

# EU-Georgia Relations

## Future Perspectives

Policy Document

Main Findings and Recommendations

Tbilisi

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## Abstract

This paper discusses the main stages of the development of EU-Georgia relations as well as important achievements and existing challenges.

Alongside the issue of Georgia's EU integration, this policy paper also discusses the process by which Central and Eastern European countries became EU member states. In order to do so, this work provides a detailed analysis of the fifth wave of EU enlargement, as well as the stages towards EU membership of the countries of the Western Balkans.

Georgia's rapprochement with the EU is in a sense similar to the processes that the above-mentioned countries went through as well as to the dynamics of their reforms and transformations. The prospect of Georgia's complete institutional integration and EU membership, however, still remains the main challenge.

This policy paper seeks to set out the main tasks that would realistically increase Georgia's chances of becoming an EU member against the backdrop of the country's ongoing process of integration. In order to do so, this paper proposes a number of practical recommendations for the development of the existing format of EU-Georgia relations as well as for the setting and solving of the country's external and internal policy tasks.

## The Main Findings of the Research

- The EU's enlargement policy obviously bears a regional and geographical character. According to existing practices, interest in enlargement concerns regions rather than individual countries. A good example of this is Turkey, whose application for candidate country status in 1987 was only granted in 1999 following the emergence of the EU's ambition to integrate the Western Balkans (Turkey being considered as belonging to the wider South-Eastern European region). Equally noteworthy are the examples of Malta and Cyprus, who initially applied in 1990 and whose straightforward geography (and history, to a certain extent) greatly facilitated the decision to admit them as EU members. Geographically speaking, both these states were among the EU's closest neighbours and both entertained close and historical relations with various member states.
- The EU enlargement takes place against a background of strengthened regional cooperation, which serves the aims of achieving long-term stability and development.
- Infrastructure links are one of the main conditions for the EU integration, and their intensive development serves as a basis for enlargement. The countries of Central and Eastern Europe as well as the Western Balkans all have well-developed transport and energy links with the member states of the EU, but this has required enormous efforts and work continues to develop them even further.
- Association Agreements: Every single example of enlargement demonstrates that AAs are the main instrument used to prepare a country for EU membership. In the case of the candidate countries, these agreements name European Perspectives as the goal of their implementation. AAs provide a framework for special political and economic relations which gradually lead to the functional integration of the candidate countries.
- In their work with Georgia, Moldova and Ukraine, the EU institutions apply almost the same logic as they did towards candidate countries for enlargement. First of all, it should be mentioned that the aims of planned reforms as well as the quality of their final result do not differ from the standards which are set for candidate countries. The amount of funding allocated is also similar: for example, Instrument for Pre-Accession Assistance II (IPA II) financing for the period 2014-2020 is practically identical (almost EUR 12 billion) as the European Neighbourhood and Partnership Instrument (ENPI) funding. The European Investment Bank (EIB) is also granted the same mandate in newly associated countries as it enjoyed in the Western Balkans. Free trade regimes, forms of political cooperation and participation in programmes and agencies are almost identical to those developed during enlargement.
- During the process of admission, the most important factor is a country's stability. Enlargement began in the Western Balkans only after real guarantees for peace could be secured. Later as well, the primary

aim of the obligation of regional cooperation which was imposed on the countries that took part in stabilization and association processes was a lasting peace.

- Countries must be capable of functional integration. Membership is preceded by the development of elements of functional integration as well as by a country's rapprochement with the EU, the deepening of trade relations, increased people-to-people contacts, closer economic and industrial cooperation, harmonization of educational systems, scientific cooperation, conciliation of energy networks, the development of transport infrastructure and links, etc. This is implied not only with regard to the EU but also in terms of regional cooperation with neighbouring countries-especially with those countries that are striving to join the EU.
  
- Involvement in the work of EU programmes and agencies has played a significant role in terms of improving the functional integration of candidate countries.

## Recommendations

- Georgia must take the concrete steps to establish close links and cooperation with Moldova and Ukraine whose primary aim will be the creation of a new region oriented towards EU integration offering a new space for enlargement.
- Many EU documents, including its Global Strategy, speak about the idea of establishing a European Economic Area *Plus* (EEA+) in Eastern Europe, which would resemble a bilateral free trade area integrated within the EU's internal market. The governments of Georgia, Moldova and Ukraine could request that work begin on the creation of such area during the next Eastern Partnership summit. If the EU will not show sufficient interest, however, these three countries will have to begin establishing such an area between each other (as the Višegrad group of countries did). Cooperation with Moldova and Ukraine must serve the region's thorough Europeanization as well as the development of transport, energy and economic links and their connection to Europe. It is also essential that forms of regional economic integration with these candidate countries be developed for EU membership, and that they be used to develop projects for close industrial, agricultural and sectoral cooperation.
- The government of Georgia must increase its efforts to develop rail, air and road links with EU member states, and must take effective steps in this direction in order to make effective and optimal use of the opportunities offered by the European Neighbourhood and Partnership Instrument (ENPI).
- Credits and grants afforded by the European Investment Bank must be used effectively for closer integration with the EU, for the Europeanization of the market and the complete harmonization of relevant regulatory and legislative frameworks in accordance with the EU's energy acquis. The World Bank and Asian Development Bank could be involved in financing such projects.
- Special attention should be paid to the rapid and effective implementation of the AA. The development of quality infrastructure is particularly important, as well as the timely signature of 'Agreements on Conformity Assessment and Acceptance of industrial products' (ACAAs) in as many sectors as possible. Regulations governing measures for the carrying out of sanitary norms also need to be harmonized with the EU, as well as those governing the registration of producers of animal-based products. It is equally vital to communicate with small and medium-sized business on DCFTA matters and to support them through research and analysis in order to enable them to make full use of the opportunities this

agreements presents. All in all, making effective use of Georgia's AA will increase its functional EU integration and will have a very positive influence on its economic and institutional development. In itself, this is an additional positive factor on the road to EU membership.

- Involvement in EU programmes and agencies should only be done according to a well-thought-out and carefully assessed plan, as this involvement requires important administrative resources and countries have to make a financial contribution in order to take part in many of them. The EU's IPA instrument pays 90% of the expenses incurred by the Western Balkans during their enlargement process, and Georgia too should ask Brussels for appropriate levels of support for its participation in EU programmes and agencies. Such involvement would help Georgia obtain relevant institutional experience and effectively carry out reforms.
- Active steps should be taken on the international stage, including close cooperation with strategic partners, to create strong guarantees for the stability and sustainability of the security environment in Georgia's occupied regions. In this regard, the irreversibility of the country's process of NATO integration is equally important, and its final outcome (NATO membership) would have a positive influence on Tbilisi's goal of EU membership.
- Adequate attention must be paid to strengthening the various elements which contribute to 'resilience'. In the EU's Global Strategy, resilience is described as an important task in the process of supporting neighbouring states. Progress made in this area is an important factor of attraction for the EU, and the question therefore requires adequate efforts from countries aspiring to EU membership.
- Georgia must work hard to integrate itself with the EU's defence and security policy to the greatest extent possible, particularly considering the fact that this policy is becoming increasingly stronger and that it may in future be adopted as a policy for collective self-defence.
- It is important that a request be submitted to the EU, asking it to reorganize the Eastern Partnership in a way that would imply the possibility of separate bilateral cooperation with more ambitious and successful countries (in terms of integration). This recommendation would not mean dividing the Eastern Partnership format. Georgia is interested in strengthening cooperation in the South Caucasus and beyond according to EU principles and with the involvement of Brussels, but associated countries who are members of the Eastern Partnership need to completely synchronize their own bilateral and multilateral formats of cooperation, which can only be achieved in a smaller, trilateral format (Georgia, Ukraine, Moldova). Initially, this request might imply the creation of an additional, separate panel for Eastern Partnership countries.

- Active steps should be taken to further develop Georgia's democratic institutions and to ensure the irreversibility and sustainability of this process.
- Despite the fact that total EU integration might be a long-term prospect, it is important to adopt a phased, long-term programme specifically focused upon the tasks of membership. This could be a road map or a strategy, but it must include goals; short, medium and long-term tasks; necessary resources and other important elements for their implementation. The existence of such a document would also have great political significance in the sense that it would guarantee the sustainability of this policy regardless of political or economic factors. The widespread diffusion of such a programme would be equally important, ensuring that citizens understand that EU membership is not merely a series of declarations and statements but instead that regular actions are carried out in order to achieve this goal. By defining precise time frames for its implementation, this programme would also increase the government's accountability.
- Efforts to increase support for Georgia's integration among EU national governments, politicians, civil society organizations, analysts, experts, scientists and other strategic target groups should be intensified through deeper partnerships.
- The Georgian government must also take effective steps to improve its strategic communication on the topic of EU membership and to ensure the highest possible level of popular support for issues regarding European integration.

## Recommendations on Eastern Partnership

In order to realistically carry out its declared principle of differentiating, the Eastern Partnership's format needs to be modified according to the following criteria:

- **Geography:** The EaP's 6+1 format should remain the core format for multilateral cooperation, and should include regional cooperation in the following areas: human rights and the rule of law, the development of energy and transport infrastructure, environmental protection, culture, education and others. These thematic platforms of the Eastern Partnership' multilateral cooperation will be maintained, but their essential weakening is inevitable given the lack of interest of some members for deeper integration with the EU (and, more generally, with the members of the Eastern partnership format) as well as the lack of progress in relevant reforms.
- **Aspiration and ambition** could be used to enable signatories of AA/DCFTA agreements (such as Moldova, Ukraine and Georgia) to establish a separate "EaP 3+1" group whose members would cooperate in order to achieve common goals such as deepening mutual relations, sharing experiences of reform, synchronizing regulatory policy reforms, the joint registration with the EU of regulations governing the production of goods, cooperation with the EU's Common Security and Defence Policy (CSDP), creating a European Economic Area Plus, etc. Panel discussions organized by this group could consider questions of deepening trade, the approximation of legislative and regulatory environments, the accumulation of regulations on producing goods, democratic reforms, security and other relevant issues. In the future, it might be possible for the members of this group to hold panel meetings with Mediterranean neighbours who share their goal of increased rapprochement with the EU, who have also made progress, who have also signed free trade agreements with the EU, and who have also tried to raise the standard of human rights and the rule of law. Such panels could also be attended by candidate countries such as Turkey or certain Western Balkans states.
- **Regulatory approximation and successful democratic reform:** Countries that do not aim for or aspire for more rapprochements with the EU, but nonetheless satisfy this criterion could be invited to join the above-mentioned panels on the recommendation of the European Commission or an EaP country. This opportunity might encourage them to support the Eastern Partnership more actively.

Introducing formats such as these would help maintain the Eastern Partnership by adapting it to new realities, and create more opportunities for reform-minded and ambitious countries, granting them wider possibilities for cooperation with countries that have already achieved a degree of rapprochement with the EU. At the same time, practically nothing would change for the countries of the EaP's second category (Belarus, Armenia, Azerbaijan) except that by increasing their efforts they would be able to take part in events alongside the Partnership's leading countries. It is very important for the second group to see the rewards other countries have received in exchange for their earlier efforts on the path towards European integration.

Reshaping the Eastern Partnership's format in this manner, thereby enabling the three EaP countries with great EU aspirations to be united in one sub-regional group, would be very important for Georgia's European integration.