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**JOINT STAFF WORKING DOCUMENT**

**Recovery, resilience and reform: post 2020 Eastern Partnership priorities**

## **RECOVERY, RESILIENCE AND REFORM: POST 2020 EASTERN PARTNERSHIP PRIORITIES**

### **1. INTRODUCTION**

The Eastern Partnership (EaP) is a joint initiative launched in 2009 by the European Union, its Member States and Armenia, Azerbaijan, Belarus<sup>1</sup>, Georgia, the Republic of Moldova<sup>2</sup>, and Ukraine (‘the partner countries’). It is strategic and ambitious, based on common values and rules, mutual interests and commitments, shared ownership and responsibility. It has brought the EU and partner countries closer together, and proven to be transformational. The EaP policy will continue to be flexible allowing for substantial differentiation, tailor-made approaches and incentive-based enhanced cooperation that benefits the countries most engaged in reforms.

Through its ambitious ‘**20 deliverables for 2020**’ reform agenda the EaP has delivered tangible results on the ground and **improved people’s lives**. The final overview report<sup>3</sup> on the implementation of the agenda shows good progress, in particular in areas relating to the economy, digital and stronger societies, with continuing challenges as regards justice, anti-corruption as well as environmental protection and climate action.

Work on a **successor agenda** began in 2019 with a broad and inclusive consultation. The resulting **Joint Communication** “*Eastern Partnership Policy beyond 2020: Reinforcing Resilience – an Eastern Partnership that delivers for all*” (March 2020) and Council Conclusions of May 2020<sup>5</sup> set out a new vision for the partnership. It identified **strengthening resilience** as an overarching policy framework, with five long-term objectives:

- i) together for resilient, sustainable and integrated economies;
- ii) together for accountable institutions, the rule of law and security;
- iii) together towards environmental and climate resilience;
- iv) together for a resilient digital transformation; and
- v) together for resilient, fair and inclusive societies.

These objectives, as acknowledged at the EaP Leaders’ videoconference held in June 2020, form a solid basis for a joint agenda focusing on recovery, resilience and reform. This is all the more important in view of the devastating impact of the COVID-19 pandemic on economies, societies and people.

With the overall objective of strengthening resilience and generating concrete benefits to the people, the new agenda will be structured around two pillars:

- (i) **investment**, to be supported by an economic and investment plan<sup>6</sup> and
- (ii) **governance**.

These will be supported through the EU’s various tools and modalities, including the new Neighbourhood, Development and International Cooperation Instrument (NDICI)-Global Europe instrument and the Team Europe initiatives, cross-border cooperation programmes and the

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<sup>1</sup> With regard to the participation of Belarus, and in line with the Council Conclusions of 12 October 2020, the EU will focus on intensifying cooperation with non-state stakeholders, including notably civil society, independent media and youth.

<sup>2</sup> Hereinafter ‘Moldova’.

<sup>3</sup> See Annex 3.

<sup>4</sup> JOIN(2020) 7 final.

<sup>5</sup> Council of the European Union, Council Conclusions on Eastern Partnership policy beyond 2020, 11 May 2020, 7510/1/20.

<sup>6</sup> See Annex 1.

partners' own investments. To support socio-economic recovery following the pandemic, investing in competitive and sustainable economies and connectivity will be an immediate priority. To strengthen longer-term resilience, EU and partner countries' joint investments will be forward-looking and founded on the 'build back better' agenda and 'do no significant harm' to environment and climate principle. Inspired by the European Green Deal<sup>7</sup> this is a historic opportunity to fast-track the twin green and digital transition with a whole of economy approach, decouple economic growth from resource use and environmental degradation and pursue the aim of reaching climate neutrality by 2050. This will offer multiple opportunities of growth and jobs and will increase Eastern Partners competitiveness in the growing global markets for sustainable and green technologies. The **economic and investment plan**<sup>8</sup> will support post-pandemic recovery using specific EU tools, including blending and guarantees, to foster sustainable development and leverage public and private investment. The plan contains a set of flagship initiatives for each of the partner countries. These are concrete priority projects with tangible results that have been jointly identified with the partner countries, taking into account their priorities, needs and ambitions.

To underpin and sustain our investments and help consolidate resilient and fair societies that leave no-one behind, sustained engagement on good governance, justice and the rule of law, security are essential prerequisite and key priorities Continued delivery on the reform agenda, alongside respect for shared fundamental values, are the foundations of the partnership.

The new agenda was shaped in an inclusive dialogue with the partner countries, EU Member States and other stakeholders.

As part of a comprehensive agenda of joint commitments a selection of **Top Ten Targets**<sup>9</sup> has been identified. Together with the **flagship initiatives**, these will contribute to maximising impact and visibility on the ground. They complement additional commitments taken by the partner countries and the EU, also in other regional formats<sup>10</sup>. The **EaP architecture** will be adapted to reflect the new policy framework<sup>11</sup>. In line with the EU's third gender action plan, gender equality will be mainstreamed in all key priorities. In line with the new EU strategy on adaptation to climate change<sup>12</sup>, anticipatory and preventive climate resilience and preparedness will also be mainstreamed.

## **2. PROPOSED POST-2020 PRIORITIES**

### **2.1 Together for resilient, sustainable and integrated economies**

#### **2.1.1 Trade and economic integration**

To deepen economic and trade integration, and further increase EU/EaP trade, the partner countries (together with the EU and its Member States) will:

- strengthen the **business environment and** facilitate trade and investment while ensuring a level playing field, in order to diversify exports including with less carbon intensive products

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<sup>7</sup> COM(2019) 640 final.

<sup>8</sup> See Annex 1.

<sup>9</sup> See diagram at end of Section 3.

<sup>10</sup> Such as the Black Sea Synergy, when referring to actions related to the Black Sea basin.

<sup>11</sup> See Annex 2.

<sup>12</sup> COM(2021) 82 final.

and services, and increase trade between EU and partner countries at a rate exceeding total world trade growth.

- accelerate implementation of the deep and comprehensive trade areas (**DCFTAs**) with Georgia, Moldova and Ukraine, the Armenia-EU comprehensive and enhanced partnership agreement (**CEPA**) and **other trade arrangements** in order *inter alia* to ensure better access to the EU internal market, focusing in particular on regulatory approximation in the areas of public procurement, technical barriers to trade, sanitary and phytosanitary measures, customs and services;
- work to establish a system that allows preferential proofs of origin to be issued and/or submitted electronically with Georgia, Moldova and Ukraine;
- conclude mutual recognition agreements of **authorised economic operator programmes** between the EU and interested partner countries;
- work towards interested partner countries' accession to the Common Transit Convention and use of the single administrative document;
- promote good governance in taxation, in particular transparency and exchange of information, and fair taxation; and
- take the necessary steps to enable partner countries to join the **Single European Payment Area**, which would facilitate cross-border euro transfers and support a stronger international role for the euro.

### **2.1.2 Investment and access to finance**

Access to finance, in particular in local currencies, is key for **small and medium enterprises** (SMEs) looking to invest in their future and finance their growth plans. In partnership with international financial institutions (IFIs), the EU will provide at least **€1 billion of local currency** financing for SMEs, and **support 500 000 SMEs** (20% of all SMEs in the region). It will also develop a specific programme for women in business.

**Top Ten Target: 500 000 SMEs (20% of all SMEs in the region) supported**

In addition, the partner countries (together with the EU and its Member States) will:

- invest **€500 million of equity** to help SMEs, strengthen the start-up ecosystem, sustain economic development, promote women's entrepreneurship, create quality jobs, and pursue the green and digital transition; the new European Innovation Council will help to develop and scale up game changing innovations;
- support **structural reforms** and **reduce corruption**;
- strengthen engagement outside capital cities and unleash the economic potential of rural and coastal areas, including by investing in the sustainable food sector, easing agricultural lending and supporting diversification of activities, promoting more efficient use of resources, limiting emissions; and
- **develop a 'portfolio investment'** approach for at least 50 municipalities, to respond better to complexity, adapt to uncertainty and the consequences of climate change, and improve resilience and well-being.

### 2.1.3 *Enhanced transport interconnectivity*

In line with its strategy on sustainable and smart mobility<sup>13</sup>, the EU will support sustainable, rules-based and secure transport connectivity with the partner countries covering road, rail, air, maritime and waterborne transport. Investments by the EU, partner countries and IFIs in the priority projects outlined in the indicative trans-European networks for transport (TEN-T) investment action plan will support the **completion of the extended indicative core TEN-T network** by 2030. Over 3 000 km of priority TEN-T roads and railways will be built or upgraded by 2025 in line with EU standards with a focus on **EU-Eastern Partners trade corridors** (including across the Black Sea) and in a way that is climate-proof and limits environmental damage.

**Top Ten Target: 3 000 km of priority roads and railways built or upgraded in line with EU standards**

In addition, the partner countries (together with the EU and its Member States) will:

- complete the network of **common aviation agreements** and enhance cooperation on aviation safety, including through the uptake of the European Geostationary Navigation Overlay Service; and
- improve land transport safety; on **road safety** by implementing the commitments in the April 2018 Declaration on Road Safety<sup>14</sup>, and establishing the EaP Road Safety Observatory.

### 2.1.4 *Investing in people and knowledge societies*

As part of the **New Deal for Youth** the flagship Erasmus+ and Horizon Europe programmes will support national reform processes, allowing for over 20 000 students, researchers and staff, men and women, to study or teach in a foreign higher education institution. Moreover, the Erasmus+ youth strand, **European Solidarity Corps** and the regional **EU4Youth** initiative will offer another 50 000 youth learning and mobility opportunities.

**Top Ten Target: 70 000 individual mobility opportunities for students and staff, researchers, young people and youth workers**

In addition, the partner countries (together with the EU and its Member States) will:

- support **modernisation and innovation** at all levels of **education and training** (under the Bologna Process for higher education and the Torino Process for vocational education and training (VET) and improve the quality of teaching and training in a context of digitalisation and globalisation, including through the Erasmus+ Capacity building programmes;
- support **structured cooperation** between EU and partner countries' universities, VET institutions and youth organisations;
- aim to achieve the EU-wide target of **fewer than 15% of 15-year-olds underachieving** in reading, mathematics and science (under the OECD's programme for international student assessment (PISA));

<sup>13</sup> COM(2020) 789 final.

<sup>14</sup> See [eap\\_declaration\\_finalversion2604.pdf \(europa.eu\)](#)

- support **youth employment, employability, entrepreneurship** and enhance development of skills for the green and digital transitions; introduce active labour market measures (including youth employment partnerships);
- support decent work, including by promoting international labour standards, better working conditions, social dialogue, and access to social protection;
- further develop and support the **European school** in Georgia to operate as a full secondary school in new premises with a focus on European subjects;
- increase each partner country's global innovation index score by three points, by: (i) investing in **Research and Innovation (R&I)** policy reforms, (ii) increasing gross R&I expenditure in by at least 50% to ensure sustainable growth and (iii) supporting the green and digital transitions. Ensure solid citizen engagement in R&I actions, including in areas affecting the future of economies and societies. Strengthen excellence and the technological base by increasing to 700 the number of partner countries' participations in Horizon Europe and EU4Innovation;
- support the implementation of **smart specialisation strategies** and the development of **technology transfer roadmaps** by interested EaP partners;
- maximise the potential of the **cultural and creative industries** as engines for social and economic development; and

## **2.2 Together for accountable institutions, the rule of law, and security**

### **2.2.1 Judicial Reform**

The partner countries (together with the EU and its Member States) will focus on aligning their justice systems and **legislative frameworks** with European standards, so as to ensure the more **transparent, independent, accountable, efficient and professional** delivery of justice to citizens in order to increase public trust in judicial systems.

The partner countries (together with the EU and its Member States) will:

- ensure **constitutional and legislative frameworks for the justice systems** comply with European standards, namely with Venice Commission recommendations;
- better measure, **monitor** and publicly report on the results and impact of **justice reforms**. The success of the reforms will be judged on the basis of an increase in the level of public trust in the independence and fairness of the justice system;
- introduce and implement effective measures to safeguard the autonomy of **prosecution services**;
- implement an effective, electronic **case management judicial system** with automatic case allocation; and
- establish independent **training institutions** that are sufficiently resourced and deliver high quality training for judicial and law enforcement authorities.

### **2.2.2 Accountable, transparent and efficient public administration**

Partner countries will work towards an accountable, transparent and efficient public administration at all levels, in line with international standards. To achieve citizen-centred public

administration reform the partner countries (together with the EU and its Member States) will:

- establish a **virtual EaP Academy for Public Administration** to train civil servants and create a network of practitioners. The EU will step up its **job-shadowing scheme** with EU Member States, training 250 civil servants;
- improve evidence-based and inclusive policy making and service delivery;
- promote **gender equality** and support equal access to resources through systematic gender mainstreaming and gender-responsive budgeting;
- strengthen governance, transparency and accountability of **public finances**, including at subnational level, increase the quality and capacity of the legislative scrutiny of audit reports as well as on costing and monitoring of public investment; and
- strengthen modern production techniques, availability and dissemination of independent, reliable, comparable and gender-disaggregated official **statistics** to support evidence-based policy making.

### 2.2.3 *Tackling fraud, corruption and economic crime*

**Top Ten Target: All high-level officials (judiciary, prosecution, parliament, law enforcement, public administration) declare their economic assets and these declarations are verified.**

The process of asset declaration and verification will meet international standards and will be independently monitored. In addition, the partner countries (together with the EU and its Member States) will:

- align and enforce **strategic, legal and institutional frameworks to prevent and combat fraud, corruption, including high-level corruption**, in line with European and international standards; develop a framework to foster integrity and transparency in the administration including by protecting whistle-blowers, introducing rules on conflict of interest and implementing key GRECO<sup>15</sup> recommendations;
- ensure the transparency, independence, effectiveness, integrity and accountability of these institutional frameworks, as well as a sustainable track record of impartial investigations, prosecutions and adjudication of corruption cases and economic crimes;
- improve **public procurement** quality as measured by relevant public financial management / public expenditure and financial accountability criteria by adopting legislation in line with EU standards and implementing mechanisms for greater transparency and monitoring of public procurement procedures, and introducing transparent electronic procurement;
- put in place and enforce robust **financial investigation, anti-money-laundering, asset-recovery and beneficial ownership frameworks**. and

<sup>15</sup> The Group of States against Corruption (GRECO) is the Council of Europe's anti-corruption body.

- work together to ensure swift and effective cooperation between relevant EU bodies, such as the European Public Prosecutor’s Office and the European Anti-Fraud Office partner countries’ competent authorities in the fight against illegal activities affecting the EU’s financial interests, including fraud and corruption.

#### 2.2.4 *Combating organised crime and strengthening security*

The partner countries (together with the EU and its Member States) will:

- implement a **security ecosystem** with improved threat assessment capability and a service-oriented architecture and biometrics-based identity management at its core;
- enhance **law enforcement** cooperation and information exchange, including with **Europol** and the European Union Agency for Law Enforcement Training (**CEPOL**), and **deepen cooperation between law enforcement and emergency response agencies**, in the context of the agreements in place with those agencies. Improve cross-border cooperation to better protect people against organised and serious crime, including the fight against terrorism;
- introduce the serious and organised crime threat assessment methodology with a first assessment for the EaP to be published in 2024;
- increase the partner countries’ engagement in joint operations and activities under the European Multidisciplinary Platform Against Criminal Threats (EMPACT), **involving them in at least 30 operational actions** per year during the next EMPACT cycle 2022-2025, as well as in joint actions days (JADs) whenever relevant;
- deepen cooperation with the European Monitoring Centre for Drugs and Drug Addiction and set up national drug observatories and early warning systems;
- step up efforts to tackle **trafficking in human beings**, intensifying investigations leading to convictions of traffickers, and improving the identification, protection and assistance of victims of trafficking, with particular attention to women and children, in line with the priorities of the 2021-2025 EU Strategy on Combatting Trafficking in Human Beings<sup>16</sup>;
- improve capability to fight the **large-scale smuggling** of all goods, with a particular focus on organised crime and product security; continue joint efforts in the fight against illicit firearms trafficking, in line with the 2020–2025 EU action plan on firearms trafficking<sup>17</sup>;
- enhance the partner countries’ capacity to prevent, prepare, and respond to **natural and man-made disasters**, including adaptation to consequences of climate change, and enhance cooperation among the partner countries and with the EU Civil Protection Mechanism, ensuring a multi-hazard, multi-stakeholder approach in line with the Sendai Framework for Disaster Risk Reduction<sup>18</sup>, enhance risk management capabilities and strengthen cooperation among disaster risk management actors;

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<sup>16</sup> COM(2021) 171 final.

<sup>17</sup> COM(2020) 608 final.

<sup>18</sup> See <https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030>



- promote the peaceful settlement of **unresolved conflicts**, and support conflict-affected populations, including by systematically integrating a gender equality perspective and ensuring women's participation in all peace and security related contexts<sup>19</sup>;
- enhance the **role of women in armed forces**, implementing the United Nations Security Council Resolution 1325<sup>20</sup>; and
- enhance security dialogues and **common security and defence policy (CSDP) cooperation** with the partner countries by promoting their participation in EU missions, and support them through European Peace Facility assistance measures as appropriate.

### 2.2.5 *Cyber resilience and cybercrime*

Based on the EU's approach to promoting a rules-based, free, open, safe and secure cyberspace, the partner countries (together with the EU and its Member States) will work together to **strengthen their cyber resilience** by:

- improving alignment with EU **legal, institutional and cybercrime policy frameworks**, and fully implement the Council of Europe **Budapest Convention on cybercrime**;
- running training programmes on **cybercrime and electronic evidence**;
- doubling **cybercrime-relevant operations** involving partner countries in the framework of EMPACT and other **international frameworks on cyber incidents**, cybercrime and electronic evidence handled by police-to-police channels and **mutual legal assistance** criminal authorities; and
- introducing **Europol's internet organised crime threat assessment** methodology.

**Top Ten Target: A strengthened framework in place for identifying and addressing hybrid threats; strengthened partners' capacities to increase cyber resilience and tackle cyber crime, including through fully implementing the Council of Europe Budapest Convention on cyber crime.**

## 2.3 **Together for environmental and climate resilience**

### 2.3.1 *Benefits for people's health and wellbeing*

The partner countries together with the EU will work to **reduce air pollution** through better designed and applied legislation and regular air quality monitoring. Universal **access to clean water and sanitation** will be achieved by scaling up investment in rural water supply and sanitation infrastructure.

**Top Ten Target: Another 3 million people gain access to safe water services.**

**Air quality will be monitored and improved in 300 cities**

In addition, the partner countries (together with the EU and its Member States) will:

<sup>19</sup> In line with the EU's strategic approach to women, peace and security and its 2019-2025 action plan.

<sup>20</sup> [Resolution \(S/RES/1325\)](#).

- **bring nature back to cities.** Strategic Environmental Assessment of urban development plans will be conducted in at least 30 cities and an **EaP ‘green city’ award** will be launched;
- improve **environmental statistics** through the operationalisation and systematic application of the Shared Environmental Information System (SEIS);
- produce annual **open government reports** related to environment; and
- enhance **green and climate change public awareness** and engagement of private and public actors at all levels of governance by running initiatives encouraging exchange of good practices and committing to individual climate pledges, information campaigns reaching at least 50% of the population, promoting green curricula in schools and universities and providing at least 1 000 civil servants with certified training in environmental policies and implementation. .

### *2.3.2 Circular economy, climate neutrality and green growth*

The net-zero transition in general and the renewable energy sector have great potential in creating the value and jobs of tomorrow’s economy., The economic output and jobs to be created through renewable energy and energy efficiency outweigh traditional energy sector jobs. Policy measures are needed to fairly distribute those transition gains throughout society, ensuring it is just and inclusive. To support the circular economy and accelerate green recovery and growth, thus facilitating the transition to **less wasteful, more resource-efficient and decarbonised production**, the partner countries (together with the EU and its Member States) will:

- strengthen **climate policies and green investment** in line with the European Green Deal<sup>21</sup>, to reduce carbon footprint and move towards climate neutrality by 2050. This includes mainstreaming climate and environmental policies into all sectors of the economy, including energy, transport, construction and the food chain; discouraging further investments in fossil-fuel-based energy; promoting agro-ecological practices to preserve marine and terrestrial ecosystems by reducing the use of chemical pesticides, veterinary medicines and fertilisers; and improving **environmental governance**.
- The EU will help partner countries to implement their nationally determined contributions to the Paris Agreement and Low-Emission Development Strategies with the view to achieving climate neutrality and scaling up adaptation to climate change. The focus will be on ensuring the transition towards sustainable food systems in line with the **Farm to Fork strategy**<sup>22</sup>, **on using nature-based solutions** and on just transition including of **mining-dependent regions** as well as on introducing **carbon pricing** tools and systematically measure emissions.
- scale up **climate and green financing** targeting municipal infrastructure, sustainable urban transport, the energy sector and SMEs including in the area of climate adaptation. The EU will work with IFIs to launch innovative finance instruments such as green bonds and improve the framework for sustainable and climate-responsive public and private investments, including through the gradual application of EU taxonomy and more systematic use of **environmental assessments**, and help increase partner countries’ absorption capacity including through public-private partnerships;

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<sup>21</sup> See footnote 7.

<sup>22</sup> COM(2020) 381 final.

- strengthen **EU product and eco-innovation policies**, including producer responsibility and measures to reduce single-use plastic; and
- support improved **waste management** and increase **recycling**, including by business-to-business contacts, technical support and investment facilitation.

### 2.3.3 *Biodiversity and economy's natural assets base*

To preserve biodiversity and strengthen the economy's natural assets base, the partner countries (together with the EU and its Member States) will:

- fight **water** scarcity and support water management by further alignment in particular with the EU Water Framework Directive<sup>23</sup>, adaptation to climate change and speeding up implementation of river basin management plans;
- extend and connect **protected areas** such as the Emerald Network and restore ecosystems;
- improve sustainable **forests management** and forest law enforcement, governance and trade. (at least 60 forest-dependent communities will receive support to identify income opportunities); and
- strengthen maritime administrations around the **Black Sea**<sup>24</sup> and foster alignment with EU marine-related legislation, including through capacity building in maritime safety and notification of the Black Sea as an **emissions control area**.

### 2.3.4 *Strengthening energy security and nuclear safety*

The EU will promote and support the transition to **clean energy** systems in the partner countries in line with the European Green Deal<sup>25</sup> and the relevant Council Conclusions<sup>26</sup>. It will further promote **energy efficiency** in line with the EU's Renovation Wave and apply the 'energy efficiency first' principle across all sectors regarding policy, investment and planning decisions. This will require robust legislative frameworks and long-term renovation strategies. At least 5 000 buildings will be renovated resulting in a reduction of energy consumption by at least 40%. EU support will focus on:

- improving **energy efficiency** and introducing energy efficiency standards in buildings;
- making large-scale comprehensive **renovations** of public and residential buildings more affordable; and
- **capacity building** to develop economies of scale (energy auditors and other specialist professions, construction products, financing instruments in the banking sector).

**Top Ten Target: 250 000 households reduce energy consumption by at least 20% thanks to energy efficiency**

<sup>23</sup> Directive 2000/60/EC.

<sup>24</sup> Complementarity with the EU's Black Sea Synergy policy will also be pursued.

<sup>25</sup> See footnote 6.

<sup>26</sup> Council of the European Union, Council Conclusions on Climate and Energy Diplomacy- Delivering on the external dimension of the European Green Deal, 25 January 2021, 5263/21.

In addition, the partner countries (together with the EU and its Member States) will:

- improve the functioning of **energy markets** for the benefit of producers and consumers;
- strengthen capacity building for clean and sustainable regional **energy infrastructure** development, including cross-border connectivity and contribute to mobilising investments and financing in line with the European Green Deal and sustainability criteria;
- strengthen national **energy legislative and regulatory frameworks** in line with the Energy Community treaty, where applicable, and relevant bilateral commitments, and EU standards;
- realise the full potential of **renewable energy**, promoting innovation of energies, cut costs for consumers, protect citizen's health and create green sustainable and decent local jobs, *inter alia* by promoting energy sector reforms and addressing barriers to investments; investigate options for renewable hydrogen generation and use and for environmentally sound investments in hydro, solar, wind and geothermal sources; reduce, where applicable methane emissions throughout the whole energy value chain; and
- ensure the highest level of **nuclear safety** and radiation protection in countries operating nuclear installations and full transparency *vis-à-vis* their own citizens and neighbouring countries.

### **2.3.5 Accelerating the shift to sustainable and smart mobility**

Sustainable **urban mobility** planning will be substantially strengthened and expanded. This will involve working with IFIs to introduce new finance mechanisms for cities to accelerate the shift to sustainable mobility. Low-emission public and private transport will be prioritised, and older high-emission vehicles replaced.

Development and subsequent implementation of sustainable urban mobility plans will be launched in at least 5 key cities in each partner country in conjunction and cooperation with existing local authority initiatives (e.g. CiViTAS, the network of Mayors for Economic Growth or the Covenant of Mayors).

## **2.4 Together for a resilient digital transformation**

### **2.4.1 Digital infrastructure**

To close the digital gap, our joint ambition is that at least 80% of households have access to affordable **high-speed internet** with a particular focus on gender equality, bridging the urban-rural divide, and social inclusiveness.

**Top Ten Target: 80% of households have affordable access to high speed internet**

In addition, the partner countries (together with the EU and its Member States) will:

- reduce retail prices for **international roaming** in the partner countries by at least 80%, by applying the Regional Roaming Agreement, (due to be signed in 2021); continue to explore possibilities for a common international roaming space, including the economically sustainable reduction of roaming tariffs, between the EaP countries and EU Member States; and

- **secure 5G networks** by alignment with the EU coordinated approach, taking proportionate, appropriate and risk-based security measures for 5G networks and services and freeing frequency bands for mobile operators; in this context, take full account of the EU's October 2019 risk assessment of and the January 2020 toolbox for the security of 5G networks<sup>27</sup>. The Regional Spectrum Agreement among the EaP countries (due to be signed in 2021), will be applied in full.

#### *2.4.2 e-Governance*

The partner countries (together with the EU and its Member States) will invest so that:

- at least 80% of **public services** in the EaP are available online through interoperable platforms;
- at least four EaP countries with mutually recognised **digital signatures** between each other and with the EU, with 30% of documents transferred cross-border being digitally signed; and
- at least four **digital transport corridors** are operational complementing the TEN-T network, with 30% of logistics documents transferred cross-border being digitally signed.

#### *2.4.3 Digital economy and innovation*

The partner countries (together with the EU and its Member States) will:

- increase cross-border **e-commerce** with the EU by 50%, including through alignment with its e-commerce regulatory frameworks and standards;
- **digitally empower one million EaP citizens** through the creation of a digital education platform grouping and completing a wide curriculum of skills training available online; and
- invest €100 million to stimulate **digital innovation** and support high performance digital start-ups, and contribute to the creation of related high-quality jobs. To that purpose, promote the uptake of free and open space-based data and services for locally-tailored applications.

#### *2.4.4 Cyber resilience – Cybersecurity*

The partner countries (together with the EU and its Member States) will:

- put in place **institutional, policy and legislative cybersecurity frameworks** in all EaP countries, compatible with EU legislation and guidelines, notably the EU Directive on security of network and information systems<sup>28</sup> and relevant EU Agency for Cybersecurity (ENISA) guidelines;
- introduce the **ENISA's cyber threat landscape** methodology in all EaP countries; and
- promote further alignment with EU and international **data protection standards**, in order to facilitate commercial exchanges and law enforcement cooperation.

<sup>27</sup> See [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_127](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_127)

<sup>28</sup> Directive (EU) 2016/1148.

## 2.5 Together for resilient, gender-equal, fair and inclusive societies

### 2.5.1 Civil Society and youth participation

An **enabling environment** for civil society will be promoted through favourable regulatory frameworks in line with international standards. Meaningful engagement with smaller civil society organisations (CSOs) will help promote inclusive democratic reform and public accountability, thus serving local communities. EU outreach to grassroots organisations, will double to reach over 2 500 of them, including those operating outside capitals or in conflict affected regions, and in local languages, and women's organisations. To improve impact, the EU will further develop **strategic partnerships** with CSOs, enhance re-granting to local organisations and engage with social partners (trade unions and employers' organisations). Launching support in new areas, such as **social innovation** and creating a more favourable ecosystem for **social economy and social entrepreneurship** will help to broaden the scope of reform and reach out to new actors.

**Top Ten Target: 2 500 local civil society organisations, 120 independent media outlets and 2 000 journalists supported.**

In addition, the partner countries (together with the EU and its Member States) will:

- double the number of **Young European Ambassadors** to 2 000 and link them with existing networks of Erasmus+ and EU4Youth alumni and alumnae. The 'EU4Youth Alumni Network' will engage alumni and alumnae in outreach activities in their local communities and/or other relevant EU-funded actions;
- award at least 200 **civil society fellowships** to strengthen civic activists' capacity to engage constructively with communities and authorities;
- enhance networking between **national youth councils** and other representative youth organisations, to engage young people in a more structured EaP youth dialogue for the development, implementation and evaluation of local, regional and national policies; and
- strengthen **cultural cooperation** and intercultural dialogue, inter alia including by enhancing participation in Creative Europe, EU4Culture and other initiatives.

### 2.5.2 Independent media and fact-based information

The EU will support **independent media outlets** that produce diverse high quality and fact-based content including in national and local languages, to hold governments to account and help counter disinformation. It will focus on improving the quality of information through content production, managerial capacity building and training in journalism skills. It will place particular emphasis on innovation and promoting local media, helping them to act as a forum for public debate and a catalyst for change in the partner countries.

In addition, the partner countries (together with the EU and its Member States) will:

- promote **an improved regulatory environment** for independent, reliable and credible media, to enable and empower journalists to work free of influence, and in line with professional journalistic standards and code of ethics; and
- support the **media, information and digital literacy**, and critical thinking skills.

### **2.5.3 Democracy**

The partner countries (together with the EU and its Member States) will work to foster pluralistic, inclusive, participatory and representative democracy, including by supporting the efforts of partner countries in conducting credible, inclusive and transparent elections. To this end, they will work together to implement the recommendations of the OSCE Office for Democratic Institutions and Human Rights (ODIHR) election observation missions and support partner countries committed to genuine democratic transformation in:

- improving parliamentary oversight functions;
- fostering political pluralism; and
- addressing the digital challenges to democratic processes.

### **2.5.4 Protection of human rights and promotion of gender equality**

The partner countries (together with the EU and its Member States) will:

- ensure timely execution of the judgements of the **European Court of Human Rights**;
- promote **gender equality and women's empowerment** in all policy areas, support fairer sharing of domestic work and care responsibilities between women and men, and take measures to unleash the potential of women in the labour force by ensuring work-life balance for women and men through equal sharing of caring responsibilities; increasing the number of women in the work force and helping them to move from informal to formal parts of the economy; and tackling occupational and sectoral segregation, whilst also targeting a reduction in the gender pay gap.
- **female entrepreneurs** will receive more training opportunities, and 40% of all EU-supported SME loans will be earmarked for women-led companies as well as almost all EU investments will have an important gender equality objective; and
- sign and ratify **the Council of Europe Istanbul Convention**; the EU will help partner countries and CSOs to provide adequate support services and easier access to justice for survivors of domestic violence, and to develop capacity to implement the Convention.

### **2.5.5 Mobility**

The partner countries (together with the EU and its Member States) will:

- ensure satisfactory implementation of agreements on **visa facilitation** (with Armenia, Azerbaijan and Belarus) and **readmission** (all partners). Georgia, Moldova and Ukraine will ensure continuous implementation of the **visa liberalisation** benchmarks and

recommendations from the reports under the visa suspension mechanism, in particular addressing the issue of unfounded asylum applications;

- consider new **visa liberalisation dialogues**, which could start upon a proposal of the Commission and after discussion with Member States, provided that well-managed and secure mobility conditions are ensured, including the effective implementation of existing agreements on visa facilitation and readmission;
- strengthen **migration management and capacity building** in this area, including through cooperation with relevant EU agencies, notably the European Border and Coast Guard Agency (Frontex);
- ensure a balanced implementation of **migration and mobility partnerships**, including the promotion of **labour migration initiatives** among the partner countries and between EaP and EU Member States, including as part of the EU talent partnerships proposed under the New Pact on Migration and Asylum<sup>29</sup>;
- strengthen effective and integrated **border management** including the use of biometrics-based identity management as well as and facilitating the application of the relevant standards and good practices; and
- revise working arrangements with Frontex, and subject to operational needs, consider negotiations on status agreements by the Commission on behalf of the EU with interested EaP countries, providing for the deployment of European border and coast guard teams with executive powers on their territory.

### **2.5.6 Health resilience**

Beyond immediate support to cope with the COVID-19 pandemic, the partner countries (together with the EU and its Member States) will strengthen their **health systems**, thus improving affordability and access to health, and their readiness to address health emergencies and conduct vaccinations. This will include cooperation on digital vaccination certificates. Lifestyle changes (healthy living) will be promoted, including through civil society actions, to reduce the incidence of non-communicable diseases.

**Top Ten Target: 850 000 health workers will be vaccinated and/or benefit from improved therapeutics, equipment and working conditions**

### **2.6 Strategic Communication**

The EU and its Member States will:

- enhance coherent EU branding (taking account of local contexts) and joint narratives, messaging, visibility and outreach, through **strengthened campaigns**, with online and offline approaches to reach clearly defined audiences according to theme at local, regional, country, multi-country and international levels;

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<sup>29</sup> COM(2020) 609 final.



- strengthen **cooperation** with the partner countries on the principles of **ownership** and **joint responsibility** to promote shared values and shared benefits of cooperation;
- enhance the partner government's **strategic communication** capabilities, strengthen their public communication, and help them tackle disinformation through dedicated public awareness campaigns and by providing citizens with truthful and accurate information.
- target and engage with different locally trusted **multiplier audiences** (including the media, local authorities, religious leaders, teachers and online influencers); and
- increase engagement with and outreach to **young people**, for example by promoting teaching and learning about the EU in the partner countries.

### 3. CONCLUSION

The 6<sup>th</sup> Eastern Partnership Summit will take stock of the implementation of the '20 deliverables for 2020' and building on the discussions at the 5<sup>th</sup> Summit in 2017, provide further guidance and political direction on taking the EaP forward, with a renewed vision focusing on **recovery, resilience and reform**.

The new agenda for the EaP aims for increased investment and proposes an economic and investment plan in order to support the partner countries' socio-economic recovery and 'building back better' by pursuing the green and digital transitions. The flagship initiatives address the partner countries' concrete priorities and show how the new agenda can make a difference for people and businesses in the EaP. The investment pillar is grounded in a dedicated pillar on good governance, rule of law, security, and resilient societies, leaving no-one behind. These two pillars will enhance the resilience of all partners.

The EaP will deepen exchanges at all levels, including parliament (through EURONEST)<sup>30</sup>, local and regional authorities (through CORLEAP<sup>31</sup>) and civil society, particularly through the Eastern Partnership Civil Society Forum<sup>32</sup>.

The partner countries, the EU and its Member States, as well as civil society have a joint responsibility to ensure that this new agenda delivers, ensuring that the EaP remains robust and relevant and continues to benefit the whole of society. Working together towards recovery, resilience and reform will benefit people in all partner countries, and will contribute to building a stronger Europe in the world.

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<sup>30</sup> The Euronest Parliamentary Assembly is an inter-parliamentary forum of members of the European Parliament and the national parliaments from the EaP countries.

<sup>31</sup> The Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP) is a political forum of EU and EaP local and regional authorities.

<sup>32</sup> The EaP CSF is a non-profit, non-government, non-partisan civil society organisation serving as the civil society and people-to-people dimension of the EaP; see <https://eap-csf.eu/>

# Top Ten Targets for 2025

## Investing in competitive and innovative economies

500 000 SMEs supported

## Investing in sustainable and smart connectivity

3 000 km of priority roads and railways built or upgraded

## Investing in people and knowledge societies

70 000 individual mobility opportunities for students and staff, researchers, young people and youth workers

## Investing in sustainable energy

250 000 households reduce energy consumption by at least 20%

## Investing in environment & climate

Another 3 million people gain access to safe water services quality monitored and improved in 300 cities

## Investing in the rule of law

All high level officials declare their economic assets and these declarations are verified.

## Investing in security and cyber resilience

A strengthened framework in place for identifying and addressing hybrid threats; strengthened partners' capacities to increase cyber resilience and tackle cyber crime, including through fully implementing the Council of Europe Budapest Convention on cyber crime

## Investing in inclusive, gender equal and diverse societies, and strategic communication

2 500 local Civil Society organisations, 120 independent media outlets and 2 000 journalists supported

## Investing in health resilience

850 000 health workers vaccinated and benefit from improved therapeutics, equipment and working conditions

## Investing in digital transformation

80% of households have affordable access to high speed internet

## ANNEX 1:

### AN ECONOMIC AND INVESTMENT PLAN FOR THE EASTERN PARTNERSHIP: INVESTING IN RESILIENT AND COMPETITIVE ECONOMIES AND SOCIETIES

This economic and investment plan for the Eastern Partnership (EaP) supports the investment pillar presented in the joint staff working document. Transforming the EaP economies to make them more resilient and integrated has become even more urgent in the context of the post-COVID socio-economic recovery. The plan is directly in line with the long-term policy objectives for EaP policy beyond 2020 as outlined in the Joint Communication of 18 March 2020<sup>33</sup>, which had identified specifically investments in access to finance and support to SMEs and start-ups, in the Trans-European Transport Network, in renewable energy and enhanced energy efficiency, in environmental and digital transition.

Investing in health systems is also a priority as these have been severely strained by the pandemic. The plan will contribute to the Neighbourhood Development and International Cooperation Instrument (NDICI) – Global Europe spending targets, including the 30% spending target for climate objectives of the EU’s budget expenditure. It will also apply EU and international norms of strategic environmental assessment and environmental impact assessment. It will also ensure that investments are accountable and transparent.

EU support under the economic and investment plan should facilitate and leverage public and private investments, by joining the forces of the EU, the European Investment Bank, the European Bank for Reconstruction and Development, other IFIs; the EU Member States’ development finance institutions (continuing the Team Europe approach), the partner countries’ national, regional and local governments, municipalities where relevant, and private investors. The European Fund for Sustainable Development will play a critical role in scaling up and leveraging significant volumes of investments. Synergies can also be sought with other financial tools offered by Member States, such as export credits, investment guarantees, etc. The plan will combine actions to be implemented at local, national and regional level, and will be adapted to the specific needs of each partner country (like the economic recovery plan for Moldova, which identifies priority areas for investment). To ensure sustainable impact, the plan also includes investments in innovation and human capital. Improving the policy and regulatory environment is essential if the investment in the infrastructure is to be effective and to foster sustainable economic and social development. The EU’s support will reflect its conditionality and incentive-based approach. This will influence structural reforms, particularly in the rule of law, justice reform and anti-corruption, in order to unlock sustainable economic recovery.

**Reforms in good governance and security, the rule of law and justice**, in line with EU values, and improving gender equality in the partner countries, are part of the second pillar referred to in the joint staff working document, and constitute the necessary preconditions for boosting economic and social development in the EaP countries. Improving the business environment and investors’ confidence will be key to strengthening the countries’ stability and economic recovery. In this context, the partner countries (together with the EU and its Member States) will tackle structural issues such as the rule of law, justice reform, fighting corruption, ensuring the stability of the banking and insurance sector and strengthening the reliability of official statistics. In the short and medium term, the EU will support the drafting of legislative amendments, training for justice professionals, and institutional capacity building. It is also essential that investing partners develop a common narrative to counter disinformation and strengthen strategic and proactive

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<sup>33</sup> See footnote 4.

positive communication outreach to regions and the general public.

Given the limited fiscal space, it will be important to develop with each partner country a **single project pipeline** approach, to ensure that lending possibilities are targeted for these strategic investments.

*The Commission may decide to mobilise up to **€2.3 billion of funding for investment** in the next 5 years. If deemed appropriate, part of this funding could extend guarantees in the order of **€5.8 billion** under the European Fund for Sustainable Development Plus to help reduce the cost of financing for both public and private investments and to mitigate risks for investors. Support at this level could mobilise investments of up to **€17 billion**.*

These investments will be in the following main areas, in line with the priorities identified in the joint staff working document:

### ***Investing in enhanced transport connectivity***

Priority will be given to sustainable transport connectivity by strengthening core transport links, with a focus on the extended indicative core TEN-T network including connections across the Black Sea. Improved key air, road, rail, maritime and inland waterway connections and development of logistics centres will stimulate sustainable economic development, market integration and cross-border trade in the region and between the region and the EU. The Indicative TEN-T Investment Action Plan will be updated, major investments will be prioritised, and the investment plan under the European Fund for Sustainable Development Plus is expected to mobilise potential investments of up to €4.5 billion. This includes high-impact quick win projects in areas such as logistics centres, border-crossing points, the rehabilitation of airports and seaports and comprehensive investment plans to address road safety blackspots. It also includes high priority investment projects within the extended core TEN-T network, such as:

- the Balti – Criva section of the M5 (former M14) and the M2 Road – Chisinau Bypass (Chisinau Ring Highway) for Moldova;
- the deep water port in Anaklia, and the Kutaisi Logistics centre for Georgia as well as the East-West Highway;
- the M-09 Construction of the Lviv northern bypass and Olivia State Stevedoring Company concession for Ukraine;
- the North-South corridor in Armenia;
- the reconstruction of M7 road (Minsk – Lithuanian border) for Belarus;
- the Alyat free trade zone for Azerbaijan; and
- the development of maritime connections over the Black Sea.

In addition, improving road safety and developing smart transport and sustainable urban mobility with a focus on preparation and implementation of sustainable urban mobility plans in 30 key cities, will provide benefits to EaP citizens and help to make a success of the green and digital transition in the transport sector.

### ***Investing in access to finance: support for SMEs.***

To move towards a sustainable and low-carbon, inclusive and fair economy that delivers for all, and to support economic reconstruction after the COVID-19 pandemic, the economic and

investment plan will provide support for 500,000 SMEs, i.e. 20% of all SMEs in the region. Access to finance, in particular in local currencies, is often a constraint for SMEs looking to invest in their future and finance growth plans. Through the IFI partners, the plan will provide SMEs with at least €1.5 billion of local currency financing. Specific attention will be devoted to innovative SME projects resulting from smart specialisation strategies, developing female entrepreneurship (women in business will benefit from a further €720 million of loans), and to facilitate a switch to sustainable, resource and energy efficient production models. In addition, the plan will mobilise potential investments of up to €1.4 billion in the green economy by issuing of green bonds.

***Investing in access to finance: investments in equity to strengthen competitiveness and integration in EU value chains***

€500 million of equity will be invested in SMEs to accelerate their integration into wider EU value chains and promote diversification of trade, supporting green and digital transition. European foreign direct investment in EaP SMEs will be mutually beneficial and will further integrate economies. Other actions supporting further integration of EaP countries in EU markets such as implementing the DCFTA and CEPA trade agreements, recognition of authorised economic operators programmes, increasing EU-EaP cross-border e-commerce by 50%, operationalising key digital transport corridors to complement improvements in physical transport connectivity in line with the indicative extension of the core TEN-T networks, targeting 30% of documents transferred cross-border being digitally signed, and joining the single euro payment area (SEPA).

Given the importance of agriculture in the economies of the region, the Plan will mobilise potential investments of up to €500 million.

***Investing in digital transition - focus on infrastructure and digital services & skills, including for public administrations***

The plan will mobilise potential investments of up to **€1.5 billion** to develop and upgrade broadband internet infrastructure (optic fibre, mobile systems), in particular in remote and rural areas, to reduce the in-country digital divide, so that at least 80 % of households have access to affordable high-speed internet. The EU will also support the development of ecosystems for digital services. The public sector can be an important driver of these efforts: our ambition is that at least 80% of public services in the EaP countries are available online. Ensuring resilience against cyber threats is also vital in this context. Through the Digital Innovation and Scale Up Initiative (DISC), the plan will invest a further €100 million to stimulate digital innovation and high performance digital start-ups and contribute to the creation of related high-quality jobs. DISC will also strengthen the EaP ecosystem for nurturing start-ups and improving access to finance capacity (Seed, Business Angels and Venture capital). The uptake of free and open data and services of the EU space programmes Copernicus and Galileo will provide further impetus for digital start-ups and enable locally-tailored solutions and applications.

***Investing in sustainable energy –towards a more energy-efficient, energy-resilient and interconnected EaP region.***

The plan will mobilise potential investments of up to €3.4 billion in this area. It will focus on improving energy efficiency standards in buildings (which account for 40% of energy consumption in the partner countries), and making renovations of public and residential buildings

more affordable. It will be combined with capacity-building to develop economies of scale (training energy auditors and other specialist professions, formulating standards for construction products, developing energy efficiency financing instruments). The aim is to have 25 000 households reduce their energy consumption by at least 20% and to create jobs in this sector. For this purpose, the EU will use and strengthen, among other things, the existing platforms such as the High-Level Energy Efficiency Initiative, the Green for Growth Fund, the Covenant of Mayors and the Eastern Europe Energy Efficiency and Environment Partnership. Work on sustainable priority energy interconnections will be supported where needed to enhance countries' energy security, green their energy-mix and ensure affordability. Security of supply, risk preparedness, the reform of energy market regulations and the solidarity principle will play an important role. The plan will also bring renewable energy to the markets to increase the proportion of renewable energy sources in the energy mix by 10 percentage points while creating numerous new jobs in the sector. These processes will be underpinned by energy policy development and dialogue. Investment in conducive regulatory regimes, *inter alia* to improve the stability and predictability of the investment framework for regulatory authorities, will modernise and diversify energy markets.

### ***Investing in environmental and climate resilience***

The partner countries need their natural capital for economic growth, but their management practices are not adapted to climate change. Planning such adaptation in the region is key. In addition, the new EU adaptation strategy emphasises the need to intensify and broaden adaptation support to local authorities in EU partner countries and to develop regional programmes, including in particular for countries in the EU neighbourhood healthy water ecosystems and the integrated management of water resources are vital, with significant mutual benefits also in transboundary river basins. The plan will provide at least €750 million to upgrade water supply and sanitation and to implement measures identified in the river basin management plans. Another 3 million people will gain access to safe water and 30% of river basin surface will be managed according to EU's principles and standards. An additional €485 million will be provided to improve other municipal services, air quality and green urban areas. Air pollution, including greenhouse gas emissions, and noise will be better monitored and people's exposure to these nuisances reduced in up to 300 municipalities. The plan will also help restore degraded land and improve forest management, generating **more income and employment** in forest-dependent communities. Sustainable value chains will be supported by improving timber traceability and reducing illegal logging. The plan will devote at least €100 million to speed up circular economy uptake and support decarbonisation efforts. Improving waste management, including prevention, re-use and recycling, will help create new decent jobs and reduce imports of raw materials. The plan will focus on plastic, construction and electronic waste.

### ***Investing in health resilience – focus on upgrading health systems***

The COVID-19 pandemic has shown the importance of functional and resilient health systems in both urban and rural areas. The partner countries' health systems need to be strengthened and hospitals and local health centres modernised to provide citizens with the protection they need against communicable and non-communicable diseases. The plan will mobilise potential investments of up to €600 million in support of health resilience, particularly focusing on vulnerable people. This will include help for population immunisation, first of all in relation to COVID-19. National immunisation policies will be strengthened and vaccine deployment practices and infrastructure made more effective. The EU and its Member States will work with

the partner countries to foster their preparedness for major cross-border health threats. At least 80% of health workers will benefit from EU investments to improve health resilience. The pandemic has also highlighted an urgent need for effective digital tools and e-health services, which will be another area for EU investment. EU experiences will be shared, including through twinning and the Team Europe approach.

### ***Investing in people and knowledge societies: focus on human capital***

The plan will focus on education reform, including in higher education, primary education, vocational education and training and life-long learning, while providing opportunities for youth and student exchanges (e.g. through Erasmus+), and stronger investment in research capacities to build the human capital and integrate the R&I systems on which socio-economic development depends. This will include improving governance and sustainable financial management for education and research including digitalisation, technology transfer and smart specialisation, all with a focus on gender equality. The Erasmus+ higher education and youth strands and the regional EU4Youth initiatives will offer formal and non-formal learning and mobility opportunities to over 70000 young people from the region (aiming for at least 50% women), from the region, equipping them with the inter-cultural, language and soft skills so highly valued by employers. Quality and sustainable employment and decent jobs may be also supported. Just transition measures linked to decarbonisation and transition to decarbonisation of coal regions may also be supported. The plan will mobilise potential investments of up to €1.3 billion in this area.

### **Flagship initiatives**

This plan contains a set of flagship initiatives for each of the partner countries. These are concrete priority projects with tangible results that have been identified jointly with the partner countries, taking into account their priorities, needs and ambitions.

#### **EIP flagship initiatives for Armenia**

Flagship 1: Supporting a sustainable and innovative and competitive economy – direct support for 30000 SMEs

Flagship 2: Boosting connectivity and socio-economic development – the north-south corridor

Flagship 3: Investing in digital transformation, innovation, science and technology

Flagship 4: Building resilience in the southern regions

Flagship 5: Investing in a green Yerevan – energy efficiency and green buses

Armenia has identified supporting socio-economic recovery through the ‘build-back-better’ agenda, focusing on support to the green and digital transition and completing the north-south corridor as key priorities, as well as further developing its southern regions. These priorities are reflected in the flagship initiatives. As soon as conditions allow, the EU is ready to support post-war recovery and conflict transformation in the southern Caucasus including support for demining, sustainable socio-economic development in conflict-affected regions, heritage preservation, connectivity and broader peacebuilding and reconciliation work. Work on this will be mainstreamed in relevant flagship initiatives.

***Flagship 1: Supporting a sustainable, innovative and competitive economy —direct support for 30 000 SMEs***

Economic recovery from the pandemic is a key priority for Armenia. Promoting and diversifying SME's access to finance and boosting their export capacities will be important with a view to supporting jobs, growth and innovation, and, more broadly, for the country's sustainable socio-economic recovery.

Priority will be given to access to finance schemes for greening of Micro, Small and Medium Enterprises (MSMEs), particularly those in the regions and those led by women. The large Armenian diaspora offers important economic opportunities for the country, and will be leveraged for impact investment and trade networks. The EU will aim to leverage IFI and private sector funding that would allow it to support 30 000 Armenian SMEs and self-employed people.

*The overall support for SMEs is estimated up to €500 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

### ***Flagship 2: Boosting connectivity and socio-economic development – the north-south corridor***

Strengthening connectivity and transport corridors is high on the national agenda. Improving the transport infrastructure will improve connections between the different regions of the country, and with neighbouring countries and the EU.

Building on the indicative extension of the TEN-T core network agreed in 2017 and ongoing works across the network, EU investment will focus on remaining segments of the north-south highway (as identified in the Indicative TEN-T Investment Action Plan), including further supportive infrastructure and logistics. Improved links will boost trade and value chain integration and improve access to services and markets, thus enhancing Armenia's resilience and reducing vulnerability. Investments will include planned work on the Sisian/Kajaran road tranche including a tunnel that is expected to cut travel time substantially.

*The overall investment is estimated up to €600 million<sup>34</sup>. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

### ***Flagship 3: Investing in the digital transformation, innovation, science and technology***

Armenia has strong digital potential with the sector growing by around 20% in recent years, and digitalisation has been highlighted as a cross-cutting issue. Additional support is required to fully unleash its potential. Resilient digital transformation of the public sector is also crucial for Armenia's long-term competitiveness. The EU has supported e-governance in the past, but further investments are needed to expand public service delivery to regional and municipal level.

The EU will provide further support for a nationwide roll-out of e-government, the development of digital skills, and tech start-ups, and improve Information and Communication Technologies (ICT) companies' access to finance for, thus boosting competitiveness and employment.

*The overall investment is estimated up to €300 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

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<sup>34</sup> Investment estimates include the tunnel and additional investments along the TEN-T core network; final figures will be adjusted following the feasibility study on the Sisian-Kajaran underway (EBRD).



#### ***Flagship 4: Building resilience in the southern regions***

The Government of Armenia has pinpointed decentralisation and support for the country's southern regions as a priority. The Syunik region, in particular, needs support to tackle chronic underdevelopment, poor links and a deteriorating environment. It was particularly affected by the recent hostilities, and has witnessed an influx of displaced people in need of housing, jobs and access to education.

Building on experiences in the northern regions, and taking account of the local needs, the EU will invest in a holistic approach to strengthen the Syunik region's resilience and help with sustainable socio-economic recovery. Priority sectors could include: housing, infrastructure, tourism, agriculture, education, health, renewable energy and support for local SMEs.

*The overall investment is estimated up to €80 million. The EU will use various instruments to support the implementation of this flagship in cooperation with IFIs: grants, loans, guarantees, blending.*

#### ***Flagship 5: Investing in a green Yerevan – energy efficiency and green buses***

The Government of Armenia is committed to a green transition. In order to enhance the people's quality of life, Yerevan's air quality, waste management and energy situation needs to be addressed. The EU and IFIs are ready to invest in a 'smart-city' package that will bring energy-efficient solutions to the city, together with green mobility and investments in waste management.

Energy efficiency investments will cover internal lighting and energy infrastructure, heating, cooling and ventilation systems, and on-site use of renewable energy sources in key public buildings. Investment in smart mobility and urban transport, such as the 'green buses for Yerevan' initiative, will improve and modernise public transport in the capital. Significant quality of life investments, including in the city's waste management capacities, are also in pipeline.

*The overall investment is estimated up to €120 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

#### **EIP flagship initiatives for Azerbaijan**

Flagship 1: Green connectivity – supporting the green port of Baku

Flagship 2: Digital connectivity – supporting the digital transport corridor

Flagship 3: Supporting a sustainable, innovative, green and competitive economy — direct support for 25 000 SMEs

Flagship 4: Innovative rural development

Flagship 5: Smarter and greener cities

Azerbaijan has economic diversification at the heart of its policy agenda. Flagship support for SMEs, rural development, connectivity through the greening of the port of Baku and support for a digital transport corridor alongside the further development of the concept of smart and green cities all clearly contribute to this overriding objective. Besides the Eastern Partnership flagship initiatives focused on economic diversification and green connectivity, close cooperation with Azerbaijan, a strategic energy partner for the EU, is assured through the Southern Gas Corridor. The Corridor's possible extension, appropriately future-proofed to accommodate the transmission

of low/zero-carbon gases, could also lead to economic diversification and transitory decarbonisation in other countries and regions in the EU's vicinity in the future. Finally, as soon as conditions allow, the EU is ready to support post-war recovery and conflict transformation in the southern Caucasus including support for demining, socio-economic development of conflict-affected regions, heritage preservation, connectivity and broader peacebuilding and reconciliation work. Work on this will be mainstreamed in relevant flagship initiatives.

***Flagship 1: Green connectivity – supporting the green port of Baku***

The new port of Baku at Alat is a transport hub linking the west (Turkey and the EU), south (Iran and India) and north (Russia and Northern Europe). It is the largest and busiest port on the Caspian Sea. The EU has been supporting the port which is the first certified eco-port in the region.

Under this flagship, support will be provided to the Port Baku Authority for further investment in the greening of the port to make it a sustainable hub for the smooth and accelerated movement of goods and services for trans-Caspian and other regional economic integration.

*The overall investment is estimated up to €10 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 2: Digital connectivity – supporting the digital transport corridor***

Given Azerbaijan's location as an important connectivity crossroads, it can play essential key role as a transport hub for improving regional inter-connectivity and the movement of goods and services.

The country has invested strongly in both the north-south and east-west corridor, including the Baku-Tbilisi-Kars railway and the new port.

Under this flagship, support will be provided for the digitalisation of transport corridors in Azerbaijan, including the use of satellite navigation services, thus improving efficiency and reducing costs in the handling of freight across the digital transport corridors.

*The overall investment is estimated to amount to up to €10 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 3: Supporting a sustainable, innovative, green and competitive economy — direct support for 20000 SMEs***

Azerbaijan has economic diversification high on its policy agenda. SMEs can play a key role in galvanising the development of the renewables/green digital economy non-oil sector, thus boosting innovation and productivity, while creating sustainable jobs. SMEs have also been particularly hard hit during the COVID-19 pandemic.

By promoting and diversifying SMEs' access to finance, but also by facilitating the development of entrepreneurship and the provision of targeted capacity building support (support for start-ups,

business advice) this flagship will be directly supporting the country's economic diversification and greening of the economy while supporting the competitiveness of start-ups and SMEs.

*The overall support to SMEs is estimated up to €50 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

**Flagship 4: Innovative rural development**

Azerbaijan has been investing in the productivity and competitiveness of its agricultural sector. This flagship will support blending operations in the field of finance for rural development.

The aim of the flagship will be to facilitate access to credit for small and medium-sized farms and food business operators with a focus on food safety standards, sustainable irrigation practices, sustainable tourism in rural areas, the social economy and other green growth investments.

The flagship will enable investments in sustainable agricultural production and research to support balanced rural development, climate change adaptation and strengthen the competitiveness and viability of the agro-food sector. It could have an impact on business opportunities and exports in a key sector for jobs in Azerbaijan.

*The overall investment is estimated up to €50 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

**Flagship 5: Smarter and greener cities**

Azerbaijan is interested in making its cities greener and more sustainable. The EU and IFIs are ready to invest in smart and green cities, combining energy-efficient solutions in selected cities with sustainable urban mobility and investments in waste management. Focusing on less developed regions, this blending operation will support the smart and green transition of selected cities.

The green city concept is most advanced in Ganja (the second largest city and a recent signatory of the Covenant of Mayors), where a pilot smart and green city investment will focus on municipal solid waste (landfill); street lighting, and sustainable urban public transport infrastructure (electric trams). Building on this pilot, the objective is to support up to five additional smart, green city initiatives in the future, possibly starting with Mingachevir (another major urban centre in Azerbaijan).

*The overall investment is estimated up to €20 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

**EIP flagship initiatives for democratic Belarus**

*(Proposals are indicative and subject to a democratic transition)*

Flagship 1: Supporting an innovative and competitive economy — direct support for 20000 SMEs

Flagship 2: Improving transport connectivity and facilitating EU-Belarus trade

Flagship 3: Boosting innovation and the digital transformation

Flagship 4: Supporting a green Belarus — energy efficiency, waste management and infrastructure

Flagship 5: Investing in a democratic, transparent and accountable Belarus

Belarus has seen an unprecedented mobilisation of grassroots movements following the falsified elections in August 2020. The EU supports the people’s fight for democratic rights and, in the event of a democratic transition, stands ready to support Belarus with a comprehensive economic plan. This includes support for SMEs, connectivity and trade links, twin digital and green transition and the foundations of a sustainable free and democratic Belarus.

***Flagship 1: Supporting an innovative and competitive economy direct support to 20 000 SMEs***

In an economy heavily dominated by state owned enterprises, SMEs’ contribution to employment (46.7%) and GDP (28.8%) in Belarus is well below the EU and EaP average.

Also, SMEs have been badly affected by the pandemic. Promoting and diversifying access to finance, and boosting export capacities, will be key to supporting economic operators and unleashing the potential of SMEs in terms of growth, innovation and jobs.

Building on its past support for SMEs and using the full potential of blending and guarantees under NDICI- Global Europe, the EU would step up support for sustainable private sector development across the country with a view to unleashing business initiatives, facilitating SMEs development, and reducing the overreliance on the public sector targeting at least 20 000 SMEs.

*The overall support to SMEs is estimated up to €350 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees and blending.*

***Flagship 2: Improving transport connectivity and facilitating trade at EU-Belarus borders***

The EU is Belarus’ second trade partner accounting for approximately 20% of its trade in goods. The vast majority of goods are transported by road, so trade could be facilitated by improving customs infrastructure and procedures at the main border crossing points.

Priority projects identified in the Indicative TEN-T Investment Action Plan would facilitate trade and reduce bottlenecks. These include construction of the Minsk – Oshmany road, modernisation of the railway between Zhdanovichi and Molodechno, and the upgrade of the Lithuania-Belarus border road crossing point. Infrastructure investments would be accompanied by support to simplify and streamline border procedures and facilitate trade.

*The overall investment is estimated up to €200 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 3: Boosting innovation and the digital transformation, including an Eastern Partnership IT school in Minsk***

Before the 2020 presidential elections, Belarus was the leading EaP country in the digital transition, with a well-advanced export-oriented IT sector attracting substantial foreign investment. However, the civic unrest and frequent internet shutdowns have led to many IT companies to leave the country.

By supporting (de-)regulation to promote investment, the expansion of digital service delivery and preparation of larger investment programmes, the EU would support Belarus in rebuilding and further expanding the ICT sector.

To showcase Belarus' edge in this field and boost digital skills across the EaP, the EU would establish an EaP IT-school in Minsk targeting young people in all the partner countries. This would be complemented by further investments to unleash Belarus' innovation capacity through the development and implementation of the 'entrepreneurial university' concept bringing together academia and the private sector. Finally, the EU would invest in e-governance to modernise and facilitate transparent public service delivery to private individuals and businesses

*The overall investment is estimated up to €20 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 4: Supporting a green Belarus – support to energy efficiency, waste management and infrastructure***

With EU and IFI support, Belarus has started to work on the greening of its economy, including in the regions. Energy import dependency remains very high by regional standards and energy security remains a challenge. Water quality, inefficient delivery of household heating, and water utilities are major quality-of-life concerns.

In the event of a democratic transition, the EU — together with the IFIs – would redouble investments in this area and substantially boost its support for the country's green transition through a combination of technical assistance and (regional) investments in waste management, energy and water utilities, and municipal/urban development. In coordination with the IFIs the EU would aim to improve resource efficiency across various sectors (transport, municipal, and energy) and provide support through technical assistance, policy dialogue and frontloading investments in Belarus' transition to the green economy.

*The overall investment is estimated to up to €200 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 5: Investing in a democratic, transparent and accountable Belarus***

Apart from an unprecedented mobilisation of grassroots movements, developments in Belarus have also illustrated the key role independent media can play in ensuring that people have access to objective information. At the same time the lack of an independent judiciary, the absence of a system of checks and balances, and oppressive laws and practices (as demonstrated throughout the ongoing political crisis) are sources of grave concern. It is important to invest in the democratic fundamentals. This includes substantially stepping up ongoing support for grassroots and community-based initiatives, for civil society organisations (CSOs), and their role in decision-making at all levels of government, and for a free and independent media. It also necessitates EU investment in improving the legal framework and the quality of the administration of justice, further building the capacities of courts and judges, investing in e-judiciary and e-governance for effective justice, and safeguarding the rule of law to ensure the rights of individuals, and improve both the business environment and investor confidence.

The EU would thus deliver a substantial assistance package to support civil society and independent media, complemented with a comprehensive rule of law and judiciary reform, including legal framework review, capacity building and training of justice professionals, strengthening the capacities of institutions and overall implementation of the future justice and rule of law strategy and action plan. The EU would also work on decentralisation by re-enforcing

the local government bodies' mandate, improving their capacity and efficiency of, and enhancing transparency in budget management at all levels of government.

*The overall investment is estimated up to €100 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

#### **EIP flagship initiatives for Georgia**

Flagship 1: Black Sea connectivity — improving data and energy connections with the EU

Flagship 2: Transport connectivity across the Black Sea — improving physical connections with the EU

Flagship 3: Sustainable economic recovery — helping 80 000 SMEs to reap the full benefits of the DCFTA

Flagship 4: Digital connectivity for citizens — high-speed broadband infrastructure for 1 000 rural settlements

Flagship 5: Improved air quality — cleaner air for over 1 million people in Tbilisi

Georgia has identified transport and digital connectivity (in particular through the Black Sea) and digital development as key priorities and discussed these with the EU at the highest level. Support for SMEs, access to finance and boosting export potential feature high on Georgia's agenda. The flagships are fully reflected in the Government's programme for 2021-2024.

#### ***Flagship 1: Black Sea connectivity – improving data and energy connections with the EU***

Black Sea connectivity is the top priority for Georgia. The Flagship on Black Sea Connectivity will further integrate the Georgian market with the EU market through the deployment of a submarine fibre optic cable. This will create a direct connection between the South Caucasus and South-East Europe, and will diversify the connection between Europe and Asia. Citizens will benefit from a faster and more stable direct internet connection between Georgia and the EU.

Further interconnectivity on energy between Georgia and the EU will also be promoted: a technical and economic feasibility study for deploying a submarine electricity cable between Georgia and the EU and alternative options will be undertaken. This could contribute to increased energy security of the EU and the South Caucasus region.

*The overall cost of the investment is estimated to amount to up to €25 million. The EU may use different instruments to support the implementation of this flagship in cooperation with International Financing Institutions: grants, loans, guarantees, blending.*

#### ***Flagship 2: Transport connectivity across the Black Sea — improving physical connections with the EU***

Both Georgia and the European Union have declared transport connectivity across the Black Sea to be a priority. One step to closer ties between Georgia and the EU Member States is increasing and reinforcing direct transport connections in the Black Sea. Among other things, this flagship will involve developing new ferry/feeder services and refurbishing ports, which will promote trade in goods and facilitate the movement of people by creating a direct link with the EU Member States.

Improved connections will boost trade and economic cooperation, and strengthen Georgia's role as a bridge between Europe and Asia.

*The overall cost of the investment is estimated up to €100 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 3: Sustainable economic recovery — helping 80 000 SMEs to reap the full benefits of the DCFTA***

Support for SMEs remains a key priority for Georgia. SMEs need financial and technical support to promote their products on the European market, to comply with EU standards, strengthen their competitiveness and integrate with EU value chains. This flagship will provide support for 80 000 Georgian SMEs including equity investments to accelerate their integration into wider EU value chains. This will contribute to diversification of trade between the EU and Georgia. A significant part of the EU's support will go to SMEs in the agri-food sector.

For small producers and farmers, access to finance is as important as easy access to product testing in laboratories. In order to reap the full potential of the DCFTA the private sector needs technical support to adapt to the DCFTA requirements e.g. sanitary and phytosanitary (SPS) measures. There is a particular need for support to develop laboratory capacity for product testing. Therefore, the EU will also invest in flanking measures to develop the SPS/food-testing system.

*The overall support reaching SMEs is estimated to amount to €600 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 4: Digital connectivity for citizens — high-speed broadband infrastructure for 1 000 rural settlements***

Broadband networks in Georgia are mainly deployed in urban areas, whereas citizens in rural areas have limited or no access to reliable connections. This contributes to an urban-rural divide in terms of internet access and use. Digitalisation in rural areas will also facilitate people's access to basic services. This flagship will reduce digital inequalities by developing high-speed broadband infrastructure for around 1 000 rural settlements and strengthening 'last-mile' connectivity. This will contribute to economic development and recovery, while promoting digital inclusion in line with the national broadband strategy. It also reflects Georgia's ambition to position itself as a hub in the global digital economy.

*The overall investment is estimated to amount to up to €350 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 5: Improved air quality — cleaner air for over 1 million people in Tbilisi***

Air quality is a growing concern in Georgia. It particularly affects Tbilisi and other urban centres outside of the capital, especially post-industrial spaces. The Government and the general public are aware that this is harmful for people's health and they want to tackle it. In the coming years,

the EU will work on improving air quality monitoring in Georgia by installing air monitoring equipment and building capacity. Besides work to identify pollution sources, concrete investments will be made to improve the situation. This flagship will contribute to investment in green and sustainable urban transport in Tbilisi by building two urban cable-car lines. The investment, potentially combined with new commercial hubs around the cable-car stations, will contribute significantly to the reduction of car traffic, one of the main sources of air pollution in Tbilisi.

*The overall investment is estimated to €100 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

#### **EIP flagship initiatives for Moldova**

Flagship 1: Supporting a sustainable, innovative, green and competitive economy — direct support for 50 000 SMEs

Flagship 2: Boosting EU-Moldova trade — construction of an inland freight terminal in Chisinau

Flagship 3: Increasing energy efficiency — expanding the refurbishment of district heating systems in residential buildings in Chisinau and Balti

Flagship 4: Improving connectivity — anchoring Moldova in the TEN-T

Flagship 5: Investing in human capital and preventing ‘brain drain’ — modernisation of school infrastructure and implementation of the national education strategy

Moldova has identified supporting the economy and connectivity, fostering the green and digital transition, and education as key priorities and discussed these with the EU at the highest level. The priorities are also in line with efforts to stimulate long-term socio-economic recovery and unleash the country’s untapped economic potential. Pilot initiatives, such as the inland freight terminal, are also aimed at exploiting the full potential of the DCFTA with the European Union.

***Flagship 1: Supporting a sustainable, innovative, green and competitive economy — direct support for 50 000 SMEs***

SMEs in Moldova have been badly affected by the COVID-19 pandemic. Promoting and diversifying access to finance and boosting export capacities will be key to supporting economic operators. In parallel, digitalisation is increasingly becoming an important precondition for sustainable economic competitiveness. Dedicated regional incubator/pre-accelerator initiatives should be encouraged to support the digitalisation of SMEs, with a particular focus on digital start-ups. They can benefit from free and open access to data and services of the EU space programmes Copernicus and Galileo. Similarly, the roll-out of the recently produced national broadband strategy will be supported.

From 2021, the EU will roll out programmes to foster the overall competitiveness of the Moldovan economy, with a focus on the green and digital transitions. The aim is to directly support 50 000 Moldovan SMEs and self-employed people. The Moldovan Organisation for SMEs Development (ODIMM) will play a key role in this respect.

*The overall support for Moldovan SMEs is estimated up to €500 million of access to finance (local currency, sustainable finance and women in business). The EU will use various*



*instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 2: Boosting EU-Moldova trade — construction of an inland freight terminal in Chisinau***

The EU accounts for around two thirds of Moldova’s exports and half of its imports. The vast majority are transported by road across the Romanian border, but the customs infrastructure at the three border crossing points is unable to support the volume of goods passing through.

In order to facilitate trade and reduce bottlenecks, an inland freight terminal, building on the logistics centre identified in the TEN-T investment plan, will be constructed in Chisinau (where 80% of all import/export operations take place), allowing for customs clearance and the provision of other essential freight services closer to the consumption and production centres.

In addition to improving and securing supply chains, the inland freight terminal will serve as an important anti-corruption tool and intelligence centre thanks to its stringent surveillance systems.

*The overall cost of the project is estimated at around €30 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants and loans.*

***Flagship 3: Increasing energy efficiency — expanding the refurbishment of district heating systems in residential buildings in Chisinau and Balti***

Currently, district heating systems in residential buildings are regulated by apartment blocks, with individual residents unable to control their own heating. As a result, energy performance is low and electricity bills high. The heating grid will gradually be replaced to allow residents to regulate the heating in their own apartments. In addition, thermal insulation will be provided to further improve energy performance. This will boost energy efficiency and reduce CO<sub>2</sub> emissions, create jobs, improve people’s quality of life and reduce their electricity bills.

This flagship initiative will build on existing investment in the energy efficiency of public buildings.

*The overall cost of the investment is estimated at up to €300 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 4: Improving connectivity — anchoring Moldova in the TEN-T***

Resilient infrastructure is key to building back better. The EU will continue to invest in priority projects improving Moldova’s road and rail connectivity with the EU and the rest of the EAP region.

A combination of technical assistance and investment in new and existing infrastructure will improve the roads and railways. From 2021, the EaP Investment in Connectivity Facility will provide advisory services and technical assistance to help the partner countries plan, prepare and implement infrastructure projects relating to the TEN-T.

The Road IV programme will cover Moldova’s main road infrastructure, facilitating trade with the EU and strengthening the Government’s capacity to maintain roads and protect physical assets through efficient axle load controls.

*The overall cost of the investment is estimated up to €780 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

***Flagship 5: Investing in human capital and preventing ‘brain drain’ — modernisation of school infrastructures and implementation of the national education strategy***

Investing in human capital underpins the sustainability of economic recovery and competitiveness.

The EU will provide concrete assistance to the Ministry of Education, Culture and Research in its efforts to implement the national education strategy. Modernising the education system, improving school infrastructure, matching skills development to labour market demand – with a focus on green and digital jobs- and ensuring the attractiveness of teaching profession are key. The aim is to improve access, relevance and quality of education via technical assistance, the supply of equipment (analogue and digital learning materials in line with the updated curriculum) and the refurbishment of schools infrastructure.

Additional measures to improve access to childcare and other basic social services, among other things, will also be mobilised to boost women’s employment.

*The overall cost of the programme is estimated to amount up to €25 million. The EU will use mainly grants to support the implementation of this flagship.*

**EIP flagship initiatives for Ukraine**

Flagship 1: Supporting a sustainable, innovative, green and competitive economy — direct support for 100 000 SMEs

Flagship 2: Economic transition for rural areas — assistance to over 10000 small farms

Flagship 3: Improving connectivity by upgrading border crossing points

Flagship 4: Boosting the digital transition — modernising public IT infrastructure

Flagship 5: Increasing energy efficiency support for renewable hydrogen

For Ukraine, robust and sustainable economic recovery from the pandemic is of paramount importance, and SME’s access to finance is crucial in this respect. Successful land reform (liberalisation of the agricultural land market) is a top priority for the Ukrainian leadership and, in providing new opportunities, key for the transformation of the economy. This also applies to further improvements of transport infrastructure on the extended TEN-T network (including upgrading of border crossing points), which will improve connectivity with the EU and within the EaP region. This. The Government has high ambitions as regards digital transformation and e-governance and is keen to align with the European Green Deal<sup>35</sup> in order to enable green transition.

***Flagship 1: Supporting a sustainable, innovative, green and competitive economy — direct support for 100 000 SMEs***

<sup>35</sup> See footnote 6.

The COVID-19 pandemic has had an unprecedented impact on Ukraine's SMEs. The emergency measures have severely impaired economic activity and Ukraine is facing a huge increase in public spending at a time when revenues are shrinking. In addition, the green and digital transitions are in full swing, affecting the future sustainable competitiveness of Ukrainian companies on the European and world markets. If the country is to remain innovative, further investments need to be made in novelty solutions including regional business incubators to support start-ups and early-stage companies. In this context, the EU will support programmes focusing on business incubators and facilitate SMEs' access to finance, expanding their export capacities and giving an overall boost to the economy. The aim is to directly support around 100 000 SMEs and self-employed people to develop business models that will also drive a climate-neutral, resilient and circular economy.

*The overall support for SMEs is estimated at up to €1.5 billion. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: grants, loans, guarantees, blending.*

### ***Flagship 2: Economic transition for rural areas — assistance to over 10 000 small farms***

The land reform is one of the most crucial reforms currently being rolled out in Ukraine, underpinning the full transition to a liberal economy. It is estimated that it will directly benefit 1-1.5 million small or family crop farms, boosting added value for local markets and generating job opportunities in rural areas. The land market will be fully open from 1 July 2021. The EU is committed to actively supporting Ukraine in this process. One of the biggest challenges remains the farmers' low investment capacity due to limited access to finance, including from banks. In this context the EU will contribute to the Partial Credit Guarantee Fund, which will support more than 10 000 small farms in secure quicker access to affordable loans and purchase the farmland they are cultivating (over 260 000 ha.) with an aim to develop more sustainable agricultural production and adapt to consequences of climate change.

*The overall investment is estimated at up to €100 million (including the Ukrainian contribution). The EU will provide grant funding to support the implementation of this flagship.*

### ***Flagship 3: Improving connectivity by upgrading border crossing points***

Integrated border management (IBM), the EU's approach to ensuring coherent and coordinated border management systems, is designed to ensure that governments maintain secure borders with as little inconvenience as possible to travellers and cross-border trade. In the context of the AA/DCFTA, given the increasing economic flows with Ukraine, integrating Ukraine into the European supply chain will only be possible with IBM. Economic operators need reliable border processing times for imports or exports. Further exploitation of Ukraine's tourism potential will soon require it to handle a four- or five-fold increase in border crossings compared to today's (i.e. pre-pandemic) figures. There will be a particular focus on border crossing points with EU Member States. This will also leverage past investments and ensure their sustainability. Investments will focus on physical infrastructure, intelligent queuing and processing systems (especially for lorries) and IT systems that would streamline currently inefficient business processes, inter alia via integrated data exchange.

These actions will be complemented by further improvements of transport infrastructure on the extended core TEN-T network, including rail and road links between major Ukrainian cities and border crossing points with EU Member States.

*The overall investment to upgrade border-crossing points is estimated at up to €30 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: mainly grants and loans.*

***Flagship 4: Boosting the digital transformation — modernising public IT infrastructure***

The Ukrainian authorities have prioritised digital transformation and aim to digitalise all government services by 2024. The EU is implementing the e-government/digital economy programme, which *inter alia* supports the provision of digital services, digital government registries and interoperability between them. The success of the e-government eco-system depends on the administration's IT infrastructure, which needs modernisation. This is also important for cybersecurity reasons, as Ukraine continues to be at the frontline of Russian hybrid attacks. The next few years should see the launch of a public sector digital transformation programme, with a substantial contribution envisaged from the Government. The programme will support the modernisation of the administration's digital transformation infrastructure (servers, datacentres etc.) and is based on a joint needs assessment by Ukraine and the EU.

*The overall investment is estimated at up to €200 million. The EU will use various instruments to support the implementation of this flagship in cooperation with the IFIs: using grants and loans.*

***Flagship 5: Increasing energy efficiency support for renewable hydrogen***

The Ukrainian Government wants to align as much as possible with the European Green Deal<sup>36</sup>. The Energy Efficiency Fund (EEF) set up in 2018/2019 and financially supported by the Ukrainian Government, the EU and Germany is funding projects to improve the energy efficiency in multi-apartment buildings so as to strengthen Ukraine's energy independence, reduce household energy bills and cut the excessive wastage of energy. The Fund is instrumental in implementing a comprehensive reform including *inter alia* by establishing a solid legal framework and helping with awareness-raising to help residents benefit from energy-saving measures. To date, the EU has invested €104 million (to which Germany added bilaterally another €20 million) while Ukraine has promised substantial co-financing. The fund is assisted by the international finance corporation (IFC) of the World Bank Group. The number of applications is so high that further EU funding and Ukrainian co-financing will be needed in the coming years. The overall number of households benefiting from support from the fund could reach 150 000.

The EU also intends to support the development of clean and renewable energy in Ukraine. Renewable hydrogen is an important priority area for EU cooperation, given Ukraine's high potential for producing low-carbon hydrogen. Ukraine's active cooperation with its European partners in the EU Clean Hydrogen Alliance and in European research projects under Horizon 2020 is paving the way for a strong dedicated partnership on renewable hydrogen in the coming years. A lot of work is still needed for the development of green hydrogen production and transmission, and in the longer-term the EU can help to facilitate the efficient and safe transport of green hydrogen from Ukraine to EU markets.

*The overall new investment in the EEF is estimated at up to €100 million (including the Ukrainian contribution). The EU will provide grant funding to support the implementation of this flagship.*

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<sup>36</sup> See footnote 6.



## ANNEX 2: EASTERN PARTNERSHIP MULTILATERAL ARCHITECTURE

The current multilateral architecture was revised and officially adopted at the 2017 EaP Summit (along with the ‘20 deliverables for 2020’), and it has been operational since 2018.

The 2019 consultation on the future of the EaP showed a clear consensus that the current structures were functional and fit for purpose, as well as the importance of the multilateral dimension of the EaP cooperation. However, the architecture would benefit from: (i) further streamlining; (ii) better operational arrangements (e.g. as regards the preparation and follow-up of meetings); and (iii) more flexibility. Some adjustments are required to accommodate the new priorities outlined in the Joint Communication of 18 March 2020 and the targets in this joint staff working document.

The underlying principle for the proposed revision is to maintain elements that work and make suggestions to address shortcomings. It is expected that this will be further discussed with EU Member States and partner countries in view of its validation at the EaP Summit in 2021.

The objective of the suggested changes is to make the adjustments that are needed to reinvigorate cooperation and increase ownership while reinforcing the flexible character of the EaP architecture and the role of key stakeholders (other EU institutions/bodies, regional and local authorities, civil society, think tanks, youth organisations, etc.). The suggestions also seek synergies between multilateral and bilateral forms of cooperation.

It is proposed:

- i. to maintain the overall structure and **multi-layered decision-making process** involving leaders (EaP summits), foreign ministers of (EaP foreign affairs ministerial), sectoral ministers (ministerial meetings including informal formats, informal partnership dialogues), senior officials (SOMs), sectoral deputy minister/director level, technical level (expert and other *ad hoc* groups);
- ii. to confirm the **panels** as the backbone of the EaP multilateral architecture. The scope of competences will be evaluated and further potential changes may be proposed to maximise its efficiency and ensure thorough follow-up of all the targets proposed in this joint staff working document. In order to tackle cross-cutting elements more effectively, other formats could be envisaged (cf. the proposed new working group on gender equality). A flexible approach will be adopted, including on holding panel meetings taking into account the specific needs and capacity in each area;
- iii. to replace the current platforms by **strategic conferences** on investment and governance, which would take place on a regular basis (e.g. once a year), involving public and expert discussions between, among others, decision makers, senior experts, civil society, think tanks and academics. Other *ad hoc* conferences could be organised, on the initiative of the EU, Member States or the partner countries e.g. on topical or cross-sectoral issues that would benefit from high-level exchanges;
- iv. to reinforce the mandate and role of the **senior officials meeting** as a platform for monitoring and providing guidance on implementation— this would include systematic reporting of the work of the panels, the adoption of work programmes etc.;

- v. to ensure continuity and increase ownership by appointing **focal points** from each partner country on each of the areas covered by the panels and further encouraging the participation and involvement of Member State representatives and experts (e.g. a system of '*chef de file*' on one or a number of specific files);
- vi. to reinforce cooperation and exchanges with **key stakeholders** via existing formats (EURONEST, CORLEAP, EaP CSF, EaP Youth Forum, Media Conference, EaP Business Forum) and expand to others (e.g. the Think Tank Forum, strengthened links with IFIs);
- vii. to map and define more precisely the **roles and responsibilities** of all key actors involved in the preparation and organisation of meetings and events;
- viii. to improve the **management of meetings** with more innovative and interactive formats allowing for genuine discussion; and
- ix. to improve the **long-term planning** of meetings and events and better coordinate calendars to improve participation (e.g. through back-to-back meetings).



# EaP Summit

## EaP Foreign Affairs & Sectorial Ministerials

### Senior Officials Meeting



#### STRATEGIC CONFERENCE ON INVESTMENT



#### STRATEGIC CONFERENCE ON GOVERNANCE





## Monitoring of the 20 deliverables for 2020

The EU Member States and the partner countries endorsed the '20 deliverables for 2020' agenda at the Eastern Partnership (EaP) Summit in November 2017, setting jointly agreed goals for ongoing reforms. This ambitious work plan was based on a more focused, deeper and broader range of commitments with a focus on providing tangible benefits for citizens. It has been implemented through an inclusive process, which will continue under the new EaP agenda beyond 2020.

This document gives a **final overview of the implementation of the 20 deliverables to the end of 2020**. It summarises the most representative findings based on in-depth and internal joint monitoring by the Commission and the European External Action Service (EEAS), including inputs provided in EaP meetings.

There is overall good progress in all areas of the deliverables. As regards 'stronger economy', progress is noted on support for SMEs (including access to finance) and creating and sustaining jobs. On 'stronger societies', there is progress on people-to-people contacts, supporting academic and youth mobility through Erasmus+ and Horizon 2020. There important achievements in in the field of connectivity, energy efficiency and nature protection. In the governance sector, access to public services is increasing.

However, challenges remain, particularly when it comes to judicial reform, fighting corruption and organised crime. In addition, issues relating to media independence, civil society space, gender equality and non-discrimination, continue to pose serious concerns. Equally, climate mitigation and environment need to be addressed further.

Throughout 2020, the COVID-19 pandemic had an adverse effect on the implementation of the deliverables. However, in order to strengthen our joint resilience and the partnership in general, the EU provided the partner countries with prompt , substantial support by addressing immediate needs and long-term socio-economic recovery.



## CROSS CUTTING DELIVERABLES



### 1 More engagement with civil society organisations

#### KEY ACHIEVEMENTS

- ✓ **Innovative actions** and **strategic partnerships** with selected civil society organisations strengthened the capacity of **grassroots civil society** in the region;
- ✓ **80 young civil society leaders' and more than 450 youth leaders' fellowships** were awarded, increasing youth advocacy capacities;
- ✓ **The Civil Society Organisations' Meter**, the first-ever tool developed by civil society to monitor the civil society enabling environment in the region, was launched in 2019 and a first follow-up meter was presented in 2020;
- ✓ Engagement with the EaPCivil Society Forum was enhanced through the EaP institutional set-up, thus bolstering the role of civil society in regional, national and local policy dialogue.

### 2 Increase gender equality and non-discrimination

#### KEY ACHIEVEMENTS

- ✓ **All partner countries** developed new generation **gender action plans** or programmes;
- ✓ **Armenia, Azerbaijan, Georgia, Moldova and Ukraine** have specific laws on gender equality;
- ✓ **All partner countries** adopted specific legislation on domestic violence while **Armenia and Ukraine** made further amendments to update their legislation;
- ✓ **Armenia, Moldova and Ukraine** signed the Council of Europe Convention on preventing and combating violence against women and domestic violence (the Istanbul Convention); **Georgia** signed and ratified the Convention. **Azerbaijan** approved a national action plan on fighting domestic violence in 2020 and launched a domestic process to sign the Convention.
- ✓ **50 000 women-led SMEs received EU support** for better access to finance and business training through the EU4business initiative. Women accounted for 29% of the beneficiaries.

## REMAINING CHALLENGES

There has been progress in all cross-cutting deliverables but major challenges remain. This is particularly the case as regards civil society and media independence, where the COVID-19 pandemic amplified the negative pressure in many respects e.g. as regards financial sustainability and capacity to perform vital roles. The development of civil society space and independent media will continue to need attention in the coming years; as will societal resilience in the fight against disinformation. To substantially reduce gender based violence and inequalities between men and women at home and in the workplace, there is a need for further steps to complete and ratify international instruments, adopt strategies and plans and implement legislation.

### 3 Strengthen strategic communications and supporting plurality and independent of media

#### KEY ACHIEVEMENTS

- ✓ More coherent branding, messaging, visibility and outreach, under the umbrella message **'stronger together'**;
- ✓ The EU's largest youth engagement initiative across the region, the **Young European Ambassadors**, reached **more than 100 000 individuals** to communicate on the EU and its values across the region, organised **over 500 events** and generated a **large number of engagements on social media**;
- ✓ **Communication campaigns** on EU actions are taking place in **all partner countries**, e.g. Team Europe campaign on the EU's COVID-19 response; 'Think before you share' campaign on COVID-19 related disinformation; EU4Armenia; EU4YOU (Azerbaijan); EU4Belarus; EU4Georgia, EU-Moldova: Stronger Together, and Moving Forward Together (Ukraine);
- ✓ **Increased public support for the EU in partner countries** based on the Commission's 2020 "EU Neighbours East" survey: **66% of the respondents** have a **positive perception of EU's relations with their country** (up 5% since 2017), **63%** are confident that **'the EU provides tangible benefits** to citizens in their everyday lives', and **60%** perceive the **EU as the most trusted foreign institution** by of the citizens (up 3% since 2017);
- ✓ **The innovative media partnerships strengthened EU media outreach and content promotion** in all partner countries, extending to **more than 450 media partners** since 2017 and **reaching up to 50 million people in the region**;
- ✓ **Greater awareness to counter disinformation** e.g. the public **EUvsDisinfo database gathered over 10 000 examples of pro-Kremlin disinformation**. The first ever **cross-neighbourhood strategic communication event** brought key societal stakeholders together to discuss the threat of disinformation and coordinated response;
- ✓ **Training of more than 2 000 journalists and media professionals** contributed to media independence. Half of the participants were women.

## SUCCESS STORIES

### TEAM EUROPE: showcasing EU solidarity during COVID-19

As part of the EU global response to COVID-19, in March 2020, the European Union and its Member States launched the 'Team Europe' campaign, taking jointly comprehensive and decisive actions to tackle the destructive impact of COVID-19. Hence, **one regional and six nation-wide campaigns have been showcasing the EU solidarity to its partner countries and the mobilisation of over €1 billion of assistance.** The campaign reached over 3.3 million users on social media and another 20 million people through TV coverage. Meanwhile, the 'think before you share' campaign focused on raising awareness in the partner countries on the harmful effects of COVID-19 related disinformation.



### EU's largest Eastern Partnership youth initiative

The EU's 'Young European Ambassadors' initiative was launched in 2017 to unite, encourage and empower young people across the region to get more involved in explaining the EU in their local communities. The initiative now counts more than 800 young people, making it the EU's largest youth initiative across the region. In their civic outreach to date, the **Young European Ambassadors have met more than 100,000 individuals across the six partner countries and in the EU, organised more than 500 events,** and generated hundreds of thousands engagements on social media. Their work and dedication to the EU's core values has been a true inspiration to young people across the Eastern Partnership region.

### EU-civil society partnership during COVID-19

Civil society has been fundamental in strengthening the resilience of societies and especially of marginalised and vulnerable groups disproportionately affected by the pandemic. To mitigate the negative socio-economic impact, on-going activities on civil society capacity building was strengthened by the EU's regional Rapid Response Mechanism and the EU-COVID19 Solidarity Programme for vulnerable groups. **More than 150 local civil society organisations** have started to provide essential social and legal services, distribute supplies, give psychosocial support, and promote economic recovery. For instance, in Ukraine, the International Renaissance Foundation helped **civic groups across the country reaching out** to the most vulnerable groups of society. They manufactured and distributed more than **7 000 face shields to at least 100 hospitals and health care facilities.** Moreover, they reached 1,500 people with disabilities, providing healthcare and psychological support in Lviv, Kharkiv and Kyiv regions, and provided to over 1,000 homeless persons with protection masks, hygienic supplies and food deliveries in Kyiv, Lviv, Mykolayiv, Dnipropetrovsk and Donetsk regions. They also reached out to Roma communities.



## STRONGER ECONOMY



- 4** Improve the investment and business environment and unlock Small and Medium sized Enterprises' growth potential

### KEY ACHIEVEMENTS

- ✓ Over **185 000 SMEs** (around **71%** of the total in **DCFTA countries**) have benefited from EU financial assistance since 2016 and **1.65 million jobs** have been created or sustained;
- ✓ Over **1 200 business support organisations** received EU assistance through the EU4Business initiative;
- ✓ The **SME environment improved thus increasing** the EaP's SME policy index of 19% compared to 2016 with notable progress in the institutional framework and entrepreneurial human capital.

- 5** Create new job opportunities at the local and regional level

### KEY ACHIEVEMENTS

- ✓ Since 2016, over **400 local authorities** have committed to submit a plan for local economic development (**over 250 of which are now in place**), while **16 urban demonstration projects** have been implemented;
- ✓ **12 focal regions** were selected in **five partner countries** to maximise the impact and visibility of EU assistance.

- 6** Address gaps in access to finance and financial infrastructure

### KEY ACHIEVEMENTS

- ✓ Of €1.6 billion in loans mobilised from EU support since the end of 2016, around **32%** (€520 million) was in **local currency lending**;
- ✓ The **Structural Reform Facility** supported the development of action plans to develop **non-banking alternatives** for SME financing;
- ✓ **Credit registries** are in place in **all partner countries**.

## REMAINING CHALLENGES

Good progress was achieved in all areas of 'stronger economy', but further improvements to SMEs' access to finance are needed, particularly in the wake of the COVID-19 pandemic. SMEs still need to make full use of e-signature, e-trade, e-commerce, e-customs and e-logistics. Further support to local authorities is required in order to strengthening local economic development. The incubation and pre-acceleration of ICT start-ups and development of creativity, innovation and entrepreneurial skills need to be addressed more effectively. More effort should be made to improving intra-regional trade and exploit the implementation of existing trade agreements (in particular the potential of DCFTAs to foster gradual integration into the EU market). There is an overall need for structural reform to support economic development and improve economic governance.

- 7** Harmonise digital markets

### KEY ACHIEVEMENTS

- ✓ Partner countries **have negotiated a Regional Roaming Agreement** to reduce roaming tariffs and are expected to sign it in 2021;
- ✓ **Moldova** and **Georgia** have **national broadband** strategies in place. **Ukraine** and **Armenia** are expected to adopt strategies in 2021;
- ✓ Partner countries **have negotiated a Regional Spectrum Agreement** to free up the 700MHz band for 5G implementation (expected in 2021).

- 8** Support trade among partner countries and between them and the EU

### KEY ACHIEVEMENTS

- ✓ The number of **companies in DCFTA** countries exporting to the EU **has increased significantly**. Between 2015 and 2019 it increased by **46%** in **Georgia**, **24%** in **Ukraine**, and **48%** in **Moldova**;
- ✓ Between 2016 and 2019, **the value of Armenia's trade** with the EU **increased by 27%**, **Azerbaijan's by 40%**, **Belarus' by 39%** with, **Georgia's by 12%**, **Moldova's by 44%** and **Ukraine's by 49%** The EaP region has become the EU's 10th trading partner;
- ✓ The value of **intra-regional trade** among the six partner countries **increased** between 2016 and 2020.

## SUCCESS STORIES

### Eco-friendly entrepreneurship in Belarus

For the Hrodna-based owners of Ecoupack, Aliaksandr Danilau and Uladzislau Kazlousky, the **EU4Business** initiative was a true game changer. It supported them in switching to an automated production management system. "When we first heard about the EBRD Advice for Small Businesses' programme, we could not believe this was possible. We can give all our time to producing actual baskets rather than researching information, says Aliaksander. Ecoupack's biodegradable packaging is made of aspen and exported to EU countries. **The company has grown almost six-fold in the past three now employing 120 people.** Targeted job offers and internships have also added people with disabilities to the staff. The two entrepreneurs plan to continue expanding the company.



### Displaced family runs a sustainable business

The Agalarov family is one of the several families displaced in north-west Azerbaijan whose lives are transforming thanks to EU4Business support. The family has struggled to make a living despite their skills in carpet weaving, however, the **EU4Business provided them with key tools** to build a sustainable business. The training in planning, brand development, and legal standards for online sales, including packaging and distribution, opened the doors to new markets access. The family now also has access to a national distribution network of supermarkets and duty-free shops: "We're not just making a living for our family but keeping the carpet weaving art alive in the community," says one member of Agalarova family.

### Digital creativity: from local marketing to building a global brand

Leavingstone is a digital creative agency in Georgia with an impressive list memorable marketing campaigns as well as awards such as the Cannes Lion, the so-called Oscar of the creative world. A master of local marketing context, Leavingstone has always aimed at expanding globally. **EU4Business** connected the agency team of entrepreneurs with an international advisor, helping them to reorganise and provide a more structured service meeting world-class requirement. **Leavingstone is now cooperating with giants** such as Siemens, Zeiss, Deutsche Telekom, Netflix, and the Fox Broadcasting Company, increasing the company's income as well. "The changes involving new management tools, a clear vision and the dedication to focus on local and global markets have helped us move to a new level even in this very challenging year", says CEO Erekle Zurmukhtashvili.



## STRONGER GOVERNANCE



### 9 Strengthen the rule of law and anti-corruption

#### KEY ACHIEVEMENTS

- ✓ **Armenia, Georgia, Moldova and Ukraine have set up e-asset declaration systems**. Azerbaijan has agreed to work towards one;
- ✓ Legal frameworks on **confiscation** are in place in **Armenia, Azerbaijan, Georgia, Moldova and Ukraine**;
- ✓ Systems of declaration of assets and conflict of interest are in place in **Armenia, Georgia, Moldova and Ukraine**;
- ✓ **Armenia** has pushed forward with its justice and anticorruption reform and established a **Corruption Prevention Commission**, which became operational in 2020. **Ukraine's HighAnti-Corruption Court** has been in operation since September 2019 and has passed 16 verdicts.

### 10 Support the implementation of key judicial reforms

#### KEY ACHIEVEMENTS

- ✓ Access to justice improved in **Georgia and Azerbaijan** through the adoption of the **Alternative Dispute Resolution** legislation and policies, and through **free legal aid mechanisms** in **Azerbaijan and Ukraine**;
- ✓ Initial steps were taken to establish track records for judges' and prosecutors', such as the attestation of all prosecutors at national, regional and local level in **Ukraine**, the online appraisal system for prosecutors in **Georgia**, and plans in this area in **Armenia**;
- ✓ **Ukraine, Moldova, Georgia and Armenia** improved their strategic justice frameworks.

### 11 Support the implementation of public administration reform

#### KEY ACHIEVEMENTS

- ✓ **Georgia, Moldova and Ukraine developed public administration reform strategies** in line with the principles

of public administration. **Armenia** carried out its first baseline assessment in line with these principles.

- ✓ **All partner countries** introduced **service-centre one-stop-shops and e-government services** making their administrations more accessible and service-oriented;
- ✓ High-level civil society dialogues increased citizen engagement in **Armenia, Georgia and Ukraine**.

### 12 Stronger security cooperation

#### KEY ACHIEVEMENTS

- ✓ **Georgia, Moldova and Ukraine** adopted **strategies and action plans on cybercrime**. Although not yet fully aligned with the Budapest Convention, **all partner countries** have set up **specialised cybercrime units** within their law enforcement apparatus;
- ✓ **Joint investigations** between the partner countries and Europol increased and led to arrests of members of organised crime groups from partner countries who were active in the EU. Three partner countries are gradually becoming involved in joint operations and partnering with EU Member States and EU Agencies;
- ✓ **Ukraine took a lead on cybersecurity adopting a strategy** that harmonises national legislation and institutions with the EU Directive on security of network and information systems and related best practices;
- ✓ **Georgia and Moldova** regularly contribute to **Common Security and Defence Policy missions and operations**. Ukraine plans to continue contributing to the EU battle groups beyond 2020. The European Security and Defence College trained more than 3 000 staff from the partner countries;
- ✓ All partner countries engaged in exercises and exchanges of experts, developed guidelines and tools in cooperation with the **EU Civil Protection Mechanism**, thus strengthening preparedness and response capabilities in the region and contributing to public safety.

## REMAINING CHALLENGES

Some progress has been seen on public administration reform, in particular public service delivery. However, major challenges remain as regards the rule of law and judicial reform. Complex and high-level corruption continues to raise serious concerns in the region. There is still a need for the effective operationalisation of the anticorruption institutional framework, establishment of track records of cases, effective use of financial investigation tools and publicly available beneficial ownership registries. Aligning the justice sector with EU independence and accountability standards requires more action to ensure merit-based recruitment, reduce the backlog of cases, and enforce judgments in civil and administrative cases. Strengthened cooperation between partner countries and key EU agencies (Europol, EMCDDA, CEPOL) is needed to improve capacity to fight organised crime, including firearm trafficking, drugs trafficking in human beings, and develop resilience to hybrid and cyber threats. Capacity to produce and disseminate reliable and comparable official statistics need to be strengthened.

## SUCCESS STORIES

### Alternative dispute resolution reform in Azerbaijan

In 2020, **EU supported reform in legal dispute resolution** in Azerbaijan aiming for a simpler and more cost efficient way to solve disputes in economic, labour and family matters. The support included both assistance in establishing a council with the tasks to regulate and ensure the quality of mediation and **training of 120 mediators**. "As a result of developed materials and effectiveness of training, our eyes were opened for what mediation truly is and its value", says certified mediator Natavan Rustamova. Mediation in family, labour and economic disputes is mandatory as of January 2021 with the aim to improve access to justice. The reform improves the overall access to justice, as well as making justice more affordable, efficient and accountable to vulnerable and disadvantaged people.



### Armenia moves forward in combatting corruption

Armenia established a Corruption Prevention Commission in 2020. **EU provided advice on the legislative and institutional framework and training**. The set-up of the commission followed EU standards and practice. The commission focuses on integrity checks of politicians and high-level officials such as judges, including an e-declaration system displaying assets, revenues and conflicts of interest. It also assesses legislation and policy to ensure accountability of politicians and public officials and looks into a new e-service for property and income declarations. A next step is to build an electronic platform for the transfer of banking secrecy information. The commission is an important step forward in the country's justice and anti-corruption reform.



### Community centers empower residents and civil society in Georgia

Thanks to EU support, the Public Service Development Agency has come very far in opening community centers across the country ensuring access to public services and information in both remote and central parts of the country. **There are now 85 centers with trained staff providing access to services** such as the Public Registry and the Social Service Agency. In the centers, residents have access to free internet, computers, and conference call equipment. The centers are open to civil society organisations, host Local Government offices and used by many students. "I ordered my Identification card in the Korbouli Community Center. I also registered the plots owned by our family in the same Center. I do not have to go to different places any more, says Goga Gogatishvili in Korbouli, North-West of Tbilisi.

## STRONGER CONNECTIVITY



### 13 Extend the TEN-T core networks transport

#### KEY ACHIEVEMENTS

- ✓ The **Indicative TEN-T Investment Action Plan** identified priority investments and a technical assistance facility is being established to help prepare them;
- ✓ All countries endorsed a **declaration on road safety** and initial steps were taken to **establish a Road Safety Observatory**. **Armenia, Azerbaijan and Ukraine have approved road safety investment Programmes**.
- ✓ **Belarus, Ukraine and Moldova cooperated with EU Member States to develop multimodal transport and low-carbon transport systems** in the border regions.

### 14 Climate change mitigation: Enhancing energy efficiency, the use of renewable energy and reduction of Greenhouse Gas emissions

#### KEY ACHIEVEMENTS

- ✓ All partner countries received EU4Climate support to elaborate and implement nationally determined contributions, long-term development strategies, monitoring, reporting and verification systems, in line with the **Paris Agreement**. Moldova and Georgia submitted a more ambitious, updated nationally determined contribution;
- ✓ In the **Covenant of Mayors** framework, **447 local authorities** have worked on cutting **CO2 emissions by 20% by 2020**. The results are currently being assessed. Most of these **local authorities (270)** have further committed to **30% cuts by 2030**;
- ✓ The fund of the Energy Efficiency Partnership (**ESP**) now covers all partner countries. It has provided over **€164 million** in investment grants to **40 projects** benefiting **11.7 million people** and leveraging a total investment of almost **€1.2 billion**;
- ✓ The **high-level energy efficiency initiative** was introduced in **Armenia, Georgia and Ukraine**. The Energy Efficiency Fund (supporting energy efficiency in residential buildings) was established in **Ukraine**;
- ✓ The Law on Monitoring, Reporting and Verification of greenhouse gas emissions adopted in **Ukraine** in 2019 was a **first step to establishing an emissions trading system**. **Georgia's laws on Energy Efficiency and on Energy Performance of Buildings** form a legal basis for scaling up energy efficiency.

## REMAINING CHALLENGES

There is progress on connectivity, energy security and energy efficiency but challenges remain in reducing pollution and strengthening climate impacts, improving energy and resource productivity, and making environmental legislation work. Similarly, enhanced efforts are needed on regulatory aspects of energy efficiency and other measures such as the development of long-term greenhouse gas strategies. More work is also needed on improving energy security by reinforcing cross-border and inter-regional interconnections and diversifying from oil and gas imports through investments in renewable energy and enhanced energy efficiency, and on encouraging energy market integration on the basis of sound legislation. More needs to be done to ensure progress in the development of the green, circular economy, biodiversity and forest protection and environmental governance. Civil society will have an important role in promoting both popular support and policy action.

### 15 Increase energy supply security

#### KEY ACHIEVEMENTS

- ✓ The 3 500 km **Southern Gas Corridor** was completed in October 2020 and is now in operation. It contributes to **energy security** in partner countries and targets the role of gas as an intermediary step in de-carbonisation;
- ✓ The strategic **Ungheni-Chisinau gas pipeline** was finalised. It improves energy security in Moldova by diversifying energy sources;
- ✓ **Ukraine** implemented the **third energy package** to align the gas transmission sector with EU regulations, introducing competition and increasing consumer choice in the gas market.

### 16 Support the environment and adaptation to climate change

#### KEY ACHIEVEMENTS

- ✓ EU support has enabled **modern water policy at river basin level** covering **500 000 km<sup>2</sup>** and reaching more than **30 million people**. Since 2017, **Armenia, Belarus and Moldova** have adopted **four river basin plans**. All countries modernised **laboratories and water monitoring**. **Water data portals** are in place in Armenia and Azerbaijan;
- ✓ Large-scale field surveys, including litter mapping were conducted in the Black Sea. **Georgia and Ukraine** designed **national marine strategies** in line with EU legislation;
- ✓ **Azerbaijan, Belarus, Georgia, Moldova and Ukraine** updated laws on the **environmental assessment of strategies, plans, and investment projects**, and Armenia is in the process of doing so;
- ✓ **Resource efficiency and cleaner production** assessments of about 80 pilot SMEs were completed, to enable them to grasp green opportunities. They estimated annual savings of €2 000 to €20 000 per company. **Armenia, Georgia, Moldova and Ukraine** incorporated the results into their SME development strategies and Moldova and Ukraine also into public procurement policies and action plans;
- ✓ Environmental data from all partner countries is available **online via the Internet-based tracking tool** hosted by the European Environment Agency;
- ✓ The partner countries identified **Emerald Network sites** equal to almost five times the size of Belgium, and officially approved 80% of these areas.



## SUCCESS STORIES

### Energy efficient and smart street lightening

Smart street lightening has made energy efficiency possible in the Republic of Moldova. With EU financial and technical support, which accounted for 80% of the total spending, the street lighting projects in Ocnița and Cantemir are benefitting daily to over 12,000 inhabitants. "The safety of citizens in the city has increased", says the Mayor of Ocnița city. The **modernisation of the street lightening with new LED lamps and a smart monitoring system** does not only saves electricity and money, but also helps reducing CO2 emissions to up to 252 tonnes per year, the equivalent of almost 11,450 trees. "Savings from the budget can be used to develop the city's infrastructure", says a technician from Cantemir City Hall.



### Making water management better

The **European Union Water Initiative Plus** for the Eastern Partnership programme is one of the largest policy dialogues and technical support schemes for the water sector in the region. Thanks to this support, the laboratory at the National Environmental Agency in Georgia can now **conduct state-of-the art water analysis to advance water quality and protection of river basins in the country**. The new equipment detects and monitor a much wider range of industrial chemicals and pesticides with greater precision, many of which are cancerogenic and neurotoxic. The new capacity will eventually lower the health risk for people and ecosystems to suffer from the toxic effects of pollutants. "Here we are today having the laboratory accredited to national standards, qualified staff and with high tech

devices", says Head of the Ambient air, water and soil analysis laboratory, Elina Bakradze, and particularly refers to new equipment that enables the laboratory to prioritize pollutants that are required by the EU Water Directive.

### Tackling energy efficiency in residential buildings

In Ukraine, the heating of the residential buildings is estimated to account for around 50 percent of all energy losses, costing the country around €2.5 billion. To improve energy efficiency in residential buildings, the Ukrainian government in partnership with the EU launched the **Energy Efficiency Fund in 2019 to facilitate energy efficient renovations and modernisation of the housing sector**, leading to a cleaner environment and reduced emissions. This timely initiative was the perfect solution for homeowner-residents of an apartment block in the city of Lviv, struggling with inconsistent heating, excess energy of use, increased carbon dioxide emissions and unreasonable high bills. **The fund subsidised 70% of the costs of the building renovation and installation of individual heating systems**. "All pipes are now insulated, my fellow homeowners can regulate temperature independently and no heat is wasted," says the house manager of the apartment block, noting the substantial savings with the energy consumption falling by half during 2019-2020, this very challenging year", says CEO Erekle Zurmukhtashvili.



## STRONGER SOCIETY



### 17 Progress on Visa Liberalisation Dialogues and Mobility Partnerships

#### KEY ACHIEVEMENTS

- ✓ **Georgia, Moldova and Ukraine** benefit from visa free travel to the EU;
- ✓ In 2020, Georgia and Moldova joined the European Migration Network as observer members. Armenia and Ukraine expressed interest to become an observer members;
- ✓ **Armenia, Azerbaijan and Belarus** have **visa facilitation agreements** with the EU. The EU has **readmission agreements** with **all partner countries**;
- ✓ **Mobility partnerships are in place** with **Armenia, Azerbaijan, Belarus, Georgia and Moldova** and migration cooperation with **Ukraine**;
- ✓ Modernisation of the **border crossing points** network is on track, with jointly operated crossing points between **Poland and Ukraine** and between **Moldova and Ukraine**.

### 18 Strengthen investment in young people's skills, entrepreneurship and employability

#### KEY ACHIEVEMENTS

- ✓ Under the **EU4Youth Erasmus+** capacity building scheme, **100 projects** engaging more than **260 partnership organisations** received funding for actions supporting **youth civic engagement and entrepreneurship** including social entrepreneurship. The **EU4Youth** grants component supported 10 large-scale projects for **youth employment, employability and transition to work**, benefiting up to **25 000 young people** in the region.
- ✓ **Erasmus+** encourages mobility and improves the quality of formal and non-formal education. Since 2014 **over 43 000 higher education students and staff** have participated in academic exchanges, and **over 54 000 young people** involved in exchanges, mobility and volunteering. **597 master's students** received full-degree **Erasmus Mundus scholarships**, and nearly **3 000 schools** and **7 600 teachers** are now connected via **eTwinning Plus**;
- ✓ **All EaP countries are members of the European Higher Education Area and the Bologna Process**. They have implemented reforms to modernise their higher education in line with the Bologna principles and have benefited from **127 Erasmus+ capacity- building projects for higher education** since 2015;
- ✓ EaP governments took substantial steps to raise the quality and attractiveness of their **vocational education and training (VET)** systems and to invest in young people's skills development according to labour market needs. All partner countries engaged

in structural dialogue through the **Torino Process on VET reforms** to improve human capital development, and the VET policy response.

### 19 Establish an Eastern Partnership European school

#### KEY ACHIEVEMENTS

- ✓ The **European School** in Tbilisi has been **operational since September 2018**. For the 2020/2021 academic year, **75 students** from across the partner countries were awarded EU funded scholarships for an International Baccalaureate diploma focused on European Studies. Of these, 30 students graduated in June 2020, and 35 will graduate in June 2021;
- ✓ In 2019, **phase II** of the project to establish a fully-fledged European School by 2023 was launched under the Ministry of Education of Georgia.

### 20 Integrate Eastern Partnership and EU research and innovation systems and programmes

#### KEY ACHIEVEMENTS

- ✓ **R&I stakeholders** in the four Horizon 2020 associated countries, (Ukraine, Armenia, Moldova and Georgia) are integrated in **EU R&I networks and platforms**.
- ✓ All partner countries had full access to **all Horizon 2020** funding schemes in 2017-2020. They have an average success rate of 10.8% for proposals in calls, which is just below the average rate of 12%. EaP entities have participated in over 220 Horizon 2020 projects, receiving **almost €50 million in direct EU contributions**.
- ✓ The **Marie Skłodowska-Curie** scheme has benefited over **1 100 researchers from partner countries** since 2014;
- ✓ National research and education networks in all partner countries are integrated in the pan-European **GÉANT network**. **Over 800 000 users from more than 400 research and higher education institutions** across the region benefit from network connectivity at an average price reduction of 70% and a 10-fold capacity increase;
- ✓ Five partner countries expressed interest in smart specialisation. They took part in training for 250 policy makers who are ready to launch and continue national **smart specialisation** processes. Ukraine and Moldova are expecting to **finalise strategies in 2021**, within the Smart Specialisation Framework for the EU's enlargement and neighbourhood Region.

## REMAINING CHALLENGES

There is progress on education and VET reforms, fostering well-managed mobility and strengthening R&I. Further investments in people, in particular young people, are key to addressing the challenges of youth unemployment and brain drain. Improving the quality of education and lifelong learning, and ensuring equal access in a digitalised world are challenges that the post-2020 partnership needs to address. In the area of R&I, legal and financial frameworks and fit-for-purpose governance systems, need to be stronger with a view to increasing competitiveness under EU programmes such as Horizon Europe. Cooperation on addressing irregular migration, return and readmission, and on promoting legal migration (e.g. the EU Talent Partnerships) requires inter alia enhanced efforts and strengthened cooperation with FRONTEX, including on capacity building.

## SUCCESS STORIES

### Erasmus+ opens exchange opportunities in partner countries

Erasmus+ continues to be the major programme for exchange and mobility in education and training for students, teachers and young people both in the EU and the partner countries. Thanks to Erasmus+ many young Belarusians have the opportunity to study or experience exchange abroad. A major Erasmus+ component is the focus on youth projects for activities such as seminars, trainings, and volunteering. It welcomes not only university students, but also members of youth organisations or youth start-ups. "I don't know a European country where I don't have friends", says Marina Korzh from Belarus who participated in youth exchanges, trainings, and seminars. She explains that participation in the programme predetermines her values in respect for other cultures, opinions, as well as intolerance for discrimination. «I have learned to work with groups of people, help them, stimulate to tackle local and global problems, discuss "inconvenient" topics such as sexuality, human rights, and gender inequality. By participating in the programme, I have learned to adapt easily to new circumstances and cultures», says Marina who is a Programme Specialist Office for European Expertise and Communications.



### EU4Youth helps Sveta get the skills that she and the labour market needs

For Sveta Khachatryan, a student from the Gegharkunik Province in Armenia where 80% of the population is engaged in agriculture, is pursuing her passion for veterinary medicine regardless of her disability or professions' biases. As part of an informal education course organised by the EU project "EU4Youth - SAY YES - Skills for Jobs", Sveta was given the opportunity to get a second profession and learn new skills. The project organises **vocational trainings based on in demand professions in the labour market**, while promoting gender balance to reduce biases on certain

careers. "My parents did not want me to study veterinary medicine because they thought it was a 'male subject'.. we do not have many female vets, but I like the profession, so I followed my instincts", the 18-year old Sveta says. By getting the right skills, her goal of running a small farm and working in animal husbandry, is coming closer.

### NanoMedTwin makes Moldovan scientists part of the international research community

The NanoMedTwin project, financed by Horizon2020, opens the doors for young Moldovan scientists specializing in nanotechnology. In a field where equipment to do forefront research and to be able to put achievements on the market is very costly, progress rely on international cooperation between laboratories and enterprises. **Through the NanoMedTwin project, Moldovan researchers become members of the international research environment** studying and working in more up-to-date laboratories abroad while also achieving results at home. In addition to the individual achievements, the EU funding raises the capacity in research and technology transfer and helps closing the generation gap in the laboratory at home. "Researchers have the opportunity to collaborate with colleagues from abroad, to undertake internships in other laboratories, without leaving their country forever, says Dr Tudor Braniste who continues his research at the Technical University of Moldova after spending three months in Germany. The question "is it possible to work in Moldova?" he believes is becoming less relevant in the scientific community.



CROSS CUTTING DELIVERABLES		STATUS	CHANGE
1	More engagement with civil society organisations	++	↑
2	Increase gender equality and non-discrimination	+	↑
3	Strengthen strategic communications and supporting plurality and independent of media	+	↑
STRONGER ECONOMY			
4	Improve the investment and business environment and unlock Small and Medium sized Enterprises' growth potential	+	↑
5	Create new job opportunities at the local and regional level	++	↑
6	Address gaps in access to finance and financial infrastructure	++	~
7	Harmonise digital markets	++	~
8	Support trade among partner countries and between them and the EU	++	~
STRONGER GOVERNANCE			
9	Strengthen the rule of law and anti-corruption	+	~
10	Support the implementation of key judicial reforms	+	~
11	Support the implementation of public administration reform	++	↑
12	Stronger security cooperation	++	~
STRONGER CONNECTIVITY			
13	Extend the TEN-T core networks transport	++	↑
14	Climate change mitigation: Enhancing energy efficiency, the use of renewable energy and reduction of Greenhouse Gas emissions	++	↑
15	Increase energy supply security	+	↑
16	Support the environment and adaptation to climate change	++	↑
STRONGER SOCIETY			
17	Progress on Visa Liberalisation Dialogues and Mobility Partnerships	++	~
18	Strengthen investment in young people's skills, entrepreneurship and employability	++	↑
19	Establish an Eastern Partnership European school	+++	↑
20	Integrate Eastern Partnership and EU research and innovation systems and programmes	++	~

IMPLEMENTATION SINCE 2016    +++ COMPLETED | ++ ON TRACK | + LIMITED PROGRESS  
 CHANGES SINCE FEBRUARY 2020    ~ NO CHANGE | ↑ PROGRESS