



EASTERN PARTNERSHIP  
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# **EASTERN PARTNERSHIP** **REGIONAL PROGRESS** **2023**

P r e s e n t a t i o n   p a p e r



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## **INTRODUCTION**

This presentation paper, a concise yet comprehensive assessment of the implementation of the Joint Staff Working Document (JSWD) Eastern Partnership (EaP) Priorities in Armenia, Azerbaijan, Georgia, Moldova, and Ukraine. Crafted by dedicated authors within each respective country, this paper serves as a vital snapshot of the regional progress and challenges encountered in the pursuit of common objectives.

While elaborating this document our authors have diligently collected and processed pertinent data. Their commitment is evident, even in instances where access to real-time information was challenging in 2023 (like in the case of Armenia) a thorough analysis of key trends observed in 2022 was undertaken. This adaptive approach ensures a robust evaluation, fostering a nuanced understanding of the ongoing dynamics within each nation.

It is crucial to note that this presentation paper intentionally refrains from presenting definitive conclusions and recommendations. Instead, it sets the stage for collaborative discussions in Brussels, where the insights and findings contained herein will serve as a catalyst for informed deliberations.

As we embark on this research of regional collaboration, the further step is exploring the narratives voiced by the authors. Their narratives encapsulate not only the key takeaways, achievements and milestones but also shed light on the challenges encountered on the path to realizing the JSWD EaP Priorities. This collaborative effort paves the way for a richer dialogue, one that strives for shared prosperity, strengthened cooperation, and a more resilient Eastern Partnership.

We invite you to delve into the essence of this presentation paper, to absorb the narratives presented, and to contribute actively to the upcoming discussions. Together, we shape the future of regional cooperation, striving for a more interconnected and prosperous Eastern Partnership.

## ***1. Together for resilient, sustainable and integrated economies***

### **1.1. Economic Cooperation Priority**

In 2022, economic cooperation remained central to Armenia-EU relations. The EU's focus on strengthening Armenia's economy is evident in flagship initiatives and significant trade growth.

### **1.2. Trade Dynamics**

Despite challenges like the Russian invasion in Ukraine, Armenia-EU trade flourished, growing by 43.8%. The EU became Armenia's second-largest trading partner, with a 16.2% share. Imports and exports both saw substantial increases.

### **1.3. Investment Landscape**

While the EU is the leading source of foreign direct investment (62.5%), Armenia's implementation of the Economic and Investment Plan has been modest. Only €195.7 million projects were approved in 2022, indicating a need for more effective implementation.

### **1.4. Implementation Delays**

Significant delays in plan implementation occurred, with major initiatives like the Resilient Syunik Team Europe and the Sisian-Kajaran road project being launched in 2023 due to delays on the Armenian side.

### **1.5. Economic Growth**

Armenia experienced its fastest economic growth in 15 years, reaching 12.6% in 2022. The GDP at €18.5 billion is a historic high, enabling plans to decrease external debt to less than 50% of GDP in 2024.

### **1.6. Banking Sector Success**

The banking sector saw remarkable growth, with assets, loan portfolios, and deposits increasing significantly in 2022. Armenian banks played a pivotal role in the economic landscape.

### **1.7. Government Initiatives**

Government initiatives, such as the Economic Modernization Programme and customs privileges for investment projects, contributed to business growth. These programs supported companies, resulting in increased productivity.

## 1.8. Integration with EU Capital Markets

The acquisition of a 65% stake in the Armenian Stock Exchange by the Warsaw Stock Exchange in 2022 promises increased integration between Armenian and European capital markets, enhancing economic cooperation.

## 2. Together for accountable institutions, the rule of law and security

At the same time, while Armenia made notable progress in political rights, civil liberties, the rule of law, and anti-corruption initiatives following the 2018 Velvet Revolution, challenges persisted in 2022. In the realm of democratic consolidation and institutional development, Armenia faced setbacks under the ruling political party led by Prime Minister Nikol Pashinyan. Armenia's scores declined in two of three key indices: Global Freedom Status/Freedom House, Corruption Perceptions Index/Transparency International, and World Press Freedom Index/Reporters Without Borders.

As indicated in the Freedom in the World 2023 report by Freedom House, Armenia maintained a status as a partially free country, scoring 54 out of 100 possible points in 2023, down by one point from the previous year (55). Out of 15 post-Soviet countries, only three Baltic states (Moldova with 62 scores, and Georgia with 58 scores) ranked ahead of Armenia in terms of freedom.

Another international organization, Human Rights Watch, highlighted concerns in its World Report 2023, covering developments in 2022. The report noted instances of law enforcement interference with freedom of assembly during protests throughout the year, including documented disproportionate use of force during opposition protests in May and June. In August, police in Yerevan briefly detained around 20 people protesting against Russia's invasion in Ukraine.

To address these concerns and foster human rights, Armenia and the European Union established the EU-Armenia Human Rights Dialogue in December 2009. During the 12th Dialogue in November 2022, participants acknowledged positive developments since the last Human Rights Dialogue in March 2021. However, they also agreed that the human rights situation in Armenia could still be improved. The EU committed to continuing financial and technical assistance on key human rights areas.

Contrary to the Armenian government's assertions that fighting corruption is vital for national security and institutional development, the Transparency International Corruption Perception Index for 2022 showed Armenia's decline to the 63rd place out of 180 countries, losing five positions from the previous year.

In a significant move towards reinforcing citizens' rights, Armenia ratified the Rome Statute and accepted the jurisdiction of the International Criminal Court (ICC). This process, initiated in 2022, concluded in October 2023, aligning with CEPA's Article 6, which aims to enhance cooperation in promoting peace and international justice.

A relative area of progress for Armenia in 2022 was in freedom of speech, as indicated by Reporters Without Borders' 2023 World Press Freedom Index. Armenia ranked 49th out of 180 countries, an improvement from the 51st position in the 2022 Index. This placed Armenia ahead of all its neighbors, with only the three Baltic states and Moldova having a better ranking among the former Soviet 15 republics.

### **3. Together Towards Environmental and Climate Resilience:**

Meanwhile, in the domain of environmental and climate resilience, Armenia and the European Union collaborated on the Green Yerevan initiative (Flagship 5). This initiative included a substantial €20 million loan and €5 million grant to the Yerevan Bus Company for purchasing new compressed natural gas buses in December 2021. Concurrently, the Metsamor Nuclear Power Plant (NPP) emerged as a pivotal environmental concern in Armenia-EU relations.

The Metsamor NPP, housing two reactors (VVER 440), each with a capacity of 407.5 MW, has been a focal point since its first reactor's operation in 1976. After a hiatus following the catastrophic earthquake in 1988, both reactors were reopened in 1995, generating roughly 40% of Armenia's electricity. While the European Union identified the Soviet-era VVER 440s as the least reliable among reactors in Eastern Europe and the former Soviet Union, the International Atomic Energy Agency (IAEA) deemed the Metsamor NPP safe and capable of operating beyond its design lifespan.

Although the Comprehensive and Enhanced Partnership Agreement (CEPA), effective in 2021, calls for the Metsamor NPP's safe closure and the development of replacement capacity, the Armenian government's 2022 modernization efforts extended the second reactor's operating period to 2031. Consequently, a new operating license was issued for the plant.

In the April 2022 EU-Armenia Partnership Committee meeting, an agreement was reached to monitor the implementation of Armenia's National Action Plan on nuclear safety. As part of the EU-supported stress test process, this monitoring aimed to ensure the safe operation of the Metsamor NPP. Notably, the Armenian government is currently in negotiations for a new nuclear power plant, considering options from the US, South Korea, and Russia.

Amidst these efforts, Armenia achieved a significant environmental milestone in 2022 with the adoption of a new Water Code and related laws, managing the country's water resources. Furthermore, energy-efficient building modernization emerged as a goal in Armenia-EU cooperation, resulting in the thermal modernization of 59 buildings in 2022, achieving at least 50% energy savings in apartments.

### **4. Together for a Resilient Digital Transformation:**

In the realm of resilient digital transformation, Armenia and the European Union collaborated within the CEPA framework, specifically Chapter 8. Simultaneously, the Economic and Investment Plan, unveiled in 2021 for Armenia, emphasized a flagship initiative (Flagship 3) focusing on digital transformation, innovation, science, and technology. Coordinated by Deputy Prime Minister Mher Grigoryan's office, efforts spanned both CEPA and the Economic and Investment Plan.

Throughout 2022, the Armenian government, alongside the RA Central Bank, embarked on a joint initiative to actualize strategic digitalization goals. The establishment of the Information Systems Management Council and the Information Systems Agency, along with the introduction of electronic identification standards and requirements, provided support to this initiative. In a noteworthy achievement, Armenia's first space satellite, ArmSat-1, was launched on May 25, 2022, from Cape Canaveral, marking a significant stride in digital and technological progress.

The information and telecommunication technology sector in Armenia witnessed a remarkable 65% year-over-year increase in turnover, reaching €1.239 billion in 2022. With a total of 3,385 IT companies and 20,617 employees operating in Armenia during the same period, the sector demonstrated substantial growth.

During 2022, public mobile communication technologies, including 2G, 3G, and 4G+ (LTE Advanced), achieved coverage in all settlements in Armenia. Additionally, 4G+ technology coverage reached 91% (911 settlements) in 2022. The rollout of Armenia's 5G network commenced in 2023, starting with the capital, Yerevan. Simultaneously, broadband Internet wired technology services became available in 628 settlements of Armenia (62.7%) in 2022. Recognizing Armenia's commitment to digital freedom, the Freedom House Freedom on the Net 2023 report ranked Armenia among free countries based on data from 2022.

## ***5. Together for Resilient, Fair, and Inclusive Societies:***

Concurrently, Armenia prioritized human resource development in 2022. After a more than six-year hiatus, the National Assembly adopted the "State Programme for the Development of Education of the Republic of Armenia until 2030" during the same year.

In the realm of science funding, Armenia witnessed a substantial increase of 50.5% in 2022 compared to the previous year, reaching €64.7 million.

Furthermore, in 2022, the Armenian government developed and approved a comprehensive health insurance concept, set to be implemented in 2023. The phased rollout of the program included coverage for citizens receiving medical treatment at state expense and voluntary program participants in 2024. Subsequently, pensioners would be insured in 2025, with a plan to extend coverage to everyone by 2027 and beyond.

Amidst these developments, the integration of forcibly displaced Armenians from Nagorno-Karabakh into Armenia remained a serious challenge. Triggered by the 44-day war with Azerbaijan, over 20,000 Armenians fled their homes and moved to Armenia in the fall of 2020. This challenge intensified in September 2023 when an additional 100,000 Armenians were displaced within a few days.

Acknowledging the gravity of the situation, the European Union increased its support package to more than €12 million at the end of October 2023, providing humanitarian aid to forcibly displaced Armenians from Nagorno-Karabakh.



## ***1. Together for resilient, sustainable and integrated economies***

### **1.1. Trade and economic integration**

In 2022, Azerbaijan experienced a robust economic growth of 4.6%, primarily propelled by non-energy sectors. However, this growth was accompanied by a notable increase in inflation, reaching 13.8%. Looking ahead to 2023, expectations point to a slowdown in economic growth to 2.2%, influenced by a contraction in the energy sector.

Meanwhile, the dynamics of trade with Europe in 2022 revealed a significant import value of USD 60.015.263 million, constituting 41.2% of the total imports. The trade relationship was characterized by the import of agricultural and construction products, while exports to Europe were dominated by fuel, fresh fruits, and construction products.

### **1.2. Investment and access to finance**

Shifting the focus to investment, the EU actively supports small and medium enterprises (SMEs) in Azerbaijan, contributing €102.58 million to various projects. On the other hand, Foreign Direct Investment (FDI) in the country amounted to \$3 billion in the first half of 2023, marking a decrease of 7.5%. Notably, negotiations are ongoing regarding the Common Aviation Area agreement.

### **1.3. Enhanced transport interconnectivity**

Simultaneously, Azerbaijan's strategic role as a connectivity hub between Europe and Asia has been accentuated. The establishment of the State Maritime and Port Agency underlines the nation's commitment to enhancing maritime transport management. Additionally, ongoing discussions about the Common Aviation Area agreement signify the country's dedication to improved transport links.

### **1.4. Investing in people and knowledge societies**

In the realm of economic planning, Azerbaijan and the EU established a high-level working group in 2022, aiming to oversee the implementation of the EU's Economic Investment Plan. This plan, with a targeted investment of up to EUR 2 billion, not only supports the Eastern Partnership program but also aligns with the EU's Global Gateway policy, emphasizing reliable and sustainable global linkages for energy, transport, and digital infrastructure.

## **2. Together for accountable institutions, the rule of law and security**

### **2.1. Judicial Reform**

Azerbaijan, securing the fifth position in the 2021 Index for democracy and good governance, faced a decline in its democracy index to 134 in 2022. Amid the challenges, the EU responded by funding projects supporting Civil Society Organizations (CSOs) during the COVID-19 pandemic. However, the implementation of the national action plan for 2020–2022 has been sluggish, raising concerns about the operational space for CSOs.

### **2.2. Accountable, transparent and efficient public administration**

Concurrently, ongoing reforms aim to implement the 2019–2025 civil service development agenda. Nevertheless, challenges persist in the development of local self-government, as underscored by the Council of Europe's observations during its third monitoring visit to Azerbaijan.

### **2.3. Tackling fraud, corruption and economic crime**

Shifting focus to corruption, Azerbaijan showed a modest improvement in its 2021 Corruption Perception Index, ranking 128th out of 180 nations. However, in the 2022 Corruption Perception Index, the country's score of 23 positioned it at a lower rank of 157. The Council of Europe/European Union Partnership for Good Governance includes a dedicated project to address corruption in Azerbaijan.

### **2.4. Combating organized crime and strengthening security**

Simultaneously, the Partnership for Good Governance program features a project specifically designed to prevent and fight economic crime in Azerbaijan. Aligned with EU targets, UN Sustainable Development Goal 16, and the Council of Europe Action Plan for Azerbaijan 2022-2025, this project introduces institutional changes aimed at enhancing Azerbaijani authorities' capabilities to combat corruption, money laundering, and terrorism financing.

## **3. Together Towards Environmental and Climate Resilience:**

### **3.1. Benefits for People's Health and Wellbeing:**

In the realm of environmental initiatives, Azerbaijan secured a sovereign loan of EUR 12.5 million in 2022 through the Energy Efficiency and Environmental Partnership for Eastern Europe. This funding was directed toward enhancing Ganja City's street lighting system, aiming to save electricity, reduce CO<sub>2</sub> emissions, and optimize operational and maintenance costs. These efforts contribute not only to environmental sustainability but also to public health and safety.

### **3.2. Circular Economy, Climate Neutrality, and Green Growth:**

Simultaneously, considering Azerbaijan's vulnerability to climate change, strategic plans include harmonizing the ecological environment with economic growth. This involves

leveraging renewable and alternative energy sources to meet energy needs effectively. Efforts are underway to support eco-friendly technologies, reduce the environmental impact of cement production, and align with the European Green Deal's goal of carbon neutrality by 2050.

### **3.3. Biodiversity and Economy's Natural Assets Base:**

Notably, Azerbaijan's commitment to environmental policies was recognized at the meeting of the UN Economic Commission for Europe, where recommendations from the Environmental Policy Committee's "Environmental Activity Overview Report" for Azerbaijan were discussed and accepted in 2022.

### **3.4. Strengthening Energy Security and Nuclear Safety:**

Considering Azerbaijan's contribution to global greenhouse gas emissions, efforts are being made to address emissions from energy and agriculture. An agreement on strategic partnership, signed with Georgia, Romania, and Hungary, includes plans for constructing an energy bridge and a submarine power cable to transport green electricity from Azerbaijan to Europe.

### **3.5. Accelerating the Shift to Sustainable and Smart Mobility:**

In the pursuit of sustainable and smart mobility, Azerbaijan collaborates with the Netherlands on innovative solutions. The National Strategy for the Development of Information Society and the action plan aimed to position Azerbaijan as an ICT center, fostering sustainable lifestyles. The nation also aspires to advance the concept of smart villages and cities, learning from the Dutch model of sustainable cities. Environmental initiatives, including bike lane enhancements and pedestrianization, align with global efforts to reduce CO<sub>2</sub> emissions.

## ***4. Together for a Resilient Digital Transformation:***

### **4.1. Digital Infrastructure:**

Initiatives under the EU4Digital Initiative align with EU standards to bolster Azerbaijan's digital reform agenda. With a focus on economic growth, job creation, and enhanced quality of life, EU4Digital aims to improve public institutions' efficiency and foster economic diversification. The digitization of public services and e-services centralization are pivotal in Azerbaijan's digital economy development, with plans for increased internet connectivity by 2024. The EU's funding of the Azerbaijan Rapid Technical Assistance Facility (AZTAF) and a USD 50 million loan for broadband connectivity infrastructure signify collaborative efforts in smart village development and digital connection.

### **4.2. e-Governance:**

Azerbaijan, in its commitment to digitalization, has signed memorandums of understanding (MOUs) with nations like Turkey, Belarus, Estonia, Great Britain, and Northern Ireland. These MOUs underscore Azerbaijan's dedication to advancing digital infrastructure and processes, fostering e-government growth, and promoting digitalization nationwide.

### **4.3. Digital Economy and Innovation:**

In the domain of digital economy, Azerbaijan witnesses gradual growth in e-commerce, propelled by domestic payment systems like GoldenPay and the "Asan Imza" electronic signature system. Despite a preference for cash payments among Azerbaijanis, efforts to boost online sales are evident, particularly through portals like AzExport.az. This platform

not only facilitates international sales but also connects with significant global sales portals, showcasing Azerbaijani products and offering secure payment options.

## **5. Together for Resilient, Fair, and Inclusive Societies:**

### **5.1. Civil Society and Youth Participation:**

The European Union (EU) and the United Nations Development Programme (UNDP) jointly launched a three-year project in 2021, injecting three million euros to bolster Azerbaijan's modern, innovative, and sustainable civil society. Focused on social innovation, local development, and policy-making, this EU-funded initiative seeks to empower Civil Society Organizations (CSOs) to actively participate in driving change. The project, financed entirely by the EU, is expected to run until 2023.

### **5.2. Independent Media and Fact-Based Information:**

The EU-funded project EU4 Independent Media is supporting investigative journalism in Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. With a budget cap of €100,000, the project aims to tackle pressing issues such as corruption, financial crime, public safety, security, democracy, human rights, environment, climate change, and healthcare. Legally registered news organizations, non-profits dedicated to press freedom, and independent content production firms from these Eastern partner countries are eligible for assistance.

### **5.3. Democracy:**

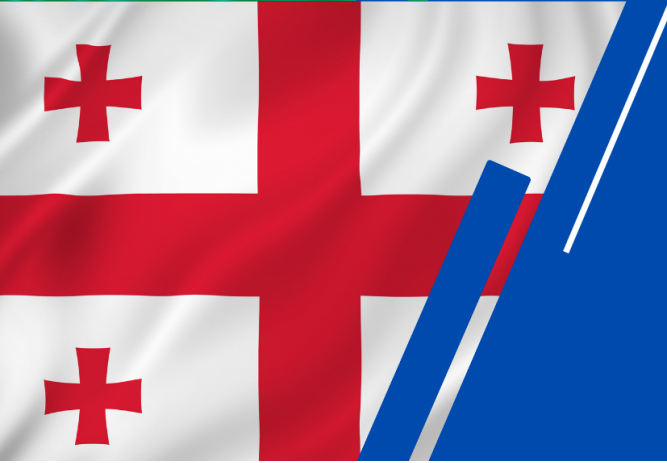
EU action in Azerbaijan prioritizes the advancement and defense of fundamental freedoms and human rights. Key focus areas include enhancing the rule of law and democratic institutions, fostering a conducive atmosphere for civil society, and encouraging freedom of expression. The EU actively supports efforts to establish an autonomous, just, and effective legal system, combat corruption, and eliminate legal obstacles hindering CSOs.

### **5.4. Protection of Human Rights and Promotion of Gender Equality:**

The EU's Eastern Partnership initiative centers around gender equality, crucial for democratic growth and personal lives. Collaboration with Azerbaijan involves empowering women in the business sector, providing access to quality education, and advocating for social justice. Achievements include providing loans to women-led businesses, enacting laws against domestic abuse and discrimination, and offering Erasmus+ exchange opportunities. The "EU4GE" program, funded by the EU, aims to combat gender stereotypes and violence, empowering adolescents for gender equality.

### **5.5. Health Resilience:**

Azerbaijan showcases results from the EU-funded Solidarity for Health Initiative, conducted in partnership with the World Health Organization (WHO) since 2020. This initiative contributes to the long-term capacity development to address potential pandemics. The Partnership Priorities' validity, extended until 2024, emphasizes public health, as outlined in the EU-Azerbaijan Cooperation Council's legislation.



# GEORGIA

## ***1. Together for Resilient, Sustainable, and Integrated Economies***

### **1.1. Trade and Economic Integration**

Despite a decline in manufacturing activity, Georgia experienced robust economic growth of 7.3% in the initial four months of 2023, primarily driven by the services sector. However, the World Bank predicts a moderation in growth to 4.4% in 2023, influenced by the anticipated deceleration among trading partners. Nevertheless, the country is expected to maintain stable growth of around 5% in the medium term.

Georgia's trade relationship with the European Union (EU) has undergone notable shifts. In the first half of 2023, exports to the EU declined by 8% compared to the previous year. This decline is largely attributed to reduced exports of copper ores and nuts. However, there is a silver lining with an upswing in agricultural product exports, particularly in wine, showcasing a 129% increase since the inception of the free trade agreement with the EU in 2014.

Anticipated inflation, reaching nearly 12% in 2022, is expected to decrease to 6% in 2023 and further to 4% in the subsequent year. Investments are on the rise, projected to grow by 5.5% in 2023, reflecting growing confidence among businesses. However, concerns about the current account deficit and a potential decline in money transfers could impact the exchange rate.

In September 2023, the National Bank of Georgia (NBG) faced a crisis when it declined to implement US sanctions against a Georgian citizen named Otar Partskhaladze, leading to the resignation of three vice-governors and threatening the country's economic stability.

### **1.2. Investment and Access to Finance**

In the realm of economic and business development, notable progress is made in implementing strategies for small and medium-sized enterprises (SMEs). However, certain performance indicators have not been fully met, largely due to delays in critical legislation adoption in preceding years.

Georgia's landscape of financing options for start-ups is still in its early stages, with government grants playing a crucial role. As start-ups progress, there is a growing need for transition to equity financing, although engagement from angel investors remains limited. The technology start-up ecosystem is evolving, but there is room for growth, refinement, and adaptation to reach its full potential.

In 2023, Georgia's ranking in the World Economic Forum Gender Gap Report stood at 76 out of 153 countries, reflecting a slight decline. The EU, in collaboration with the European

Bank for Reconstruction and Development (EBRD) and Sweden, is facilitating access to fresh funding for micro, small, and medium-sized enterprises (MSMEs) led by women in Georgia.

### **1.3. Enhanced Transport Interconnectivity**

Georgia has adopted the Aviation Safety Plan for 2022-2024, emphasizing strategic approaches to aviation safety management. The EU strongly encourages Georgia to align with sanctions imposed on Russia, particularly concerning the lifting of the air travel ban between the two countries. The Ministry of Economy has drafted a 2024-2025 action plan for national road safety, aiming to reduce road fatalities and injuries. Georgia has initiated a nationwide road safety campaign, "Better and Safer Roads for Georgia," with EU and European Investment Bank (EIB) support.

### **1.4. Investing in People and Knowledge Societies**

The Law of Higher Education in Georgia is structured to protect three essential educational freedoms. Despite substantial reform endeavors, challenges impede the full realization of these objectives. The European Union supports increasing employability of Georgian youth through the Skills Development and Matching for Labor Market Needs (Skills4Jobs) program, showing progress in labor market reforms.

This progress is evident through increased job placements facilitated by the Social Service Agency, along with increased state funding and student enrollment. However, there have been delays in developing a methodology for monitoring job vacancies at the local level, leading to a partial disbursement of allocated funds.

## ***2. Together for Accountable Institutions, the Rule of Law, and Security***

### **2.1. Judicial Reform**

Georgia's judicial system faced widespread criticism, notably concerning equal treatment under the law and politically motivated prosecutions. Despite domestic Civil Society Organizations' reservations about the new judicial reform strategy, the plan introduced by Parliament fell short of addressing fundamental issues. Existing corruption and clan-based influence were exposed by the US State Department, leading to sanctions against four eminent judges. Controversial appointments to prominent judicial positions remained an ongoing concern. The Georgian Dream party submitted a draft law on judicial reform to the Venice Commission, but it was noted that the proposed law did not provide for a comprehensive overhaul of the judiciary.

### **2.2. Accountable, Transparent, and Efficient Public Administration**

The Georgian Government has approved strategic documents for public administration reform, emphasizing collaboration with the European Union. The goals of this reform initiative include establishing a "results-oriented" approach, strengthening the public service sector, improving government accountability, and streamlining service delivery. A study commissioned by the EU and UNDP under the European Union Neighbourhood Programme for Agriculture and Rural Development (ENPARD) identified gaps in delivering public services to the private sector. Georgia has progressed in providing tax services in a digital format, focusing on simplifying taxpayer services through digital and technological solutions.



## **2.3. Tackling Fraud, Corruption, and Economic Crime**

Corruption poses a significant challenge in Georgia, with a noticeable prevalence of medium and large-scale corruption activities. The 2022 Corruption Perceptions Index from Transparency International highlights the impact of political influence on Georgia's state and business sectors, indicating state capture. The establishment of the Anti-Corruption Bureau has been a partially fulfilled priority, but concerns exist about democratic accountability and its independence. Georgia faces challenges in addressing high-level corruption and consolidating corruption investigations within a single agency.

## **2.4. Combating Organized Crime and Strengthening Security**

The EU expects intensified efforts from the Georgian government to combat organized crime and establish mechanisms for accountability and oversight within law enforcement agencies. The Defense and Security Committee of the Parliament has adopted a comprehensive document with specific steps and guidelines. Discussions on amending parliamentary rules to address accountability and oversight challenges in law enforcement agencies have not yet taken place. Progress has been made in gender equality laws, with amendments endorsed by the parliament and compensation offered to victims of domestic violence. Efforts are underway to align the definition of rape with the standards outlined in the Istanbul Convention. Notably, these proposed changes enjoy support from opposition parties and civil society organizations.

# **3. Together Towards Environmental and Climate Resilience**

## **3.1. Benefits for People's Health and Wellbeing**

Georgia actively participates in global climate endeavors, focusing on reducing emissions through improved recycling, waste management, enhanced forest management, and promoting green tourism. The government approved a comprehensive plan for managing air quality in the Central Zone, emphasizing Rustavi, Marneuli, and Bolnisi. The Fourth National Environmental Action Programme (NEAP-4) outlines priorities for 2022-2026, addressing water resources, atmospheric air, land, waste, forest resources, biodiversity, and more. Challenges persist in meeting EU membership obligations, achieving desired pollution levels, and adopting electric and hybrid cars.

## **3.2. Circular Economy, Climate Neutrality, and Green Growth**

Georgia identified 14 sectors with circular potential, operating at 1.3% circularity, presenting a gap of 98.7%. There's room for improvement, with the potential to reach 6.6% circularity within 5 to 10 years. The country approved the Long-Term Low Emission Development Strategy 2050 (Lt-LEDS) on April 24, 2023, aligning with the Paris Agreement. The Lt-LEDS serves as a comprehensive blueprint for sustainable, low-emission economic growth across various sectors.

## **3.3. Biodiversity and Economy's Natural Assets Base**

The Environmental Protection and Natural Resources Committee approved the 2023 Action Plan, focusing on environmental preservation, conservation, and climate-resilient development. International partnerships, like the EBRD's commitment of €19 million for waste management in the Adjara region, demonstrate Georgia's commitment. Notable strides in renewable energy projects, supported by financial aid and legislative efforts, mark significant progress in energy development and water resource management.

### **3.4. Strengthening Energy Security and Nuclear Safety**

The Black Sea Submarine Cable Project, aiming to export renewable energy to the EU, gains political backing but raises concerns due to its route's proximity to Crimea's conflict zone. This highlights security and geopolitical issues that necessitate careful consideration.

### **3.5. Accelerating the Shift to Sustainable and Smart Mobility**

Residents of Tbilisi face challenges in public transportation, air quality, and traffic congestion, prompting urban activism. City Hall responds by revising urban planning practices, transforming the public bus fleet, enhancing metro lines, and introducing a unified card system. Challenges remain, such as a lack of widespread electric charging infrastructure, emphasizing the need for sustainable and smart mobility solutions.

## ***4. Together for a Resilient Digital Transformation***

### **4.1. Digital Infrastructure**

The ongoing Log-in Georgia project, conducted with the World Bank, aims to implement the national strategy (2020-2025), focusing on expanding broadband internet access and establishing a digital corridor connecting Europe and Asia. Georgia's ICT sector experienced significant growth in 2022, with a real GDP growth rate of 49.9%, leading to increased employment and demand. Despite impressive strides in ICT connectivity and affordability, there's room for improvement in ICT skills to achieve "universal and meaningful digital connectivity" by 2030.

### **4.2. e-Governance**

Electronic voting systems were employed in Gori, Kaspi, and Gurjaani during the 2023 interim elections, marking a step forward in modernizing Georgia's electoral procedures. Anticipated plans aim for 90% electronic voting during the 2024 parliamentary elections. However, concerns linger about the credibility of the new system, prompting ongoing initiatives to enhance public awareness and ensure effective integration of electronic technologies into the electoral framework.

### **4.3. Digital Economy and Innovation**

Georgia's e-commerce industry expanded significantly, surpassing GEL 1,300 million in 2022, reflecting an 82% increase. However, domestic businesses constitute a relatively small portion of the overall transaction volume compared to cross-border acquisitions, indicating the prevalence of foreign websites for certain products and services. This dynamic underscores the need for continued efforts to enhance the local market's accessibility and competitiveness.

## ***5. Together for Resilient, Fair, and Inclusive Societies***

### **5.1. Civil Society and Youth Participation**

Despite strong public support for EU and NATO membership, the ruling party has faced criticism for disregarding remarks from Western partners, potentially undermining democratic standards. A 2023 study reveals low reported political participation among young people, with concerns about representation in national politics. While a majority



believes their interests are poorly represented, few express interest in taking on a political role.

## **5.2. Independent Media and Fact-Based Information**

Georgia's Independent Media rating declined from 3.50 to 3.25 in one year, signaling a concerning deterioration in media freedom and independence. Trends include increased harassment and violence against journalists, polarization of the media landscape, restricted access to public information, and the spread of disinformation. Efforts to address challenges faced backlash, emphasizing the complex landscape of media freedom in Georgia.

## **5.3. Democracy**

Persistent challenges hinder Georgia's democratic advancement and EU integration, including issues in judicial autonomy, media freedom, electoral environment, justice selectivity, and informal governance. Local governance faces corruption, power imbalances, and accusations of political pressure, complicating effective decision-making. Despite some reforms, the interim assessment indicates only three of the 12 EU reform priorities were met, emphasizing the need for substantial progress.

## **5.4. Protection of Human Rights and Promotion of Gender Equality**

The Council of Europe's evaluation reveals concerns about discrimination towards the LGBT+ community and religious minorities. A draft law proposing a registry for "agents of foreign influence" faces international criticism for potentially limiting fundamental freedoms. The ruling party's announcement of intent to retract these laws follows public protests and widespread condemnation.

## **5.5. Health Resilience**

Despite increased public health spending in Georgia, the out-of-pocket payment ratio remains relatively high at 51%, compared to the EU's 16%. The government aims to reduce this ratio to 30% by 2030, enhancing affordability and accessibility to align with international standards. This initiative addresses the gap in healthcare expenditure and signifies Georgia's commitment to improving its healthcare system.



# MOLDOVA

## ***1. Together for resilient, sustainable and integrated economies***

### **1.1. Trade and economic integration**

The Moldovan economy faces challenges resulting from Russia's invasion of Ukraine and inflation. By Q1 2023, purchasing power decline led to a 2.3% GDP contraction. This was fueled by a 4.7% drop in private consumption due to high prices. Restocking had a positive impact, but investments decreased, possibly due to a lenient monetary approach and heightened risks. Agriculture, employing a significant labor force, struggled with drought and input costs. Moldova solidified economic ties by finalizing trade agreements with the European Free Trade Association, underlining the EU's importance as a partner, accounting for 52% of total foreign trade.

### **1.2. Investment and access to finance**

In the current year, Moldova engages in policy dialogue with the IMF and EU to enhance financial sector resilience. This involves harmonizing regulations with EU standards and ensuring transparency and corporate governance reforms. Total direct investments increased by 6.8% in H1 2023, with substantial contributions from EU investors. Significant investments were observed in sectors such as financial activities, wholesale/retail trade, manufacturing, and information/communication.

### **1.3. Enhanced transport interconnectivity**

Moldova continues infrastructure reconstruction, guided by the Mobility Strategy for 2023-2030. This aligns with the National Development Strategy "European Moldova 2030." Joining the Connecting Europe Facility (CEF) positions Moldova to access €26 billion for infrastructure projects, improving connectivity with EU neighbors. Investments, including the €16 million Bridge across the Prut in Ungheni project, strengthen EU-Ukraine Solidarity Lanes amid Russia's blockade. Simultaneously, Moldova addresses rail connections with the EU and Romania.

### **1.4. Investing in people and knowledge societies**

Educational digital centers in Moldova, a vital initiative, benefit over 300,000 people, including young Moldovans and Ukrainian refugees. Meanwhile, the "Education for Democracy" project, running from 2023 to 2026, strengthens the Moldovan education system. EU4Youth, over the past five years, has positively impacted over 1,800 young Moldovans, offering learning opportunities and financial assistance.

## **2. Together for accountable institutions, the rule of law, and security**

### **2.1. Judicial Reform**

Justice reform is a crucial commitment for Moldova's EU accession. The European Commission identified nine recommendations, with judicial reform as the first. Despite progress, the justice sector backlog persists. Achievements in 2023 include reinforcing Judicial Inspection and Disciplinary Liability through Law no. 5/2023, merging bodies for judge selection and performance evaluation, and reforms in the National Institute of Justice (NIJ). Legislative amendments address prosecution, pre-vetting (Law no. 26/2022), and candidate evaluations. However, delays in appeals examination and potential shortcomings in the reform process remain.

### **2.2. Accountable, Transparent, and Efficient Public Administration**

To ensure transparent and efficient public administration, Moldova created new positions and support mechanisms for EU accession. Salary increases for some public servants were approved, but disparities persist between central and local authorities. The Strategy for Public Administration Reform (2023-2030) and legislation supporting voluntary amalgamation were enacted. Noteworthy progress includes legislative initiatives, policy unit strengthening, state chancellery restructuring, and a support mechanism for EU accession. However, challenges include staff migration risks and delays in Single Service Centres (CUPS) and the delimitation programme.

### **2.3. Tackling Fraud, Corruption, and Economic Crime**

Addressing corruption and "de-oligarchisation" are crucial for EU accession. Progress includes amendments to the Code of Criminal Procedure, but debates on collaboration between the National Anti-Corruption Center (NAC) and Prosecutor's Office (PO) persist. The new mechanism for in-absentia criminal investigations and a Law on Whistle-blowers were adopted. A de-oligarchisation plan aims to prevent state institutions' misuse. Challenges involve delayed implementation, debates on competences, and the appointment of a new NAC head.

### **2.4. Combating Organized Crime and Strengthening Security**

The fight against organized crime, the 5th EU accession commitment, saw progress with the adoption of the National Asset Recovery Program. Legislative amendments aligned with Financial Action Task Force (FATF) standards were enacted. In internal affairs, the Strategy for Development (2022-2030) guides sustainable and functional growth. Cooperation with EU entities and the National Program for Anti-Terrorist Protection Measures (2022-2026) strengthen security, but ongoing challenges include compliance issues and potential risks to critical infrastructure.

## **3. Environmental and Climate Resilience**

### **3.1 Benefits for people's health and wellbeing**

Moldova's association with the EU's EU4Health program brings access to funding for health system enhancement. In this context, there's a focus on digital transformation, disease prevention (especially cancer), and strengthening the health workforce. Additionally, there's

a collaboration with UNICEF and the Ministry of Culture to promote children's rights, social cohesion, and a culture of peace.

The National Climate Change Adaptation Programme until 2030 and its Action Plan were approved by the Government of the Republic of Moldova on 30 August 2023. The Programme was developed with the support of the UNDP Moldova project “Advancing Moldova’s national climate change adaptation planning”, funded by the Green Climate Fund.

### **3.2. Circular economy, climate neutrality and green growth**

Moldova emphasizes a green/circular economy, a commitment reflected in strategic documents. Simultaneously, participation in EU4Environment ensures the sustainable use of natural capital and support for green growth. Specific areas of support include greening industrial parks, promoting cleaner production, and fostering sustainable transport.

European Union action EU4Environment aims to assist the six partner countries, including the Republic of Moldova, in ensuring the sustainable use of natural capital, improving the quality of the environment and the well-being of the population by supporting environmentally oriented actions, demonstrating and opening up opportunities for green growth, and establishing mechanisms for better management of environmental risks and impacts.

### **3.3 Biodiversity and economy’s natural assets base**

Forests in Moldova contribute significantly to biological diversity and the economy. However, there are challenges, including excessive exploitation and unauthorized logging. Meanwhile, the implementation of the National Forest Extension and Rehabilitation Program focuses on conservation and sustainable development. Furthermore, water sector priorities align with EU objectives, emphasizing the importance of outcomes from the UN 2023 Water Conference.

The government of the Republic of Moldova plans to update provisions for the environmental liability of polluters in its environmental legislation, considering international best practices.

### **3.4. Strengthening energy security and nuclear safety**

Moldova aims for greater energy security through renewable sources and efficiency measures. This involves the establishment of the Ministry of Energy, overseeing energy security, efficiency, and transition. The goal is to create a safe, sustainable, and competitive energy sector with the ultimate aim of decarbonizing the economy. Additionally, there's a focus on diversifying electricity sources and ongoing efforts to mitigate risks in the energy infrastructure.

### **3.5 Accelerating the shift to sustainable and smart mobility**

Strategic priorities include waste management and sustainable mobility. Initiatives like the SMART village in Valeni, featuring a solar tree for renewable energy, have been implemented. Meanwhile, significant EU funding supports sustainable and smart mobility projects, contributing to the European Green Deal. Progress is also seen in electric transportation, including the production of Moldova's first electric bus and road infrastructure improvements in Ungheni.

The European Commission accelerates the shift to sustainable and smart mobility on the TEN-T network with EUR 6.2 billion in grants. The Connecting Europe Facility (CEF) continues to contribute to delivering the European Green Deal with an additional financial support of EUR 6.2 billion for 107 new projects on the Trans-European Transport Network.

Overall, 82% of this funding concerns transport infrastructure that contributes to climate objectives in line with the Union's commitments.

## **4. Together for a Resilient Digital Transformation**

### **4.1. Digital Infrastructure**

In 2020, Moldova achieved 98% 4G coverage across its territory. Notably, 58.8 out of 100 inhabitants have a mobile Internet subscription, and 17.8 out of 100 have a fixed Internet subscription. Internet subscription costs in Moldova are relatively affordable, falling below the European average. While mobile infrastructure is robust, access to high-speed broadband in households remains challenging, especially in underserved regions.

### **4.2. e-Governance**

September 2023 saw the approval of the Digital Transformation Strategy (2023-2030), envisioning a fully digital future. The Ministry of Economic Development and Digitization aims to digitize all public services in a short timeframe. Currently, 44% of online public services for entrepreneurs and 34% for citizens are available. In November 2023, the Government approved the "e-Monitoring" Information System, a digital platform enhancing data exchange speed, real-time monitoring of commitments with the EU, and national commitments. The shift from manual document processing to extensive digitization promises increased efficiency in public policy implementation.

### **4.3. Digital Economy and Innovation**

Challenges in the digital economy include a lack of financing mechanisms for IT start-ups, insufficient local IT solutions, and a focus on outsourcing services by local IT companies. E-commerce faces hurdles due to regulatory loopholes, especially in online payments and logistics. Moldova lags behind European standards in innovation, with electronic commerce facing obstacles, including outdated regulatory provisions and issues related to the processing of personal data and remote identification of service users.

National Media Development Program (2023-2026) and its Action Plan, aiming to strengthen the role of the media in ensuring the right to information and building a democratic society.

## **5. Together for Resilient, Fair, and Inclusive Societies**

### **5.1 Civil Society and Youth Participation**

Improving cooperation with Civil Society Organizations (CSOs) and enhancing their involvement in decision-making at all levels is a key recommendation from the European Commission. Several actions have been taken to achieve this, emphasizing the importance of CSO participation in public consultations and maintaining a transparent parliamentary agenda. In 2023, the Government approved the Civil Society Organizations Development Program (2024-2027), aiming to enhance state-CSO cooperation mechanisms, establish communication and coordination platforms, diversify funding sources, and increase the capacities of the associative sector. Despite these efforts, youth participation in political and social processes remains low, especially in electoral processes. The authorities have adopted the "Youth 2030" Youth Sector Development Strategy to address shortcomings, focusing on associative structures, initiative groups of young people, and enhancing civic and social participation.

Noteworthy initiatives include the establishment of a Youth Center in Dezginja village by young people from Gagauzia, supported by the EU through the EU4Accountability project. This center, a collaborative effort between Civil Society Organizations and Local Public Authorities, provides a space for educational, recreational, and cultural opportunities, aiming to support the holistic development of local youth.

## **5.2 Independent Media and Fact-Based Information**

Moldova has made progress in media freedom, ranking 28th out of 180 countries in the "Reporters without Borders" 2023 ranking, up from 40th the previous year. Despite this improvement, challenges persist in the media landscape, marked by ownership concentration, lack of financial transparency, and polarization between pro-Western and pro-Russian camps. Disinformation, particularly from Russian language media outlets, poses a serious threat, covering topics such as the energy crisis, Russia's military aggression against Ukraine, minority rights, LGBTQ+ issues, religious values, electoral campaigns, and external affairs.

To combat disinformation, the Center for Strategic Communication and Combating Disinformation was established in July 2023. This center coordinates and implements strategic communication, develops measures for information space security, and enhances the population's resilience to disinformation campaigns. Additionally, the Parliament approved the National Media Development Program (2023-2026) and its Action Plan on July 7, 2023. These documents aim to strengthen the media's role in ensuring the right to information and building a democratic society.

## **5.3. Democracy**

Despite efforts to meet EU standards, Moldova faces challenges in justice, corruption, the rule of law, electoral environment, and media freedom. Categorized as having "hybrid regimes," Moldova improved its democracy score in 2023, reflecting progress in democratic governance. However, challenges persist, resulting in a "partly free" rating with 62 points in the Global Freedom Score.

## **5.4. Protection of Human Rights and Promotion of Gender Equality**

Significant achievements in human rights protection include ratifying the Istanbul Convention and reinforcing Ombudsman capacities. Programs for gender equality (2023-2027) and the prevention of violence against women (2023-2027) were approved. However, discrimination persists, especially against minorities, people with disabilities, LGBTIQ+ individuals, and Roma. Moldova ranks 19th in the Global Gender Gap Report 2023 but faces challenges in income disparity, gender representation in politics, and public perceptions of gender roles.

## **5.5. Health Resilience**

Moldova's health sector includes 21 institutions financed from the public budget, with over 14 million lei allocated for mandatory health care insurance funds in 2023. The "Health 2030" National Strategy, approved in June 2023, outlines priorities for a comprehensive health system transformation. Moldova's association with the EU's EU4Health program aims to strengthen the health system, improve preparedness for emergencies, prevent diseases, and contribute to digital transformation. The €5.3 billion EU4Health budget covers the period 2021-2027, enabling Moldova's access to financing on equal terms with EU countries. The agreement allows Moldova's health authorities to participate in joint actions in specific health areas within the EU network.



## ***1. Together for resilient, sustainable and integrated economies***

### **1.1. Trade and economic integration**

Ukraine's economic recovery in 2023, heavily influenced by the Russian aggression in 2022, indicates a 4% growth compared to the previous year. However, it remains one-fifth lower than the 2021 levels. Meanwhile, inflation has notably slowed to 7% in September 2023, allowing the National Bank of Ukraine (NBU) to reduce its policy rate from 25% to 16% by October 2023. A pivotal change in the current account balance, expected to reach a 6% deficit by the year-end, is marked by alterations in trade dynamics and increased reliance on grants, particularly from the USA. Concurrently, economic integration with the EU has deepened, accounting for a significant share of Ukraine's total trade, reflecting a broader trend of alignment with EU measures.

### **1.2. Investment and access to finance**

The EU plays a central role in supporting Ukraine's economic recovery. As of November 2023, the EU has provided USD 16 billion, covering 47% of the total international funding received. This is a notable increase from 2022 when the EU and its member states contributed 36% of the total funding. Recognizing the importance of structural reforms and the fight against corruption, the EU proposed the establishment of the Ukraine Facility in June 2023. This facility aims to secure predictable financing for Ukraine's short-term fiscal needs and medium-term reconstruction (2024-2027), totaling up to EUR 50 billion. In tandem, the EU has sustained its focus on SME-related projects through EU4Business, allocating EUR 246 million to 42 projects in Ukraine, emphasizing access to finance, business development services, and improvements in the business environment. These efforts align with the European Commission's recommendations for accession talks.

### **1.3. Enhanced transport interconnectivity**

The significance of transport connectivity has risen sharply due to the full-scale Russian aggression, resulting in closed airspace for civic aviation and limited land transportation, only viable with the EU and Moldova. In May 2022, the EU introduced the Solidarity Lanes initiative, primarily aimed at facilitating food exports from Ukraine during the seaport blockade. This initiative, addressing both short-term and medium-term measures, has seen some achievements. However, conflicts, particularly with Poland, have arisen, as discontent among Polish carriers led to their intention to block road crossing points with Ukraine, highlighting challenges in implementing transport agreements. Simultaneously, Ukraine and the EU explored alternative routes for exports.

## **1.4. Investing in people and knowledge societies**

The humanitarian aspect of Ukraine-EU relations is marked by personal mobility, with approximately 4.1 million Ukrainian refugees registered in the EU under the temporary protection scheme. Recognizing the ongoing conflict, the Council of the EU extended the temporary protection duration until March 2025, granting displaced individuals rights to work, education, and healthcare. Meanwhile, Ukraine has actively participated in programs like ERASMUS+ and EU4Skills, tailored to address challenges posed by the Russian aggression. These programs have undergone modifications to ensure flexibility and exceptional measures for academic mobility projects, showcasing a commitment to maintaining educational and cultural ties amid adversity.

## **2. Together for accountable institutions, the rule of law, and security**

### **2.1. Judicial Reform**

In correspondence with the EU's and the Venice Commission's requirements related to the judicial reform and following the Venice Commission offered additional recommendations, primarily concerning the appeal process for AEG decisions, on July 27, 2023, the provisions for the competitive selection of Constitutional Court judges were accepted in the second reading, and the law came into effect on August 20, 2023. Despite these advancements, challenges persist, with the ongoing formation of the judges' selection commission and potential threats to the process's politicization, raising concerns about the appointment of judges with questionable integrity to the Constitutional Court.

### **2.2. Accountable, transparent and efficient public administration**

The establishment of 17 policy directorates within ministries and the hiring for reform support positions to bridge these shortcomings and offer technical assistance in executing crucial reforms remains unfinished. As of the conclusion of 2022, fewer than 750 reform support positions had been occupied out of the planned 3,000 posts, and this downward trend continued into 2023.

There are no established formal criteria or consistent procedures for overseeing the execution of policies and laws. The monitoring of the mid-term action plan and the yearly action plan by the Cabinet of Ministers' Secretariat is predominantly carried out in an ad hoc manner.

### **2.3. Addressing fraud, corruption, and economic crime**

NABU and SAPO leaders were designated through transparent competitions, earning recognition from the Group of States Against Corruption (GRECO) for Ukraine's substantial progress in anti-corruption endeavors. Responding to civil society and Western Allies' influence, the compulsory asset e-declaration for officials, initially halted after February 24, 2022, has been reinstated. Additionally, Ukraine introduced its State Anti-Corruption Programme for 2023-2025, officially approved in March 2023 with a two-month delay.

### **2.4. Combating organized crime and strengthening security**

Ukraine has established a dedicated strategic and institutional framework to combat organized crime, coupled with robust international collaboration, notably through growing joint operations with EU Member States. Initiatives are underway to address challenges like the illegal trafficking of firearms, human trafficking, and cybercrime. The introduction of the e-case management system in the criminal justice chain has been initiated, complemented by



the adoption of a national asset recovery strategy. These efforts signify a comprehensive approach to counter various facets of organized crime.

### **3. Together towards environmental and climate resilience**

#### **3.1. Benefits for people's health and wellbeing.**

The impact of Russia's armed aggression against Ukraine extends beyond direct conflict to affect the environment and, consequently, the health and wellbeing of the population. Key concerns include pollution, limited access to drinking water, and the contamination of air and soil with hazardous substances. The destruction of the Kakhovska HPP intensified the challenge of providing safe drinking water. In response, Ukraine initiated the creation of the National Pollutant Release and Transfer Register and pursued legislation on industrial pollution. Simultaneously, the country passed the Law on Sewage and Wastewater Treatment in January 2023, focusing on improving drainage services and minimizing the negative environmental impact of wastewater. Challenges persist in environmental statistics collection, with martial law restrictions limiting access to certain data.

#### **3.2. Circular economy, climate neutrality and green growth**

The environmental consequences of Russia's aggression are not confined to local issues but extend to global climate impact. Greenhouse gas emissions during the war, estimated at 120 million tons of CO<sub>2</sub> eq., underscore the severity of the situation. Despite these challenges, Ukraine remains committed to climate governance. Initiatives include preparations for the next conference of the parties to the Paris Agreement, the establishment of a Climate Office in Kyiv, and the development of a plan for implementing the Updated Nationally Determined Contribution. The recently adopted Energy Strategy of Ukraine sets ambitious goals for climate neutrality in the energy sector by 2050. The country is also actively involved in waste management reform and is planning its post-war recovery with a focus on green transition, as outlined in the Ukraine Plan under the proposed financial instrument 'Ukraine Facility.'

#### **3.3. Biodiversity and economy's natural assets base**

Military actions have taken an unprecedented toll on Ukraine's biodiversity, nature reserves, and water bodies. Notably, the Black Sea has suffered considerable damage. Efforts are underway to assess and address environmental violations, with the creation of the International Working Group on Environmental Consequences of War. The impact on fisheries is acknowledged, leading to the approval of the Strategy for the Development of the Fisheries Industry. Additionally, the international forum "United for Justice. United for Nature" highlighted the need for a standardized tool to assess environmental damage globally.

#### **3.4. Strengthening energy security and nuclear safety**

In the aftermath of Russian shelling, Ukraine has actively worked to restore critical energy infrastructure. The destruction of the Kakhovska HPP and the continued occupation of the Zaporizhzhia NPP prompted the adoption of laws promoting energy efficiency and the development of renewable energy. Partnerships with the EU, such as the Memorandum on strategic partnership in biomethane, hydrogen, and synthetic gases, demonstrate a shared commitment to a green transition. Initiatives like the State Fund for Decarbonization and Energy-Efficient Transformation aim to finance energy efficiency programs. The focus on energy efficiency extends to rebuilding damaged housing and public buildings, aligning with the broader goal of sustainable development.

### **3.5. Accelerating the shift to sustainable and smart mobility**

Russia's aggression has significantly impacted transport infrastructure, leading to shifts in transportation modes and changes in corresponding infrastructure. The closure of airspace and targeted attacks on elements of the transport system prompted the creation of solidarity lines for agricultural product transportation with EU support. In response, Ukraine adopted the Action Plan for the Implementation of the National Strategy for Creating a Barrier-Free Space, emphasizing accessibility standards for transport and infrastructure. The consideration of smart and sustainable mobility is increasingly seen at the city level, though challenges persist as some cities opt for environmentally harmful solutions despite the overarching movement toward EU standards.

## **4. Together for a resilient digital transformation**

### **4.1 Digital Infrastructure**

Immediate measures were implemented in Ukraine to support telecommunications resilience in war conditions. Among these measures was the launch of national roaming among the three mobile operators, avoiding the need to change SIM cards or tariffs. Agreement with EU Member States allowed the application of Ukrainian national tariffs for mobile communications of Ukrainians residing in EU countries, instead of regular roaming tariffs. The Ukrainian government expedited legal processes, notably through the adoption of Law No. 2078-IX, simplifying land allocation for base stations, both during martial law and post-war reconstruction. Additionally, Law No. 7487 cancelled redundant approvals for re-establishing communications post-de-occupation.

### **4.2 e-Governance**

A significant European Union-funded project, "Digital transformation for Ukraine" (DT4UA), launched at the end of 2022 with a budget of 17.4 million euros. The DT4UA project, led by the Estonian e-Governance Academy in collaboration with the Ministry of Digital Transformation of Ukraine and other stakeholders, focuses on four priority areas. To simplify electronic interactions for business with European partners, Law 2801-IX was adopted, aligning Ukraine with EU Digital Single Market norms. Progress in recognizing EU's Qualified Trust services and testing the eIDAS node demonstrates Ukraine's advancement in eID and electronic service implementation.

### **4.3 Digital Economy and Innovation**

In 2023, the EU4Digital Facility Phase II initiated a new eCustoms pilot between State Customs of Ukraine and the Romanian Customs Authority. This pilot focused on mechanisms for data exchange between bordering customs administrations, utilizing the Systematic Electronic Exchange of Data (SEED). Subsequently, new eCustoms pilot activities were launched, featuring trilateral cooperation between participating customs authorities of Ukraine, Moldova, and Romania. This trilateral effort aims to strengthen customs-to-customs data exchanges and introduce advanced customs risk management processes.

### **4.4 Cyber Resilience – Cybersecurity**

The importance of building resilience in Ukraine's digital transformation to tackle Russian hybrid threats and cyberattacks was acknowledged by the EU. This acknowledgment led to enhanced cybersecurity cooperation highlighted during the 24th EU-Ukraine Summit in February 2023. Following this, the Cabinet of Ministers of Ukraine adopted a resolution defining the country's cybersecurity procedure for responding to cyber-incidents and cyber-attacks. This procedure encompasses stages such as preparation, detection and analysis,

containment, elimination, recovery, and analysis of the effectiveness of the response measures.

## **5. Together for Resilient, Fair, and Inclusive Societies**

### **5.1. Civil Society and Youth Participation**

Ukraine has established various strategic documents to enhance civil society engagement, such as the 2021-2026 national strategy for promoting civil society development (September 2021), the national barrier-free strategy, and the national human rights strategy. Despite the challenges posed by Russia's war of aggression and the imposition of martial law, the implementation of these documents has persisted. Furthermore, in February 2023, the action plan for executing the national civil society strategy until 2024 was officially endorsed.

Ukraine's youth policy is guided by the law on basic principles of youth policy, the strategy for the development of youth policy until 2030, and the state-targeted social program "Youth of Ukraine" for 2021-2025.

### **5.2. Independent Media and Fact-Based Information**

A Ukrainian media law aligns Ukraine's legislation with the EU audio-visual media services directive and empowers the independent media regulator. This legislation envisages the legal framework for the operation of media entities in Ukraine, along with outlining the principles governing state administration, oversight, and regulation in this domain. Council of Europe provided an expert opinion on the compliance of the Law "On Media" with the EU Directive 2018/1808 on audiovisual media services (AVMSD) which says that the law "On Media" complies with the Directive and standards of the Council of Europe.

### **5.3. Democracy**

Despite Russia's full-scale invasion in February 2022 and the ongoing war of aggression, Ukraine has persistently made strides in democratic and rule of law reforms. The awarding of EU candidate status to Ukraine in June 2022 has spurred a heightened pace in reform efforts. Legislative tasks are systematically executed, establishing the foundation for an uninterrupted democratic decision-making process.

### **5.4. Protection of Human Rights and Promotion of Gender Equality**

In December 2022, Ukraine enacted new legislation addressing national minorities, receiving positive feedback despite some perceived ambiguity in language rights. The law aligns with conventions on minority protection, to which Ukraine is a signatory. Some EU member states, particularly Hungary and Romania, criticized the law, advocating for amendments to educational language policies. Ukraine aims to engage in constructive dialogue with these nations, considering revisions to gain EU approval for accession negotiations.

The number of registered discriminations against minorities, including against LGBTIQ persons and national minorities as well as antisemitic acts, has strongly decreased.

In August 2022, the Cabinet of Ministers adopted the 2030 state strategy to ensure equal rights and opportunities for men and women. This comprehensive document addresses gender inequality and promotes women's participation in public institutions, the economy, and environmental issues, among other crucial aspects. However, this legislation is generally declarative in nature.

## **5.5. Health Resilience**

Ukraine is actively implementing its 2023 public health strategy, showcasing progress in the adoption of the Law on Public Health and its related legislation. Despite the introduction of the e-health system, issues persist, such as fragmentation in health data and the absence of a comprehensive health information system strategy. The current legal framework also requires further development.



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Grants are available for CSOs from the Eastern Partnership and EU countries. Key areas of support are democracy and human rights, economic integration, environment and energy, contacts between people, social and labour policies.

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