meant that the EU dialogue with an ENP country on political and sector issues was to follow the action plan (and/or the association agenda in the case of Ukraine from 2009 onwards), which is a political document that has no binding implications, either for the ENP country or the EU. The protocol for a partner country to have access to a Community program or agency means that the relevant sector dialogue should be framed by a binding contractual deal. The expectation of EU institutions and member states has been that both the approximation to the EU *acquis* and access to EU institutions will in the end call into existence a common sector space between the European Union and the partner country – or for the latter, a kind of “sector integration” with the EU, including access to the relevant sector segments of the EU single market.

In other words, the EU could develop its relations with partner countries following the EFTA model of relations with Switzerland – sector integration on the basis of specific sector agreements; but, not in line with the EEA model of relations with Norway, Iceland, and Lichtenstein – a comprehensive economic agreement with extended access to the EU single market. Some lessons have already been learned from the Moldova and Ukraine's accession to the European Energy Community⁵⁹, which might serve as a model to be applied to other partner countries and to other relevant sector policies of the EU as well.

We argue that the eventual post-Vilnius reform of the EaP should include procedures for opening up EU institutions to partner countries, for example, allowing them to obtain observer status at sectorial working groups operating at the intergovernmental level under the EU Council. Of course, partner country access to EU sectorial institutions should be limited to sectors where they are ready to fully comply with the EU sector *acquis*. The existing EaP does not include this very important incentive, and therefore, it is not quite clear what political association with the EU means for partner countries in real terms. Although the EaP is

⁵⁸ For an analysis of the ENP Plus proposal see A. Duleba, L. Najšlová, V. Benč, V. Bilčík, *The Reform of the European Neighborhood Policy. Tools, Institutions and a Regional Dimension*. Bratislava: Research Center of the Slovak Foreign Policy Association, 2008.

⁵⁹ For an assessment of Ukraine's accession to the Energy Community see A. Duleba, V. Benč, V. Bilčík, *Policy Impact of the Eastern Partnership on Ukraine. Trade, Energy, and Visa Dialogue*. Bratislava: Research Center of the Slovak Foreign Policy Association, 2012.

ambitious since it gives partner countries the opportunity to conclude a comprehensive association agreement with a DCFTA, when it comes to access to EU institutions, we argue that it is less ambitious than the ENP Plus proposal of 2006.

Scenario C would maintain the EU's capacity to act as a normative actor in its relations with Eastern partners who are able to undertake systemic modernization in keeping with European values, including economic integration via a gradual "sector by sector" opening up of the single market. Scenario C would leave the door open for the most advanced partner countries to conclude a comprehensive association agreement in the future, including full access to the EU single market. However, that would be a more long-term process certainly requiring more time than scenarios A or B.

Scenario D: A new "real politics"

If, firstly, the Vilnius summit brings no tangible results, and second, after the summit the EU does not have the capacity to amend its offer to partner countries either due to a lack of political will and/or prioritization of other policy agendas, e.g. an essential rearrangement of the EU's institutional setup following the debt crisis in the eurozone, then post-summit EU relations with East European partner countries will be driven by the realm of "real politics." The EU would have to recognize that it does not have the capacity to support reforms and strengthen democratic institutions in its neighborhood, and relinquish its normative policy goals in relations with post-Soviet countries.

Consequently, developments in the EU's Eastern neighborhood would divert East European countries on the transformation track away from modernization in line with European values and institutions. The centralization of political and economic power in the hands of the most influential segments of the political and business elite, crony capitalism, ever-present corruption, Soviet style bureaucracy and political culture, a state-dependent judiciary, a media controlled by the state or by state-related business, unfair elections, and weak democratic and social institutions would become common features of development within all the Eastern neighbors. Under this scenario the Customs Union, an integration project led by Russia, would involve former post-Soviet countries as well, including those that have recently declared their European aspirations. Europe would consist of "two different Europes", which might either establish rational and pragmatic relations and/or enter into period of competition and tension.

The EU would be challenged by the need to apply a realistic approach towards its Eastern neighbors, including conducting business and politics with authoritarian regimes. The EU and its member states would have to give up on their prospects for any ambitious contractual arrangements with Eastern neighbors that would facilitate export of the European *acquis*. As a consequence of the unsuccessful ENP/EaP projects, the EU would have to learn the lesson that "trade conditionality" simply does not work in relations with East European countries. Any potential talks on trade liberalization with Eastern neighbors would thereafter be motivated by the need to protect the interests of European businesses in East European markets and not by the economic integration of East European countries. EU member states would have to agree to at least a minimal list of common "security" interests in and in relation to Eastern Europe, including hard security, combating illegal migration, security of energy supplies, etc. Finally, they would have to learn how to speak with one voice with regard to the shared promotion of national interests vis-à-vis Eastern Europe. Under this "real politics" scenario, Russia would play the dominant role in the EU's Eastern policy.

5. Conclusions and policy recommendations

Strategic framework

- The goal of the EaP is to achieve political association and economic integration of the partner countries with the EU. When it comes to political association it is still unclear what this means for partner countries in terms of their institutional setting regarding the EU; however, it is clear that it does not mean EU membership. The EU expects that partner countries will share and respect European values, the rule of law and democratic institutions. On the other hand, when it comes to economic integration what the EU has to offer partner countries is both clear and ambitious. Partner countries are being offered access to the EU single market via completion of an association agreement, including a DCFTA. While full membership is politically unacceptable at the moment, the EaP countries, if and when they are internally ready, should be given a clear perspective on associated membership, which goes distinctly beyond a short-term partnership and emulates the model of EU relations with the countries of the European Economic Area.
- Moreover, if the EaP countries sign an AA/DCFTA they will find themselves in a similar situation as the countries that have concluded European Economic Area (EEA) agreements with the EU, e.g. Norway, Iceland and Lichtenstein. They will need to approximate about 95 per cent of the existing and new trade and economic related *acquis communautaire*. Experts on EEA countries can participate in the work of the EU sectoral working groups as observers. They have no right to vote but they can present their arguments concerning proposed EU legislation that would impact on the EU single market to which EEA countries belong. In contrast to the situation in EEA countries nothing like observer status has yet been assumed for EaP ones, e.g. for those that will be able to conclude and implement an AA/DCFTA. Even though the idea of observer status for partner countries was part of the ENP Plus proposal prepared by the Ministry of Foreign Affairs of Germany on the eve of the German presidency of the EU Council in 2007. This should once more be proposed for the EaP.
- The sectorial agreements do not contradict what the EaP offers namely the conclusion of comprehensive and cross-sectorial AA/DCFTA agreements. If an EaP country is ready to make significant progress within a given sector, it should be offered a sectorial agreement and/or access to relevant sectorial community treaties in addition to an AA/DCFTA, which basically represents a list of provisional periods for EaP countries in various fields. If an EaP country is both willing and ready to go ahead in a particular sector it should be given a higher level of contractual and institutional relationship with the EU. The opportunity for an EaP country to conclude a sectorial agreement with the EU should be given only to countries completely ready to accept and approximate the relevant EU *acquis*. At the final level, upon full compliance with the EU *acquis* in the given policy sector, the partner country might achieve observer status in EU institutions. Once the AA/DCFTA deal becomes a reality, the sectorial agreements will become part of it.
- The positive results achieved by the sectorial approach of the EU towards EaP countries are demonstrated by the accession of Ukraine and Moldova to the European Energy Community. Recent reforms in the countries' energy sectors have been driven precisely by accession to the European Energy Community, while other EaP programs and tools have had less impact. The Accession Protocols of Ukraine and Moldova to the European Energy Community are the only contractual elements of the existing institutional framework of current EU relations with both Ukraine and Moldova (in addition, of course,

to the PCA), make energy sector reforms binding. The action plans, association agenda (Ukraine) are non-binding policy documents. The EU has a positive lesson to learn from Ukrainian and Moldovan accession to the Energy Community Program and should expand this to other community programs. The more community programs open to the EaP countries the more contractual leverage the EU will have in encouraging reforms in the EaP countries. In order to encourage the EaP countries to participate in community programs the EU should find ways of co-funding the costs.

- The EU visa dialogue with Ukraine builds upon the existing visa facilitation agreement dating from January 1, 2008. Again, the visa dialogue proves that EU–Ukraine cooperation in sectors regulated by sector agreements results in Ukraine making better progress in reforms than it does in sectors without a contractual element. Unlike the Accession Protocol to the European Energy Community the visa facilitation agreement does not include a list of EU *acquis* that Ukraine should comply with within a precise timeframe. Nevertheless, the energy and visa dialogue are the most successful areas of EU–Ukraine cooperation so far in terms of the EU capacity to stipulate specific reform processes in Ukraine. This lesson is of crucial importance in better understanding both the capacity of the EU to support the reform process in partner countries and also in better understanding the future dynamics of the EaP.
- Policy on Belarus needs looking at afresh and the EU should consider alternatives to the current stalemate. In the light of the existing multilateral provisions, Belarus should be invited to engage more at all levels – from Euronest to business, Corleap and CSF – of EU societal dialogue. Particular attention should be paid to reinvigorating provisions for the HEIs and their integration in the EACEA area, to ensure that learning opportunities are extended throughout the country, to the younger generation as well as wider public stakeholders.
- The EaP has thus far lacked clear and strict monitoring and evaluation mechanisms. Criteria for assessing the progress of EaP countries have been very vague at best. The EU’s political principles and preconditions for greater policy and financial gains by EaP countries following the principle “more for more” or “less for less” have not been applied evenly. There are instances when economic interests prevail over values. The different ways in dealing with Belarus and Azerbaijan are an illustrative example of how energy interests play at times a more crucial role than democratic and human rights standards in the case of the latter EaP country.
- One excellent idea is to use multilateral formats to involve non-state actors in the EaP; however, the real impact of the EaP could be on the national level of each of the six partner countries. State and non-state actors on the multilateral level could gain experience from the reform process in the EU and partner countries; however, the reforms can be implemented at the national level only. What is still lacking is an EaP approach to building national partnerships with non-state actors and civil societies on the national level in the relevant single partner countries. Nonetheless, the EaP Civil Society Forum is the only multilateral non-governmental forum established within the EaP framework that has so far proved to be viable. Creating national EaP CSF platforms in partner countries is a step in the right direction; however, if there is no national government involvement in EaP dialogue with non-state actors on the national level, it might bring limited results. Interaction between national platforms and EU delegations and member state missions should be more regular and structured in terms of planning, organizing joint activities and disseminating knowledge to local communities. It is of crucial importance that EU financial tools, e.g. the Civil Society Facility, are aimed not only at building the capacities of NGOs, but also at securing funding for joint projects involving national EaP CSF

platforms and/or other EaP civil society platforms in the partner countries together with their governments. EaP civil society related funding, as the new regional strategy is just being drafted – retains a focus on capacity building (including funding for how to write applications for EU grants and for measures that would help civil society to withstand governmental pressure, especially in some countries).

- The EU and its member states should establish a practice of showing support for local civil societies in the EaP countries when an EU representative or official, or member state representative or official is on an official mission to an EaP country. This can be done by organizing official meetings with civil society representatives and by continually raising the issue of involving local civil society in monitoring and implementing the EaP (AA/DCFTAs, APs, modernization dialogues, human rights dialogues etc.) (as in the example set by Commissioner Füle, Foreign and European Affairs Minister of Slovakia Miroslav Lajčák, ex-Czech foreign minister Karel Schwarzenberg and others).
- In contrast to the EaP CSF, other non-governmental forums established under the EaP, such as the Euronest Parliamentary Assembly, the annual Conference of Local and Regional Authorities of the EaP, and the EaP Business Forum were only launched in 2011. There are several problems with these forums. First, it is difficult to identify how they contribute to the implementation of reforms in the EaP countries. Second, it is difficult to identify their role within the EaP, including their uncertain institutional design and outputs, perhaps with the exception of Euronest. Third, it is difficult to identify their capacities to develop sustainable and long term activities in the future.
- The EU needs to invest even more in deep democracy, linkage and people-to-people contacts to avoid the conception that democracy promotion is one-sidedly dependent on the willingness of political elites to give in to pressure. Tackling corruption and selective justice are crucial in avoiding a democratization policy that remains limited to the formal, institutional aspects of democracy, without being deeply rooted. Equally important is investment in education in EaP countries, including the creation of “flying faculty models” across the leading HEIs to facilitate reform of education system at all levels, and especially at the tertiary level. The EU should facilitate HEI integration into the EACEA and the creation of links and networks of excellence, utilizing the Jean Monnet program, between the national, regional and European HEIs. Part of this process should also include the introduction of new curricular and extra-curricular activities for students and the wider public to increase awareness of the EU and make it an attractive partner

V4 future contribution

- The V4 countries are firmly committed to making the Eastern Partnership a successful project. The joint efforts of the V4 governments led to the setting up of a special International Visegrad Fund grant program titled “Visegrad 4 Eastern Partnership Program (V4EaP),” which began operating in early 2012. The aim of the V4EaP is to enhance cooperation between the Visegrad region and EaP countries – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The main aim of the program is to facilitate the transfer of know-how of the Visegrad countries on social and economic transformation, democratization and regional cooperation particularly through the development of civil society and support for cooperation among local governments, universities and individual citizens. The program was launched in early 2012 with total budget of 1,456,800 euro under four separate grant and mobility programs. This included a 1.5 million euro grant from the Ministry of Foreign Affairs of the Netherlands awarded to the program in June 2012, making the V4EaP the largest International Visegrad Fund grant program. Once the

first cycle of projects has been implemented by the end of 2013, the results will need to be reviewed and the program procedures adjusted to meet the post-Vilnius challenges of the EaP. The evaluation process should involve the governments of the V4 countries as well as the non-governmental sector. This might result in a short-term V4 strategy for providing EaP assistance to EaP countries from 2014 to 2017.

- The scope of activities carried out by the V4 countries in general and the International Visegrad Fund EaP program in particular could be expanded by supporting the SME sector in partner countries. The SME sector plays a crucial role in transformation and integration into the EU. It is equally important to that of civil society. Small and medium sized businesses could be both important drivers and beneficiaries of system changes in partner countries. In addition, implementation of the AA/DCFTA might have a serious impact on the economic situation of SMEs. On the one hand it could bring tangible benefits by improving the business climate, leading to better enforcement of entrepreneurs' rights, increased market competition, and facilitating cooperation with the EU. On the other hand, SMEs will have to bear serious financial costs in adapting to new regulations under the DCFTA. Thus, support for SMEs should include increasing awareness of the opportunities the DCFTA will bring as well as the costs and should prepare them to conduct business under the new conditions. V4 countries have extensive experience with successful market transformation and the development of an SME sector that should be shared with EaP countries. The other important argument is that a large proportion of trade and investment cooperation between V4 countries and Eastern partners is conducted by SME companies (especially where Poland is concerned). Developing contacts and cooperation between SMEs in the V4 and partner countries will not only stimulate market reforms in the EU's Eastern neighbors, but also will bring tangible business benefits for both sides.
- In addition to the V4EaP program of the International Visegrad Fund, greater coordination is required in providing V4 bilateral development assistance to the EaP countries. Our research shows, firstly, that the EaP countries are the main recipients of bilateral ODA provided by V4 countries; second, the amount of funding within V4 bilateral ODA for EaP countries is rather limited; and third, there is an overlap in the sectoral focus of V4 bilateral development projects. Better coordination between the V4 countries over bilateral ODA, including "best practice" planning and sector specialization would improve the impact of bilateral ODA for all V4 countries and would bring more benefits to EaP recipients. In addition to improving coordination of ODA planning, V4 governments should consider opening up their bilateral ODA programs to implementing organizations from other V4 countries. That would mean that sector specific coalitions of V4 implementing organizations could be created to work together in EaP countries and to share V4 transformation and European integration know-how with EaP partners. Putting the experiences of 4 Visegrad countries together in one development project is both more comprehensive and inspiring than the experiences of any Visegrad country alone.

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