

EU-STRAT is an international research project that studies the relationship between the European Union and the countries in the European Eastern neighborhood. The project started on 1 May 2016 and will continue until the end of April 2019.

The main ambition of EU-STRAT is to provide an **inside-out analysis and strategic assessment** of the links between the EU and Eastern Partnership countries.

EU-STRAT will address **two main questions**:

First, why has the EU fallen short of creating peace, prosperity and stability in its Eastern neighbourhood?

And second, what can be done to strengthen the EU's transformative power in supporting political and economic change in the six Eastern Partnership (EaP) countries?

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POLICY COMMENT

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Making Association with the EU a Modernizing Tool: towards a more focused, developmental and innovative approach ¹

by [Klaudijus Maniokas \(ESTEP\)](#), [Kataryna Wolczuk \(UoB\)](#), [Laure Delcour \(FMSH\)](#), [Rilka Dragneva \(UoB\)](#), [Darius Žeruolis \(ESTEP\)](#)

The 8th anniversary of the Russian-Georgian war is a good occasion to assess the EU's response to the Russian challenge to its neighboring countries such as Ukraine, Georgia and Moldova and the EU at large.

Part of the EU's response back in 2008 was to offer Georgia a new type of agreement, which could have brought relations to a new level. This new agreement finally took the form of an Association Agreement (AA), which was negotiated with three Eastern Partnership (EaP) countries, Ukraine, Georgia, and Moldova, and finally entered into force for all of them this year, fulfilling the EU's promise of 2008.

The AA was meant to become a major tool not only to enhance relations with the EU, but also to help to modernize or even transform Eastern EU members in a similar manner to what was achieved during the latest EU enlargement to Central and Eastern Europe. Was this a feasible expectation? Does the AA have the potential to become a major modernization tool?

While the AAs offer a template for reforms in order to address weaknesses of the partner countries, such as weak state institutions, lack of competitiveness and socio-economic mis-development, importing the acquis by the partner countries is not only not the solution to these problems, but may actually exacerbate them. This is primarily because it is questionable whether these countries have the capacity to ensure the effectiveness of the vast and sophisticated corpus of rules they are importing, and, whether the acquis actually helps address the immediate developmental objectives of these countries. **The suitability of the acquis for fast and cost-effective modernization of the state and economy is not clear.**

What kind of support for the implementation is provided by the EU and is there a recognition of the 'commitment-capacity gap'? The analysis of all three associated countries indicated that **only in the case of Ukraine have some deliberate, pro-active adaptations taken place.**

¹ This policy comment covers the main conclusions of the forthcoming EU-STRAT working paper 'The Association Agreements as a Dynamic Framework: Between Modernization and Integration' (by Kataryna Wolczuk, Laure Delcour, Rilka Dragneva, Klaudijus Maniokas & Darius Žeruolis) and develops some of its policy implications.

The dramatic events of 2014 and Russia's punitive measures against Ukraine prompted the EU to provide more tailored and flexible assistance to ensure support for institutional reforms, as a precondition for legal approximation. Curiously, however, this greater volume of assistance as well as enhanced flexibility at the macro-level does not contribute much to ensuring the actual effectiveness of the EU's technical assistance. If anything, it seems that too much assistance is offered to Ukraine without due synchronization and sequencing of reform measures in general and implementation of the Deep and Comprehensive Free Trade Area (DCFTA) in particular. In Moldova, a back-to-basics approach was offered only after the 2014 banking scandal. While the EU provides considerable assistance to Moldova, it is not (yet) fully attuned to the fundamental weaknesses of the Moldovan state institutions. In Georgia, it seems that the EU is conducting 'business as usual', although there is some evidence that it has started to take into account the developmental needs of the partner country.

To sum it up, **there is a rather limited appreciation of the challenges and resulting adaptations**, which is somewhat surprising given the EU's extensive experience of supporting reforms in a demanding context, such as in the Western Balkan countries. In particular, the EU has changed its policy in the Western Balkans into focusing on governance capacity and growth enhancing environment as a precondition for implementing the acquis. While it is actually even more warranted in the EaP countries, our analysis indicates that this has been the case only to a limited extent insofar as priorities have been defined in the Association Agendas and only with moderate adjustments as far as assistance is concerned, above all in Ukraine.

The problem might acquire a new dimension in the near future. As the burden of commitments stemming from the AA becomes heavier, and there is no clear short-term benefit similar to the visa-free regime, **the first cracks in its implementation become obvious**. One likely scenario is that the associated EaP countries will only pretend to take the AA on board while the EU will pretend not to notice this.

The situation might worsen if the EU does not make the burden lighter, the focus more relevant, the incentives more visible, and if the associated countries do not step up their efforts of implementation. To avoid creation of yet another Potemkin village, efforts are needed on both sides.

How to make the AA more focused and lighter? Association Agendas currently negotiated with Moldova and Georgia are the tools specifically designed to focus their efforts. Association institutions are the second formal tool at the disposal of the EU.

Regarding the Association Agendas, while they recognize the need for fundamental reforms, such as a well-functioning civil service, rule of law, property rights, and the relevant priorities were included in the Agendas, **fundamental reforms were added on top of the already numerous obligations of the AA related to the acquis adoption**. So the Agendas are not focusing the AA, but making the burden even heavier. **Real focusing would imply a review of certain obligations stemming from the AA, postponing them, and agreement on a limited number of priorities.**

Association institutions such as the Council, the Committee, and sub-committees in particular might also guide the process better by having fundamental development objectives in mind. Currently the approach seems to be rather fragmented and dependent on specific understanding and commitment of specific services of the European Commission.

These priorities have to be supported via focused EU assistance. **Novel approaches developed in this regard in Ukraine might be extended to Georgia and Moldova, including the Support Group, assistance focused on reforms via delegated agreements, and direct financing of the "reform posts" in the civil service.**