

EUROPEAN INTEGRATION INDEX **2014**

FOR



EASTERN PARTNERSHIP COUNTRIES



WHAT IS THE EAP INDEX?

The European Integration Index 2014 for Eastern Partnership Countries charts the progress made by the six countries towards integration with the EU. The 2014 Index covers the period of January 2013 - June 2014, combining independent analysis with the most recent annual quantitative data to provide a snapshot of progress in attainment and continued fulfilment of democratic standards.

When the EU's Eastern Partnership initiative was launched in May 2009, the governments of the six Eastern European partner countries declared their intention to respect the values of democracy and human rights, and to align with EU standards of good governance and the rule of law.

With a common Soviet past, they embarked together on the path of closer integration with the EU, but already in 2009 they were setting out from different starting-points with varying expectations of their trajectory. Some of them declared an ambition to become EU members. For others, their engagement was more a question of balancing geopolitical relations, not least with the EU to the west and Russia to the east.

Clearly, the dramatic events in Ukraine (first, the withdrawal from the Association Agreement and DCFTA, then the Euromaidan protests and emergence of a new government, followed by Russia's illegal annexation of Crimea and the start of the war in Eastern Ukraine) have meant that the period covered is not one of ordinary development, but rather a series of stops and starts, and multiple challenges. The U-turn by President Serzh Sargsyan, withdrawing Armenia from the Association Agreement and DCFTA in September 2013, likewise split the period covered into an initial phase of intense negotiations and progress followed by a reorientation towards accession to the Eurasian Economic Union (EEU).

The Index is designed to generate recommendations to guide countries along the reform process and to raise the alarm when countries depart from the expected trajectory, when progress is being held back or even reversed. The Index also serves as

an important monitoring tool for both civil society and policymakers in the partner countries and the EU.¹

The Index has three important characteristics:

- It sets out a detailed standard for the assessment of “deep and sustainable democracy”.
- It provides a cross-country and cross-sector picture that is both nuanced and comparative. The six countries are assessed across the same list of (more than 800) questions and indicators.
- Finally, the Index attempts to complement and reinforce existing EU efforts, such as the annual progress reports, by offering independent analysis provided by experts in the partner countries.

The Index is produced annually and informs the EU and partner countries' governments about the relevance and effectiveness of EU assistance, including the “more for more” approach that rewards good performance with additional support. The Index points to the policy areas in each country where more progress is needed, and provides analysis for civil society organisations advocating for policy reforms in the EaP region.

The Index interprets “progress in European integration” as the combination of two separate, yet interdependent processes:

- firstly, increased *linkages* between each of the EaP countries and the EU;
- secondly, greater *approximation* between each EaP country's institutions, legislation and practices, and those of the EU.

On the one hand, the linkage process reflects the state of political, economic and social interdependencies between EaP countries and the EU. On the other hand, the approximation process shows the degree to which each EaP country has adopted institutions and policies typical of EU member states and expected by the EU.

¹ The Index does not cover the situation in the breakaway territories of Transnistria, Nagorno-Karabakh, South Ossetia, and Abkhazia.

The Index is designed on the premise that increased linkages and greater approximation are mutually reinforcing. However, the dynamic of this virtuous circle depends on enabling political decisions and structures. This concept of the dynamics of European integration resulted in the identification of three dimensions for evaluation:



Linkage: growing political, economic and social ties between each of the six EaP countries and the EU;



Approximation: legislation, practices and institutions in the EaP countries converging towards EU standards and in line with EU requirements;



Management: evolving management structures and policies in the EaP countries that aim at further European integration.

These three dimensions are subdivided into the sections and sub-sections shown below in Table 1. The breakdown of all sections and sub-sections comprises analysis by independent country and sectoral experts, indicators from external sources (such as Freedom House, Transparency International, and the Bertelsmann Transformation Index), and quantitative indicators from public data sources. The full breakdown can be found on the Index's website (www.eap-index.eu).

The detailed methodology of the Index is explained in Chapter VI. *Methodology of the Index*.

The sections in *Linkage* and *Approximation* reflect the multi-level and multi-sectoral nature of European integration. They also reflect the structure of bilateral Action Plans/ Association Agendas between the EU and EaP countries and the EU's annual progress reports on the EaP countries. Since existing surveys have not covered systematically all the indicators pertinent to *Linkage* and *Approximation*, local experts have provided their assessment and analysis exclusively for the Index.

Linkage looks at the depth and intensity of contacts and co-operation between the EU and each EaP country, in particular political

dialogue, trade flows, mobility of people, and the level of EU assistance to each country.

Approximation seeks to assess how closely institutions and policies in EaP countries resemble those typical of EU member states. The sections on deep and sustainable democracy and market economy and DCFTA partly use ratings and composite indicators produced by international agencies and other non-governmental organisations (NGOs).

For certain areas that were not well covered by existing cross-national comparisons, the Index provides detailed catalogues of items developed through consultations with experts from civil society, public authorities and EU institutions. The result is a nuanced, first-hand comparative assessment that makes it possible to pinpoint the strengths and weaknesses of each country.

Management looks at institutional structures and co-ordination and management of the European integration process on the ground. While the EU has no specific blueprint as to how integration policies should be managed, this dimension reflects the level of commitment to integration and the capacity to deal with the growing EU-related agenda in each EaP country.

The 2014 Index continues the more elaborate questionnaire introduced in 2013 in order to take into account the actual implementation of reforms and not just the existence of legislation. This makes it possible to trace progress or lack of progress, and make conclusions about reform efforts and political will in each of the EaP countries. (The questionnaire is available at www.eap-index.eu.)

The Index was developed by a group of more than 50 civil society experts from EaP and EU countries. Many more contributed comments at various stages. The 2014 Index is produced by the Eastern Partnership Civil Society Forum (CSF), Open Society European Policy Institute (OSEPI), the International Renaissance Foundation (IRF), and PASOS (Policy Association for an Open Society). The project is funded by the Swedish International Development Co-operation Agency (SIDA) and IRF.

THE 2014 INDEX - KEY RESULTS AT A GLANCE

MOLDOVA LEADS, BUT GEORGIA GAINS GROUND, IN EUROPEAN INTEGRATION

The 2014 Index shows a mixed set of results for the six Eastern partner countries in the period covered (January 2013 - June 2014). On the one hand, Moldova and to an even greater degree Georgia continued steady progress in integration with the EU. On the other hand, Armenia and Ukraine experienced a stop-and-start trajectory, and a range of internal and external challenges. Ukraine, alongside Georgia and Moldova, proceeded to sign and ratify an Association Agreement with the EU, while Armenia instead abandoned the agreement and prepared to join the Eurasian Economic Union (EEU) with Russia, Belarus and Kazakhstan.

While Belarus engaged in more dialogue with the EU, including starting negotiations on visa facilitation and readmission agreements, it remained the weakest performer in all three dimensions of the Index. Azerbaijan remained in fifth place in all dimensions, with little impetus towards closer EU integration and a worsening record on human rights.

The different starting points, varying political orientation towards Russia or the EU, and speed of reforms all shaped the countries' scores.

UPS AND DOWNS

Moldova continued to be the top reformer in the region and had come the furthest in meeting EU standards. Its *Linkage* score - the highest of all six countries - remained the same as in the 2013 Index, and it continued to lag behind Ukraine when it came to Political Dialogue, Trade and Economic Integration, and Sectoral Co-operation with the EU. Moldova continued to have a very low score in Services, where it was outperformed by all countries except Armenia. On the other hand, Moldova had the most developed people-to-people links with the EU, and in 2014 became the first Eastern partner country to secure visa-free travel to the EU.

Moldova improved in *Approximation*, sharing the lead with a much improved Georgia. In this dimension, Moldova showed the best results in all aspects of Deep and Sustainable Democracy with the exception of fighting corruption and the independence of the judiciary, where Georgia performed better. Although Moldova's approximation in all sectors was relatively high, its transport regulatory policy continued to lag far behind EU requirements. On the other hand, Moldova substantially improved its policies on education, culture, youth and information society.

Moldova also improved in *Management of European Integration*, where it was placed second after Georgia.

Georgia was the second best performer overall, and the country that showed the biggest advances in the 2014 Index. As in 2013, Georgia improved its scores in all three dimensions. Georgia remained third in *Linkage* after Moldova and Ukraine. In this dimension, its Trade and Economic Integration with the EU remained weak - on the same level as Azerbaijan.

Georgia climbed to share first place with Moldova in *Approximation*, registering the highest improvement among all six countries in Deep and Sustainable Democracy, with particularly marked improvement in elections and human rights. Moreover, it continued to have the best business climate in the region and performed best in meeting the DCFTA requirements.

Georgia leaped ahead of Moldova to become the leading performer in *Management of European Integration*. This resulted not only from the signing of the Association Agreement, but also the development of a communications strategy for EU integration and university support for EU research.

Ukraine, in overall third position, experienced a mixed record on reforms and a dramatic year, including the war in Eastern Ukraine, which hampered progress. Ukraine

maintained second position in *Linkage* after Moldova, showing a slight gain over the 2013 Index. In this dimension, Ukraine continued to enjoy the highest level of Political Dialogue, Trade and Economic Integration, and Sectoral Co-operation with the EU.

With a slight improvement in *Approximation* compared against the 2013 Index, Ukraine caught up with Armenia to share third place. Ukraine improved a little to rank third (equal with Armenia) in Deep and Sustainable Democracy, although still lagging behind Moldova and Georgia in many areas. Improvements in *Approximation* included education reform (greater autonomy for universities and a new system of degrees) and the adoption of the law on energy (which obliges Ukraine to implement the EU's third energy package).

Ukraine remained third in *Management of European Integration* after slipping a little since the 2013 Index. The country trailed behind Moldova and Georgia in almost all aspects of *Management of European Integration*.

Armenia made some progress but also experienced setbacks in a period marked by intense negotiations on the Association Agreement, then a political U-turn to instead join the EEU. Despite occupying fourth position in *Linkage*, Armenia registered a small improvement, and showed the highest results among all six countries in participation in EU programmes and agencies. On the other hand, its links with the EU in energy and transport sectors were the lowest of any Eastern partner country.

Over the period as a whole, Armenia registered a slight improvement in *Approximation*, reflecting the enhanced independence of the judiciary, and was placed third (equal with Ukraine). There was also a small gain in Deep and Sustainable Democracy (placed third jointly with Ukraine), but Armenia faced continuing challenges in terms of media freedom, association and assembly rights. In contrast, its quality of public administration ranked second only to Moldova.

Armenia slipped back in *Management of European Integration*, reversing some of the progress made in the previous year, and remaining fourth behind Georgia, Moldova and Ukraine. Following the abandonment of the Association Agreement, most of the institutions established for co-operation with the EU became non-functional, and this was reflected in the lower score.

Azerbaijan ranked fifth in all dimensions of the 2014 Index. It showed no change in *Linkage*.

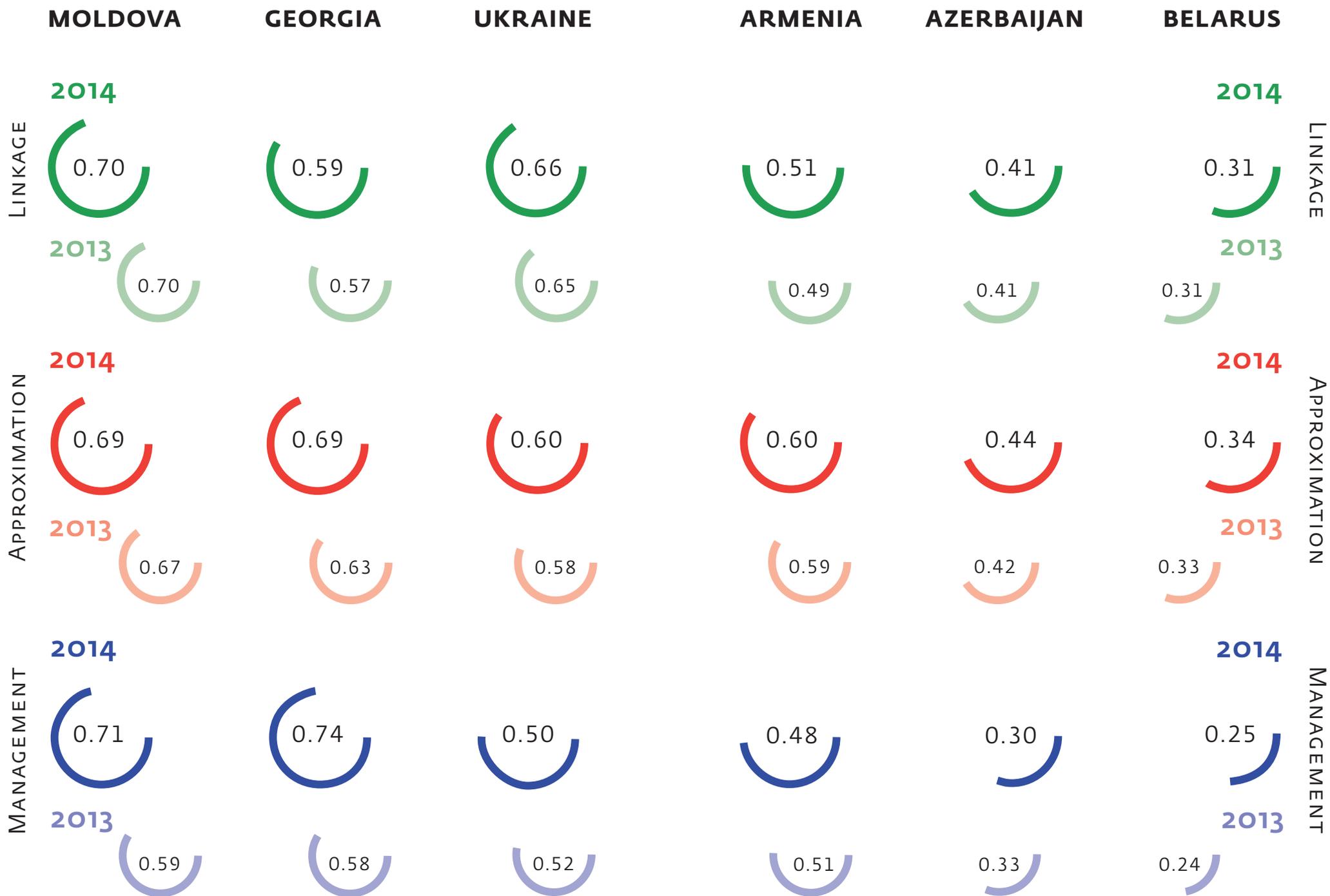
Azerbaijan's slight improvement in *Approximation* resulted from continued progress in energy co-operation and the emergence of Azerbaijan as the leader among the six countries in Environment and Sustainable Development. It remained fifth in Deep and Sustainable Democracy, falling slightly closer to last-placed Belarus. Azerbaijan was ranked the poorest in terms of elections, and slipped lower compared with 2013 in media freedom, association and assembly rights, almost joining Belarus at the bottom.

For a second successive year, Azerbaijan saw a slight decline in *Management of European Integration*.

Belarus remained the poorest performer when it comes to European integration, with the lowest marks in all three dimensions. However, in January 2014 the EU and Belarus launched official negotiations on visa facilitation and readmission agreements.

Whereas it showed no change in *Linkage*, Belarus improved its scores for the second successive year in *Approximation*, even though it registered no change in Deep and Sustainable Democracy, where it continued to be the poorest performer. The minor improvement in the score of Belarus in *Approximation* reflected the fact that Belarus showed the most progress across all six countries in the quality of public administration.

Belarus also improved its scores in *Management of European Integration*.



MOLDOVA

GEORGIA

UKRAINE

ARMENIA

AZERBAIJAN

BELARUS

LINKAGE



LINKAGE



0.86

POLITICAL DIALOGUE

0.79

0.89

0.68

POLITICAL DIALOGUE

0.54

0.26



0.71

TRADE AND ECONOMIC INTEGRATION

0.56

0.74

0.54

TRADE AND ECONOMIC INTEGRATION

0.56

0.40



0.61

SECTORAL CO-OPERATION

0.55

0.66

0.24

SECTORAL CO-OPERATION

0.47

0.30



0.66

PEOPLE-TO-PEOPLE

0.47

0.51

0.50

PEOPLE-TO-PEOPLE

0.29

0.34



0.66

ASSISTANCE

0.57

0.48

0.57

ASSISTANCE

0.18

0.26



MOLDOVA

GEORGIA

UKRAINE

ARMENIA

AZERBAIJAN

BELARUS

APPROXIMATION

APPROXIMATION



0.77

DEEP AND SUSTAINABLE DEMOCRACY

0.73

0.61

0.61

DEEP AND SUSTAINABLE DEMOCRACY

0.30

0.27



0.61

MARKET ECONOMY AND DCFTA

0.67

0.57

0.57

MARKET ECONOMY AND DCFTA

0.41

0.37



0.68

SECTORAL APPROXIMATION

0.66

0.62

0.62

SECTORAL APPROXIMATION

0.61

0.37





	MOLDOVA	GEORGIA	UKRAINE	ARMENIA	AZERBAIJAN	BELARUS
 INSTITUTIONAL ARRANGEMENTS FOR EUROPEAN INTEGRATION (CO-ORDINATION AND IMPLEMENTATION)	0.80	0.73	0.42	0.53	0.14	0.03
 LEGAL APPROXIMATION MECHANISM	0.72	0.72	0.57	0.22	0.38	0.03
 MANAGEMENT OF EU ASSISTANCE	0.81	0.56	0.50	0.44	0.44	0.81
 TRAINING IN THE FIELD OF EUROPEAN INTEGRATION	0.29	0.50	0.43	0.64	0.29	0.14
 PUBLIC AWARENESS RAISING ON EUROPEAN INTEGRATION	0.67	1.00	0.36	0.36	0.17	0.14
 PARTICIPATION OF CIVIL SOCIETY	1.00	0.92	0.70	0.67	0.42	0.33

MOLDOVA



0.77

GEORGIA



0.73

UKRAINE



0.61

ARMENIA



0.61

AZERBAIJAN



0.30

BELARUS



0.27

	MOLDOVA	GEORGIA	UKRAINE	ARMENIA	AZERBAIJAN	BELARUS
	0.77	0.73	0.61	0.61	0.30	0.27
ELECTIONS (NATIONAL LEVEL)	0.83	0.80	0.52	0.46	0.06	0.15
MEDIA FREEDOM, ASSOCIATION AND ASSEMBLY RIGHTS	0.67	0.67	0.60	0.56	0.23	0.19
HUMAN RIGHTS	0.74	0.70	0.73	0.58	0.47	0.15
INDEPENDENT JUDICIARY	0.83	0.88	0.47	0.73	0.27	0.24
QUALITY OF PUBLIC ADMINISTRATION	0.75	0.58	0.60	0.62	0.44	0.45
FIGHTING CORRUPTION	0.73	0.81	0.60	0.68	0.22	0.42
ACCOUNTABILITY	0.81	0.67	0.75	0.64	0.37	0.30

DONORS

