

**RESOLUTION <sup>(1)</sup>****by the Euronest Parliamentary Assembly on EU multiannual financial perspectives and their impact on economic cooperation among Eastern Partnership countries**

(2016/C 193/02)

THE EURONEST PARLIAMENTARY ASSEMBLY,

- having regard to the development of the European Neighbourhood Policy (ENP) since 2004, and in particular to the Commission's progress reports on its implementation,
  - having regard to the Joint Communication of the Commission and the Vice-President/High Representative of the Union for Foreign Affairs and Security Policy of 18 November 2015 entitled 'Review of the European Neighbourhood Policy (ENP)' and to the Council Conclusions on the Review of the European Neighbourhood Policy of 14 December 2015,
  - having regard to the Joint Declarations of the successive Eastern Partnership Summits, and more specifically to the latest one adopted in Riga on 22 May 2015,
  - having regard to the European Parliament resolution of 9 July 2015 on the review of the European Neighbourhood Policy <sup>(2)</sup>,
  - having regard to the bilateral Association Agreements concluded between the European Union and, respectively, Ukraine, Georgia and the Republic of Moldova, and to their provisional application,
  - having regard to Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument,
  - having regard to its Rules of Procedure,
- A. whereas the Eastern Partnership has created a meaningful framework for deepening relations, accelerating political association and furthering economic integration between the EU and the Eastern partners, by supporting political and socioeconomic reforms and facilitating approximation with EU legislation and policies;
- B. whereas the Eastern Partnership also strengthens relations among the partners themselves, contributing to the exchange of information and experience in a whole range of reform areas and to the adoption of common standards;
- C. whereas each partner country has the sovereign right to choose freely the level of ambition and the goals to which it aspires in its relations with the European Union and with other regional and international organisations;
- D. whereas four out of the six Eastern partners are members of the World Trade Organisation (Armenia, Georgia, the Republic of Moldova, and Ukraine);
- E. whereas large parts of the neighbourhood continue to be affected by armed or frozen conflicts which hamper economic, social and political transformation as well as regional cooperation, stability and security;
- F. whereas, under the European Neighbourhood Instrument 2014-2020, between EUR 741 and 906 million are allocated to regional projects in the Eastern Neighbourhood, out of a total of EUR 15,4 billion for the whole instrument; whereas other funds available under this instrument cover bilateral cooperation between the EU and the neighbourhood countries, as well as regional projects in the Southern Neighbourhood and cross-border cooperation;
- G. whereas the Commission has announced, in its Communication on the ENP review of 18 November 2015, its intention to conduct an in-depth assessment with a view to developing options, including an instrument, that could better and more efficiently address the financial needs of neighbourhood countries;

<sup>(1)</sup> Adopted on 22 March 2016 in Brussels, Belgium.<sup>(2)</sup> Texts adopted, P8\_TA-PROV(2015)0272.

**Enhancing intra-regional economic cooperation among the Eastern partners**

1. Stresses that the EaP countries are culturally and historically closely linked with each other as well as to the European Union, sharing a European heritage and values;
2. Emphasises that economic integration among the EaP countries is currently at a relatively low level; stresses that deeper market integration between the EaP countries would help stimulate economic growth in this area, but would also bring political benefits and contribute to confidence-building and reconciliation in the region;
3. Considers that, since the major goal of the Eastern partnership is the political and economic integration of partners with the European Union, the Euronest Parliamentary Assembly should step up efforts to encourage the development of ties among the partner countries themselves; welcomes the fact that the joint communication of 18 November 2015 on the review of the ENP highlights the need to strengthen relations between neighbours, but regrets that the multilateral dimension of the Eastern Partnership is barely addressed;
4. Calls on the EU and the Eastern European partners to engage vigorously on working out concrete measures to encourage regional economic cooperation; believes that this should be done on the basis of an analysis of factors preventing the development of intra-regional economic integration, of shared interests and of those areas that could most benefit from this development;
5. Emphasises that the setting-up of bilateral Deep and Comprehensive Free Trade Areas (DCFTA) with Ukraine, Georgia and the Republic of Moldova is a crucial tool for modern, transparent and predictable trade and regulatory approximation, as well as for foreign direct investment leading to job creation and long-term growth; believes that the EU and the three associated Eastern partners could envisage the creation of a multilateral dimension among the DCFTA countries themselves, with the ultimate goal of creating an economic area based on WTO rules and sovereign choices, as stated in the ENP review communication of 18 November 2015;
6. Acknowledges that partner countries may follow various paths in order to enhance economic and trade relations with the EU and their neighbours; considers that there is nevertheless room for further cooperation between the EU and those partners which have not sought to enter into Association Agreements and DCFTAs, in full respect of each party's international obligations; stresses that the adoption of international standards, inter alia, on the basis of WTO rules, could be an effective way of overcoming technical barriers; welcomes in this respect the proposal contained in the ENP review communication of 18 November 2015 to sign Agreements on Conformity Assessment and Acceptance (ACAAs), which allow free movement of industrial products in specific sectors;
7. Draws attention to the successful examples of economic integration among countries in Central and Eastern Europe, as well as in the Western Balkans, which could to a large extent serve as a good model for deepening economic integration among the Eastern Partnership countries;
8. Stresses that such a scenario requires a shared political will by the Eastern partners; calls therefore on the Eastern partners to reflect on their respective relations with each other with a view to invigorating further cooperation, and on the EU to provide expertise and assistance to help its partners explore new opportunities for joint economic development; considers that increased convergence and cooperation, particularly on sanitary and phytosanitary measures, technical regulations and conformity assessments, mutual administrative assistance on customs matters, digital market harmonisation, procurement, transport, visas and educational exchanges, bears great potential for welfare gains to the benefit of the population in all partner countries and could greatly enhance the business climate, as well as the ability of economic operators to participate in value chains across the whole region;
9. Stresses the importance of free and open roads; highlights the liberalisation of means of transportation for countries without direct access to harbours and to sea terminals;

**EU financial tools to enhance intra-regional economic integration**

10. Notes that the EU financially supports regional integration through common approximation to EU standards and best practices, particularly through the European Neighbourhood Instrument; draws attention to the fact that most of its budget is dedicated to bilateral relations between the EU and Eastern partners, but some of the instruments support either ENP-wide projects or, specifically, the regional dimension of the EaP;

11. Takes note of the ongoing projects under the 'Regional East programmes'; notes that it is unclear to what extent these programmes contribute to deepening intra-regional integration; calls therefore on the Commission to include this dimension in its reporting;
  12. Welcomes the fact that several EU programmes seek to improve the level of regulatory standards and technical standards in the EaP countries, as this is necessary to create the potential to deepen economic cooperation both among EaP countries and between them and the EU Member States; looks forward to more concrete proposals from the Commission and the EEAS regarding the modernisation and strategic alignment of the EU technical assistance instruments (TAIEX and Twinning), as announced in the joint communication of 18 November 2015; believes that EU technical assistance should be delivered not only on a bilateral, but also on a multilateral, basis in order to ensure coordination and help create common regulatory rules throughout the region;
  13. Welcomes the launch next year by the Commission of the Deep and Comprehensive Free Trade Area (DCFTA) Facility for Small and Medium Enterprises which will provide around EUR 200 million in grants from the EU budget over the next 10 years; notes that the facility is expected to unlock new investments worth at least EUR 2 billion for SMEs in the three Eastern Partnership countries which have a DCFTA with the EU; stresses that insufficient access to finance is one of the main challenges facing SMEs; calls on the EU to ensure that funds are swiftly received by the SMEs, and to make sure that EU support is clearly visible for its beneficiaries and that SMEs are well aware of this initiative; calls on the Commission to consider grant opportunities on regional cooperation within the facility;
  14. Considers that assistance by the EU alone is not sufficient, as the EU institutions — and notably the European Investment Bank — have to rely on partner banks in local financial markets to disburse the loans; urges the partner countries to accomplish the substantial reforms required in order to provide adequate market conditions for SMEs;
  15. Welcomes the efforts of the EaP Platform 2 on Economic Integration and Convergence with EU Policies coordinated by the Commission, which provides a dialogue forum that aims to contribute to the smart, sustainable and inclusive development of a free market economy in partner countries; calls on the Commission to take the necessary steps to strengthen the platform's mandate and transform it into a more strategic body that defines areas in which the exchange of best practices and approximation of standards would most benefit economic integration not only with the EU but also at intra-regional level;
  16. Welcomes the proposal that the EU should support its partners in modernising their economies to achieve sustainable growth, as announced in the joint communication of 18 November 2015; suggests that effective cooperation should be fostered and maintained in the framework of the European Neighbourhood Policy in the context of bilateral projects on the implementation of the Association Agreement, with expert assistance from the Member States;
  17. Believes that the Parliaments of the Eastern partners and the European Parliament should be involved in this more strategic approach, and that the Euronest Parliamentary Assembly could provide valuable input into it;
  18. Instructs its Co-Presidents to forward this resolution to the President of the European Parliament, the Council, the Commission, the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy, the EEAS, the governments and parliaments of the Member States and the Eastern Partnership countries.
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