

**Deepening EU-Armenia relations:  
More Europe in Armenia; More  
Armenia in Europe**

*Friends of Armenia Network*

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## ACKNOWLEDGMENT

This report was drafted by the Friends of Armenia Network, a high-level group launched in 2023 by former Danish Prime Minister and NATO Secretary General Anders Fogh Rasmussen to galvanise support for democratic Armenia and promote peace in the South Caucasus. It includes former prime ministers, parliamentarians, and diplomats. The full list of signatories can be found at the end of the report.

## EXECUTIVE SUMMARY

- Armenia is pivoting to the West. The European Union (EU) has an interest in supporting Armenia in this pivot. But for this to succeed, the EU and Armenia will have to make a substantial, long-term strategic commitment in terms of resources, security cooperation, trade relations, and political engagement. Now is the moment to take bold steps. In short, we need to see “More Europe in Armenia; more Armenia in Europe”.
- Ultimately, nothing less than offering **Armenia EU candidate status** will match Armenia’s strategic reorientation and make its pivot irreversible. But for this offer to be meaningful, the EU will have to back up its geopolitical commitment with real, substantial support to Armenia – not least to counter Russia’s reaction.
- The authors of this report therefore foresee a gradual approach to enhancing relations between the EU and Armenia, with the ultimate goal of Armenia inside the EU. The EU’s offer to Armenia should be divided into three phases:
  - First, the EU should indicate that it is ready to **offer Armenia candidate status**. This would be an important signal and commitment to Armenia and its strategic orientation. It is the logical continuation of offering candidate status to Georgia, as well as deciding to open accession talks with Ukraine and Moldova.
  - In parallel, the EU and Armenia should **review and update the existing Comprehensive and Enhanced Partnership Agreement (CEPA)** with a view to enhancing relations. An updated CEPA should be used to build up Armenian resilience and lessen its dependence on Russia, notably in the spheres of security, energy, and trade. The annexes should be upgraded and enhanced, including providing free trade in certain service sectors, such as IT.
  - Secondly, once Armenia has reached an adequate level of resilience, **the EU should deepen economic ties by negotiating a Deep and Comprehensive Free Trade Area (DCFTA) with Armenia**. This would further help Armenia shift its strategic orientation, notably in its economy, and move Armenia closer to the EU. In parallel, Armenia should withdraw from the customs union of the Russian-led Eurasian Economic Union (EAEU) and eventually leave the EAEU altogether.

- A third phase should consist of Armenia starting accession negotiations. The final destination of these negotiations should be Armenia's full membership of the EU.
- Armenia's Western pivot does not come without risk or cost. Yerevan is well aware of the stakes involved. For the EU, the most immediate priority should be to help Armenia create a "safety net" in strategically vulnerable sectors. The EU should offer **security cooperation**, notably through the European Peace Facility and enhanced **border management**, to help Armenia diversify its security architecture. This would increase Armenia's deterrence, both against Azerbaijan launching another attack and against Russian hybrid attacks.
- At the same time, the EU should step up its support for Armenia's effort to **increase its resilience** and **decrease its dependence on Russia**, notably in trade, food security, and energy security.
- The **Comprehensive and Enhanced Partnership Agreement** still has value but is limited in terms of what it can provide for a deeper relationship between the EU and Armenia. The EU should help Armenia **reorient and diversify its trade relations**.

## INTRODUCTION

- Armenia has made a strategic choice to **pivot to the West and forge a closer relationship with the EU**. This reorientation is already having geopolitical consequences for the South Caucasus and the EU's role there: the EU's influence is increasing while Russia's is waning as it tries to maintain its foothold in the region. The EU should invest the resources and political capital necessary to **make Armenia's Westward trajectory irreversible**. In short, this is about ensuring *"More Europe in Armenia; more Armenia in Europe"*.
- The EU should offer Armenia a gradual but certain roadmap to enhanced relations. This includes offering Armenia EU candidacy status. Such an offer must be backed up with real, substantive support—anything else would be counterproductive and could backfire. This should include helping Armenia diversify its security and trade relations so that Armenia can leave the Eurasian Economic Union and enter into a Deep and Comprehensive Free Trade Agreement with the EU.
- Supporting Armenia is not only about helping to strengthen Armenia's democracy, but also facilitating its strategic reorientation. This will be a long-term endeavour that will **require a strategic commitment from the EU**. Ad hoc, piecemeal support will not be enough and can be counterproductive. There will be pushback from Russia as it tries to maintain its grip and use existing dependencies to put pressure on Armenia. The EU must be ready for this and be willing to counter Russia's pressure.
- Armenia finds itself in a **perilous geopolitical situation and must walk a fine line**. The threat from Azerbaijan, closed borders with Türkiye, dependence on Russia, and hybrid attacks are putting considerable pressure on Armenia's democratically elected government and society at large. However, Prime Minister Pashinyan's government has taken a strategic decision to **diversify Armenia's foreign policy and build a closer partnership with the West and other like-minded partners**.
- With a strong mandate from society, Prime Minister Pashinyan's government is deepening ties with the West: freezing relations with the Russian-led Collective Security Treaty Organization (CSTO) and distancing Armenia from the post-Soviet Commonwealth of Independent States (CIS)<sup>1</sup>; ratifying the Rome Statute; organising military exercises in Armenia with the United States; and engaging politically with Ukraine at various levels. Armenia has also taken steps to curb diverted trade to Russia meant to bypass sanctions. Armenia is taking these steps in a calibrated and determined way to assert its independence. **Enhancing relations with the EU is a fundamental objective in this pivot.**

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<sup>1</sup><https://www.rferl.org/a/armenia-pashinian-cis-summit-kyrgyzstan-attend-russia/32631450.html>

- Armenia has made considerable progress on **consolidating its democratic foundations** since the 2018 Velvet Revolution and election of Prime Minister Pashinyan in 2018. This progress has been achieved despite the war in 2020 and subsequent attacks by Azerbaijan. The failure of the military coup attempt in 2021 is also testament to Armenia's democratic credentials. Armenia increased its score to 54 points in 2023 from 45 points in 2018 in Freedom House's *Freedom in the World* report.<sup>2</sup>
- **The EU has an interest in stepping up its support to democratic Armenia.** It is the only democratic country in the region and the only country with a clear and determined Westward trajectory. Its solid democratic foundations contribute greatly to the country's resilience. Armenian civil society has an important role to play in furthering democracy and the rule of law. Decreasing Armenia's dependence on Russia would alter the power dynamics in the South Caucasus in both Armenia and Europe's favour. Moreover, the EU has an interest in ensuring that Armenia moves forward on its democratic trajectory and that Armenia's territorial integrity is respected and not undermined by its neighbours.
- The EU's renewed engagement to strengthen EU-Armenia relations in a multitude of ways is reflected in the European Council Conclusions of October 2023.<sup>3</sup> Following this, a joint EEAS/Commission fact-finding mission visited Armenia in November 2023.<sup>4</sup> The findings have been reported to the Council. There is now a window of opportunity to strengthen EU-Armenia relations, but this window will not be open forever. There are forces at play that could undermine Armenia's democracy and statehood unless the EU and its member states step up their engagement. The global environment may also become substantially more complicated later in 2024, depending on the outcomes of elections in Europe and the United States.
- The EU's overarching goal should be to help Armenia **strengthen its resilience and make its Westward trajectory irreversible.** This would address three challenges: 1) increasing Armenia's deterrence against a new attack by Azerbaijan; 2) decreasing Armenia's dependence on Russia; 3) strengthening Armenia's ability to withstand hybrid attacks. This can be done through actions in four broad areas: security cooperation, border management, the Comprehensive and Enhanced Partnership Agreement (CEPA), and resilience.
- The recommendations in this report do not represent an *a la carte* menu of actions. They should rather be taken together as a comprehensive and complex package. Other

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<sup>2</sup><https://freedomhouse.org/report/freedom-world/2018/scores?sort=asc&order=Total%20Score%20and%20Status>

<sup>3</sup> <https://www.consilium.europa.eu/media/67627/20241027-european-council-conclusions.pdf>

<sup>4</sup>[https://www.eeas.europa.eu/delegations/armenia/eu-and-armenia-look-strengthening-and-deepening-their-partnership\\_en?s=216](https://www.eeas.europa.eu/delegations/armenia/eu-and-armenia-look-strengthening-and-deepening-their-partnership_en?s=216)

key actors, most notably the United States, also have a crucial role to play in supporting Armenia's Western pivot.

## 1. SECURITY COOPERATION

- Armenia finds itself in a **highly precarious security environment**. Russia maintains substantial leverage over Armenia and is trying to topple Prime Minister Pashinyan's government. Russian propagandists have made baseless claims to undermine Prime Minister's Pashinyan's authority, such as falsely claiming that US paratroopers were guarding government buildings against protestors.<sup>5</sup> There are also indications that Russia is behind anti-government street protests aimed at destabilising the government.<sup>6</sup>
- Azerbaijan continues to pose a military threat and is signalling that it will attack Armenia. The **continued occupation by Azerbaijani forces of strategic heights inside Armenia** poses a direct threat to Armenia. 208 km<sup>2</sup> of Armenian territory are currently occupied by Azerbaijani forces.<sup>7</sup> This constitutes a constant threat to Armenia and its sovereignty. Baku is creating the information space for an attack and has built up its forces in Nakhichevan. President Aliyev of Azerbaijan has made several territorial claims, including suggesting that Yerevan is historically an Azeri city that was unjustly transferred to Armenia,<sup>8</sup> and threatened to "enforce" a land corridor through Armenia under Azerbaijan's control.<sup>9</sup>
- An attack could start with a takeover by Azerbaijan of the Azerbaijani enclaves inside Armenia.<sup>10</sup> It took Azerbaijan three weeks to build up the necessary forces to take over Nagorno-Karabakh; the same amount of time would be needed to launch an attack on the Syunik region.<sup>11</sup> An attack could also be underpinned by collusion with Türkiye and Russia.
- Türkiye remains closely aligned with Azerbaijan, refusing to open its borders with Armenia and putting pressure on Armenia to make concessions to Azerbaijan. Armenia relies on the support of Georgia and Iran to counterbalance its other immediate neighbours. Türkiye has a critical role to play in the stability and security dynamics of

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<sup>5</sup> <https://www.pravda.com.ua/eng/news/2023/09/24/7421180/>

<sup>6</sup> <https://english.elpais.com/international/2023-10-03/loss-of-nagorno-karabakh-weakens-armenia-abandoned-by-russia-and-the-west-everyone-is-afraid-of-another-war.html#>

<sup>7</sup> <https://www.civilnet.am/en/news/697545/azerbaijan-has-occupied-at-least-215-square-kilometers-of-armenian-territory-since-2020/>

<sup>8</sup> <https://president.az/en/articles/view/63017>

<sup>9</sup> <https://president.az/en/articles/view/51216>

<sup>10</sup> <https://www.azatutyun.am/a/32775097.html>

<sup>11</sup> <https://ecfr.eu/article/after-nagorno-karabakh-how-europeans-can-strengthen-armenias-resilience/>

the South Caucasus. Relations with Armenia should be raised at the highest levels in Türkiye.

- Armenia's **membership of the Collective Security Treaty Organization (CSTO)** has proven to be of little value as a security provider for Armenia. Russia and the rest of the CSTO have done little to support Armenia in the face of Azerbaijani aggression. As a result, Armenia has effectively frozen its membership of the CSTO and downgraded its participation in the institution, including refusing to host a CSTO exercise in September 2023.<sup>12</sup> The lack of support from the CSTO has prompted Yerevan to diversify its security options.<sup>13</sup>
- Armenia's **armed forces** are in need of reform and modernisation. Parts of the armed forces still suffer from post-Soviet legacy issues, such as a lack of decentralized command and the need to improve operational and tactical planning. Armenia is also in need of modern Western equipment, especially in the electronic warfare and UAV/IUAS domains. The US-Armenia training exercise – Eagle Partner – in September 2023 was a useful example of how the West can support Armenia's armed forces through training and exercises.<sup>14</sup>
- **But Armenia's armed forces currently remain heavily dependent on Russia.** While more than 90 per cent of Armenia's arms and ammunition are produced in Russia,<sup>15</sup> Russia has delayed the delivery of weapons and other types of equipment following a contract signed after the 2020 war worth USD 400 million.<sup>16</sup> Armenia has since successfully diversified the import of weapons from other suppliers and substantially reduced its reliance on Russian weapons. In that sense, building strong economic ties with new partners, such as India or France, has been key for Armenia to freeze relations with the CSTO.
- Russia **maintains the 102<sup>nd</sup> military base in Gyumri, Armenia**, which hosts between 3,300 and 5,000 Russian troops.<sup>17</sup> A garrison is also located in the outskirts of Yerevan, and a Russian airbase is located at the Erebuni airbase south of Yerevan. Since the 2020 war, a contingent of 2,000 Russian "peacekeepers" have been deployed in Nagorno-Karabakh.<sup>18</sup>

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<sup>12</sup><https://www.aa.com.tr/en/world/russia-to-examine-armenias-refusal-to-host-csto-military-exercises-allowing-joint-drills-with-us/2989441>

<sup>13</sup> <https://eurasianet.org/armenia-further-downgrades-participation-in-csto>

<sup>14</sup> <https://am.usembassy.gov/eagle-partner/>

<sup>15</sup> <https://www.sipri.org/commentary/topical-background/2021/arms-transfers-conflict-zones-case-nagorno-karabakh>

<sup>16</sup> <https://www.azatutyun.am/a/32713283.html>

<sup>17</sup> <https://evnreport.com/politics/russia-s-increasing-military-presence-in-armenia/>

<sup>18</sup> <https://eurasianet.org/russia-rejects-criticism-of-peacekeepers-in-karabakh>

- Prime Minister Pashinyan has made clear that there is “no advantage” for Armenia to host the Russian military base in Gyumri and that **the Russian “peacekeepers” in Nagorno-Karabakh** should return to Russia rather than be redeployed to Armenia if they were to leave **Nagorno-Karabakh**.<sup>19</sup> There is a risk that Russia could try to insert its troops, in the event of an Azerbaijan attack on Armenia, to create a land corridor to Nakhichevan. The mandate of the Russian contingent runs out in November 2025.
- **The EU has in the past been reluctant to extend security cooperation to Armenia because of the EU’s desire to maintain its mediation role.** Offering security cooperation, it has been argued, would undermine the EU’s mediation role by undercutting the EU’s equidistant approach to Armenia and Azerbaijan. This position has been exploited by Azerbaijan to block enhanced EU support to Armenia. There is nothing, however, to indicate that Baku is truly interested in a negotiated settlement. On the contrary, the attack against Nagorno-Karabakh only reinforces the point that Baku may again resort to the military option and is not interested in a negotiated settlement. **The EU should reorient its engagement in the region away from trying to mediate, and instead strengthen Armenia’s deterrence in order to prevent another war.**
- Nevertheless, there is **a need for the EU to step up security cooperation with Armenia, both in the short- and long-term.** This would strengthen Armenia’s resilience and increase its deterrence against external attack. It would also send a signal about Armenia’s desire to increase its security and, by extension, its independence. This security cooperation should be long-term and underpinned by a strategic commitment to Armenia. Piecemeal support may only aggravate the situation and trigger counter-measures from Azerbaijan and Russia.
- The EU has taken the right step towards providing Armenia with an allocation for non-lethal equipment from the European Peace Facility. But much more can and should be done. Armenia needs a long-term security commitment from the EU and other partners. Some EU member states have become more forthcoming in providing **bilateral military assistance to Armenia.** France has announced that it will provide Armenia with three Ground Master 200 radar systems and Mistral anti-air missiles to strengthen Armenia’s air defence.<sup>20</sup> France will also provide training to Armenian troops and support reform of its armed forces.

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<sup>19</sup> <https://eurasianet.org/unhappy-with-russia-armenia-seeks-new-security-partners>

<sup>20</sup>[https://www.armyrecognition.com/defense\\_news\\_october\\_2023\\_global\\_security\\_army\\_industry/armenia\\_buys\\_three\\_thales\\_ground\\_master\\_200\\_radar\\_systems.html](https://www.armyrecognition.com/defense_news_october_2023_global_security_army_industry/armenia_buys_three_thales_ground_master_200_radar_systems.html)



- Other non-European states have also started to provide weapons to Armenia. India has emerged as a strategic partner and has, for instance, agreed to sell the Pinaka multi-barrel rocket system to Armenia. Further diversification would provide greater freedom of manoeuvre for Armenia.

## **RECOMMENDATIONS**

- ⇒ **Allocation of European Peace Facility (EPF).** The EU should build on its first EPF allocation for Armenia in 2024 and make a multi-year commitment that would include **dual-use and lethal equipment**. The allocations should be based on an Armenian security concept and a needs assessment. The type of equipment should be strategic in nature and seek to both increase Armenia's deterrence and decrease its dependence on Russia and Russian equipment.
- ⇒ **Step up bilateral military assistance from EU member states.** Individual EU member states have an important role to play in providing bilateral military assistance to Armenia. This would be an important step to increase Armenia's defensive capabilities and deterrence against an attack by Azerbaijan. It would also send an important signal to Baku and Ankara that an attack against Armenia would be unacceptable and met with additional military assistance to Armenia from the EU and its member states.
- ⇒ **Joint training and military exercises to bolster Armenia's defence capabilities.** Joint training exercises, such as the US-Armenia Eagle Partner exercise, would also be an important signal about Armenia's Western trajectory. Such exercises would help Armenia forge closer bonds with European armed forces and support the modernisation and reform of Armenia's armed forces.
- ⇒ **Reform of the security sector.** The EU should deploy a Common Security and Defence Policy (CSDP) advisory and training mission to support Armenia with reform of its civilian and military security sectors. This should aim to modernise the armed forces and security institutions.
- ⇒ **Engage in a discreet and direct dialogue with Türkiye about normalisation of relations and the opening of the border with Armenia.** Azerbaijan and Türkiye's interests overlap but are not identical in relation to Armenia.

## 2. BORDER MANAGEMENT

- **Armenia's border management is highly dependent on Russia.** Federal Security Service (FSB) border guards have been continuously stationed on Armenia's borders with Türkiye and Iran since the breakup of the Soviet Union. There is also a Russian border guard detachment stationed in Yerevan's Zvartnots airport, where Russian border guards operate together with Armenian border guards.<sup>21</sup> In total, there may be up to 4,500 Russian border guards based in Armenia.<sup>22</sup> This is a major vulnerability for Armenia and a limitation on its sovereignty.
- The **European Union Mission in Armenia (EUMA)** is doing important work. The Mission currently carries out 5-7 patrols daily and has less than 50 monitors to cover 1000 km of state border. The EU has agreed to increase the number of staff to 209.<sup>23</sup> However, there is scope to further ramp up its presence through more observers, patrols, forward operating bases, and technological means (UAVs, stationary cameras, and sonar sensors). Azerbaijan's refusal to allow the Mission on its territory and a refusal to engage in cross-border contacts are indicators of Baku's intentions.
- **The border between Armenia and Türkiye remains closed.** In the past, Ankara conditioned normalisation of relations with Armenia, including the opening of the border, on the resolution of the Nagorno-Karabakh conflict. But now that Nagorno-Karabakh has been emptied of Armenians, Türkiye is demanding a comprehensive peace deal before normalisation can happen. Ankara is also pushing for a corridor through Armenia as a condition for normalisation. Notwithstanding some tangible steps, such as the temporary opening of the border after the earthquake in Türkiye in February 2023, normalisation of relations with Türkiye runs through Baku. Russia is also opposed to normalisation, as it would undermine Armenia's dependence on Russia and remove the main justification for its military presence, including the 102nd military base in Gyumri.
- **Prime Minister Pashinyan has proposed the *Crossroads of Peace* initiative** as a way to create transport corridors through Armenia, as well as to open the state borders with Azerbaijan and Türkiye.<sup>24</sup> Infrastructure would operate under the jurisdiction and sovereignty of the country it passes through. The use of infrastructure would be based on the principle of reciprocity and equality. The *Crossroads of Peace* initiative would boost trade, inter-dependence, and connectivity in the South Caucasus and would

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<sup>21</sup> <https://evnreport.com/politics/russia-s-increasing-military-presence-in-armenia/>

<sup>22</sup> <https://web.archive.org/web/20210216194258/https://ria.ru/20201028/voennye-1581990904.html>

<sup>23</sup> [https://www.eas.europa.eu/euma/eu-mission-armenia-increase-its-presence-ground\\_en?s=410283](https://www.eas.europa.eu/euma/eu-mission-armenia-increase-its-presence-ground_en?s=410283)

<sup>24</sup> [https://www.primeminister.am/u\\_files/file/documents/The%20Crossroad%20of%20Peace-Brochure.pdf](https://www.primeminister.am/u_files/file/documents/The%20Crossroad%20of%20Peace-Brochure.pdf)

contribute to the full normalisation of relations between Armenia and its neighbours. The initiative would require substantial investment in rail, road, and border infrastructure.

## RECOMMENDATIONS

- ⇒ **Strengthen Armenia's control over its border management.** The EU and Frontex should immediately launch a comprehensive programme to support Armenia in establishing control over its border management. A Frontex operation with an executive mandate, wherein Frontex officers could work alongside Armenian border guards to carry out surveillance and checks at key border crossing points, would be an interim solution until Armenia can exercise full and effective control over its borders.<sup>25</sup>
- ⇒ **Expanding the EU Mission in Armenia (EUMA) with additional monitors, field offices, technological means, and geographic scope.** EUMA should be expanded to at least 300 active monitors and provided with additional armoured vehicles to enable at least 15 patrols per day. New forward operating bases should also be established. The Mission should also be provided with surveillance UAVs and detention radars, as well as stationary cameras and sonar sensors at hot spot locations along the border and close to territory occupied by Azerbaijan.
- ⇒ **Political and material support for the *Crossroads of Peace* initiative, including through infrastructure funds such as the Connecting Europe Facility (CEF) and the Global Gateway Initiative.** The EU, along with the international financial institutions, should consider investing in infrastructure projects (notably railroads and border crossing points) to facilitate the initiative. The absence of a peace agreement should not be an impediment for investing in such an initiative. On the contrary, such an initiative could defuse tensions and make a peace agreement more likely.
- ⇒ **Engage in a discreet dialogue with Türkiye on the opening of its border and future normalisation.** Türkiye has a crucial role to play in the South Caucasus and has interests that align but are not identical to those of Azerbaijan. A high-level dialogue with Ankara on Armenia is needed.

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<sup>25</sup> This operation could be similar to the Joint Operation Moldova. <https://www.frontex.europa.eu/media-centre/news/news-release/joint-operation-moldova-2023-kicks-off-TtBRqW>

### 3. STRENGTHENING ARMENIA'S RESILIENCE

- Armenia's precarious geopolitical position is exacerbated by its exposure to external threats from Azerbaijan, its dependence on Russia in several critical sectors, and its vulnerability to hybrid action. Greater resilience would give Armenia more room to manoeuvre the region's geopolitics and bolster its pivot Westward. It would also entrench Armenia's democracy and the legitimacy of state institutions.
- Armenia remains dependent on Russia in several sectors: **energy imports, food imports, and critical infrastructure**. In terms of **energy security**, Armenia is largely self-sufficient in electricity through domestic production from hydropower, nuclear, and solar energy. However, Armenia depends on Russian imports of fuel to operate these plants. In 2021, nearly all of Armenia's natural gas consumed came from Russia.<sup>26</sup> About 75 per cent of petroleum oils came from Russia.<sup>27</sup> Gazprom Armenia owns the pipelines in Armenia and monopolises the distribution of gas to consumers.
- Armenia's Metsamor **nuclear power plant** relies on uranium imported from Russia. A Rosatom subsidiary is also responsible for the power plant's maintenance, and a contract was recently signed with Russia to modernise the power plant.<sup>28</sup> Other strategic sectors, such as **railways**, are heavily controlled by Russia. Armenian Railways is fully managed by Russian Railways on a 30-year concessionary basis, following a contract signed in 2008.
- As for **food security**, Armenia imports nearly all of its **wheat** from Russia. Cheap Russian wheat undercuts domestic production in Armenia.<sup>29</sup> Exploiting its asymmetrical relationship, Russia has also **weaponised trade** with Armenia by blocking Armenian products at the Russian border. Armenian cognac and dairy products were stopped at the Russian border following Armenia's ratification of the ICC Rome Statute in October 2023.<sup>30</sup> Other food products have also been blocked from entering Russia.<sup>31</sup>
- Resilience is also about the sentiment of the population and the legitimacy of the state structures. It is essential to ensure that the Armenian state continues to deliver for the Armenian people in terms of economic growth, healthcare, the rule of law, human rights, and democracy. EU assistance should aim to support change that people can

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<sup>26</sup> <https://www.iea.org/reports/armenia-energy-profile/overview>

<sup>27</sup> <https://evnreport.com/economy/armenias-economic-dependence-on-russia-how-deep-does-it-go/>

<sup>28</sup> <https://eurasianet.org/russia-to-revamp-armenias-nuclear-power-plant>

<sup>29</sup> <https://evnreport.com/law-society/the-bread-dilemma-choosing-between-wheat-imports-and-domestic-cultivation/>

<sup>30</sup> <https://interfax.com/newsroom/top-stories/95138/>

<sup>31</sup> <https://caucasuswatch.de/en/news/tensions-rise-as-russia-imposes-ban-on-armenian-food-products.html>

see and experience. This will help both the democratically elected government and the EU retain legitimacy with the Armenian people.

- In light of Armenia's dependency on unreliable economic partners for critical segments of its economy, the EU should undertake to strengthen Armenia's resilience on energy and food security, as well as cybersecurity and critical infrastructure.

## RECOMMENDATIONS

- ⇒ **Invite Armenia to become a member of the European Energy Community**, coupled with efforts to decrease Armenia's dependence on Russian gas imports and nuclear power. This would pre-empt potential efforts at Russian "energy blackmail" and accelerate Armenia's integration into the European energy market. The EU should be ready to provide the financial resources necessary for Armenia to break free from its energy dependence on Russia.
- ⇒ **Help Armenia accelerate its green transformation and diversification of energy imports and sources.** This should include linking up Armenia with the Black Sea electric cable.<sup>32</sup> The EU can also help the Armenian government achieve its goal of 2/3 of electricity produced coming from renewables by 2036, up from 1/3 today.<sup>33</sup>
- ⇒ **Measures to strengthen food security.** The EU should subsidise the import of basic food products to Armenia, such as wheat and vegetable oil, to counter cheap Russian imports. The possibility of importing subsidised agricultural products from Ukraine should also be explored. In parallel, the EU should assist Yerevan in developing a more sustainable and cost-effective domestic production of wheat and other critical agricultural products.

## 4. COMPREHENSIVE AND ENHANCED PARTNERSHIP AGREEMENT (CEPA)

- Armenia's membership of the Eurasian Economic Union (EAEU) and its extensive trade relations with Russia – close to 50 per cent of Armenia's exports go to Russia – present a clear obstacle to deepening EU-Armenia relations.<sup>34</sup> Following Russia's illegal invasion of Ukraine in February 2022, Armenia has experienced an influx of up to 70,000 Russian citizens into the country. This has fuelled Armenia's economic growth

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<sup>32</sup> [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_22\\_7807](https://ec.europa.eu/commission/presscorner/detail/en/statement_22_7807)

<sup>33</sup> <https://www.iea.org/reports/armenia-energy-profile/energy-system-transformation>

<sup>34</sup> <https://jam-news.net/probability-of-armenia-falling-under-us-sanctions/>

but also further increased Armenia's dependence on Russia.<sup>35</sup> Part of Armenia's strategic reorientation entails the diversification of trade—and, in particular, shifting trade relations towards the EU and other markets.

- The existing **CEPA still has some potential to further enhance relations** between the EU and Armenia. The EU could incentivise Yerevan to accelerate reforms set out in the CEPA that would closer align Armenia with the EU and the EU acquis. This includes reforms of the public sector and judicial system, in particular. New partnership priorities should focus on providing Armenia with the means and capacity building to further support the implementation of CEPA.
- However, even if more can be done to enhance relations within the existing CEPA framework, the agreement is limited in its ability to deepen trade relations, people-to-people contact, and security cooperation. Upgraded annexes should include more forward-leaning aspirations in these and other sectors, and could include specific efforts such as bringing Armenia into the roam-like-at-home scheme.
- While membership of the EAEU is incompatible with a DCFTA between the EU and Armenia, the EU can and should help Armenia diversify its trade relations while taking steps to reduce trade tariffs. This should be a gradual process of three phases:
  - As previously mentioned, the EU should indicate that it is ready to **offer Armenia candidate status**. This is an important signal and commitment to Armenia and its strategic orientation.
  - In parallel, the EU and Armenia should **review and update the existing CEPA** with a view to enhancing relations. An updated CEPA should be used to build up Armenian resilience and lessen dependence on Russia, notably in the spheres of security, energy, and trade. The annexes should be upgraded and enhanced, including providing free trade on certain service sectors, such as IT.
  - Secondly, once Armenia has reached an adequate level of resilience, **the EU should deepen economic ties by negotiating a Deep and Comprehensive Free Trade Area (DCFTA) with Armenia**. This will further help Armenia shift its strategic orientation, notably in its economy, and move Armenia closer to the EU. In parallel, Armenia should withdraw from the customs union of the Eurasian Economic Union (EAEU) and eventually leave the EAEU altogether.

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<sup>35</sup> <https://jam-news.net/impact-of-russians-moving/>

- A third phase should consist of Armenia starting accession negotiations. The final destination of these negotiations should be Armenia's full membership of the EU.
  
- Throughout these phases, the EU should take steps to offset the consequences of Armenia eventually leaving the EAEU and transitioning to a DCFTA with the EU. The EU should be ready to support Armenia in the face of Russia's inevitable retaliatory measures. The EU should also help Armenia decrease its dependence on basic products imported from Russia. About a third of Armenia's imports were from Russia in 2022.<sup>36</sup> Leaving the EAEU and entering into a free trade agreement with the EU would entail a massive reorientation of Armenia's economy, and a transitional phase is necessary to offset the immediate economic turbulence.
  
- Increased people-to-people contacts has proven important to fostering a sense of common direction and identity. **Launching an EU-Armenia dialogue on visa liberalisation** would be an important step to deepening relations. Visa liberalisation would be a considerable political benefit for Yerevan and show that the EU is serious about supporting Armenia on its Western trajectory. Fears in certain member states about visa liberalisation leading to a mass exodus and brain drain are exaggerated and should not prevent progress. Visa liberalisation would make a substantial difference to the people of Armenia and be a tangible manifestation of the benefits of Armenia's Westward pivot.

## RECOMMENDATIONS

- ⇒ **Utilise the existing CEPA** to, among other priorities, incentivize Yerevan to accelerate reforms in line with EU standards and EU acquis, notably in the areas of the judiciary and public administration, as well as further integration in the energy sector.
  
- ⇒ **Pursue the previously mentioned three-phased approach:**
  - **Review and update the existing CEPA** with a view to enhancing relations, building up Armenian resilience, and lessening its dependence on Russia, notably in the spheres of security, energy, and trade.

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<sup>36</sup> <https://tradingeconomics.com/armenia/imports-by-country>

- Once Armenia has reached an adequate level of resilience, **the EU should negotiate a DCFTA with Armenia**. In parallel, Armenia should withdraw from the customs union of the EAEU and eventually leave the EAEU altogether.
  - A third phase should consist of Armenia starting accession negotiations. The final destination of these negotiations should be Armenia's full membership of the EU.
- ⇒ **Launch a visa liberalization dialogue with Yerevan.** This dialogue should be launched without delay. Tangible results should be delivered before the European elections and the next Commission is established.

## CONCLUSION

- The EU has an historic opportunity to support Armenia's pivot to the West. This is a high-impact, low-cost opportunity that could help transform the South Caucasus. It would consolidate Armenia's democracy and help stabilise the country and region. The EU has a strong interest in ensuring that Armenia becomes more resilient, less dependent on Russia, and less threatened by Azerbaijan. There is considerable scope for the EU and individual member states to do more. This should be a long-term, substantial, and strategic commitment to democratic Armenia.
- Steps currently being considered by the EU to support Armenia are positive and welcome, but they are not far-reaching enough, nor do they address Armenia's immediate needs—in particular its security concerns. The risk of a renewed Azerbaijani aggression must be taken seriously.
- The EU should recognise Armenia's strategic shift towards the West and should offer the **prospect of EU membership**. Such an offer needs to be backed by a real commitment and tangible support and be preceded by a gradual process of deepening relations.
- This would provide Armenia with a sense of direction, helping it to consolidate its democratic foundations and solidify its Western strategic orientation. It would allow for enhanced support from the EU, in particular to strengthen Armenia's resilience, increase its deterrence, and decrease its dependence on Russia. Following the historic decision in mid-December 2023 by the European Council to start accession



negotiations with Ukraine and Moldova, and to grant Georgia candidacy status, the possibility of extending candidacy status to Armenia is not inconceivable.

- Moreover, the EU should prioritise **security cooperation** with Armenia. This should take the form of both non-lethal and lethal equipment and ammunition under the European Peace Facility, coupled with increased bilateral military assistance. There is an urgent need to bolster Armenia's deterrence against an attack by Azerbaijan with the tacit support of Russia.
- Russia's aggression against Ukraine demonstrates how important it is for the EU to act with resolve to support frontline states under threat. Doing too little, too late only leads to substantially greater costs later on.

**ENDS**

## **LIST OF SIGNATORIES**

**Anders Fogh Rasmussen:** Chairman of the Friends of Armenia Network, Founder of Rasmussen Global, NATO Secretary General (2009-2014), Prime Minister of Denmark (2001-2009).

**Włodzimierz Cimoszewicz:** Member of the European Parliament (2019-...), Prime Minister of Poland (1996-1997), Poland's Minister of Foreign Affairs (2001-2005).

**Štefan Füle:** European Commissioner for Enlargement and Neighbourhood Policy (2010-2014), Minister of European Affairs of the Czech Republic (2009).

**Charles Flanagan:** Member of the Irish Oireachtas (2020-...), Chair of the Parliamentary Committee on Foreign Affairs and Defence (2020-...), Ireland's Minister of Justice (2017-2020), Ireland's Minister of Foreign Affairs (2014-2017).

**Raimundas Lopata:** Member of the Lithuanian Seimas (2020-...), Chair of the Parliamentary Friendship Group with Armenia (2020-...)

**Dietmar Nietan:** Member of the German Bundestag (1998-2002, 2005-...), Treasurer of the Social Democratic Party.

**Anne-Laurence Petel:** Member of the French Assemblée nationale (2017-...), Chair of the Parliamentary Friendship Group with Armenia (2022-...).

### **As observers:**

**Dalia Grybauskaitė:** President of Lithuania (2009-2019), EU Commissioner for Budget (2004-2009).

**Thorniké Gordadzé:** Georgia's State Minister for Euro-Atlantic Integration (2012), Georgia's Vice-Minister of Foreign Affairs (2010-2012).

**Peter Semneby:** EU Special Representative to the South Caucasus (2006-2011).