



# EASTERN PARTNERSHIP

BRINGING EASTERN EUROPEAN PARTNERS CLOSER TO THE EU



SUPPORTING REFORMS  
PROMOTING CHANGE



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Eastern Partnership:  
[ec.europa.eu/europeaid/easternpartnership](http://ec.europa.eu/europeaid/easternpartnership)

EU budget support:  
[ec.europa.eu/europeaid/how/  
delivering-aid/budget-support/index\\_en.htm](http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/index_en.htm)

EU Neighbourhood Info Centre:  
[www.enpi-info.eu](http://www.enpi-info.eu)

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*'The Eastern Partnership, a key policy initiative in the Neighbourhood, aims to bring our eastern neighbours closer to the European Union. Drawing on the EU's unique range of instruments, we are seeking to achieve a new, innovative style of partnership. We want to engage further in cooperation with our neighbours to support their democratic transformation. We encourage reforms in key policy areas. We offer stronger links of political association and economic integration, adapted to our partners' wishes and capacities. EU funding channelled via budget support programmes is an important tool to achieve these goals.'*

## **Štefan Füle**

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Commissioner for Enlargement  
and European Neighbourhood Policy

## What is the Eastern Partnership?

The **Eastern Partnership** (EaP) is a joint initiative of the EU and Eastern European partner countries launched at the Prague Summit in 2009. Its overarching aim is to deepen and strengthen relations between the European Union and its six eastern neighbours: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

The Partnership builds on existing bilateral relations between the EU and its eastern European partners and represents **the eastern dimension of the European Neighbourhood Policy**.

The **main objective** is to support positive political and socio-economic reforms in partner countries in order to:

- accelerate political association;
- further economic integration;
- improve mobility;
- strengthen the role of civil society.

For more information on the Eastern Partnership:

[ec.europa.eu/europeaid/easternpartnership](http://ec.europa.eu/europeaid/easternpartnership)

## What is EU budget support?

EU budget support is the main form of **EU assistance** in the Eastern Partnership region. It involves dialogue, financial transfers to the partner country, performance assessment and capacity development, based on partnership and mutual accountability. Budget support is used to **support reforms** in mutually agreed sectors, as well as in macroeconomic and public finance policy.

The main objective of such support is to promote democratic governance, as well as sustainable and inclusive growth and poverty reduction. EU budget support programmes help create a more favourable environment for economic development, contributing to the **welfare and prosperity of citizens and businesses**.

Five countries benefit from EU budget support in the EaP region: **Armenia, Azerbaijan, Georgia, Moldova and Ukraine**.

## How does it work?

If eligibility criteria and mutually agreed conditions have been met, EU funds are transferred to the national treasury account of the partner country. Budget support payments are tied to performance, with a **strong focus on the results of the reform process.**

## What are the criteria for providing budget support?

The **eligibility criteria** include:

- a sound national or sectoral development plan;
- a stability-oriented macroeconomic framework, with fiscal and monetary policies favourable to economic growth;
- a relevant and credible programme to improve public financial management;
- transparency and oversight of national budgets.

Since 2013, the eligibility criteria for providing EU budget support have been reinforced. Transparency and oversight of national budgets were added as an additional condition.

In this context, **strengthened policy dialogue** will progressively and directly involve key national stakeholders (legislature, audit bodies, civil society, etc) active in budget transparency and accountability.

## Why budget support?

Budget support allows for a deeper policy dialogue and more effective support for reforms. For example, budget support is a useful tool to engage with partners in the preparation and implementation of new bilateral agreements (Association Agreements). It promotes improvements in public spending and reduces the transaction costs of EU assistance, notably by relying more on national systems.

For more information on budget support:  
[ec.europa.eu/europeaid/how/delivering-aid/budget-support/index\\_en.htm](https://ec.europa.eu/europeaid/how/delivering-aid/budget-support/index_en.htm)

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# ARMENIA

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EU cooperation with Armenia in 2007-13 has focused on political and socio-economic reforms in three main areas:

- democratic transformation (including reforms in public administration, justice);
- trade and investments;
- economic development and poverty reduction (including regional development, agriculture, education).

Budget support programmes assist the government in, for instance, reforming justice, vocational education and training sectors; implementing the European Neighbourhood Policy (ENP) Action Plan.

## **EU support of justice reform**

Implementation period: 2009-12

EU funding: EUR 18 million

### **Objectives**

Through this budget support operation, the EU assisted the government of Armenia in implementing its own programme of justice reform. The ultimate, long-term goal is to develop a more independent, transparent, accountable, accessible and efficient judicial system. A follow-up EU programme will support the next stage of justice reforms as of 2013.

### **Results achieved so far**

- Transparency, accountability and access to judicial services for citizens have increased. For example:
  - all decisions taken by the Council of Justice are now published online;
  - a new system of document management as well as electronic information terminals were installed in courts and governmental institutions. These systems allow complaints to be sent by e-mail and the time-tables of cases to be checked;
  - the number of public defenders was increased from 32 to 52, enhancing access to justice for all.



- Eight new court houses were built and two existing buildings reconstructed. The established School of Advocates is functioning and provides relevant training to working and trainee advocates.
- The effectiveness of the juvenile justice system has been improved by making sure that there is at least one judge specialising in the field in each court.

## **EU support of vocational education and training**

Implementation period: 2010-15

EU funding: EUR 21 million

### **Objectives**

Through this programme, the EU contributes to the implementation of national strategies on employment and poverty reduction. Building on previous experiences, it continues to encourage reforms in the education sector, adapting it to the current job market's needs. It also tackles issues of sustainability and strives to provide better access to vocational education and training (VET).

### **Results achieved so far**

- Some 12 Armenian colleges were selected, registered, renovated and equipped as regional multifunctional VET centres – a new type of teaching institution capable of imparting coaching and management methods in line with the current job market's needs.
- Since 2011, over 1 200 teachers, training instructors and directors of VET institutions were trained in the organisation and implementation of the learning process, management of VET institutions and business planning.
- In the academic year 2011-12, 39 new, results-oriented curricula were introduced in the VET colleges, and around 20 more in 2012-13.
- Twice as many students received free education in VET colleges in 2012 in comparison to 2008.

For more information, visit the website of the Delegation of the European Union to Armenia:

[eeas.europa.eu/delegations/armenia](http://eeas.europa.eu/delegations/armenia)





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# AZERBAIJAN

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The main priorities for EU-Azerbaijan cooperation in 2007-13 are:

- democratic development (this includes justice reforms);
- socio-economic reforms and sustainable development (including rural and regional development);
- implementation of European Neighbourhood Policy (ENP) Action Plan (including institution building, energy, mobility, and security).

EU budget support programmes in Azerbaijan focus on key policy areas, such as: energy, especially renewables and energy efficiency; justice, especially access to justice and the prison system; and agriculture and rural development.

## **EU support of the energy reform programme**

Implementation period: 2008-12

EU funding: EUR 14 million

### **Objectives**

Energy is one of the main priorities in EU-Azerbaijan cooperation. This sector budget support helped the government to conduct a review of its national energy strategy, in order to make it more inclusive, coherent, and transparent. In addition to this revised strategy, necessary legislative and institutional reforms were initiated to promote energy efficiency and renewable energy sources.

### **Results achieved so far**

- The State Agency for Renewable Energy Sources and Energy Efficiency was established.
- National renewable energy sources and energy efficiency action plans were developed, approved and are currently being implemented according to an agreed timetable.
- A national awareness-raising campaign and dissemination activities to promote the increased use of renewable energy sources and energy efficiency were designed, approved and implemented by the government.



## EU support of justice reform

Implementation period: 2009-14

EU funding: EUR 16 million

### Objectives

The programme supports the Ministry of Justice in providing better access to justice for people living in rural areas. This is achieved by developing the Academy of Justice and improving conditions for inmates in the prison system.

### Results achieved so far

- Some 10 new regional justice divisions have been established in regions outside of Baku, providing support and information to the local population on their rights and the status of court cases. Previously such information could be obtained only in Baku.

- The Academy of Justice is providing mandatory advanced training courses for professionals in the justice sector (judges, prosecutors, etc).
- In the penal system, prisoners are offered primary and vocational education courses. Prison employees receive training on how to better deal with prisoners, including courses on human rights.
- Medical and dental facilities for prisoners are being modernised.
- Clinics treating addictions have been established in the penitentiary system.
- Medical staff in prisons have received training and exchanged contacts with their international counterparts.

For more information, visit the website of the Delegation of the European Union to Azerbaijan:  
[eeas.europa.eu/delegations/azerbaijan](http://eeas.europa.eu/delegations/azerbaijan)







# GEORGIA

## EU assistance to Georgia in 2007-13 focuses on four areas:

- democratic development, the rule of law and good governance;
- trade and investment;
- regional development and sustainable development, poverty reduction;
- support for peaceful settlement of conflicts.

Budget support plays an important role in EU-Georgia cooperation. It helps the government preparing and implementing reforms in various sectors: public finance management, the criminal justice system, regional development, support of internally displaced persons following the conflicts of the 1990s and 2008, vocational education and training, or agriculture (European Neighbourhood Programme for Agriculture and Rural Development).

## EU support of public finance management reform

Implementation period: 2011-14

EU funding: EUR 11 million

### Objectives

This programme builds on lessons learned from previous budget support activities targeted at public finance management (PFM) reforms (2007-09). Its overall objective is to enhance good governance and reduce poverty. By encouraging essential reforms in areas ranging from budget planning, execution and monitoring, to internal and external audit and public procurement, this programme promotes transparency and accountability. It also contributes to the increased efficiency and effectiveness of the budgetary process and the alignment of Georgia's regulations with EU standards and norms.

### Results achieved so far

- The programme-based budgeting has been introduced: all state budget institutions are required to prepare their draft budgets based on programme budget methodology.



- The external audit capacity of the public sector has been improved through the implementation of the State Audit Office Capacity Development Plan and the e-Procurement Action Plan.
- With regards to taxation, the new Tax Code, introduced in January 2011, has simplified procedures and, at the same time, rendered them more service-oriented and business-friendly.

## **EU support of criminal justice system reform**

Implementation period: 2012-16

EU funding: EUR 24 million

### **Objectives**

This initiative follows on from the 2008 Criminal Justice Programme (Phase I). It aims at enhancing the implementation of new laws, building institutional capacity of the Ministry of Justice and improving coordination with key institutions from the justice sector (i.e. the judiciary, the prosecutor's office, the police and defence). Based on lessons learnt from the previous programme, the current support broadens the EU's policy dialogue with Georgia

in the criminal justice sector, encompassing both government and non-state actors. It also continues to support reforms in fields already covered – such as juvenile justice, probation, legal aid and support to the Public Defender's Office. Additional areas such as healthcare and education facilities in prison are included as well.

### **Results achieved so far**

Juvenile justice is one of the sub-sectors of the overall reform of the criminal justice system in which most progress has been observed.

- More than 21 % of first-time juvenile offenders convicted of less serious crimes in four Georgian cities (Tbilisi, Kutaisi, Rustavi, Batumi) were taken out of the criminal justice system.
- The number of juveniles subject to pre-trial detention in 2011 was reduced by 9.7 % compared with 2010.
- Access to education for juveniles was improved: convicted juveniles are taught the full curriculum of general education, can take the national exam and acquire a certificate of general education, and have access to some vocational training.





## EU support of regional development

Implementation period: 2011-16

EU funding: EUR 19 million

### Objectives

The programme aims at narrowing social and regional disparities in Georgia. In particular, it contributes to the implementation of the State Strategy for Regional Development of Georgia (2010-17), and assists the government in the following specific areas: (i) regional policy, planning and implementation; (ii) human resource management; (iii) regional infrastructure and innovation capacity development; (iv) statistics and information for regional development.

### Results achieved so far

Several noteworthy results have already been achieved.

- Regional development planning and implementation guidelines and procedures for central and regional levels were prepared on a consultative basis (notably with local authorities) and adopted by the government of Georgia.
- Development strategies for two regions (Imereti and Mtskheta-Mtianeti) were approved; these strategies are in line with the newly adopted guidelines and procedures and were prepared together with representatives of local authorities.
- Regional Development Councils were established in every region with working groups created to advise them on agriculture, economic policy and education.
- A job description system for governors' offices and staff from the Ministry of Regional Development and Infrastructure was introduced; it includes job qualification requirements for all profiles.

For more information, visit the website of the Delegation of the European Union to Georgia:

[eeas.europa.eu/delegations/georgia](http://eeas.europa.eu/delegations/georgia)

# MOLDOVA



The priority of EU cooperation with Moldova in 2007-13 is to support political and socio-economic reforms across three sectors:

- good governance, rule of law, and fundamental rights;
- social and human development (including social protection, health, and education);
- trade and sustainable development (with regional and local development, environmental protection, and promotion of energy efficiency).

EU budget support programmes contribute to the government's reform efforts in the following sectors: energy, water, health, and economic development in rural areas.

## **EU support of health sector reforms**

Implementation period: 2009-13

EU funding: EUR 53 million

### **Objectives**

The programme supports the implementation of the Moldovan Health Sector Strategy 2008-17. The ultimate goal is to improve the health of the population by improving access to and the quality of public health services. The programme, originally planned to finish at the end of 2012, has been extended for one more year.

### **Results achieved so far**

- The number of people with mandatory health insurance has increased.
- Support for public healthcare has increased: one third of funds collected through the mandatory health insurance system was allocated to primary healthcare in order to improve the quality of services; nearly 30 primary healthcare centres were renovated.



- The government adopted new laws:
  - (i) law on the state support and overseeing of public health, addressing, among others, new health threats and emergencies;
  - (ii) law on public-private partnerships; and
  - (iii) rules on the transplantation of organs, tissues and cells of human origin in line with EU standards.
- The first public-private partnership in the health sector was established in the Republican Clinical Hospital in Chisinau to provide modern medical equipment for radiology and imaging technologies.

## **EU support of economic stimulation in rural areas**

Implementation period: 2010-16

EU funding: EUR 59 million

### **Objectives**

The programme aims to contribute to the sustainable economic development of rural areas in the Republic of Moldova by supporting small businesses, promoting regional development, providing technical assistance, and facilitating policy dialogue.

### **Results achieved so far**

- Progress in the implementation of regional development policy: following the creation of the Ministry of Construction and Regional Development, three Regional Development Agencies (North, Centre, and South) have been established.
- The first general agricultural census was conducted across the entire territory of the Republic of Moldova.
- The legal framework for business activities has been improving, especially as regards the simplification of business registration (licensing).
- Five new business incubators have been established hosting up to 15 small businesses each, out of which one third are female-run or female-owned.



## EU support of energy sector reform

Implementation period: 2011-14

EU funding: EUR 43 million

### Objectives

The energy sector in Moldova faces many challenges: high dependence on imported gas and electricity, historical debts, outdated electrical generation systems, inefficient district heating systems, together with tariffs set well below economic levels. The Energy Strategy 2020 sets out objectives, measures and activities designed to create a more efficient, competitive and reliable national energy industry, with the aim of facilitating integration into the European energy market. The main objective of the EU programme is to support and encourage reforms in the energy sector. It supports the government's efforts to achieve further progress in the implementation of the national energy strategy and energy sector development.

### Results achieved so far

- The Energy Strategy 2020 has been updated: its main goal is to review the objectives related to energy security and efficiency as well as to include the new energy investment projects to be implemented until 2020.
- The Energy Efficiency Agency was established in January 2011 to elaborate secondary legislation on energy efficiency and implement relevant legislation on both energy efficiency and renewable energy.
- The policy, legal, and regulatory framework for energy efficiency and renewable energy has been improving in line with Energy Community Treaty (ECT) requirements.<sup>1</sup>

For more information, visit the website of the Delegation of the European Union to Moldova: [eeas.europa.eu/delegations/moldova](http://eeas.europa.eu/delegations/moldova)

1. The Energy Community is a community established by the EU and a number of third countries in order to extend the EU internal energy market to south-eastern Europe and beyond. The contracting parties have committed themselves to implement the relevant EU *acquis communautaire*, to develop an adequate regulatory framework and to liberalise their energy markets in line with the *acquis* under the Treaty. The Treaty establishing the Energy Community was signed in Athens, Greece, on 25 October 2005, and entered into force on 1 July 2006.



# UKRAINE





### The main objectives of EU-Ukraine cooperation in 2007-13 are:

- good governance and the rule of law;
- closer political association and economic integration;
- sustainable development (including energy, environment, nuclear safety, transport, regional, and rural development).

Sector budget support programmes in Ukraine focus on reforms in the following areas: energy, environment, transport, border management, and trade.

### EU support of the implementation of Ukraine's energy policy

Implementation period: 2008-12

EU funding: EUR 87 million

#### Objectives

The main goals of this programme were to enhance EU-Ukrainian energy cooperation, bring Ukraine closer to the EU Single Market for energy and improve its credibility as a transit country. It also helped the government implement its energy market reforms. More efficient, competitive and secure energy supplies were key objectives of the national reform agenda.

#### Results achieved so far

- Progress was made in bringing Ukraine closer to the EU energy market: following the adoption of the new gas law, Ukraine became a fully-fledged member of the Energy Community in February 2011.
- Intense dialogue between international financial institutions and Ukraine on the modernisation of the Ukrainian gas transit system has been ongoing since 2009.
- Reforms in the electricity market have been initiated (e.g. with a view to transition from a single-buyer model to market mechanisms).



- Revisions to the Energy Strategy of Ukraine until 2030 have been launched.
- The energy efficiency of the gas compressor stations on the gas transit system (trunk pipelines) has improved.

### **EU support of the promotion of mutual trade by removing technical barriers to trade between Ukraine and the EU**

Implementation period: 2009-13

EU funding: EUR 45 million

#### **Objectives**

The overall objective of the programme is to support gradual integration of Ukraine's economy into the European Union's Single Market by removing technical barriers to trade between the EU and Ukraine.

#### **Results achieved so far**

- The institutional and regulatory reforms carried out include: gradual closing down of monopolistic institutions inherited from Soviet times and dismantling concentration of powers.
- New legislation has been developed and adopted: legislation on metrology and standardisation, legislation on accreditation, market surveillance, general product safety and liability for defective products.
- Technical regulations in line with EU standards have been adopted.
- Institutions responsible for market surveillance have been established and have begun their work.
- The practice of the mandatory, pre-market-entry certification of products – a remnant of the Soviet era – is being progressively removed.
- The capability of the National Accreditation Agency of Ukraine to carry out accreditation activities has been strengthened in several fields, resulting in the signature of several mutual recognition agreements with the European Cooperation for Accreditation Association (EA), and acceptance as an associate member of the EA.

For more information, visit the website of the Delegation of the European Union to Ukraine:

[eeas.europa.eu/delegations/ukraine](http://eeas.europa.eu/delegations/ukraine)

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