Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 1812 (2011)[1]

The impact of the Eastern Partnership of the European Union on governance and economic development in eastern Europe

Parliamentary Assembly

1. The Eastern Partnership of the European Union, launched in May 2009, aims to "accelerate political association and further economic integration" of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine with the 27 member states. The Parliamentary Assembly warmly welcomes this initiative which sets the ambitious and challenging goal of forging the necessary conditions for sustainable economic growth, enhanced stability, improved governance and stronger rule of law in the countries concerned, as well as greater socio-economic cohesion across the entire continent.

2. The Assembly reiterates its belief that economic growth and democratic development can and must go together, helping to empower people to transform the societies they live in. It views the Eastern Partnership as a living process with multiple stakeholders – including the Council of Europe as a long-standing advocate for a "Europe without dividing lines", co-operation based on shared values and standard setting focused on human dignity. The quest for economic growth in the countries concerned by the Partnership must give due consideration to essential prerequisites, which are stable democracy, the rule of law and good governance.

3. The Assembly is concerned that, despite improvements in tackling economic crime and corruption in some countries, a trust gap persists between the ruling elites – political and economic – and the rest of the society in Eastern Partnership target countries, not least because of the widespread public discontent with "money politics", corruption and the shadow economy. Moreover, recurrent political deadlocks, the continuing global economic crisis and a series of unresolved regional conflicts hamper both the domestic reform momentum and regional co-operation prospects. This points to the need for continued capacity- and confidence-building steps – including through parliamentary diplomacy and people-to-people contacts – in order to fully tap the development potential in eastern Europe.

4. Five of the six Eastern Partnership countries are fully-fledged members of the Council of Europe, by virtue of which they are constantly being urged to fulfil their commitment to the fundamental principles that underpin the actions of the Organisation. Synergy between the European Union, the Council of Europe and other institutions in monitoring and encouraging partner steps towards the Eastern Partnership objectives is a stepping stone towards accelerated progress with structural, governance and economic policy reforms in the participating countries. In particular, the Assembly welcomes the launching of a series of co-operation projects under the joint Eastern Partnership Facility of the Council of Europe and the European Union. The aim is to help Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine to move closer towards Council of Europe and European Union standards in areas such as electoral standards and judicial reform, as well as fighting cybercrime and corruption.

5. The Assembly appreciates that the Eastern Partnership's bilateral framework provides for the signing of individual association agreements with the countries taking part, which in turn lay foundations for the creation of a deep and comprehensive free trade area. These agreements, together with the European commitments of financial and technical assistance, offer powerful motivation to Eastern Partnership countries to seek a high degree and speed of integration with the European Union. Although the aspirations of the six Partnership

1. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 27 May 2011 (see Doc. 12521, report of the Committee on Economic Affairs and Development, rapporteur: Mr Rigoni). See also Recommendation 1971 (2011).

countries differ to a great extent, they all share the wish to achieve a freer flow of persons, goods, services and capital with the European Union member states. Tangible progress in this area will boost development prospects, in particular as regards investment and employment levels.

6. The Assembly strongly supports the inter-state co-operation aimed at building a more flexible visa regime for travel between the European Union and the Eastern Partnership countries. It welcomes the unilateral steps offering visa-free travel to several Eastern Partnership countries, such as Georgia, Ukraine and Moldova, for visitors from an increasing number of countries, and urges other Partnership countries to follow this path.

7. As the majority of European countries struggle with economic difficulties, European Union financial support becomes even more important than in times of steady economic growth. This reform-oriented influence is further multiplied through the involvement of other international organisations and institutional investors, in particular the International Monetary Fund (IMF), the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), as in the case of Ukraine and Belarus. As long as the effects of the crisis are felt, the scope for these institutions' conditionality in the Partnership countries will grow and should be used fully to assist institutional capacity building and the reform process in the Eastern Partnership countries.

8. The Eastern Partnership process offers a unique opportunity for the involvement of various European institutions and countries with a view to building a relationship based on genuine solidarity, pan-European economic co-operation and human progress. The Assembly is convinced that European Union member states should co-ordinate more closely their national assistance programmes towards eastern Europe and resort more often to the pooling of assistance so as to compensate for any cuts in aid flows due to budget austerity.

9. Of the six Eastern Partnership countries, only Georgia and Moldova belong to the Council of Europe Development Bank (CEB). While both Georgia and Moldova are the neediest members of the bank's target group of countries, Georgia has not so far benefited from the CEB financing for development projects and Moldova has received rather modest project support over the last four years. The Assembly thus encourages stronger CEB involvement – directly and in co-operation with the EBRD, the EIB, the World Bank and the European Commission whenever possible – in the generation of projects that further socio-economic development and Council of Europe values in these countries. It reiterates its call on Armenia, Azerbaijan and Ukraine, expressed in Recommendation 1937 (2010) on the strategy, governance and functioning of the Council of Europe Development Bank, to consider joining the CEB at the earliest opportunity.

10. All Eastern Partnership countries stand to obtain huge gains in terms of competitiveness, employment and energy security from measures tackling the existing inefficiencies in their energy use and transport links. The European Union and the national authorities of the Partnership countries could put in place a series of projects and investment or tax incentives with a view to improving these countries' energy performance and transport interconnections as a matter of priority.

11. International studies on the gender gap reveal the need for sustained progress in eliminating gender biases and pay gaps and improving access of women entrepreneurs to business support programmes in the Eastern Partnership countries. The Assembly therefore encourages the sustained Council of Europe efforts for gender mainstreaming action in these countries. It also asks the EBRD to continue its Business Advisory Services under the Women in Business programme and to expand the programme further in the less developed regions of the countries concerned.

12. The projected dialogue between the European Union and the Eastern Partnership countries at different levels of governance, along with the idea of convening the Euronest Parliamentary Assembly and a Civil Society Forum, signals the European Union's strong emphasis on interaction and communication between different stakeholders. It is essential to ensure that the Eastern Partners' opposition forces and independent NGOs have a say in this dialogue and that exchanges are fostered among the Eastern Partnership countries themselves. The Assembly is convinced that the format of the Euronest Assembly should be reviewed with a view to rendering the composition and the size of delegations more balanced and streamlining the contents and methods of its future work.

13. The Assembly believes that it is necessary to maintain, improve and strengthen contacts at all levels between the European Union and Council of Europe with Eastern Partnership countries in the field of inter-parliamentary co-operation. To this end, using the established mechanisms of the Parliamentary Assembly, involving the Assembly (and through it some third parties to the Partnership) in the work of the Euronest and possibly setting up a partnership "Parliamentary Troika" (of the European Parliament, OSCE Parliamentary Assembly and the Parliamentary Assembly of the Council of Europe) to underpin its future essence could be an important course of action, especially in order to co-ordinate positions in respect of Belarus.

14. In the light of its co-operation agreement with the European Parliament, the Assembly resolves to seek a broadening of the mandate of the European Parliament/Parliamentary Assembly working group with a view to better co-ordination between the two assemblies of parliamentary assistance programmes in favour of the Eastern Partnership countries. It also decides to continue following the Eastern Partnership process from the political and economic governance angles.

15. The Assembly furthermore invites the competent authorities of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, where applicable, to:

15.1. establish a clear separation between the economic and political spheres in decision making so as to avoid conflicts of interest, not least in respect of the financing of political parties;

15.2. take measures aimed at ensuring fair competition between domestic and foreign businesses and reducing the influence of monopolies/oligopolies;

15.3. continue streamlining the national public services and tax administration systems with a view to achieving higher efficiency, transparency and effectiveness, as well as improving the overall business climate;

15.4. ensure better enforcement of laws and functioning of accountability mechanisms in order to reduce the scope of corruption, money laundering, human trafficking and the shadow economy;

15.5. set up, wherever relevant, twinning programmes at different levels of governance with a view to fostering exchanges of know-how and best practice with other countries of the Eastern Partnership and in the neighbourhood;

15.6. use the expertise of the Congress of Local and Regional Authorities of the Council of Europe to make improvements in their national schemes for fostering more balanced regional development;

15.7. ensure greater public awareness of the Eastern Partnership process and progress made in the national context.