



# THE EASTERN PARTNERSHIP A DECADE ON

Looking back,  
thinking ahead

Edited by  
Stanislav Secrieru and Sinikukka Saari

With contributions from  
Vano Chkhikvadze, Iulian Groza, Mikayel  
Hovhannisyan, Leonid Litra, Dzianis Melyantsou,  
Zaur Shiriyev and Kateryna Zarembo



CHAILLOT PAPER / **153**  
*July 2019*

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## The EUISS Chaillot Paper series

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# CONTENTS

<b>Executive Summary</b>	<b>2</b>
<b>Introduction</b>	<b>5</b>
Doom or bloom for the Eastern Partnership? Sinikukka Saari and Stanislav Secrieru	
<b>CHAPTER 1</b>	
<b>Shifting ground</b>	<b>7</b>
How megatrends are shaping the eastern neighbourhood Sinikukka Saari and Stanislav Secrieru	
<b>CHAPTER 2</b>	
<b>Ukraine</b>	<b>28</b>
New engines for the partnership Kateryna Zaremba and Leonid Litra	
<b>CHAPTER 3</b>	
<b>Moldova</b>	<b>42</b>
Renewed hope after a string of setbacks Iulian Groza	
<b>CHAPTER 4</b>	
<b>Georgia</b>	<b>57</b>
Overcoming the libertarian legacy Vano Chkhikvadze	
<b>CHAPTER 5</b>	
<b>Belarus</b>	<b>71</b>
From discord to humming the same tune? Dzianis Melyantsou	
<b>CHAPTER 6</b>	
<b>Armenia</b>	<b>84</b>
Striving for complementarity Mikayel Hovhannisyan	
<b>CHAPTER 7</b>	
<b>Azerbaijan</b>	<b>96</b>
An enduring ambivalence? Zaur Shiriyev	
<b>Conclusion</b>	<b>106</b>
From ‘Eastern’ to ‘Partnership’ Sinikukka Saari and Stanislav Secrieru	
<b>Abbreviations</b>	<b>112</b>
<b>Notes on the contributors</b>	<b>114</b>

# EXECUTIVE SUMMARY

Ten years ago, the EU sought to revamp its policy in the eastern neighbourhood. This endeavour became the Eastern Partnership initiative which offered Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine a much closer institutional, economic and political relationship with the EU. This *Chaillet Paper* analyses how attitudes towards the Eastern Partnership (EaP) have evolved in these states, assesses retrospectively which elements of the programme have worked and which have not, and finally suggests ways in which the EaP could be adapted to fend off regional challenges and take advantage of rising opportunities in the coming decade.

The starting point for this analysis is a recognition that the eastern neighbourhood is not some retrograde post-Soviet backyard but that its states and societies are changing and moving on. Six interlinked megatrends, which manifest with different degrees of intensity throughout the region, shape the present and future trajectories of the countries of the eastern neighbourhood. Since the fall of the USSR there has been a centrifugal diffusion of power away from Moscow towards the capitals located at the borders of the former Soviet space. This rise of polycentrism gathered pace during the last decade as eastern neighbours diversified their foreign policy options by engaging with other regional powers. Russia first tried to impede this trend and later to reverse it. Its increasingly assertive policy *vis-à-vis* former satellites has fuelled the security deficit in the region. This negative trend, in turn, has led to a bigger demand for the EU and the gradual transformation of the EU into one of the region's security managers.

Against this background of the rise of polycentrism and a growing security deficit, the region is becoming progressively more heterogeneous, to the extent that the designation 'post-Soviet' is becoming obsolete. This neighbourhood has

metamorphosed and is gradually turning into a 'post-post-Soviet' space as the states make their own political and economic choices and as the shared history that once united them is being interpreted and re-interpreted from different national perspectives. Although reforms and democracy have not progressed in a linear fashion in the region, in some EaP states a fragile pluralism and a kind of rudimentary social contract are emerging as people turn from passive subjects into active citizens. This trend is likely to intensify in the next decade. One of the most persistent trends since the fall of the Soviet Union however, has been demographic decline powered by high levels of migration, which runs increasingly towards other parts of the world than to Russia. One of the key reasons for emigration is weak economic development in the region. Among the relatively new trends is the growing role of cyber in both the economy and politics in the eastern neighbourhood, which opens opportunities but also brings challenges. The future will be shaped by these major regional and internal shifts; policymakers need to factor them in when thinking about how to upgrade and improve the EaP for the next decade.

In parallel with these regional megatrends, each EaP state has its own dynamics too. The six country case studies in this paper demonstrate the complexities of democratisation and reform as well as the fact that the developmental paths of these six states are increasingly varied. Thus, differentiation in the EaP region is already a reality. In the associate partner states, the degree of integration with the EU has deepened significantly, whereas in the non-associate states the EU plays an important but a more limited role.

The case of **Ukraine** is emblematic in some respects: significant progress in reform has been made in this country despite extremely challenging conditions, including an ongoing war in the east of the country. Paradoxically, Russia's

aggression has improved rather than hindered Ukraine's performance in implementing reforms. The changes are however still reversible and achievements fragile. The creation of the Deep and Comprehensive Free Trade Area (DCFTA) proved to be not only one of the key drivers of reforms, but also an important tool to offset the effects of Russia's multiple trade embargoes. As a result, the EU has become by far Ukraine's key trade partner. Visa liberalisation is having an equally positive impact on the transportation sector and people-to-people contacts. Much still needs to be done, in particular in the domain of fighting corruption and improving the business climate. Ukrainian citizens support Europeanisation and expect more effective reform implementation from the government. The best EU strategy in the case of Ukraine is a bottom-up approach with strict conditionality and a renewed package of concrete benefits to provide sustained stimuli.

**Moldova** has zigzagged with reforms and in its relationship with the EU. While economically Moldova is much closer to the EU than was the case a decade ago (almost 70% of exports are destined for the European market), politically it has experienced significant democratic back-sliding. The simplistic labels of 'pro-Russian' and 'pro-European' have proven unhelpful in a country where oligarchic structures are particularly strong, and where the majority of citizens are primarily concerned about widespread corruption and poverty. Lately, the EU has strengthened conditionality and begun to shift financial assistance away from the government towards other stakeholders of reform. This has helped to restore the EU's reputation and support for European integration among citizens is on an ascending trajectory again. The constitutional crisis in June 2019 brought a new government to power and offered a chance for a 'reset' in EU-Moldova relations. The value-based part of the *acquis* – in particular regarding the judiciary and fundamental rights – needs to be a priority in future EU engagement in Moldova.

Interestingly, the Georgian case highlights the importance of the EU's role as a standard-setter after the years of Singapore-style minimum regulation. The biggest challenge for **Georgia** continues to be its

economic model: the country has experienced some growth but little economic diversification and development. Despite the Association Agreement (AA) and DCFTA, trade with the EU is not growing as rapidly as was expected and unemployment remains very high. More positive effects of the EaP have been seen in the tourism industry as mobility has increased and Georgia has become more connected to Europe and the world. In the future, the EU needs to consider ways in which it can best support the increase in the competitiveness of Georgian business and its capacity to reach European markets.

Among the non-associated partner states, **Armenia** stands out positively at least for now. The Armenia-EU relationship seems to have found a new equilibrium after several years of soul searching. Armenia pulled out of the AA/DCFTA negotiations at the last minute and joined instead the Russian-dominated Eurasian Economic Union (EAEU) in 2015. Despite this, Armenia still sees the EU as a major partner in pursuing reforms and wants to utilise the existing potential of cooperation with the EU – as codified in the new Comprehensive and Enhanced Partnership Agreement (CEPA) – to the full extent. The EU is the biggest donor in Armenia and its efforts have not gone unnoticed: the majority of Armenian citizens and policy-makers alike regard the EU as a trustworthy organisation and view the EaP with optimism. In the coming decade, the EU can make a difference in Armenia by supporting democratic reforms and economic development.

**Belarus** has institutionally the weakest relationship with the EU; it does not have even a framework Agreement with the EU although Europe is Belarus's second-biggest trading partner. The multilateral track of the EaP served as a valuable channel of communication with the EU when bilateral contacts were downgraded. The Ukrainian war changed calculations on both sides. After Belarus released some political prisoners and conducted parliamentary elections, the EU abolished most of the sanctions it had put in place before and formulated a new policy of 'critical engagement': *rapprochement* without sacrificing values. The Ukrainian crisis pushed Minsk to strengthen the European 'vector' in its foreign policy and to seek the

normalisation of EU-Belarus relations. Despite some progress in bilateral relations, Belarus yearns for faster normalisation and deeper co-operation, including within the EaP framework.

In **Azerbaijan**, the elite's perception of the EU has evolved from a mildly positive one to disappointment. Baku tried to capitalise on its role as energy supplier to Europe to put the relationship on a more pragmatic footing and garner the EU's support for its stance on Nagorno-Karabakh. But this strategy did not work as planned: the EU has not given up on the normative dimension in its approach towards Azerbaijan and has avoided taking sides in the Nagorno-Karabakh conflict. Recently Baku seems to have switched gears; it has agreed on partnership priorities and pushed for a new framework agreement with the EU. It also has shown interest in EU assistance that can help to diversify its resource-based economy. In the coming decade, the EU needs to engage more closely with local civil society in order to develop tailor-made programmes for Azerbaijan and to monitor the implementation of the partnership priorities.

The case studies and the regional megatrends point towards adaptation of the EaP in such a manner that it can effectively address both enduring and new challenges and capitalise on opportunities. Firstly, the EaP needs to embrace 'smart' differentiation without compromising the multilateral framework which remains an important source of reference and inspiration in particular for the three non-associated partners. Secondly, in addition to civil society actors, the EU need to reach out to the constituencies likely to support European integration such as business communities, young people and the diasporas as well as to those groups that may be more reticent, such as national minorities and the church. Thirdly, the agenda for the EaP for the next decade should factor in not only Russia's role but also the growing influence of other regional powers in the neighbourhood. The EaP needs to acknowledge more fully the growing security interdependencies between the eastern neighbours and the EU. Finally yet importantly, the communication strategy requires further improvement, in particular the part which deals with the European audience. A message that needs to be communicated clearly is that, although it is not problem-free, the EaP benefits both the eastern neighbourhood and the EU.

## CHAPTER 6

# ARMENIA

## Striving for complementarity

by

**MIKAYEL HOVHANNISYAN**

Armenia-EU relations have evolved gradually, but steadily, from relative unfamiliarity in the 1990s towards a greater degree of mutual understanding and engagement. The signing of the Partnership and Cooperation Agreement (PCA) in 1996 and Armenia's integration into the European Neighbourhood Policy (ENP) in 2004 were the first steps on this path.<sup>1</sup> They gave Armenia the opportunity to become familiar with the EU's values and principles and to receive significant assistance from Brussels. With the launch of the Eastern Partnership (EaP) in 2009, Armenia was offered a format for even closer integration with the EU. Although Armenia swiftly initiated steps to seize all the benefits of the EU's new offer, the intervention of Russia, proposing the Eurasian Economic Union (EAEU) as an alternative regional project, derailed this process. In the end, Armenia joined the EAEU and, because of this, the EU and Armenia had to recalibrate bilateral relations and find ways to conclude a new, but less ambitious, framework agreement. The 2018 Velvet Revolution raised hopes that relations with the EU could be intensified, within the limits imposed by EAEU membership and the country's security imperatives.

This chapter aims to provide a detailed analysis of EU-Armenia relations under the EaP framework. It first explains how and why Armenia's stance towards the EaP initiative fluctuated over the last decade, and then proceeds with an analysis of the EaP's failures and achievements in Armenia. The chapter concludes with some thoughts on Armenia's expectations *vis-à-vis* the EaP in the coming decade.

## ARMENIA'S ZIGZAGS

The past 10 years of the EaP have been a bumpy road for Armenia and its relationship with the EU: characterised by high hopes, disappointments and U-turns. Retrospectively, this period can be divided into three phases, namely the pre-accession to the Russian-led EAEU, the period of reflection and the Comprehensive and Enhanced Partnership Agreement (CEPA) negotiations period. During the first phase (2009–2013), Armenia worked towards a more ambitious agenda, based on the expectation that the Association Agreement (AA), encompassing a Deep and Comprehensive Free

<sup>1</sup> European Community, "Partnership and Cooperation Agreement between the European Communities and the Republic of Armenia", L 239/3, Brussels, September 9, 1999, [https://eeas.europa.eu/sites/eeas/files/eu-armenia\\_partnership\\_and\\_cooperation\\_agreement\\_en.pdf](https://eeas.europa.eu/sites/eeas/files/eu-armenia_partnership_and_cooperation_agreement_en.pdf).

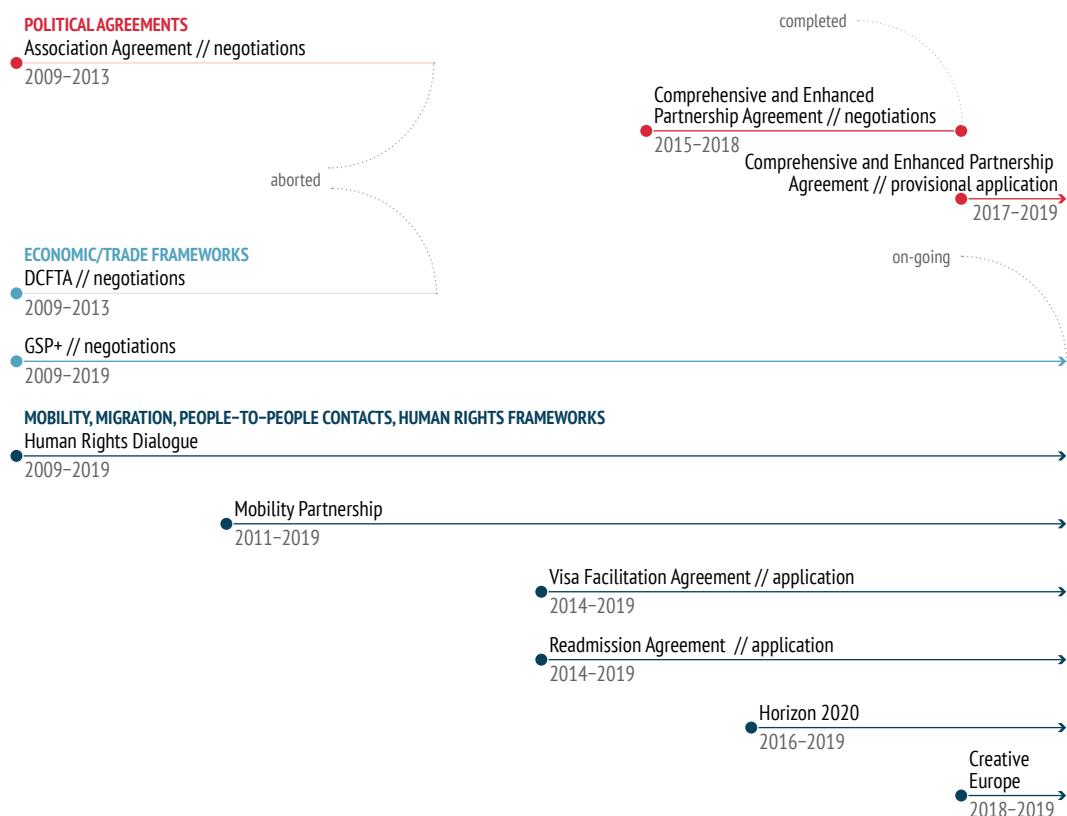
Trade Area (DCFTA), would be signed. The period between September 2013 (when Armenia joined the EAEU) and 2015 was also an important phase since it was a period of reflection when the country developed an understanding of the ‘red lines’ demarcating the two different integration formats, the EU and the EAEU. This period also gave the country pause to reflect on the opportunities that would be available to Armenia as a result of being affiliated to either of the integration frameworks. Finally this period was important for internal political processes due to the fact that the authorities lost a significant amount of their external political legitimacy and support. The third phase (2015–present) unfolded after the opening of a new round of negotiations between Armenia and the EU and was aimed at identifying the

new agenda, one which however provided narrower scope for bilateral cooperation due to Armenia’s membership in the EAEU.

## Early enthusiasm

With the launch of the EaP in 2009, Armenia was offered a closer integration format with the EU. In addition to the bilateral relationship, the format also offered a multilateral platform for the six post-Soviet states participating in the EaP. It included the opportunity for even closer integration into the European market and better mobility, for those countries eligible to sign the AA and DCFTA. Armenia’s political class and civil society enthusiastically embraced the EaP. There were several reasons for this attitude.

**FIGURE 1 | EU agreements and frameworks with Armenia**  
since 2009



The EaP was initiated during an extremely problematic period for Armenia in terms of domestic politics. Mass demonstrations took place after the presidential elections in February 2008, leading to clashes between supporters of the opposition on one hand and the police and army on the other. This resulted in the killing of ten people, in mass arrests, political repression and a deep political crisis.<sup>2</sup> Due to these discredited elections and a critically low level of public trust, the newly elected president Serzh Sargsyan was desperately lacking in legitimacy. In turn, the only way to compensate for the lack of internal support was through external political engagements with global and regional actors that would portray him as being successful in the negotiating of international agreements. Fortunately for Sargsyan, two such occasions appeared almost simultaneously: first, an official dialogue between Armenian and Turkish authorities was launched via what was afterwards dubbed ‘football diplomacy’ and resulted in the signing of the Zurich Protocols, supported by the US, the EU and Russia.<sup>3</sup> Then, in May 2009, Armenia joined the EaP – an ambitious project aimed at a better approximation of the EU’s eastern neighbours to its legal, economic and political standards.

In addition to compensating for the low legitimacy ratings of the then president, the EaP gave Armenia new opportunities in terms of foreign policy too. As a landlocked country in

## **A s a landlocked country in a geopolitically challenging neighbourhood, Armenia has had a strong tradition of conducting a ‘multi-vector’ foreign policy.**

a geopolitically challenging neighbourhood (2 of Armenia’s 4 borders with its neighbours are closed), and with significant diasporas outside its territory, Armenia has had a strong tradition of conducting a ‘multi-vector’ foreign policy, or what was called ‘complementarity’ back in 2007.<sup>4</sup> This entails a constant balancing act between global and regional powers, with the aim of safeguarding Armenia’s security and economic development. Therefore, the EaP was received positively and seen as an opportunity to deepen economic relations with the EU states, as well as with other EaP countries.<sup>5</sup> It was also considered as a long-awaited chance to counterbalance Russia’s political and economic leverage over Armenia, which had increased significantly during the presidency of Robert Kocharyan (1999–2009). This was particularly due to the ‘property in exchange for debt’ programme whereby Armenia transferred control of key state assets and strategic infrastructure to Russia in exchange for the Kremlin writing off part of the country’s debt.<sup>6</sup>

Moreover, the Armenian expert community and civil society hoped that the EaP would help in promoting reforms and democratic norms in the country, in particular regarding the protection of human rights, the fight against corruption, and justice sector reform. The EaP initiative was seen as an exceptional opportunity to boost these reforms in the country, since the financial support provided to the Armenian government by the EU was conditioned on the

<sup>2</sup> Human Rights Watch, “Democracy on Rocky Ground”, February 25, 2009, <https://www.hrw.org/report/2009/02/25/democracy-rocky-ground/armenias-disputed-2008-presidential-election-post-election>.

<sup>3</sup> “Turkey, Armenia Sign Landmark Agreement To Normalize Ties”, RFERL, October 10, 2009, [https://www.rferl.org/a/Turkey\\_Armenia\\_To\\_Sign\\_Landmark\\_Agreement\\_To\\_Normalize\\_Ties/1848293.html](https://www.rferl.org/a/Turkey_Armenia_To_Sign_Landmark_Agreement_To_Normalize_Ties/1848293.html).

<sup>4</sup> Alexander Markarov and Vahe Davtyan, “Post-Velvet Revolution Armenia’s Foreign Policy Challenges”, *Demokratizatsiya*, vol. 26, no. 4 (2018), pp. 531–46.

<sup>5</sup> “Is Armenia Testing a New Foreign Policy Concept?”, ANI Armenian Research Center, February 2, 2018, <https://www.anirc.am/2018/02/02/is-armenia-testing-a-new-foreign-policy-concept/>.

<sup>6</sup> Emil Danielyan, “Russian Parliament Ratifies Debt Deal With Armenia”, RFERL, May 14, 2003, <https://www.azatutyun.am/a/1571472.html>; Vladimir Socor, “Armenia’s Giveaways to Russia: From Property-for-Debt to Property-for-Gas”, *The Jamestown Foundation*, April 19, 2006, <https://jamestown.org/program/armenias-giveaways-to-russia-from-property-for-debt-to-property-for-gas/>

progress registered in the reform implementation process.<sup>7</sup> In the 2010s, the EaP showed its value in facilitating the promotion of reforms when Armenian civil society used EaP channels to pressure the government on violations of the rule of law, freedom of movement and assembly and the freedom of the media. The Armenian public mirrored this initial enthusiasm too: trust in the EU soared from 31% in 2009 to 37% in 2011.<sup>8</sup>

## Major setback

The state of Russian-Armenian relations and particularly cooperation in the sphere of security has always been perceived as an important factor to be borne in mind when evaluating the impact of the EaP and Armenia-EU cooperation. Since signing a bilateral treaty in 1995, Russia has had a military presence on Armenian soil, patrolled Armenia's border with Iran and Turkey and supplied Armenia with military equipment at preferential prices. In 2010, this agreement was deepened and extended until 2044.<sup>9</sup> Armenia is also part of the Russian-led Collective Security Treaty Organisation (CSTO), which envisions a security clause in the event of external aggression.<sup>10</sup> Overall, Russia is considered to be an important element in Armenia's national security.

Before 2013, there had been no signs that Russia would try to derail Armenia's association process with the EU. However, tensions between Armenia and Russia began to grow in spring 2013, when it was officially announced that

the AA and DCFTA negotiations had been concluded. In response, Russia started to increase its pressure on Armenia through three major tools: the strong Russian economic presence in Armenia; the presence of Armenian working migrants in Russia; and the Nagorno-Karabakh conflict.<sup>11</sup>

Russia has a significant economic presence in Armenia. It owns a large portion of Armenia's strategic infrastructure, such as factories and companies in the energy and telecommunications sectors.<sup>12</sup> Through its economic presence, Russia possesses strong leverage over the Armenian authorities and Armenian society at large. This is the case with regard to energy prices, for example: the mass protest that occurred in the summer of 2015, known as 'Electric Yerevan', was sparked by a 17% hike in electricity tariffs – a price increase that was determined by the Russian company Inter RAO, which owned the electricity distribution network in Armenia at the time.<sup>13</sup> Inter RAO is in turn led by individuals close to the Russian leadership, so the Kremlin has access to channels through which it can exert influence.

Migration, particularly when it concerns migrants illegally working in Russia, is another instrument of pressure. In response to the expected signing of the Association Agreement between Armenia and the EU, Russia threatened to deport illegal migrants back to Armenia, which would have increased internal pressure on the government and had a negative impact on the economy in a country where a significant part of the population is strongly dependent on remittances sent by migrants working abroad.

<sup>7</sup> This opinion was expressed by many Armenian civil society experts during meetings with various EU representatives.

<sup>8</sup> Caucasus Research Resource Center, "Trust Towards EU 2009", <https://caucasusbarometer.org/en/cb2009am/TRUSTEU/>; Caucasus Research Resource Center, "Trust towards EU 2011", <https://caucasusbarometer.org/en/cb2011am/TRUSTEU/>

<sup>9</sup> Breffni O'Rourke, "Russia, Armenia Sign Extended Defense Pact", RFERL, August 20, 2010, [https://www.rferl.org/a/Russian\\_President\\_Medvedev\\_To\\_Visit\\_Armenia/2131915.html](https://www.rferl.org/a/Russian_President_Medvedev_To_Visit_Armenia/2131915.html).

<sup>10</sup> J.H. Saat, "The Collective Security Treaty Organization", Conflict Studies Research Centre, February 2005, [https://www.files.ethz.ch/isn/92581/05\\_Mar.pdf](https://www.files.ethz.ch/isn/92581/05_Mar.pdf).

<sup>11</sup> "Nagorno-Karabakh Profile", BBC, April 6, 2016, <https://www.bbc.com/news/world-europe-18270325>.

<sup>12</sup> Aram Terzyan, "The Anatomy of Russia's Grip on Armenia: Bound to Persist?", CES Working Papers, vol. 10, no. 2 (2018), [http://www.ceswp.uaiic.ro/articles/CESWP2018\\_X2\\_TER.pdf](http://www.ceswp.uaiic.ro/articles/CESWP2018_X2_TER.pdf).

<sup>13</sup> Nona Shahnazarian, "Here is Not Maidan, Here is Marshal Baghramian: The Electric Yerevan Protest Movement and its Consequences", PONARS Policy Memo, no.413, January, 2016, [http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm413\\_Shahnazarian\\_Jan2016\\_0.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm413_Shahnazarian_Jan2016_0.pdf).

In the case of Armenia, around 80% of these remittances come from Russia.<sup>14</sup>

Finally, the Nagorno-Karabakh conflict, and Russia's role as a potential catalyst for the escalation of the conflict, was probably the strongest instrument of pressure that Moscow brought to bear on the Armenian authorities and on society in general. Pressure from Russia resulted in Serzh Sargsyan's decision to withdraw from signing the AA and DCFTA; instead Armenia joined the Russia-led EAEU in 2015.

## Rebuilding complementarity

After joining the EAEU, Armenia needed to reformulate its multi-vector foreign policy and its approach towards the EU. As an alternative to the 'either or'<sup>15</sup> approach Sargsyan called for 'integration to both', indicating Armenia's willingness to cooperate with the EU as far as this was possible within the limits of EAEU membership. Armenia's determination to find a new *modus vivendi* with the EU was fuelled by evolving views on Russia: the perception of Russia's exceptional role as a security guarantor started to change, in particular after the so-called Four-Day War in April 2016 – the strongest escalation of the Nagorno-Karabakh conflict ever since the ceasefire was signed.<sup>16</sup> One of the major concerns among the Armenian public in this respect was the fact that Azerbaijan was using weapons, bought from Russia throughout the past decade, against Armenia. This fact has put the strategic partnership between Armenia and Russia, as well as the effectiveness of the CSTO, under question among the public at large. Accordingly, as

reported in one opinion poll, 51.4% believe that Russia has had a negative impact on the conflict in Nagorno-Karabakh, while 59.4% did not expect the CSTO to provide help in the event of Armenia going to war with Azerbaijan.<sup>17</sup>

After two years of negotiations, Armenia was finally able to clinch a new deal with the EU in 2017, called the Comprehensive and Enhanced Partnership Agreement (CEPA).<sup>18</sup> This preserved many elements of the AA, but excluded the DCFTA component, as this was incompatible with Armenia's membership in the EAEU. The question in 2017 was subsequently whether there was enough political will in Yerevan to implement the accord. As it turned out, the commitments made by the previous Armenian authorities in this context actually had a significant impact in highlighting the discrepancy between these promises and the uninspiring reality of the Serzh Sargsyan regime. It could even be argued that this, combined with other existing factors (corruption, bad governance, lack of democracy, poor economic performance), influenced the events of Spring 2018 and resulted in a change of government in the country. The peaceful transfer of power, known as the Armenian Velvet Revolution, once again renewed hopes for comprehensive reforms in the country.

From the outset, the leader of the protests, and later prime minister, Nikol Pashinyan, and his team insisted that the country's foreign policy course would stay the same. Indeed, the transitional government programme, unveiled before the elections, confirmed the aim to simultaneously develop relations with all major international partners. The difference in foreign policy with that of previous governments was claimed

<sup>14</sup> Marianna Grigoryan, "Armenia Faces Cash-Crunch as Russian Remittances Slump", Eurasianet, April 9, 2015, <https://eurasianet.org/armenia-faces-cash-crunch-as-russian-remittances-slump>.

<sup>15</sup> Naira Hayrumyan, "And-and vs. either-or: Armenia says EU Free Trade Area, Customs Union Not A Dilemma Yet", [https://www.armenianow.com/commentary/analysis/47283/armenia\\_european\\_union\\_eurasian\\_russia\\_customs](https://www.armenianow.com/commentary/analysis/47283/armenia_european_union_eurasian_russia_customs).

<sup>16</sup> "Armenian Public Overviews its Attitude Towards Russia", Aravot, September 14, 2017, <https://www.aravot-en.am/2017/09/14/199734/>; "Armenia-Backed Forces Report 97 Dead in Nagorno-Karabakh Fighting", Reuters, April 14, 2016, <https://www.reuters.com/article/us-nagorno-karabakh-armenia-casualties-idUSKCN0XBOEB>.

<sup>17</sup> Tatev Harutyunyan, "66.71% of Armenian Society Ties Armenia's Future to EU Membership: Survey", Aravot, February 1, 2019, <https://www.aravot-en.am/2019/02/01/231106/>.

<sup>18</sup> Council of the European Union, "Armenia Comprehensive and Enhanced Partnership Agreement", 2017/0238, Brussels, September 25, 2017, [https://eeas.europa.eu/sites/eeas/files/eu-armenia\\_comprehensive\\_and\\_enhanced\\_partnership\\_agreement\\_cepa.pdf](https://eeas.europa.eu/sites/eeas/files/eu-armenia_comprehensive_and_enhanced_partnership_agreement_cepa.pdf).

to be ‘qualitative’ rather than be a significant change in fundamental orientation. In practice, this means that Armenia aims to utilise the existing potential of cooperation frameworks with both Russia and the EU to their full extent.

Nevertheless, the prime minister has stated that there is much room for improvement in terms of the country’s membership of both the EAEU and the CSTO, and that Armenia intends to address these issues. More concretely, Pashinyan has stated that the positions of the CSTO member states on security issues need to be harmonised.<sup>19</sup> The prime minister has also mentioned that there remain significant barriers to trade within the EAEU and that one of the major aims of the EAEU member states should be to overcome these barriers.

In parallel with this, the new government has announced that the effective implementation of the CEPA, as well as intensifying talks on visa liberalisation with the EU, are among its top priorities. The prime minister has constantly emphasised the importance of the CEPA for reforms in Armenia. During his meeting with the EU’s Special Envoys for the Eastern Partnership in February 2019, Pashinyan underlined: ‘The Comprehensive and Enhanced Partnership Agreement is the main instrument of our cooperation, and Armenia is fully committed to its implementation. This is a landmark strategic document, which provides effective mechanisms for advancing both our partnership with Europe and the reforms in our country.’<sup>20</sup> The government’s policy aimed at deepening relations with the EU can also count on broad popular support: in a Gallup public poll, 79% of respondents consider the conclusion of the CEPA with the EU a

positive development.<sup>21</sup> According to another survey, almost 87% believe that the government should focus on further developing relations with the EU.<sup>22</sup> Even more noteworthy is the fact that when asked which institution they trust (a question with multiple possible answers), the EU came in first place with 70%, whereas the EAEU trailed far behind with 48%.<sup>23</sup> It seems that the Armenian public are quite critical of the process by which Armenia was steered towards joining the EAEU rather than integrate further with the EU.

## MISSES, HITS AND OPPORTUNITIES

The enthusiasm with which Armenia engaged with the EaP programme fluctuated from time to time and the decision to rescind from the association process still casts a shadow on bilateral relations. However, the evaluation of the achievements of the EaP in the case of Armenia are still primarily positive.

### Learning curve

The first phase of Armenia’s involvement in the EaP can be considered a process of familiarisation with EU norms and standards. Back in 2009, at all levels in Armenia there was very little knowledge about the EU, its values and institutions. Now, having been involved in the EaP for ten years, Armenia has become much more experienced in communicating and interacting with various EU institutions. In this

<sup>19</sup> Aza Babayan, “Pashinyan: ODKB – ochen’ vazhnaya organizatsiya dlya Armenii” [Pashinyan: the CSTO is a very important organisation for Armenia], RFERL, December 5, 2018, <https://rus.azatutyun.am/a/29639464.html>.

<sup>20</sup> The Prime Minister of the Republic of Armenia, “PM Receives EU Special Envoys for Eastern Partnership”, February 12, 2019, <http://www.primeminister.am/en/press-release/item/2019/02/12/Nikol-Pashinyan-meeting/>

<sup>21</sup> Siranuysh Gevorkyan and Sargis Arutyunyan, “Gallup Organisation: Bol’shinstvo grazhdan Armenii nastroeni optimistichno v plane budushego strani i pravistel’stvo Pashinyana” [Gallup Organisation: The majority of Armenian citizens are optimistic about the future of the country and the government of Pashinyan], RFERL, November 27, 2018, <https://rus.azatutyun.am/a/29623822.html>.

<sup>22</sup> Harutyunyan, “66.71% of Armenian Society Ties Armenia’s Future to EU Membership: Survey”, Aravot, February 1, 2019.

<sup>23</sup> EU Neighbours – East, “Annual Survey Report: Armenia”, June 2018, [https://www.euneighbours.eu/sites/default/files/publications/2018-07/EU%20NEIGHBOURS%20east\\_AnnualSurvey2018report\\_ARMENIA.pdf](https://www.euneighbours.eu/sites/default/files/publications/2018-07/EU%20NEIGHBOURS%20east_AnnualSurvey2018report_ARMENIA.pdf).

sense, the EaP has been important from an educational point of view. The negotiations of the AA and DCFTA, which were monitored by civil society and covered by the media, significantly increased knowledge about the EU among the public. At the same time, Armenian state officials who were involved in the negotiations as well as civil society actors involved in the monitoring process, have gained first-hand knowledge about the functioning of the EU and the logic of working with it. This subsequently made the process of negotiating the CEPA more efficient and smoother. Since the new framework agreement was essentially an ‘Association Agreement – minus’, consisting of major parts of the AA, but excluding the components that would conflict with Armenia’s commitments as an EAEU member state, the participants were already familiar with the main principles and were well prepared. Now, looking back with a decade’s hindsight, we can conclude that Armenia’s bureaucratic apparatus has accumulated invaluable knowledge and experience in dealing with the EU, which would not have been possible, or would have taken more time, were it not for the EaP. Apparently, this experience did not only serve Armenia well in negotiations with the EU, but had at least one other unintended effect: arguably, the DCFTA talks also prepared Armenian negotiators for dealing more confidently with the Eurasian Economic Commission. This way, Yerevan was able to extract at least some more favourable terms (e.g., longer transition periods to adjust to common customs tariffs) from an otherwise forced accession to the EAEU.<sup>24</sup>

## Still the major donor

In spite of Armenia’s oscillating approach towards European integration, the EU remained by far the country’s biggest international donor throughout the last decade, providing much needed technical and financial assistance in various fields. According to a study conducted by the Union of Informed Citizens between 2007 and 2014, the EU, its member states and European financial institutions provided approximatively 51% of all international aid to Armenia. In second place came the US with 32%.<sup>25</sup> The situation has not changed since then; between 2016 and 2018, the EU remained the major international donor in Armenia.<sup>26</sup> For the year 2019, the EU plans to increase assistance once more, by up to 25%.<sup>27</sup> Moreover, the discussions on organising an international donors conference for Armenia (which was postponed in 2012) is back on the EU-Armenia agenda.<sup>28</sup> If it goes ahead, such a conference might generate additional resources, necessary to support the economic development of Armenia in the long run.

The EU’s financial assistance targets various fields such as energy efficiency, nuclear security, education, public transportation, justice, agriculture, innovation and access to basic public services. In 1995, Armenia restarted work on the second unit of the Metsamor Nuclear Power Plant (commissioned in 1976), which covers 40% of the country’s electricity needs.<sup>29</sup> Its re-opening was preceded by an evaluation by international experts and a set of

<sup>24</sup> Eurasian Economic Union, “Treaty on the Accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union”, May 29, 2014, [https://docs.eaeunion.org/docs/en-us/0017354/itia\\_11102014\\_doc.pdf](https://docs.eaeunion.org/docs/en-us/0017354/itia_11102014_doc.pdf); Veronika Movchan and Michael Emerson, “The Eurasian Economic Union’s Problematic Customs Union”, 3 DCFTAs, January 11, 2018, [http://www.3dcftas.eu/system/tdf/The%20Eurasian%20Economic%20Union\\_0.pdf?file=1&type=node&id=411](http://www.3dcftas.eu/system/tdf/The%20Eurasian%20Economic%20Union_0.pdf?file=1&type=node&id=411).

<sup>25</sup> “V 2007 – 2014 godakh ES i SSHA predostavili Pravitel’stvu RA grantov na summu 450 millionov dollarov SSHA” [In the years 2007 – 2014, the EU and US provided £450 million in grants to the government of the RA], Union of Informed Citizens, August 31, 2015, <https://uicarmenia.org/ru/915>.

<sup>26</sup> Union of Informed Citizens, “Granti pravitel’stva Armenii na 2018 god” [Armenian government grants for 2018], February 9, 2018, <https://uicarmenia.org/ru/4189>.

<sup>27</sup> “EU to Increase Financial Assistance for Armenia by 20–25% This Year”, Arka News Agency, February 26, 2019, [http://arka.am/en/news/politics/eu\\_to\\_increase\\_financial\\_assistance\\_for\\_armenia\\_by\\_20\\_25\\_this\\_year\\_/](http://arka.am/en/news/politics/eu_to_increase_financial_assistance_for_armenia_by_20_25_this_year_/)

<sup>28</sup> Anna Karapetyan, “Otnosheniya Evrosouza i Armenii aktiviziruyutsya” [Relations between the European Union and Armenia are becoming more active], Armedia, January 31, 2019, <https://armedia.am/rus/news/67486/otnosheniya-evrosouza-i-armenii-aktiviziruyutsya.html>.

<sup>29</sup> “The Uncertain Fate of Armenia’s Nuclear Power Plant”, The Armenian Weekly, October 20, 2017, <https://armenianweekly.com/2017/10/20/uncertain-fate-armenias-nuclear-power-plant/>

measures to enhance the security of the plant was drafted. From 1995 on, the EU has provided funds to ensure nuclear security. In total, the EU has covered 29% of the funds provided by international donors for this purpose since 1995 (only second to the US, which has a share of 34%).<sup>30</sup> Thus, the EU assistance helped to extend the life of the nuclear reactor until 2027 and contributed to guaranteeing Armenia's energy security. Furthermore, the EU is an essential donor in other domains as well: It provided €10 million for the modernisation of the metro in Yerevan and made €26 million available for science, research and innovation.<sup>31</sup> The European Investment Bank (EIB) pledged €7 million to support energy efficiency and waste management projects in Yerevan.<sup>32</sup> Armenia is also set to benefit from €732 million of financial assistance from the EU and World Bank for infrastructure development until 2030.<sup>33</sup>

In recent years there has been an increase in awareness among Armenian citizens about the aid provided by the EU. One survey shows that the number of those who are aware of the EU's assistance went up from 62% in 2016 to 69% in 2018. 66% of respondents found that this assistance has been effective, up 4% from 2016. When asked about particular fields in which they have observed the EU's contribution, education, agriculture and health care were among the most mentioned.<sup>34</sup>

## Trade and the GSP+ effect

Trade relations between Armenia and the EU have grown significantly over the last few years. A comparison of imports and exports between the EU and Armenia is illustrative: the 2009 data shows that imports to Armenia were approximately equal to €535 million and exports approximately €161 million, whereas in 2018 imports grew to approximately €864 million and exports to approximately 373 million.<sup>35</sup> In 2018, Armenia's total trade turnover with the EU states increased by 19%. Yet in this case, it should be noted that the increase can be ascribed to greater imports rather than exports from Armenia. Among the EU states, the highest volume of trade turnover was registered in Germany, increasing by 28% as compared to 2017.<sup>36</sup> It is noteworthy that the EU remains the main export market for Armenian producers (28.4%), three years after the country joined the EAEU.<sup>37</sup>

The General Scheme of Preferences Plus (GSP+) that the EU granted to Armenia in 2009 powered the burgeoning trade relations over the last decade. Under the GSP+, Armenia can export products duty-free for 6,291 out of 9,655 of the EU's product classifications.<sup>38</sup> Thanks to the programme, the total value of preferential imports from Armenia into the EU increased from €42 million in 2014, to €108 million in 2016 alone. Similarly, the utilisation rate of the

<sup>30</sup> "Granti poluchenniye Armyanskoy AES" [Grants received by the Armenian nuclear power plant], August 2, 2017, <https://uicarmenia.org/ru/3516>.

<sup>31</sup> EU Neighbours – East, "Dlya ES Armeniya yavlyayetsya ne posto sosedom, a chastyu evropeyskoy sem'i" [For the EU, Armenia is not just a neighbour, but a part of the European family], September 6, 2016, <https://www.euneighbours.eu/ru/east/eu-in-action/stories/dla-es-armenia-avlatsa-ne-prosto-sosedom-castu-evropeiskoi-semi>; "ES predostavit Armenii 26 mln yevro na innovatsii" [EU will provide Armenia with 26 mln euro for innovations], *Sinkhuya Novosti*, December 14, 2018, [http://russian.news.cn/2018-12/14/c\\_137672547.htm](http://russian.news.cn/2018-12/14/c_137672547.htm).

<sup>32</sup> European Investment Bank, "Armenia: EIB Targets Energy Efficiency and Solid Waste Infrastructure", December 1, 2017, <https://www.eib.org/en/infocentre/press/releases/all/2017/2017-344-eib-targets-energy-efficiency-and-solid-waste-infrastructure-in-armenia.htm>.

<sup>33</sup> "Kharakter poluchayemogo ot ES finansirovaniya i sravneniye s drugimi stranami VP" [The nature of funding received from the EU and comparison with other EaP countries], *Union of Informed Citizens*, January 23, 2019, <https://uicarmenia.org/ru/5406>.

<sup>34</sup> EU Neighbours – East, "Annual Survey Report: Armenia."

<sup>35</sup> European Commission, "European Union Trade in Goods with Armenia", [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_armenia\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_armenia_en.pdf).

<sup>36</sup> "EU-Armenia Trade Turnover Grows by 19%: GSP+ System Contributes to Facilitation of Export", *Tert.am*, February 20, 2019, <https://www.tert.am/en/news/2019/02/20/arm-eu/2926966>.

<sup>37</sup> European Commission, "European Union Trade in goods with Armenia".

<sup>38</sup> Enterprise Europe Network, "EU Generalised System of Preferences GSP+ Armenia", [http://eenarmenia.am/en/multicontent/usefull\\_links/252/](http://eenarmenia.am/en/multicontent/usefull_links/252/)

GSP+ grew from 90% in 2014 to 93% in 2016.<sup>39</sup> In this respect, the existence and extension of the GSP+ can compensate to some extent for the failure to sign the DCFTA, at least before a better and more sustainable option is found. What however has not changed much over the years are the main items of export. Currently, under the GSP+ Armenia exports metals and mineral ore (80%), textiles (17%), crayfish, juices, jams and other processed food (1.5 %), tobacco (0.8%), and clocks (0.4%).<sup>40</sup> Therefore, Armenia's exports structure has not yet been diversified, a problem that still needs to be addressed in the coming years.

## Mobility on the rise

One of the most significant perceived benefits of the EaP has been the perspective of a visa-free regime between Armenia and the EU. Mobility has always been an important issue for Armenian society, due to its significant diaspora and history of labour migration. In this respect, the signings of the Mobility Partnership<sup>41</sup> (2011), Visa Facilitation Agreement<sup>42</sup> (December 2012) and Readmission Agreement<sup>43</sup> (April 2013) were considered great achievements. In addition to reducing the visa application fee, visa facilitation has contributed to the rise in the number of visas issued to Armenian citizens.

The available statistics show that whereas in 2015 50,590 people received a Schengen visa, in 2017 this number increased to 57,601. Another positive development is the increasing number of multiple entry visas (MEVs) issued: these increased from 20% in 2015 to 26.2% in 2017. Despite this positive trend, the visa refusal rate has remained high, in the range of 12%.<sup>44</sup> Additionally, a comprehensive evaluation of the application of the visa facilitation agreement unveiled shortcomings in its implementation. Resolving these issues, and further harmonising the visa requirements and procedures would significantly boost the benefits of the visa facilitation agreement for Armenian citizens.<sup>45</sup>

The second engine behind increasing mobility, in the case of young people, is access to the Erasmus Mundus and Erasmus+ programmes. Between 2004 and 2014, 800 students from Armenia made use of Erasmus Mundus. The number of people availing of Erasmus+ has been constantly expanding too; from 300 students and teachers in 2015 to 577 beneficiaries in 2017. It is worth noting that student and teacher mobility between Armenia and the EU has worked both ways. More students and academics from Europe travelled to Armenia under Erasmus+ as well, increasing from 67 in 2015 to 311 in 2017. Overall, in the period 2015–2017, Armenia became the third-biggest beneficiary

<sup>39</sup> European Commission, "The EU Special Incentive Arrangement for Sustainable Development and Good Governance ('GSP+') Assessment of Armenia Covering the Period 2016 – 2017", SWD(2018) 23, Brussels, January 19, 2018, [http://trade.ec.europa.eu/doclib/docs/2018/january/tradoc\\_156537.pdf](http://trade.ec.europa.eu/doclib/docs/2018/january/tradoc_156537.pdf).

<sup>40</sup> European Commission, "EU Generalised System of Preferences GSP+ Armenia", July 2017, <http://eenarmenia.am/files/uploads/2017/07/756-edab78872030cbc391ba1325252b441e5.pdf>.

<sup>41</sup> Council of the European Union, "Joint Declaration on a Mobility Partnership between the European Union and Armenia", 14963/11, Brussels, October 6, 2011, [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/international-affairs/global-approach-to-migration/specific-tools/docs/mobility\\_partnership\\_armenia\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/international-affairs/global-approach-to-migration/specific-tools/docs/mobility_partnership_armenia_en.pdf).

<sup>42</sup> European Union, "Agreement between the European Union and the Republic of Armenia on the Facilitation of the Issuance of Visas", L 289/2, Brussels, October 31, 2013, [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22013A1031\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22013A1031(01)&from=EN).

<sup>43</sup> European Union, "Agreement between the European Union and the Republic of Armenia on the Readmission of Persons Residing without Authorisation", L 289/3, October 31, 2013, [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22013A1031\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22013A1031(02)&from=EN).

<sup>44</sup> Schengen Visa Info, "Schengen Visa Statistics by Third Country – 2015", April 19, 2016 <https://www.schengenvisainfo.com/statistics/schengen-visa-statistics-third-country-2015/>; Schengen Visa Info, "Schengen Visa Statistics by Third Country – 2017", April 10, 2018, <https://www.schengenvisainfo.com/statistics/visa-statistics-third-country-2017/>

<sup>45</sup> Stepan Grigoryan and Nikolay Israyelyan, "Monitoring Report: Agreement between the European Union and the Republic of Armenia on the Facilitation of the Issuance of Visas (4th monitoring)", European Neighbourhood Council, July 2018, <http://www.encouncil.org/wp-content/uploads/2018/07/Analysis-of-the-Facilitation-of-the-Issuance-of-Visas-as-part-of-EU-Armenia-Relations.pdf>.

(after Ukraine and Georgia) of the Erasmus+ programme in the EaP countries.<sup>46</sup>

## Incentives and conditionality

One of the most important aspects of the EU-Armenia cooperation agenda is conditionality – the attachment of conditions to assistance, linking economic benefits with the requirement to implement various reforms. In this respect, both GSP+ and visa facilitation are extremely important, not only because of their direct impact on the economy and on mobility (in the form of lower visa fees, simplified application procedures, etc.) but because of the reforms that are connected to the assistance. Under the GSP+ scheme for example, Armenia committed itself to ratifying and/or implementing 27 international conventions, covering issues of fundamental human rights, labour rights, environment protection, climate change and good governance.<sup>47</sup> In exchange for this approximation of legislation and practices to international standards in the field of human rights, Armenia is offered asymmetric trade advantages. EU missions in turn regularly evaluate the implementation of these agreements and civil society plays a role in monitoring the government's performance as well. Jointly, the EU and CSOs mount pressure on the government to deliver on its commitments. Similarly, as the government in Yerevan continues to insist on opening the visa-free dialogue with the EU, Brussels can use the principle of conditionality to encourage more reforms in the country as well. For example, the need to develop and adopt a comprehensive anti-discrimination law (which has been postponed several times) has to be a precondition for visa liberalisation dialogue.

## Failures and misses

The last decade has been overshadowed by several disappointments when it comes to legal and regulatory approximation between the EU and Armenia. A major setback took place in 2013, when President Sargsyan caved in to Russian pressure and made a U-turn in terms of integration priorities. The period between September 2013 and December 2015 (launch of the CEPA negotiations) not only represents roughly two years of lost time, but also resulted in a certain inertia when it came to cooperation. The distortion of the dynamics in bilateral relations caused significant delays in all reforms that were tied to the economic dimension through the conditionality approach. Visa liberalisation, legislative improvements and the delay in joining the Horizon 2020 and Creative Europe programmes have slowed down the pace of co-operation in various sectors.

As then President Sargsyan pushed for constitutional reform to transform Armenia from a presidential to a parliamentary republic, the EU attempted to support Armenia by assisting the country in reforming the electoral system. This reform process was launched in spring 2016, with the involvement of the opposition and civil society. Yet due to the obstinacy of the ruling party, this endeavour did not result in a positive change.<sup>48</sup> President Sargsyan managed to carry out his constitutional changes and take over the position of prime minister under a new electoral system advantageous to him in spring 2018. It was only after nationwide protests and blockades of the country's main roads that he resigned and made space for new political forces in the government and parliament.

There are untapped resources for facilitating greater people-to-people contacts between the EU and Armenia as well. Mobility could still be boosted, if both sides can come to an

<sup>46</sup> European Commission, "Erasmus+ for Higher Education in Armenia", 2017, [https://ec.europa.eu/assets/eac/erasmus-plus/factsheets/neighbourhood/erasmusplus\\_armenia\\_2017.pdf](https://ec.europa.eu/assets/eac/erasmus-plus/factsheets/neighbourhood/erasmusplus_armenia_2017.pdf).

<sup>47</sup> Democracy Reporting International, "Promoting Human and Labour Rights through GSP+", <https://democracy-reporting.org/country/gsp/>

<sup>48</sup> Gagik Aghbalyan and Suren Deheryan, "Armenia's Landmark Electoral Code Curtailed", IWPR, September 10, 2016, <https://iwpr.net/global-voices/armenias-landmark-electoral-code-curtailed>.

understanding on the Common Aviation Agreement (CAA). Although the sides agreed on the text in 2017, it has so far not entered into force, while Armenia's aviation market has been expanding over the last 3 years. For example, passenger traffic via the two main airports, Yerevan and Gyumri, rose by 10% and 57% in 2018 respectively. The number of flights and landings in both airports registered almost a 10% increase in the same year.<sup>49</sup> It is estimated that the liberalisation of the aviation market under the sectoral agreement with the EU might further increase passenger traffic (by an estimated 87,000) and generate an additional €16 million in revenue in the next five years.<sup>50</sup>

The regional and multilateral potential of the EaP remains the weakest part of the initiative. No significant success has been registered in this area, with the exception of the Eastern Partnership Civil Society Forum, which enhanced the chances for the voices of civil society organisations to be heard. The EU could undertake more efforts in this direction and focus mainly on long-term processes, such as education, people-to-people contacts and culture, which would allow the societies of the EaP countries to utilise the positive legacy of their common past in their mutual effort to integrate further with Europe.

The EaP has had a modest positive impact on the Armenia-Azerbaijan relationship, as it has opened additional opportunities for communication between the two parties. If one day there is political will from both sides, the EaP could be used as a platform to initiate an alternative, informal dialogue, or it could support communication aimed at confidence building at a societal level, in addition to the official channels. One of the possible tools

for such communication is the Eastern Partnership Civil Society Forum, which includes civil society actors from all EaP states and can be used as a platform for conflict transformation dialogue in future.

## WHAT IS ARMENIA EXPECTING FROM THE EaP?

Looking back over the past decade, Armenia went through a turbulent period of protests, changes in foreign policy priorities and a re-escalation of conflict in Nagorno-Karabakh. Despite these challenges and difficulties, Armenia has managed to stabilise its relations with the EU and find new frameworks for future cooperation. Armenia is currently the only EaP country that has integrative frameworks with both the EU and Russia. Its membership of the EAEU and the signing of the CEPA as a framework document regulating almost all areas of EU-Armenia relations create a unique set of opportunities. Armenia can thus in the future serve as a model for EaP states with a similar status and facing similar dilemmas.

**A**rmenia is currently the only EaP country that has integrative frameworks with both the EU and Russia.

The EaP is currently viewed with a degree of optimism in Armenia. The new framework agreement with the EU has now been signed and there is political will to move forward to expand the existing potential for the bilateral relations dimension. In particular, the multilateral framework is viewed positively as it could bring tangible benefits on issues such as education, culture and ecology. All in

<sup>49</sup> "Passenger Traffic in Armenian Airports Grows Strongly in 2018", *Panorama.am*, January 10, 2019, <https://www.panorama.am/en/news/2019/01/10/Passenger-traffic-Armenian-airport/2056855>.

<sup>50</sup> Delegation of the European Union to Armenia, "EU Concludes Negotiations with Armenia for a New Aviation Agreement", November 24, 2017, [https://eeas.europa.eu/delegations/armenia/36186/eu-concludes-negotiations-armenia-new-aviation-agreement\\_en](https://eeas.europa.eu/delegations/armenia/36186/eu-concludes-negotiations-armenia-new-aviation-agreement_en).

all, there appears to be a growing demand and more willingness in Yerevan to re-engage with the EU. This opens a window of opportunity for the EU to use its transformative power to bring about reform and development in Armenia.

Armenia has a certain number of expectations from the EaP programme in the short and medium term. First, the CEPA has been signed and 80% of its measures have entered into force, but only provisionally. To make it fully effective, all EU member states need to ratify the accord. By April 2019 twelve of the EU member states had ratified the CEPA.<sup>51</sup> Yerevan yearns to see the CEPA fully ratified in 2019. At the same time, the sides are still engaged in developing a roadmap for the implementation of the CEPA and this process of finalisation needs to be accelerated.

Second, Prime Minister Pashinyan and his team are highlighting two important aspects of EU integration, which could benefit from additional assistance: support to the reform implementation process and economic development. The government has launched comprehensive governance reform, which is an ambitious and complex process requiring not only political will, but a high level of management skills as well. The EU could support Armenia in this regard by offering technical and financial assistance for these wide-reaching reforms. A comprehensive mission of high-level advisors from the EU would be one way to support this process. Additionally, in terms of economic development, action could be taken in a number of fields that would not only spur economic development, but would ultimately enhance Armenia's resilience: here, there should be a particular focus on projects designed to support the diversification of exports, the development of alternative resources of energy and the IT sector.

Third, more progress can still be achieved in promoting people-to-people contacts. Since 2013, Armenia has unilaterally liberalised the visa regime for EU citizens. On the other hand, Armenian citizens have been enjoying the fruits of the visa facilitation agreement for six years already. Now it is time to take the next step. Yerevan would like to launch the visa liberalisation process and receive the roadmap to this end, as described in the CEPA. Visa liberalisation, coupled with the entry into force of the Common Aviation Agreement (CAA), might give impetus to the development of the aviation market, attract more airlines and reduce airfares. The development of the aviation market is essential for the country, two of whose borders with immediate neighbours are closed. Visa liberalisation will also endow the EU with the leverage to encourage further reforms in Armenia in the fields of public order, human rights, justice and equality. At the end of this process, the biggest winners will be the citizens of Armenia, who will benefit not only from more mobility opportunities, but also from the reforms carried out under the visa-free roadmap.

Finally, seeing as civil society in Armenia was one of the main catalysts of peaceful political change in 2018, it should be bolstered to remain the driving force behind the transformations. One way to ensure future active participation of civil society and enhance its monitoring role, is to make full use of the CEPA provisions, which carve out a distinct place for civil society in the process of the implementation of the EU-Armenia framework agreement (via a special platform). The EU could encourage the Armenian government to institutionalise the participation of civil society actors even further and to maintain a close dialogue with them on major political and economic issues. At the same time, via capacity-building projects the EU can give an additional boost to civil society's ability to monitor the implementation of the CEPA.

<sup>51</sup> "Finland ratifies Armenia-EU CEPA", Armenpress, April 29, 2019, [https://armenpress.am/eng/news/972999.html?fbclid=IwAR2lWGh514Y7atmVdx4M31ehSZM6hmyXXLlMavgL4Y5uias3kPavz\\_HgHfo](https://armenpress.am/eng/news/972999.html?fbclid=IwAR2lWGh514Y7atmVdx4M31ehSZM6hmyXXLlMavgL4Y5uias3kPavz_HgHfo).

Ten years after the launch of the Eastern Partnership (EaP), this *Chaillot Paper* looks back on its evolution, unveils shifting attitudes towards the EaP programme and provides analyses of both the successes and failures experienced in the six partner states. Furthermore, it examines how the present and future trajectories of these states are being influenced and shaped by powerful regional and global megatrends. These countries are actively shaping their own futures and also developing in different, distinctive directions. Finally, the paper suggests ways in which the EaP could be adapted to fend off regional challenges and take advantage of rising opportunities in the coming decade.

The EU has gradually expanded its economic, diplomatic and security presence in the eastern neighbourhood over the past ten years, contributing to a more nuanced understanding of the region and of the complex dynamics at play in each of the countries. As this *Chaillot Paper* shows, the EU is now better positioned to engage with all of these states in a more effective and mutually beneficial relationship.

