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The Commission on the Black Sea and its Recommendations

By Dimitrios Triantaphyllou

The Commission on the Black Sea is a civil society initiative, jointly developed and launched in January 2009 by the German Bertelsmann Stiftung, Gütersloh; the Black Sea Trust for Regional Cooperation (BST - GMFUS), Bucharest; the Economic Policy Research Foundation of Turkey (TEPAV), Ankara; and the International Centre for Black Sea Studies (ICBSS), Athens.

Among members of the Commission on the Black Sea are a former vice prime minister, former ministers, current and former parliamentarians, public intellectuals and scholars from the whole Black Sea region, the European Union and the United States. The Commission's work has been supported and complemented by several individuals from different countries, who wish to remain anonymous due to their current official affiliations or for personal reasons. All members serve on the Commission in a personal capacity.

Between January and April 2010, the Commission on the Black Sea published four policy reports each addressing the themes of democracy, socio-economic welfare, regional cooperation, and security. It issued its final report titled *A 2020 Vision for the Black Sea Region – A Report of the Commission on the Black Sea* on 17 May 2010 with a public event in Istanbul. The rapporteurs are Dimitrios Triantaphyllou, the Director General of the ICBSS and Mustafa Aydin, the Rector of Kadir Has University while

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its editor is Tim Judah, a correspondent of The Economist. The Report and the four policy reports can be found on the ICBS website (<http://www.icbss.org>) and on the website of the Commission (<http://blackseacom.eu/>).

Below are its eight principal recommendations which each contain the seeds of further elaboration. I hope they are a source of inspirations to all interested parties.

Policy Recommendations

2020 Vision – A Black Sea Dimension

The setting of consensus targets for the region is important. We should work towards proposing mid-term recommendations with 2020 in sight. We assume that by then, the countries of the Western Balkans will have become EU members, that there should be a clearer picture regarding Turkey's membership and debate on which, if any, of the other countries of the region will join, will have crystallised. This would entail the creation, by the countries and actors of the region, of a new overarching concept and policy; a Black Sea Dimension. The aim of this would be to promote regional cooperation while anticipating changes in the neighbourhood. The necessity of thinking about a new concept for the region is only underscored by the fact that most existing ideas and policies for and about the Black Sea were conceived before the August 2008 war. The Dimension should also take into consideration ongoing discussions regarding a new European security framework. The 2020 Vision needs to be developed into a clear strategy which should mark the culmination of several linked initiatives.

Enhance the profile of Black Sea regionalism

The first chapter in the history of BSEC has ended but a new one has not yet been properly opened. It is in need of rejuvenation. Preparations should begin without delay for a summit in 2012 to mark the 20th anniversary of the organisation. This must not be a mere festive occasion. It should be an opportunity to renew the commitment of its members to regional cooperation and to inaugurate an overhauled BSEC in order to make it a more relevant regional organisation with greater clout. Such steps, which should be in line with other international commitments undertaken by BSEC member states, could include:

- Setting specific targets and deadlines for the development of a system of legally binding commitments and implementation mechanisms. These should cover the main areas of BSEC concern where a regional approach provides value added compared to the individual efforts of member states.
- Agreeing on a substantial augmentation of the BSEC budget, based on proportional contributions, in order to enable BSEC to co-finance major projects of regional interest. This could also be done through the creation of specific funds, similar to the Hellenic Development Fund. The resources of the Black Sea Trade and Development Bank should be harnessed for this.
- Adding a specific security dimension to BSEC activities, relying mainly on confidence-building measures and increased transparency.
- Developing an inclusive mechanism for regular consultation and coordination between BSEC and all the other regional organisations and initiatives, (governmental and non-governmental,) as well as with "extra-regional" partners.
- All members should undertake to actually devote, as opposed to just declaring that they will, at least one cabinet meeting a year to an examination of Black Sea regional cooperation matters and to report accordingly to their parliaments as well as to the BSEC parliamentary assembly.
- BSEC's rebirth, expanded role and enhanced regional relevance should be symbolised by giving it a new name. A region-wide awareness raising competition could be opened for everyone in the region to suggest what it might be and also to design a new logo and flag for it.

Deal with the conflicts – Start real security dialogue and confidence-building measures

As part of our 2020 Vision we see an urgent need to tackle the protracted conflicts and other outstanding issues of the region. The Commission proposes to establish a high level consultative group in order to assess the issues and search for solutions. The group should eventually suggest ways to provide international guarantees for the implementation of any peace agreements. In the interim it should propose confidence-building measures in order to mitigate the corrosive impact of the conflicts on the goal and vision of putting the whole Black Sea region at a qualitative new level. The feasibility of an international gathering, preferably at a summit level, involving the Black Sea states and interna-

tional stakeholders should be the end point for any or all of these processes.

There is a need for the region's stakeholders to contribute to the ongoing debate about a new security architecture for Europe, as this discussion has immediate ramifications for the Black Sea which could be described as the shared neighbourhood of both the EU and Russia. As part of this discussion, a renewed assessment of already existing mechanisms, such as the OSCE or the CFE treaty, and agreed upon measures under such mechanisms, is needed. Within this context, the Commission proposes a number of confidence-building measures from hotlines between foreign ministers to regular meetings of senior officials of the foreign and defence ministries of the region in order to stress the need for regional solutions to regional problems. Establishing a structured security dialogue on relevant issues ranging from civil protection to coordination regarding man-made or natural disasters, migration and organised crime would be a valuable addition.

Focus on economic issues that meet common challenges and real needs

Promote the principles of sustainable development as the guiding philosophy of regional cooperation in the Black Sea area. In this way we should seek to restore and preserve a rational and enduring equilibrium between economic development and the integrity of the natural environment in ways that society can understand and accept. Rational responses to the consequences of climate change and the responsible use of natural, human and societal resources are essential components of such a development model, which should be translated into coherent policies at national and regional level. Human and knowledge capital should be considered an integral part of a sustainable development model.

Since the on-going global financial and economic crisis has severely affected most countries in the Black Sea region, it is essential to supplement the mitigation measures taken in each country with a concerted regional approach to post-crisis recovery programmes relying on the concept of sustainable development.

Since economies are increasingly interlinked, decisions or actions in one country often impact neighbouring states, thus creating common challenges which require cooperation and communication. The basis for such cooperation may entail undertaking new initiatives to create physical linkages, for example cross-country infrastructure and institutional linkages. These could include policy coordination and harmonisation, cross-country regulation, enhanced information sharing in order to stimulate growth and overlapping activities. Alternatively, the basis of cooperation may be economic security oriented, in the sense of avoiding misunderstandings or undertaking policies which may have adverse "beggar thy neighbour" impacts. Cooperation could also aim to mitigate the negative effects of economic downturns, to pool information or resources to create early warning systems or reciprocal assistance mechanisms or to reduce the vulnerability of countries to crises in the future and to devising forms of insurance. The key is for cooperation to meet real and identified needs which have tangible, achievable solutions and appropriate cost benefit ratios.

Take policy measures to improve the business environment and to facilitate greater economic activity across borders. These should include concrete steps to facilitate business activity by removing various non-tariff barriers that hinder trade, investment or financing. This may be done by agreements relating to specific activities, for example customs procedures and visas or in the form of a comprehensive trade facilitation deal.

Conduct regular policy dialogues between relevant officials concerned with important sectors of the economy that would benefit from cooperation such as finance, transport, energy, environment, fisheries and so on.

Promote and coordinate regional cooperation schemes at all levels

Any examination of work done on the region shows that numerous schemes, programmes and initiatives, whether governmental or non-governmental, not-for profit, EU-led or with a thematic focus have been actively promoting regional cooperation for years. However, the need to make this work more visible and coordinated is necessary if the potential of the Black Sea, as a region, is to be fully unleashed.

There is also a need to move beyond the top-down approach promoted by organisations such as BSEC and others, to assure that civil society plays a role in the development of the region. If we are to assume that civil society refers to uncoerced collective action around shared interests, purposes and values, there is much to be gained from the greater involvement of the business sector at national and regional levels, NGOs, women's groups and youth in Black Sea regional activities.

Identifying issues which could be better addressed regionally rather than nationally is a priority. Doing this would

serve as a good tool for coordination between institutions and programmes with a regional cooperation dimension. Working on this could also help draw in all relevant actors in the fields of their concern. The selection of key subjects which need addressing would also assist donors, governments and investors in deciding on their funding priorities. Lessons should be drawn from the experiences of other areas which have faced or are dealing with similar issues, such as the Baltic, the Balkans, the Danube region and so on.

Promote intercultural dialogue

A clear encouragement and sponsorship of intercultural dialogue among the peoples of the Black Sea would support regional cooperation. A useful example that could serve as an inspiration and model is the Anna Lindh Euro-Mediterranean Foundation for the Dialogue between Cultures which is based in Alexandria in Egypt and operates within the framework of the Euro-Mediterranean Partnership. Another reference is the Alliance of Civilizations which was established in 2005, at the initiative of the Governments of Spain and Turkey, under the auspices of the United Nations. Similar models should be encouraged at the sub-regional level. Intercultural dialogue should be promoted hand in hand with interfaith dialogue, aimed at bringing together the religious leaders of the region's confessions. Cooperation between universities should be enhanced as should student exchange programmes in order to create linkages and networks between young people of the Black Sea. A joint Black Sea Studies graduate programme needs to be established between the region's universities in order to create academic linkages for the future. In terms of the media there are few foreign correspondents from Black Sea countries reporting on events in one another's countries. This means that what news there is often comes from external sources not well attuned to the interests of their readers or viewers. Funds should be found to address this problem.

Promote the targeted training of professional groups

There is a need for the targeted training of public servants, diplomats, young leaders, parliamentarians and business leaders throughout the region. This should aim to improve the number of well trained individuals at the service of their countries. However, above and beyond that, training people together is a way to promote the cooperation of local public officials and others on issues of common concerns, such as the environment, which contribute to regional development. The creation of a Black Sea Training Academy for example, would help streamline such a process.

Promote good governance, civil society and social dialogue

The involvement of civil society in policy making is linked to good governance and solid institution building, which all countries in the region have signed up to through their membership in the Council of Europe. Programmes should be implemented such that a focus on civil society is enhanced. Efforts should be made to encourage cooperation between civil society organisations in Black Sea countries including the conflict regions. More funds should be devoted to programmes and projects encouraging active and professional involvement of civil society in policy making throughout the region. Countries should take practical steps in developing e-government services both on national and regional levels. Business organisations such as chambers of commerce and employers' organisations and trade unions should also be encouraged to talk to one another in order to find and propose regional solutions for regional problems. One idea could be the creation of a cooperation council for business organisations and chambers of commerce under the aegis of the renewed BSEC enhancing the scope of the already existing BSEC Business Council.

Athens, 8 July 2010

Presentation of the Priorities of the Hellenic Chairmanship-in-Office of the Organization of the Black Sea Economic Cooperation (June 1, 2010 – December 31, 2010)

Istanbul, 23 June 2010 [Link](#)

The pivotal theme of the Hellenic Chairmanship-in-Office is “Black Sea turns Green.” The emblem represents a heron, carved on a signet by the engraver Dexamenus from the Greek island of Chios. It dates back to the 5th Century BC and was excavated at the strait of Kerch which connects the Black Sea and the Sea of Azov. The emblem refers to the always existing interaction and cooperation among the peoples of the Black Sea broader area and also conveys an ecological message about the preservation of the environment.

Greece intends to introduce a green aspect, wherever possible, into the areas of cooperation within the BSEC, in order to draw mutual benefits in fields such as renewable sources of energy. The BSEC area has the natural resources and the know-how to become one of the most significant players at a worldwide level.

The main topic of the Meeting of Ministers of Foreign Affairs at the end of the Hellenic Chairmanship-in-Office will be “Green Development and Entrepreneurship.” In accordance with the central theme, a Meeting of Ministers of Energy, focused on green development and renewable energy sources under the heading of “Green Energy and Security of Energy Supply” will take place during the Hellenic Chairmanship-in-Office.

As the economic relations between the Member States are not only based on common interest and geographic proximity, but also on historical relations and cultural ties, Greece intends to host a Ministerial Meeting of the Ministers of Culture and Tourism, coinciding with the Opening of the exhibition “The lost world of Europe: The Danube Valley 5000-3500 BC” in the Cycladic Art Museum of Athens.

Furthermore, a range of events related to green development are included in the BSEC Calendar, such as the Business Forum on the promotion of Green energy and entrepreneurship with the participation of the private sector and the First Black Sea Partnership Forum on Eco-compatible Construction Materials.

Greece intends to promote the project-oriented character of the Organisation. During its Chairmanship in Office, the Hellenic Republic intends to accelerate the implementation of the two major projects of the BSEC, the “Black Sea Ring Highway” and the “Motorways of the Sea”.

Furthermore, in this context, the Hellenic Republic has concluded the necessary preparations and the BSEC Hel-

lenic Development Fund has become operational. The first call for proposals of the BSEC Hellenic Development Fund, in the field of the renewable energy sources, has already been launched since last February.

The Hellenic Republic, as an EU and BSEC member state at the same time, will work towards the enhancement of cooperation with the European Union. In particular, within the framework of the “Black Sea Synergy” process, the Hellenic Republic will proceed with the launching of the sector partnership in Transport.

As for the sectoral cooperation, the Hellenic Chairmanship intends to focus on energy, environmental protection, culture and tourism, small and medium enterprises, science and technology, trade and economic development, agriculture.

Bearing in mind that the world economy has considerably changed since the BSEC Economic Agenda for the Future was adopted in 2001, the Hellenic Republic with the contribution of the ICBSS and all the Member States, intends to launch a process in order to update it. The intention is to reach a point of maturity which will allow for the adoption of a new Economic Agenda that will reflect the challenges that the economies of the BSEC region are currently faced with. Greece, as the Country-Coordinator of the Working Group on Small and Medium Enterprises, will focus on the competitiveness of the Small and Medium Enterprises of the Black Sea region, particularly at the current difficult economic juncture.

Greece, as of July 1, will be the Country-Coordinator of the Working Group on Science and Technology. The BSEC region has a lot of unexploited potential that needs to be strengthened, stimulated and exploited so as to prevent further brain-drain.

On the occasion of the Hellenic Chairmanship, the Ministry of Rural Development and Food will host the Meeting of the Working Group on Agriculture and Agro-Industry in

Thessaloniki focusing, among others, on issues of food safety and food quality, monitoring of food supply chain and water management techniques.

During its Chairmanship-in-Office, Greece, in cooperation with all Member States, intends to examine all institutional amendments, in order to strengthen the financial rules in the BSEC. Furthermore, Greece will work closely with the Related Bodies, Observers and Sectoral Partners of BSEC, acknowledging their essential role in the operation of the Organisation.

Greece, in a spirit of cooperation, commits to work hard and achieve tangible results during the forthcoming months.

Statement by the Spokesperson of HR Catherine Ashton on Nagorno-Karabakh

Brussels, 22 June 2010 [Link](#)

The spokesperson of High Representative of the Union for Foreign Affairs and Security Policy/Vice President of the Commission Catherine Ashton issued a following statement today:

"The High Representative regrets the armed incident resulting in the loss of human life that took place during the night between 18-19 June along the Line of Contact in the context of the Nagorno-Karabakh conflict. The High Representative calls on both sides to respect the ceasefire, restrain from the use of force or any threat thereof, and continue efforts for the peaceful resolution of the Nagorno-Karabakh conflict. The EU reiterates its full support to the efforts of the OSCE Minsk Group and the work of the three co-chairs."

European Union Signs Visa Facilitation Agreement with Georgia

Brussels, 17 June 2010 [Link](#)

Today, the European Union and Georgia signed a visa facilitation agreement with Georgia, opening the way for easier travel and people-to-people contact across Europe. The signature of the readmission agreement negotiated between the European Union and Georgia in parallel will be organised very soon.

"The conclusion of a visa facilitation agreement is a concrete step forward in EU-Georgia relations. It is EU's message of openness to the Georgian citizens," said Cecilia Malmström, Commissioner for Home Affairs. "The visa facilitation and readmission agreements are very tangible result of the Eastern partnership and will promote interaction between citizens of the EU and Georgia and strengthen our cooperation in the fight against irregular immigration."

Štefan Füle, Commissioner for Enlargement and European Neighbourhood Policy, stated: "This is part of our commitment to bring Georgia closer to the EU, not only at institutional level but also at peoples' level".

The visa facilitation agreement aims at making it easier for Georgian citizens, in particular those who travel most, to acquire short term visas for the EU¹. It provides a reduced visa fee of 35€ instead of 60 € for all Georgian citizens and a total exemption from the visa fee for certain categories of applicants (e.g. children below the age of 12, pensioners, disabled persons, students, close relatives and representatives of civil society organisations). Furthermore for certain persons (e.g. businesspeople, students and journalists) the necessary documents requested for

supporting a visa application are simplified. Bona fide frequent travellers will be issued multi-entry visas with long periods of validity. Finally, the holders of diplomatic passports are exempt from the visa obligation. The agreement also obliges the Consulates to take a decision within 10 days on whether or not to issue a visa.

The negotiations of the readmission agreement have been finalised and the text was initialled between the negotiators on the same day as the visa facilitation agreement. The formal signature of the readmission agreement will be organised once the Council finalises the necessary procedures. Both visa facilitation and readmission agreements will enter into force on the same day.

The agreement on readmission sets out clear obligations and procedures for the authorities of both Georgia and EU Member States as to when and how to take back people who are illegally residing on their territories. The draft agreement covers not only the illegally staying nationals of both parties but also third country nationals and stateless persons being in an irregular situation provided they have a clear link with the requested Party (e.g. visa or resident permit).

Full respect of Human Rights as provided by the European Convention of Human Rights will also be guaranteed during the application of the readmission agreement.

EU citizens are already exempt from the visa obligation by Georgia.

Background

In June 2008, the Council invited the Commission to open a dialogue with Georgia to launch a discussion on a Mobility Partnership. The Extraordinary European Council of 1 September 2008 decided "to step up relations with Georgia, including visa facilitation measures". In November 2009, negotiations on visa facilitation and readmission agreements were concluded ([IP/08/1406](#)) and the EU and Georgia signed a mobility partnership aiming at promoting a better framework for cooperation on all aspects of migration policy ([IP/09/1853](#)).

Georgia is one of six countries within the European Partnership established by the EU in May 2009 ([Joint Declaration of the Prague Eastern Partnership Summit](#), 7 May 2009). The purpose of the Eastern Partnership is to deepen and strengthen relations between the EU and its neighbouring countries Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine.

Since 2006, the EU has concluded visa facilitation agreements with Russia, Ukraine, the Former Yugoslav Republic of Macedonia, Serbia, Montenegro, Bosnia and Herzegovina, Albania and the Republic of Moldova. Negotiations are ongoing with Cape Verde.

¹ The visa facilitation agreement does not apply to UK and Ireland (which do not participate in the Schengen cooperation), and to Denmark. It is applicable towards the rest

of the EU. Denmark, Norway, Iceland and Switzerland who participate in Schengen are invited to conclude similar visa facilitation agreements.

EU-Ukraine Cooperation Council - Fourteenth Meeting

Luxembourg, 15 June 2010 [Link](#)

At the fourteenth EU-Ukraine Cooperation Council today, the Cooperation Council underlined the strength of EU-Ukraine relations and looked forward to deepening them further in the coming year.

In this context the EU welcomed the commitment made by President Yanukovich (and reconfirmed by Prime Minister Azarov today) to bring Ukraine closer to the EU.

The Cooperation Council discussed extensively the challenges faced in Europe by the economic and financial downturn. The EU urged Ukraine to continue to make determined efforts to stabilise the economic and financial situation in the country, in cooperation with the IMF and other International Financing Institutions, while acknowledging that this would entail challenging adjustment measures. The EU side noted in particular the Economic Reform Programme endorsed by President Yanukovich on 3rd June. The EU underlined its readiness to support Ukraine in implementing reforms including those set out in the EU-Ukraine Association Agenda, through macro-financial assistance, the new National Indicative Programme for 2011- 2013 as well as the Comprehensive Institution Building Programme through the Eastern Partnership.

The Cooperation Council welcomed the continuing progress being made in negotiations on the new EU-Ukraine Association Agreement and looked forward to the conclusion of the negotiations as soon as possible. In order to achieve this goal the EU looks to Ukraine to further enhance its negotiating capacity in order to finalise the free trade aspects of the Agreement. The Council underlined the significant economic and political gains that the agreement, once in force, would bring to Ukraine and to the EU.

The Cooperation Council noted the Joint Conclusions of the EU-Ukraine JLS Ministerial of 9th June. In particular it welcomed the decision to move the dialogue on the establishment of a visa free regime as a long term perspective, into an operational phase. This will involve the drawing up of a two phased Action Plan setting out the reforms that Ukraine should undertake in working towards this goal.

The Cooperation Council discussed a number of issues related to Ukraine's democratic development. The EU side

welcomed the fact that the Presidential elections had been conducted in accordance with international standards and called on Ukraine to implement the recommendations of the International Election Observation Mission. It underlined that the respect for human rights and democratic values particularly in the area of freedom of the media are at the core of further deepening of EU-UA relations. It also stressed the importance of Constitutional reform, carried in line with the relevant constitutional procedure and in a transparent and inclusive manner; the importance of securing the independence of the judiciary and freedom of assembly.

The EU also recalled the need to improve the business and investment climate and renew efforts tackle corruption. In this regard the EU welcomed important steps in improving the legal framework for public procurement.

The Cooperation Council looked forward to making use of the opportunities provided by the Eastern Partnership to strengthen the EU's relationship with Ukraine and other Eastern Partnership countries, and Ukraine's positive contribution in this regard.

The Cooperation Council underlined the importance of strengthened cooperation in the area of foreign and security policy. It stressed in particular the value of close cooperation in the regional framework, notably in the context of the 5+2 process for the settlement of Transnistria.

The EU was represented by EU High Representative for Foreign Affairs and Security Policy Ashton. Prime Minister Azarov led the Ukrainian delegation.

EU Foreign Affairs Council, Conclusions on Relations with the South Caucasus

Luxembourg, 14 June 2010 [Link](#)

The Council adopted the following conclusions:

1. The Council recalls its Conclusions of 8 December 2009 welcoming the expressed commitment of Armenia, Azerbaijan and Georgia to enhance their respective relations with the EU within the framework provided by the Eastern Partnership, as a specific Eastern dimension of the European Neighbourhood Policy.

2. The Council looks forward to the launch of negotiations for future Association Agreements in the course of July 2010, with a view to establish political association and achieve gradual economic integration of these countries with the EU, including the establishment of Deep and Comprehensive Free Trade Areas, once the countries have met the necessary conditions. The negotiating processes will be guided by the principles of inclusiveness, differentiation, conditionality and joint ownership. The Council underlines that active engagement of the partner countries and their commitment

to shared values and principles, including democracy, the rule of law and respect for human rights and good governance are essential to make the negotiations and the implementation of these ambitious agreements a success. The EU is committed to assist the partner countries in this regard.

3. The Council notes that the recent decision on the establishment of the new subcommittees under the Partnership and Cooperation Agreements currently in force with the countries of the South Caucasus will considerably broaden the sectoral dialogue and contribute to advancing the implementation of the ENP Action Plans.

4. The Council recognises the high importance attached to mobility of citizens by the countries of the South Caucasus. Bearing in mind the importance of a secure environment, and in accordance with the Stockholm Programme and the Joint Declaration of the Prague Eastern Partnership Summit, the EU stands ready to promote mobility of citizens of the South Caucasus countries and other Eastern Partnership countries through visa facilitation and readmission agreements, and once these are successfully concluded and implemented, move towards a controlled process taking gradual steps towards visa-liberalisation as a long-term goal, on a case-by-case basis, as well as describe the conditions for well-managed and secure mobility. In this context, the Council has invited the Commission to develop before the end of 2010 a plan on how to take cooperation forward in this area.

5. The Council recognises that conflicts hamper not only the political and economic development of the partner countries but also the regional cooperation and the stability of the European continent. In this context, the Council reiterates its commitment to support the processes aimed at peaceful and lasting settlement of conflicts in the region and calls on all parties to fully commit themselves to these processes.

6. The EU will continue to promote stability, prosperity and cooperation, throughout the South Caucasus, building also on the opportunities provided by the multilateral framework of the Eastern Partnership, and reaffirms its commitment to assist Armenia, Azerbaijan and Georgia to this end.

EU-Russia Summit, Joint Statement on the Partnership for Modernisation

Rostov-on-Don, 1 June 2010 [Link](#)

Meeting at Rostov-on-Don for their 25th Summit on May 31-June 1, 2010, the European Union and Russia launched a Partnership for Modernisation to the mutual benefit of their citizens.

In a world in which peoples and economies are ever

more closely connected and interdependent, modernising our economies and societies becomes ever more important and necessary.

The European Union and Russia, as long-standing strategic partners in a changing multipolar world, are committed to working together to address common challenges with a balanced and result-oriented approach, based on democracy and the rule of law, both at the national and international level. The New European Union - Russia Agreement, which is currently under negotiation, will also provide the basis for achieving these objectives. In this context, the Partnership for Modernisation will serve as a flexible framework for promoting reform, enhancing growth and raising competitiveness, and will build on results achieved so far in the context of the four European Union - Russia Common Spaces, complementing partnerships between European Union Member States and the Russian Federation. The sectoral dialogues will be a key implementation instrument for the Partnership for Modernisation.

The European Union and Russia have a common interest in enhancing bilateral trade and investment opportunities and in facilitating and liberalising trade in the global economy as well as strengthening and developing competition, including through Russia's early WTO accession.

Priority areas of the Partnership for Modernisation will include: expanding opportunities for investment in key sectors driving growth and innovation, enhancing and deepening bilateral trade and economic relations, and promoting small and medium sized enterprises; promoting alignment of technical regulations and standards, as well as a high level of enforcement of intellectual property rights; improving transport; promoting a sustainable low-carbon economy and energy efficiency, as well as international negotiations on fighting climate change; enhancing co-operation in innovation, research and development, and space; ensuring balanced development by addressing the regional and social consequences of economic restructuring; ensuring the effective functioning of the judiciary and strengthening the fight against corruption; promoting people-to-people links; and enhancing dialogue with civil society to foster participation of individuals and business.

This list of areas for cooperation is not exhaustive. Other areas for cooperation can be added as appropriate. The European Union and Russia will encourage implementation of specific projects within the framework of the Partnership for Modernisation.

The Partnership for Modernisation will be the subject of continuous monitoring and exchanges at all levels of the European Union - Russia dialogue. The co-ordinators of the Partnership and the co-chairs of the European Union - Russia sectoral dialogues will closely interact in the Partnership's implementation. The European Union and

Russia have exchanged concepts on the European Union's and Russia's visions of the main areas for cooperation within the context of the Partnership for Modernisation. Leaders have tasked coordinators of both sides to develop a work plan.

ENP Country Progress Report 2009 – Armenia

Brussels, 12 May 2010 [Link](#)

The Commission published on 12 May 2010 the so-called neighbourhood package, consisting of an overall assessment of five years of implementation of the European Neighbourhood Policy (ENP), 12 country reports on developments in 2009, including one on Armenia, and a sector report.

In 2009 Armenia made progress in several areas of the ENP Action Plan, launched a regular human rights dialogue with the EU, improved the legislative framework in the area of anticorruption and strengthened the role of the Human Rights Defender. It also took positive steps to address the internal political crisis following the aftermath of the Presidential elections in February 2008, including the Amnesty issued in June, the amendments to the Criminal Code and the publication of the report by the Parliamentary Ad Hoc Inquiry Committee.

In 2010 Armenia should make further efforts to ensure thorough follow-up of the recommendations of the report by the Ad hoc Parliamentary Inquiry Committee on the events of March 2008, improve electoral standards and strengthen media freedom. Of key importance will be further reforms in the justice sector and the area of the rule of law, notably the independence of judiciary, the reform of the Prosecutor's office and proper implementation of adopted legislation in all areas. Enhanced dialogue between the ruling political forces and the opposition would contribute to the democratic development of the country.

Negotiating directives for a future Association Agreement were adopted by the EU on 10 May 2010.

Political dialogue and governance, including CFSP

Armenia took a major step in regional cooperation and dialogue with Turkey, resulting in the historic signature of the two protocols on the establishment and development of bilateral relations in October 2009. Armenia suspended the ratification procedure of the two protocols in April 2010. The EU was pleased to note Armenia's continued commitment to pursue the process of normalization of Armenian-Turkish relations but at the same time expressed concern about the loss of momentum in this process.

Armenia widely aligned itself with EU's Common For-

eign Security Policy declarations (108 out of 138 in 2009) and is generally very active in cooperating on CFSP-related issues.

The dialogue for negotiating a peaceful resolution of the Nagorno-Karabakh conflict intensified considerably at the highest level in 2009.

Economic integration and trade

Economic activity which had started to fall in the last quarter of 2008 contracted by around 15.4% in 2009 due to the global economic downturn and particularly the rapid deterioration of the Russian economy.

Armenia reached an agreement with the IMF for a € 553 million Stand-by Arrangement while securing additional funding from other donors, including the EU and a € 350 million stabilisation loan from Russia. The EU decided to grant Macro-Financial Assistance, composed of € 65 million loan and a € 35 million grant.

As a result of the crisis the Armenian government had to temporarily suspend the Sustainable Development Programme on poverty reduction. The introduction of the new pension system was postponed to 2011.

As a result of the global slow-down, EU exports to Armenia declined by 20.6%, while exports of Armenian products to the EU decreased by 49.3% in 2009. The EU is by large Armenia's main trading partner with 35.3 % share in its overall external trade (2008).

Armenia benefits from the EU Generalized System of Preferences Plus (GSP+) for the years 2009-2011.

After a fact-finding in February, the EC established a detailed assessment of Armenia's preparedness for a future EU-Armenia Deep and Comprehensive Free Trade Agreement (DCFTA). The negotiations will start once the necessary conditions have been met.

Promoting mobility, fighting irregular migration

Within the Eastern Partnership, the Commission wants to further improve the mobility of bona fide business people, tourists, students and academics and intends to propose launching negotiations on Visa facilitation and readmission agreements, when conditions are met. Improvement of document security is considered as a necessary step for Armenia to benefit from visa facilitation with the EU.

In the area of police and judicial cooperation Armenia ratified the 1997 Additional Protocol to the European Convention on Mutual Assistance on Criminal Matters in March 2009.

Sector cooperation - examples

Transport: The working arrangement with the European Aviation Safety Agency was signed in July 2009 to strengthen regulatory cooperation and progress towards convergence with European safety standards.

Environment: The Regional Environmental Centre for Caucasus (REC) was consolidated both financially and in terms of internal organisation. It promotes capacity building and cooperation between various stakeholders.

Research: Armenia's participation in the 7th Framework Programme (FP7) has increased in comparison to FP6, with 17 research organisations being successful in their applications, receiving € 690,000 of EU funding as of November 2009,.

Education: In 2007-2009, thanks to Erasmus Mundus grants 137 Armenian students and academics could pursue studies in EU universities for up to three years.

[...]

ENP Country Progress Report 2009 - Azerbaijan

Brussels, 12 May 2010 [Link](#)

The Commission published on 12 May 2010 the so-called neighbourhood package, consisting of an overall assessment of five years of implementation of the European Neighbourhood Policy (ENP), 12 country reports on developments in 2009, including one on Azerbaijan, and a sector report.

In 2009 Azerbaijan made some progress in the implementation of the ENP Action Plan, notably in areas related to economic and social governance. It fared comparatively well during the year despite the global financial crisis, which allowed the government to increase social spending and capital investment. Progress was also made in the aviation through the signature of the horizontal air services agreement and fight against money laundering. However, only limited progress was made as regards the accession to the World Trade Organisation (WTO). There was no substantial progress with respect to the protection of human rights and fundamental freedoms. Cases of intimidation of journalists and persons critical of the authorities continue to be reported as well as questionable legal proceedings against political activists.

In 2010 further efforts are needed in the field of political dialogue and reforms, including justice sector and the strengthening of the rule of law, notably the independence of judiciary. Proper implementation of the adopted legislation in all areas, continued efforts to fight corruption, notably by enforcing the relevant legislation, would be of key importance.

Negotiating directives for a future Association Agreement were adopted by the EU on 10 May 2010.

Political dialogue and governance, including CFSP

Ratification of two UN Convention and protocols: on the Rights of Persons with Disabilities and against Torture.

The Commissioner for Human Rights (Ombudsman) was designated as the implementing mechanism for the Protocols.

In March 2009 an Amnesty Act was adopted covering more than for 9,000 persons, including some opposition journalists. The President pardon in December covered 99 persons including journalists critical of the government.

In 2009, Azerbaijan aligned with 56 out of 138 EU's Common Foreign Security Policy (CSFP) declarations it had been invited to join.

The dialogue for negotiating a peaceful resolution of the Nagorno-Karabakh conflict intensified considerably at the highest level in 2009.

Economic integration and trade

- In 2009 the economy grew strongly by 9.3 % of the GDP and inflation was 2%.
- EU's trade with Azerbaijan decreased in 2009: EU exports fell by 22.1% and imports by 31.2%, as a result of the global slow-down. The EU is Azerbaijan's main trading partner (53.7 % share in its overall trade in 2008).
- Azerbaijan benefits from the EU Generalised System of Preferences Plus (GSP+) for the years 2009-2011.
- In January 2010 Azerbaijan became an affiliate member of the European Committee for Standardisation (CEN).

In 2009, the European Commission authorised Azerbaijan to export caviar to the EU as from 2010, thereby replacing a transitional bilateral regime.

Promoting mobility, fighting irregular migration

Within the Eastern Partnership, the Commission wants to further improve the mobility of *bona fide* business people, tourists, students and academics and intends to propose launching negotiations on **Visa facilitation and readmission agreements**, when conditions are met.

The Azerbaijani State **Migration** Service, which became fully operational in 2008, was granted the status of a law enforcement body and a third regional branch was set up.

The national legal framework on fight against **trafficking in human beings** was improved – a shelter for children victims of trafficking was opened in October and a special agency was formed. Azerbaijan signed in February 2010 relevant convention of the Council of Europe.

Sector cooperation - examples

Energy: Energy is the main revenue basis for the country and 99% of its total exports to the EU are hydrocarbons. Azerbaijan is committed to play a role in strengthening the EU's energy security, in particular by supporting the development of the Southern Gas Corridor.

Environment: The Regional Environmental Centre for Caucasus (REC) was consolidated both financially and in terms of internal organisation. It promotes capacity building and cooperation between various stakeholders.

Business climate: Azerbaijan reduced considerably the time needed for the registration of companies from 105 days in 2004 to 10 days in 2010. In June 2009, a package of 46 amendments to the Tax Code was adopted aimed at strengthening the protection of taxpayer's rights, strengthening tax administration, improving tax control and reducing the burden on taxpayers, including businesses.

A new **Anti-Money Laundering** law was adopted in February 2009. A financial intelligence unit became operational under the Central Bank.

Transport: Azerbaijan signed in July 2009 the horizontal air services agreement which brings existing bilateral agreements with EU Member States in line with the EU law. A working arrangement on safety cooperation was also signed with the European Aviation Safety.

Education: In 2007-2009, thanks to Erasmus Mundus grants 118 Azerbaijani students and academics could pursue studies in EU universities for up to three years.

[...]

ENP Country Progress Report 2009 - Georgia

Brussels, 12 May 2010 [Link](#)

The Commission published on 12 May 2010 the so-called neighbourhood package, consisting of an overall assessment of five years of implementation of the European Neighbourhood Policy (ENP), 12 country reports on developments in 2009, including one on Georgia, and a sector report.

In 2009 Georgia made progress in the implementation of the ENP Action Plan priorities, especially in the areas of rule of law, reform of the justice system, fight against corruption, trade facilitation and improvement of business climate.

In 2010 continuous and effective implementation of related legislation will be the key in ensuring the long-term success of the reforms, thus meeting ENP Action Plan commitments. Also, Georgia will need to continue its democratic reform efforts and consolidation of democratic institutions, especially political pluralism and media freedom. Other major future challenges include poverty reduction, employment and social policies, agricultural development including sanitary and phyto-sanitary issues and civil service reform.

Negotiating directives for a future Association Agreement

were adopted by the EU on 10 May 2010.

Political dialogue and governance, including CFSP

- A State Constitutional Commission was established to prepare a new constitution which would ensure clear separation of powers, a system of check and balances, an independent court system and better protection for human rights. A first draft is expected by the autumn 2010.
- In October 2009 the new Criminal Procedure Code (pending since 2007) has been adopted and will come into force in October 2010. It provides for a major change in the system of administration of justice in criminal matters.
- Georgia made significant efforts to reduce corruption and to comply with Council of Europe recommendations, through the set of legislative changes and reforms. The country improved its ranking in the Transparency International Corruption Perception Index to 66th place worldwide.
- The regular human rights dialogue with the EU was launched.
- Georgia aligned itself with vast majority of EU Common Foreign and Security Policy (CFSP) declarations open for alignment.

EU supports Georgia's territorial integrity and sovereignty and the peaceful resolution of the conflicts in Georgia including through: the EU monitoring mission, co-chairing Geneva talks ; financing post-conflict assistance (see below) and reminding Russia of its commitments under EU-mediated ceasefire, which are not yet fulfilled.

Economic integration and trade

- An economic decline of 3.9% GDP is forecasted for 2009, as a result of the global financial and economic crisis. It further exacerbated the economic downturn caused by the conflict with Russia in summer 2008.
- As a result of the crisis, EU exports to Georgia declined by 27.9% and imports decreased by 34.8% compared to 2008. The EU is by far Georgia's the most important trade partner.
- The country benefits from the Generalized System of Preferences (GSP+) for the years 2009-2011.

Georgia showed in the second half 2009 determination to fulfil key EU's recommendations linked to its preparedness for starting deep and comprehensive Free Trade Area (DCFTA) negotiations. By deploying additional efforts, it would become ready to start these talks.

Promoting mobility, fighting irregular migration

- The negotiations on visa facilitation and readmission agreements were technically concluded in November and

signature is expected in 2010.

- Also in November, the EU and Georgia adopted a Mobility Partnership, aiming at facilitation of legal migration and fighting illegal migration.
- The Action Plan for the implementation of integrated border management was adopted in December 2009 – its finalization was helped by the EU Special Representative Border Support Team. Several EU Member States and Turkey provided training in border surveillance, vessel security and operative investigation.

Sector cooperation - examples

Transport: Significant progress in negotiations on a Common Aviation Area Agreement was made since its launch in October. Georgia signed a working arrangement with the European Aviation Safety Agency.

Environment: The Regional Environmental Centre for Caucasus (REC) was consolidated both financially and in terms of internal organisation. It promotes capacity building and cooperation between various stakeholders.

Energy: Georgia remained committed to play a role as a transit country for shipping Caspian resources to the EU. In October 2009 Georgia and Romania agreed to cooperate, i.a., on the development of LNG facilities in view of the transport of Caspian gas to the EU.

Research: Georgia increased its participation in the 7th Framework Programme, with 23 research groups being successful in their applications (as of November 2009) receiving € 1.6 million of EU funding.

Education: In 2007-2009, thanks to Erasmus Mundus grants, 192 Georgian students and academics could pursue studies in EU universities for up to three years.

[...]

ENP Country Progress Report 2009 - Republic of Moldova

Brussels, 12 May 2010 [Link](#)

The Commission published on 12 May 2010 the so-called neighbourhood package, consisting of an overall assessment of five years of implementation of the European Neighbourhood Policy (ENP), 12 country reports on developments in 2009, including one on Republic of Moldova, and a sector report.

In 2009, EU-Moldova relations went through a serious test. Following elections in spring disputed in a highly controversial political environment, street riots were met with violations of human rights and fundamental freedoms by the law enforcement bodies. A new Government was created after elections in July. Moldova's efforts to effectively implement structural reforms, in line

with the objectives of the Action Plan, and to counter the economic and financial crisis that hit the country hard in 2008, were significantly enhanced in the last quarter of 2009.

In 2010 further progress is needed to ensure implementation of the measures adopted in line with the EU-Moldova ENP Action Plan and, more specifically, to strengthen the mechanisms for preventing violations of human rights and fundamental freedoms, further reform the judiciary and ensure the rule of law, ensure the neutrality of the public media and promote a pluralistic media environment, enhance the fight against trafficking in human beings, and improve matching labour market needs with skills development.

Negotiations on a future EU- Moldova Association Agreement (AA) were launched in January 2010.

Political dialogue and governance, including CFSP

- The EU and Moldova established a regular human rights dialogue in 2009.
- In April 2010 a new law on freedom of expression was adopted, providing criteria for identifying and combating censorship and external interference in the editorial policy of media, including intimidation of journalists or obstruction to their activities. The Criminal code was updated accordingly.
- The Council of Europe considers that Moldova has achieved good progress in fighting corruption. The country improved its ranking in the Transparency International Corruption Perception Index.
- Moldova cooperates actively with the EU on regional and international issues, and aligned itself with nearly all EU Common Foreign and Security Policy (CFSP) declarations open for alignment.

Moldova cooperates with the EU on all questions related to the Transnistria settlement efforts, including in the work of the EU Border Assistance Mission to Moldova and Ukraine (EUBAM) and in confidence-building efforts.

Economic integration and trade

- With an average yearly income of only € 1100 per capita, Moldova is one of the poorest countries in the EU's neighbourhood. The country was hit hard by the global financial and economic crisis, and the GDP contracted by – 6.5% in 2009 (in sharp contrast with + 7.2% growth in 2008).
- In January 2010 the International Monetary Fund approved three-year arrangements for Moldova of about € 410 million to help restore fiscal and external stability. During the Moldova Partnership Forum organised in March 2010 by the EU and the World Bank, more than 40 international donors, including the EU, pledged over €

1.96 billion to support the Government's plan "Rethink Moldova".

- The bilateral trade between UE and Moldova declined by 30% in 2009 from € 2.45 billion in 2008 owing to the economic crisis. The EU is Moldova's biggest trade partner (more than half of external trade in 2009).

The feasibility study on deep and comprehensive Free Trade Area (DCFTA) with the EU concludes that while it would bring long-lasting benefits for Moldova, it also requires careful preparation and regulatory approximation in trade-related areas.

Promoting mobility, fighting irregular migration

- A new law on asylum, largely in line with international and EU standards, entered into force in March 2009.
- In November 2009 Moldova and Romania concluded a local border traffic agreement (within a 50-km border strip) that came into force in February 2010.

The EU and Moldova agreed in December 2009 to start up in 2010 a visa dialogue examining the necessary conditions for visa-free travel as a long-term goal.

Sector cooperation - examples

- **Transport:** Moldova is upgrading its road infrastructure (including with EU support) and adopting its regulatory framework in line with international standards. It signed a working arrangement with the European Aviation Safety Agency and is a potential candidate for participation in the Common Aviation Area to be gradually integrated into the EU internal aviation market.
- **Energy:** In December 2009 it was admitted to the Energy Community Treaty (which includes commitments for gradual convergence with the EU's internal energy market rules), subject to the adoption of missing parts of its energy legal framework (new gas and electricity laws were adopted in December).
- **Research:** Moldova has continued to increase the number of applications submitted to the 7th Framework Programme (FP7) and has had particular success in the international cooperation and Marie Curie calls for proposals. It has requested association to FP7 and negotiations are to start shortly.
- **Health:** Moldova continued its reform with substantial budget support from the EU (€ 46.6 million) and pursued the fight against HIV/AIDS and tuberculosis.

Education: In 2007-2009, thanks to Erasmus Mundus grants, 211 Moldovan students and academics participated in exchange programmes with EU universities for up to three years.

[...]

ENP Country Progress Report 2009 - Ukraine

Brussels, 12 May 2010 [Link](#)

The Commission published on 12 May 2010 the so-called neighbourhood package, consisting of an overall assessment of five years of implementation of the European Neighbourhood Policy (ENP), 12 country reports on developments in 2009, including one on Ukraine, and a sector report.

After years of steady progress in many areas covered by the Action Plan, Ukraine witnessed a slowing in the pace of reform in 2009, as a result of global economic and financial crisis and domestic political and constitutional difficulties.

Key reform priorities in 2010 include: efforts to enhance macro-financial stability, reform of the constitution in order to enhance political stability while maintaining the pace of democratic development, energy sector reform (in particular as regards gas), public administration reform, the fight against corruption notably through judicial reform as well as measures to improve the business and investment climate.

Political dialogue and governance, including CFSP

- An Association Agenda replaced the ENP Action Plan.
- In early 2010 presidential elections were conducted in Ukraine that met democratic standards.
- In the course of the year the pluralistic media environment offered Ukrainians a variety of sources of information. The European Convention on Trans-frontier Television entered into force in July 2009.
- A Gender Equality Commission was established in December 2009 to address antidiscrimination issues and investigate citizens' complaints.

Ukraine aligned itself to nearly all EU's Common Foreign and Security Policy (CFSP) positions. The possibility of Ukraine's participation in EU naval operation Atalanta near the coast of Somalia was explored, building on the good experience of its participation in EU operations in the Balkans.

Economic integration and trade

- The fall in GDP in 2009 is estimated to be as high as 15%, due to the global economic and financial downturn.
- Since November 2009 the IMF has withheld payments under the 24-month Stand-by Arrangement agreed in November 2008 for \$16.4 billion, having determined that Ukraine is no longer on track for key conditions. \$10.6

billion had been disbursed by July 2009. The EU proposed a macro-financial assistance of € 610 million, subject to IMF Stand-By Arrangement being on track and a number of structural reforms.

- EU-Ukraine trade fell by 45%, down from over € 39.6 billion in 2008 to € 21.75 billion in 2009. The EU is Ukraine's no 1 trade partner. Ukraine is the biggest trade partner in the ENP East region, and the EU's 24th trade partner in the world (0.9% of the EU total trade in 2009).

Five rounds of negotiations took place in 2009 for the establishment of a Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU.

Promoting mobility, fighting irregular migration

- The EU and Ukraine deepened the dialogue on the establishment of a visa free regime for short term travel. A number of expert visits took place in 2009 to identify where improvements are needed in Ukraine's management of migration flows and border-related issues.
- Currently, 40% of Schengen visas are delivered free of charge under the Visa Facilitation and Readmission Agreements (active from January 2008).
- Continued cooperation with Moldova on border management, particularly through the EU Border Assistance Mission (EUBAM), including in the fight against smuggling and illegal trafficking.

A Strategic Co-operation Agreement was signed between the EU and Europol at the EU-Ukraine Summit in December 2009.

Sector cooperation - examples

- **Transport:** Negotiations on a comprehensive aviation agreement between the EU and Ukraine progressed well in 2009 and could be finalised in 2010, leading to increased air traffic, new and more flight connections, entering new airlines on the market and finally more choice and cheaper prices for passengers.
- **Energy:** Significant progress took place in energy cooperation, leading in December 2009 to the approval of Ukraine's accession to the Energy Community Treaty, pending adoption of a gas law in line with the EU acquis.
- **Environment:** In February 2010 the Prime Minister signed a draft national environment strategy up to 2020 which now needs to be urgently approved by Ukraine.
- **Education:** Higher education reform process underway is determined by the principles of Bologna Process. In 2007-2009, thanks to Erasmus Mundus grants 452 Ukrainian students and academics could pursue studies in EU universities for up to three years.
- **Health:** The EU's Civil Protection Mechanism (MIC) and bilateral assistance were mobilized following the

outbreak, in October 2009, of severe respiratory diseases and influenza A (H1N1). Ukraine participates in newly established EU enlarged health committee, together with EU Member States, EFTA and enlargement countries.

Research: In July 2009 Ukraine formally expressed its interest in association to EU's 7th Framework Programme, and has increased the numbers of submitted applications, with a good success rate, attracting project funding of a total of € 8 million for the period up to the end of 2009.

[...]

European Commission, 2010 Annual Action Programme – Georgia

Brussels, 1 June 2010 [Link](#)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (ENPI)¹, and in particular Article 12 thereof,

Whereas:

(1) The Commission has adopted the ENPI Strategy Paper 2007-2013 for Georgia and the Multiannual National Indicative Programme for the period 2007-2010², which indicates as priorities: rule of law and governance, support for economic development and ENP Action Plan implementation, support for poverty reduction and social reforms.

(2) The objectives pursued by the Annual Action Programme 2010, as set out in the three attached annexes, are to support the strengthening of public sector accountability, efficiency and transparency by promoting essential reforms of the Public Finance Management; to contribute to the implementation of the Strategy for Regional Development of Georgia, thereby narrowing social and regional disparities in Georgia; and to support the Georgian administration and relevant institutions to enforce effectively the commitments set forth in the ENP Action Plan and their national reform programmes.

(3) The present decision constitutes a financing decision within the meaning of Article 75 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget³ (hereafter 'the Financial Regulation') and Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the

implementation of the Financial Regulation applicable to the general budget⁴ (hereafter 'the Implementing Rules').

(4) The maximum contribution of the European Union set by the present decision should cover any possible claims for interest due for late payment on the basis of articles 83 of the Financial Regulation and 106(5) of its Implementing Rules.

(5) The Commission is required to define the term "substantial change" in the meaning of Article 90 (4) of the Implementing Rules to ensure that any substantial change in this decision shall follow the same procedure as the initial decision.

(6) The measures provided for in this decision are in accordance with the opinion of the ENPI Committee set up under Article 26 of Regulation (EC) No 1638/2006,

HAS DECIDED AS FOLLOWS:

Article 1

The Annual Action Programme 2010 in favour of Georgia, constituted by the actions "Support to Regional Development Reform in Georgia", "Support to the Public Finance Management reform in Georgia, Phase II" and "Twinning & Technical Assistance Facility to the EU-Georgia ENP AP implementation", the text of which is set out in the attached Annexes, is approved.

Article 2

The maximum contribution of the European Union to the Annual Action Programme is set at EUR 37.2 million to be financed from budget line 19 08 01 03 of the general budget of the European Union for 2010.

This maximum contribution shall also cover any possible interests due for late payment.

Article 3

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution of the European Union shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the Annual Action Programme. This may include an increase of the maximum contribution of the European Union up to 20%.

The relevant authorising officer may amend the present Decision to introduce non substantial changes to the Annual Action Programme in accordance with the principles of sound financial management.

Done at Brussels, 01/06/2010

For the Commission

Ștefan Füle

Member of the Commission

¹ OJEU L 310, 9.11.2006, p. 1

² C(2007) 672

³ OJ L 248 of 16.09.2002 p. 1.

⁴ OJ L 357 of 31.12.2002, p.1.

European Commission, 2010 Annual Action Programme – Moldova

Brussels, 1 June 2010 [Link](#)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, Having regard to Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (ENPI)¹, and in particular Article 12 thereof,

Whereas:

(1) The Commission has adopted the ENPI Strategy Paper 2007-2013 for the Republic of Moldova and the Multiannual National Indicative Programme for the period 2007-2010², which indicates as priorities: support for democratic development and good governance, support for regulatory reform and administrative capacity building, support for poverty reduction and economic growth and implementation of the European Neighbourhood Policy (ENP) Action Plan.

(2) The objectives pursued by the Annual Action Programme 2010, as set out in the three attached annexes, are to contribute to the sustainable economic development of rural areas; to foster a more secure, competitive and sustainable energy production through support for the use of biomass; and to support the relevant institutions within the Moldovan administration in the areas needing further capacity building in order to enforce effectively the commitments set forth in the ENP Action Plan, as well its potential successor document.

(3) The present decision constitutes a financing decision within the meaning of Article 75 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget³ (hereafter 'the Financial Regulation') and Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget⁴ (hereafter 'the Implementing Rules').

(4) The maximum contribution of the European Union set by the present decision should cover any possible claims for interest due for late payment on the basis of articles 83 of the Financial Regulation and 106(5) of its Implementing Rules.

(5) The Commission is required to define the term

“substantial change” in the meaning of Article 90 (4) of the Implementing Rules to ensure that any substantial change in this decision shall follow the same procedure as the initial decision.

(6) The measures provided for in this decision are in accordance with the opinion of the ENPI Committee set up under Article 26 of Regulation (EC) No 1638/2006,

HAS DECIDED AS FOLLOWS:

Article 1

The Annual Action Programme 2010 in favour of the Republic of Moldova, constituted by the actions "Economic Stimulation in Rural Areas" "Energy and Biomass project" and "Support for implementation of priority actions agreed between the Republic of Moldova and the EU through Twinning, technical assistance and project preparation activities", the text of which is set out in the attached Annexes, is approved.

Article 2

The maximum contribution of the European Union to the Annual Action Programme is set at EUR 66 million to be financed from budget line 19 08 01 03 of the general budget of the European Union for 2010.

This maximum contribution shall also cover any possible interests due for late payment.

Article 3

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution of the European Union shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the Annual Action Programme. This may include an increase of the maximum contribution of the European Union up to 20%.

The relevant authorising officer may amend the present Decision to introduce non substantial changes to the Annual Action Programme in accordance with the principles of sound financial management.

Done at Brussels, 01/06/2010

For the Commission

Commissioner Štefan Füle

Member of the Commission

¹ OJEU L 310, 9.11.2006, p. 1

² C(2007) 672

³ OJ L 248 of 16.09.2002 p. 1.

⁴ OJ L 357 of 31.12.2002, p.1.

Statement by HR Catherine Ashton on the Adoption of Negotiating Directives for Association Agreements Between the EU and Armenia, Azerbaijan and Georgia

Brussels, 11 May 2010 [Link](#)

Catherine Ashton, the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission, made today the following statement:

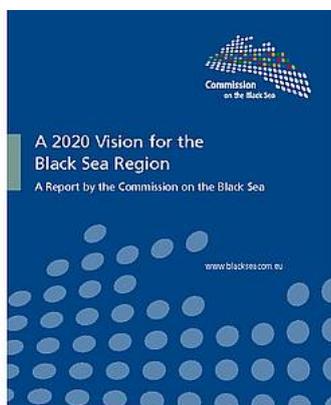
“I welcome the adoption by the General Affairs Council on 10 May of the negotiating directives for the future Association Agreements between the EU and Armenia, Azerbaijan and Georgia. The adoption of these negotiating directives is a clear sign of our strong commitment to further deepen the relationship between the EU and the countries of the South Caucasus, on the basis of shared values and principles, including democracy, the rule of law and respect for human rights. The Eastern Partnership, launched at the Prague Summit on 7 May 2009, provides an ambitious framework for taking the relationship with the countries of the South Caucasus to a new level. In this context, Association Agreements are an important instrument to upgrade our relations beyond existing commitments with a view of political association and gradual economic integration with the EU.

The negotiation process will be guided by the principles of inclusiveness and differentiation, as well as joint ownership. Successful implementation of the Eastern Partnership with the active engagement of the partner countries both in its multilateral and bilateral track will strengthen relations on the basis of shared values and will help advancing political and economic reforms, consolidate governance and foster regional stability, prosperity and confidence building.

I look forward to the launch of negotiations on these ambitious and comprehensive agreements with Armenia, Azerbaijan and Georgia.”

Recent Publications by the ICBSS

A 2020 Vision for the Black Sea: A Report by the Commission on the Black Sea



Triantaphyllou, Dimitrios and Mustafa Aydin, rapporteurs. *2020 Vision for the Black Sea Region: A Report by the Commission on the Black Sea*. Gütersloh: Bertelsmann Stiftung, May 2010.



The Black Sea region is coming into its own – but it is a contested

and sometimes dangerous neighbourhood.

What is needed are regional solutions for regional problems, but how do we get them? The Commission on the Black Sea was formed to suggest ways for this increasingly important but volatile region to move in the direction of cooperation and collaboration and away from conflict and rivalry. It was formed to provide policy-oriented research on the challenges and opportunities of the Black Sea region and to suggest ways to secure its peace and prosperity.

and the “zombie- economy.” A “necroeconomy,” which is created by uncompetitive industries (the “necrocompanies”) that are remnants of the command economy, differentiates the economy of post-Communist capitalism from all other models of capitalism. In times of economic crisis, though, “necrocompanies” can also appear in developed economies, as “zombie-firms,” creating a “zombie-economy.” Following his theory, the author divides the countries of the Black Sea region in two groups: transition states (the “leaders,” to the extent they overcame their Communist past and the “outsiders,” for those that are enslaved by their Communist heritage) and non-transition states (Turkey and Greece). Thus, the key objectives and the means to achieve them differ for each country according to the category they belong. Based on the abovementioned categorisation, Papava’s analysis suggests that while most of the “outsider” countries are more vulnerable to the consequences of the crisis, non-transition states and the “leader” countries are likely to face better economic conditions in the post-crisis period.

ICBSS Xenophon Paper



Papava, Vladimer. *The Economic Development Complex in the Black Sea Area: The Impact of the Global Financial and Economic Crisis*. Xenophon Paper, no. 9. Athens: ICBSS, May 2010.

This Xenophon Paper touches upon the consequences of the crisis on the countries of the Black Sea region in a specific analytical framework. Based on his own “theory of necroeconomics,” Vladimer Papava assesses, in the context of the ongoing crisis, the key economic obstacles that the countries of the region face in achieving sustainable economic development. His analysis is based on two economic phenomena: the “necroeconomy”

Other Recent Publications on the Black Sea Region

The following are selected recent publications pertinent to the Black Sea region

June 2010

- Torbakov, Igor. “Assessing the prospects of Russia’s modernization.” Expert article 534, *Baltic Rim Economies*, 23 June 2010. [Link](#)
- De Haas, Marcel. “Russian Security Policy and Cooperation with the West.” *Analysis of the Real Instituto Elcano (ARI)*. Madrid: Elcano Royal Institute of International and Strategic Studies, 16 June 2010. [Link](#)
- Andreani, Gilles. “Turkey, Europe, and the United States in a Multipolar World.” *GMF Policy Brief*. Washington, DC: German Marshall Fund, 11 June 2010. [Link](#)
- Ulgen, Sinan. “Preventing Proliferation of Weapons of Mass Destruction: What Role for Turkey?” *Transatlantic Academy Paper Series*. Washington, DC: German Marshall Fund, 8 June 2010. [Link](#)
- Baranovsky, Vladimir. “Russia’s Approach to Security Building in the Euro-Atlantic Zone.” *The International Spectator* 45, no.2. Rome: Istituto Affari Internazionali, June 2010. [Link](#)
- Sherr, James. “The Russia-EU Energy Relationship: Getting it Right.” *The International Spectator* 45, no.2. Rome: Istituto Affari Internazionali, June 2010. [Link](#)
- Emerson, Michael. “Time for a Tripartite Gas Pipeline Consortium for Ukraine.” *CEPS Commentary*. Brussels: CEPS, 8 June 2010. [Link](#)
- International Crisis Group. “South Ossetia: The Burden of Recognition.” *Europe Report*, no. 205. Brussels: International Crisis Group, 7 June 2010. [Link](#)
- Pynnöniemi, Katri. “The Political Constraints on Russia’s Economic Development: The Visionary Zeal of Technological Modernization and its Critics.” *Working Papers*, no 65. Helsinki: The Finnish Institute of International Affairs, June 2010. [Link](#)
- International Center for Human Development. “The impact of conflicts on trade and goods turnover.” ICHD Policy Note. Yerevan: ICHD, 29 May 2010. [Link](#)
- Chubrik, Alexander and Mateusz Walewski. “Oil Money vs. Economic Crises: The Case of Azerbaijan.” *CASE Network E-brief* no. 06/2010. Warsaw: Center for Social and Economic Research, 18 May 2010. [Link](#)
- Burkov, Anton. “Russia and the European Court of Human Rights: Reform of the Court and of Russian judicial practice?” *CEPS Commentary*. Brussels: Centre for European Policy Studies, 10 May 2010. [Link](#)
- Barysch, Katinka. “Should the Nabucco pipeline project be shelved?” CER Policy Brief. London: Centre for European Reform, May 2010. [Link](#)
- Klein, Margarete. “Russia’s New Military Doctrine until 2020: Indecisive Compromise between Traditionalists and Reformers.” SWP Comments 12. Berlin: German Institute for International and Security Affairs (SWP), May 2010. [Link](#)
- Simão, Licínia. “An Improbable Partnership: Spanish and Kazakh Efforts to Bring Central Asia to the Fore of European Politics.” *UNISCI Discussion Papers*, no. 23. Madrid: UNISCI, May 2010. [Link](#)
- Aydın, Mustafa. “Turkey’s Caucasus Policies.” *UNISCI Discussion Papers*, no. 23. Madrid: UNISCI, May 2010. [Link](#)
- International Center for Human Development. “Conflicts and protection of human rights in the South Caucasus.” *ICHD Policy Note*. Yerevan: ICHD, 5 May 2010. [Link](#)
- Vaquer i Fanés, Jordi, et al. “Helinki Plus: Towards a Human Security Architecture for Europe: The First Report of the EU-Russia Human Security Study Group.” Barcelona: CIDOB Foundation, May 2010. [Link](#)
- Veugelers, Reinhilde. “Assessing the potential for knowledge-based development in transition countries.” Bruegel Working Paper 2010/01. Brussels: Bruegel, 31 May 2010. [Link](#)

May 2010

- Veugelers, Reinhilde. “Assessing the potential for knowledge-based development in transition countries.” Bruegel Working Paper 2010/01. Brussels: Bruegel, 31 May 2010. [Link](#)

News and Events

The 3rd International Black Sea Symposium

Young generation of Black Sea experts convened in Aegina



Participants praise 3rd International Black Sea Symposium content and logistics

The International Centre for Black Sea Studies (ICBSS) hosted the 3rd International Black Sea Symposium on “The Black Sea Region in Flux” at Hotel Danae in Aegina, from 29 June – 4 July 2010. The 3rd International Black Sea Symposium enjoyed the support of 14 international sponsors and partners.

The 39 young professionals who participated in the event were diplomats, academics, civil society leaders and researchers. They represented 20 countries including those of the Black Sea region, EU member states, the United States, Australia and Uzbekistan. They attended two days of sessions with 25 renowned experts presenting on topics such as security concerns, economic development and the roles of NATO, Russia, and the EU. During the following two days participants learned about conflict resolution methods in a workshop series guided by expert facilitator Prof. Benjamin J. Broome (Arizona State University, Tempe, USA).

Participants, speakers and guests praised the ICBSS for the event’s interesting content, lively debates as well as the smooth organisation despite the general strike on 29 June. Participants stated “Much better than everything else I have been attending so far. I think that this is a fantastic opportunity to get to know the region and [for] networking”; “Thanks again ... I gained so much - information, perspective and a great network of young leaders in the Black Sea region”. Speakers also commented positively: “The Symposium was interesting for speakers and participants. Participants were well chosen and diverse”; “Highly professional, very positive (both in terms of logistics and

essence, speakers, format)”.

Participants, speakers and guests used the Symposium to network, to form ideas for new joint projects and to explore Aegina, learning about Greek history and culture.

About the project: the International Black Sea Symposium project was launched in 2008 with the aim of contributing to dialogue, cooperation and understanding in the Black Sea region and beyond. It does so by providing a forum for study and networking in a multicultural and interdisciplinary environment to young professionals and international experts.

For further information please visit www.icbss.org or contact Ms. Lousi Kalfagian at symposium@icbss.org, tel: +30 210 324 2321.



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- Declaration of the Ministers Responsible for Science and Technology of the BSEC Member States
- Press Communique of the Co-Chairs of Geneva Discussions
- José Manuel Durão Barroso, President of the European Commission, Statement Following the Meeting with Prime Minister of Georgia Nika Gilauri
- Commissioner Janez Potočnik, Speech, Launch of the Black Sea Synergy, Environment Partnership
- ENP: Launch of the Environment Partnership of the Black Sea Synergy
- European Commission, Black Sea Synergy, MEMO/10/78
- Council of the EU, Declaration by HR Ashton on behalf of the EU on the Georgian strategy on Abkhazia and South Ossetia
- Council of the EU, International Relations in the Energy Field between Russia and Ukraine – Information from the Commission
- Council of the EU, Black Sea Environmental Partnership – Information from the Romanian Delegation
- Štefan Füle, European Commissioner for Enlargement and Neighbourhood Policy, Strong Civil Society Pillar – Major Objective of the EU Eastern Partnership Policy, 4th Meeting of the PERC (Pan-European Regional Council)
- Štefan Füle, European Commissioner for Enlargement and Neighbourhood Policy, Eastern Partnership – New challenges for EU Businesses, Eastern Partnership Event at the Czech House in Brussels
- Joint Statement of the Foreign Ministers of the Visegrad Group at their Meeting in Budapest
- EU Foreign Affairs Council, Conclusions on the

Republic of Moldova – Visa Ban on the Leadership of the Transnistrian Region

- Declaration by the HR, Catherine Ashton, on Behalf of the EU on the Ratification of Protocol 14 to the European Convention on Human Rights by the Russian Federation
- Declaration of the Ministers of Energy of the BSEC Member States on the Establishment of an Integrated Black Sea Energy Market
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ISSN 1791-664X
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THE BLACK SEA MONITOR

The ICBSS has identified the need for a special circular on developments in and around the Black Sea region that goes beyond the mere news brief format. Therefore, the Centre has set up an electronic review focused particularly on the Black Sea region, aiming to provide stakeholders and other interested parties around the globe with an exclusive information service. The Monitor offers brief commentaries and refers key documents, publications and events of interest that impact on the wider Black Sea region.