



A closer look at the new EU- Armenia Association Agreement negotiations

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In this shortpaper we analyse the background and scope of the new Association Agreement Treaty between Armenia and the EU, as well as the initial political negotiating positions of the European and Armenian sides.

Background

One of the principal aims of the European Union in the wake of the 2004 enlargement process has been to expand the zone of “prosperity, stability and security” that its citizens enjoy out to its neighbours. This approach was largely based on the understanding that the Union cannot keep enlarging indefinitely, yet there is still a need to find new ways of spreading security beyond its borders to ensure the long-term stability of the EU. The recognition of the growing significance of the South Caucasus in that context is reflected in the EU’s gradual engagement with the region.

The signing of the Partnership and Cooperation Agreement (PCA) between EU and three South Caucasus states – Armenia, Azerbaijan and Georgia – on 22 June 1999 provided a formal basis for the cooperation in all areas.

On 11 March 2003, the European Commission outlined the European Neighbourhood Policy (ENP) in its Communication “Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours”. At that time, the South Caucasus countries were not yet included in the initiative as the debate of the geographic extent of the policy was still ongoing. On 14 June 2004, the European Council decided to include Armenia, Azerbaijan and Georgia in the ENP and after nearly one year of negotiations the ENP Action Plan with Armenia (as well as Action Plans with Georgia and Azerbaijan) was signed in November 2006 for a period of five years.

On 9 March 2009, the European Council adopted a new vision for the development of the EU’s relations with the Eastern partners through the establishment of the Eastern Partnership initiative (EaP). In its Declaration on the EaP the Council declared that “bilateral cooperation should provide the foundation for the new Association Agreement between the EU and those partners who have made sufficient progress towards the principles and values set out in paragraph 2 and who are willing and able to comply with the resulting commitments, including the establishment of deep and comprehensive free trade areas”¹. Thus the Eastern Partnership implied the possibility of Association Agreements with those countries willing to enter into a deeper engagement, gradual integration in the EU economy and allow for easier travel of their citizens to the EU through gradual visa liberalisation, accompanied by measures to tackle illegal immigration. During the Eastern Partnership Prague Summit in May 2009 it was further confirmed that “the Eastern Partnership umbrella should offer the foundation for Association Agreements, which “will provide for the establishment of the deep and comprehensive FTAs”².

¹ Presidency Conclusions: 7880/1/09.Rev 1/ Concl 1/ Annex2; Brussels, 29 April 2009, p.20

² Joint Declaration of the Prague Eastern Partnership Summit, 8435/09 (Presse 78), Prague, 7 May 2009, p.7

Nature and scope of the Agreement

One of the key objectives of the future Agreement is to upgrade relations between Armenia and the EU to a new level and establish a solid basis for the Armenia-EU cooperation in the long-run. The Association Agreement is envisaged as a comprehensive treaty which reflects the existing wide range of cooperation in economic, political and other sectoral areas, while developing these areas further. It is expected to go above and beyond the existing PCA commitments and will build on the political commitments of the Prague Declaration, aiming at political association and further economic integration.

It is expected that the new treaty will provide for:

- A strengthened partnership in foreign and security policy, with the focus on regional issues and in particular regarding the peaceful and lasting resolution of Nagorno-Karabakh conflict, non-proliferation and disarmament and conflict prevention;
- An institutionalised dialogue on common values, including democracy and the rule of law, good governance, respect for human rights and fundamental freedoms, a market economy and sustainable developments;
- The establishment of a Deep and Comprehensive Free Trade Area (DCFTA) with the EU;
- Deepened cooperation in economic areas such as business and investment climate, macro-economic stability, good governance and social policies;
- Increased cooperation in the field of energy, including nuclear power;
- Enhanced cooperation in the field of Justice, Freedom and Security, covering the legal cooperation, migration and fight against organised crime. This field was practically not covered by the PCA.

The understanding is that the Agreement will develop the existing institutional structures further: Cooperation Council, Cooperation Committee, subcommittees in specific areas and the Parliamentary Cooperation Committee. Regular political dialogue meetings will continue at Ministerial level and at the EU Council's Political and Security Committee level as well as in the form of the human rights dialogue. Armenia's possible participation in EU-led civilian and military crisis management operations and relevant exercises could be also discussed in this context. In comparison with the PCA, cooperation in conflict prevention and crisis management and efforts to improve regional cooperation with focus on settlement of conflicts would be an innovative addition.

Negotiations on the trade related chapters will start when Armenia is ready to negotiate a DCFTA and implement fully the relevant commitments, like the creation of institutional structures for the DCFTA negotiations and the adoption/implementation of essential legal acts in the area of technical regulations and sanitary measures. Also tangible progress in effective implementation of the legislation on intellectual property rights are expected.

It will be reflected in the relevant chapters that the EU's financial and technical support should be used to help implement the provisions of the Agreement.

Current state and negotiating positions

The EU-Armenia talks on the Association Agreement have been formally launched on 19 July 2010 in Yerevan. The negotiations will proceed by the format of plenary meetings and working groups on political, justice, and economic issues. The second plenary session of negotiations took place on 12 October, in Brussels. Several chapters were provisionally closed in the course of negotiations on sectoral issues and the chapter related to political dialogue was already discussed. From the European side the negotiations are led by the European Commission, which informs and consults the Council regularly. On the Armenian side they are led by the Foreign Ministry.

The Commission will also regularly inform the European Parliament (EP) about developments of the negotiations. The first draft of the EP report on the EU-Armenia Association Agreement talks will probably be released in March 2011 and will be discussed in public in Foreign Affairs Committee hearings in the EP.

The European Union's general approach is based on the understanding that the "EU is seeking an increasingly close relationship with Armenia, going beyond co-operation, to gradual economic integration and a deepening of political co-operation"³. High Representative Catherine Ashton explained in a press statement: "This agreement will be a catalyst to the domestic reforms in these countries [of the South Caucasus] and can help us to focus resources on the key institutions needed to make further efforts."⁴

In accordance with the European Council Declaration of 19 March 2009 the EaP, and consequently the negotiations on enhancing EU's relations with Armenia, will be governed by the following principles:

- joint ownership and inclusiveness for all partners,
- differentiation based on each partner's specific needs and ambitions, and
- conditionality related to fulfilment of relevant political, trade and economic criteria⁵.

Armenia is attached to the principles of effective multilateralism, regional cooperation, open borders and good neighbourly relations and expects those to be duly reflected in the Association Agreement. The peaceful and lasting settlement of the Nagorno-Karabakh conflict is of utmost importance to Armenia and the South Caucasus region. Obviously, the Armenian delegation will be very careful with the wording of references on regional conflicts, in particular the Nagorno-Karabakh conflict resolution. The Armenian side is worried that attempts to selectively propagate some principles and elements of the conflict resolution while excluding others in international documents may hamper the peace process led by the OSCE Minsk Group – the only internationally mandated format for this conflict's settlement.

Visa facilitation with the EU countries remains an issue of high importance for Armenia, as well as for a number of EU Member States. The Armenian side will be keen to insure a relevant provision on promoting mobility of citizens, including through a facilitation of the visa regime.

³ http://ec.europa.eu/delegations/armenia/eu_armenia/political_relations/index_en.htm

⁴ Ashton, C., quoted in: EU launches negotiations on Association Agreements with Armenia, Azerbaijan and Georgia, Europa – Europa Press Release, 15 July 2010, <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/955&type=HTML>

⁵ Presidency Conclusions: 7880/1/09.Rev 1/ Concl 1/ Annex2; Brussels, 29 April 2009, p.19

As regards the preconditions for starting negotiations on a DCFTA, Armenia is already a WTO member and confirmed its political commitment to a deep and comprehensive approach for establishing a Free Trade Area. However it still needs to demonstrate a higher degree of implementation of the relevant obligations.

Conclusion

The above mentioned negotiating points already illustrate that the Association Agreement is being developed to capture specific, measurable, achievable, relevant, and time-bound goals. The text will be both highly political for the leaderships of the EU and Armenia, but also very concrete for the people. This is because the ENP Action Plan, as umbrella of the process, is a political document, while the Association Agreement is a concrete legal treaty. Besides, the Association Agreement is based on a solid and very ambitious political declaration, the EaP Prague Declaration, while the PCA was not. The success of the whole process will be determined by the political will on both sides to be as realistic as necessary and as ambitious as possible. In the end, the Association Agreement, and the political decision makers who fostered it, will be judged on the concrete and noticeable benefits for the people. Only if this can be achieved, Armenia and Europe will actually move closer to each other and the goals of stability, prosperity and security will be achieved.