

**Title:**

‘Transformative Power’ of European Union Aid for Development and the Rule of Law

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**Abstract:**

In this paper, I discuss the instruments used by the European Union (EU) to promote the rule of law in delivering official development aid within the framework of the Eastern Neighborhood and Eastern Partnership (EaP) mechanisms established under the European Neighborhood policies. I also analyze the deficiencies of these mechanisms and the ways to improve them, using as an example the case of Ukraine (a member of the Eastern Neighborhood). In 2014, an interesting development within the framework of the EaP took place in Georgia, Moldova and Ukraine when these countries signed respective EU Association Agreements providing for a change in the approach to financial assistance. The Association Agreements provide a robust foundation for cooperation in the area of reform of rule of law. The principle of respect for the rule of law is a cornerstone of each agreement. However, among the deficiencies of the mechanism is the lack of a clearly defined set of incentives regarding the future of the parties to it. This is so because neither the Association Agreement nor the EaP foresees a clear goal of Ukraine’s future integration into the European Union.

As the biggest donor of international aid, granting more than EUR 50 billion in development assistance annually, the European Union has potentially significant ‘transformative power’ *vis-à-vis* recipient countries.<sup>1</sup> Despite this, the aid—albeit significant—has produced variously successful outcomes across the numerous recipient nations. In this paper, I will discuss the instruments used by the EU to promote the rule of law in delivering official development aid within the framework of the Eastern Neighborhood mechanism set up and operating under a set of policies of the same name. I will also analyze the deficiencies of the mechanism in question and the ways to improve it using the case of Ukraine (a member of Eastern Neighborhood) as an example.

The Treaty on European Union requires signatory countries to pursue ‘*the universal values of the inviolable and inalienable rights of the human person, freedom, democracy, equality and the rule of law.*’<sup>2</sup> This means that rule of law and fundamental rights are the cornerstone and principal focus of the Treaty and that they are replicated in all aid agreements between the EU and recipient countries across the globe.<sup>3</sup>

The EU support for reform of rule of law aims to ensure the same level of respect for fundamental values and democratic culture as that in EU Member States. These values were at the heart of the transition to democracy in Central and Eastern Europe and paved the way to EU accession of CEE countries through a policy on enlargement. They are also foundational in the Union’s relations with countries farther afield.<sup>4</sup>

Since the EU has linked rule of law to the principles of democracy and respect for human rights, its approach transcends the so-called *thin theory*.<sup>5</sup> In addition to aid for development, the EU exports its values and principles—the rule of law being first and foremost among them—through the normative impact of its policies.<sup>6</sup>

Thus, for decades the EU has provided development aid while promoting respect for the rule of law in the world in different ways: crisis prevention strategies; post-crisis rehabilitation and reconstruction assistance; and long-term development and peace building. In order to streamline its efforts, the Union has established new bodies, and more specifically the European External Action Service (EEAS). On the basis of the lessons learned by the EEAS, the EU has initiated a

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<sup>1</sup> European Commission. (2019). Recipients and results of EU aid. [online] Available at: [https://ec.europa.eu/info/aid-development-cooperation-fundamental-rights/recipients-and-results-eu-aid\\_en](https://ec.europa.eu/info/aid-development-cooperation-fundamental-rights/recipients-and-results-eu-aid_en) [Accessed 3 May 2019].

<sup>2</sup> European Union. (2019). EU treaties | European Union. [online] Available at: [https://europa.eu/european-union/law/treaties\\_en](https://europa.eu/european-union/law/treaties_en) [Accessed 3 May 2019].

<sup>3</sup> Ioannides, I. (2014). *Rule of Law in European Union External Action: Guiding Principles, Practices and Lessons Learned*. [online] International Institute for Democracy and Electoral Assistance 2. Available at: <https://www.idea.int/sites/default/files/publications/rule-of-law-in-european-union-external-action.pdf> [Accessed 3 May 2019].

<sup>4</sup> Ibid.

<sup>5</sup> Pech, L. (2012). *Rule of law as a guiding principle of the European Union's external action*. The Hague: T.M.C. Asser Institute. [online] Available at: <https://www.asser.nl/media/1632/cleer2012-3web.pdf> [Accessed 3 May 2019].

<sup>6</sup> Ibid.

‘comprehensive aid approach’, involving a review of its strategies for neighborhood policy and current policies on enlargement and the adoption of mechanisms such as sanctions, high-level dialogue, etc.<sup>7</sup> More specifically, the EU’s ‘comprehensive aid approach’ ‘brings together all of the different elements of the EU framework for donor assistance: military and civilian missions; development work (programmatic, expert and financial assistance); political engagement at all levels (dialogue with partners, mediation and negotiation); and security assistance and civil society capacity building’.<sup>8</sup>

The EU has had greater success in linking the rule of law to development policies, instruments, and actors as represented by EU institutions and missions, international and regional organizations, national authorities and civil society organizations.<sup>9</sup> We can even talk about the rule of law mainstreaming all EU external action strategies and instruments. ‘The fact that the EU treaties constantly link the rule of law to the principles of democratic governance and human rights protection suggests that these principles must be understood and promoted as interconnected and interdependent.’<sup>10</sup>

However, the question is how to make these policies and instruments operational in order to ensure that they serve their intended purpose of upholding the rule of law in the developing countries receiving EU aid. To do so, the EU delivers financial aid and assistance with an eye to, *inter alia* strengthening judicial bodies and law enforcement institutions; working to achieve an independent judiciary; revising legislation; conducting public awareness and education campaigns; supporting the development of ombudsman institutions and human rights commissions. ‘*The Union utilizes (sometimes simultaneously) various tools, including: unilateral trade instruments; technical and financial assistance instruments; bilateral “soft instruments” and crisis management missions; develops special ‘partnerships;’ and makes EU fundamental values an essential element of a contractual relationship.*’<sup>11</sup> The EU also makes use of the ‘soft instrument’ of ‘political dialogue’ as a tool for promoting respect for the rule of law in recipient countries.<sup>12</sup>

The technical and financial instruments (Pre-Accession Assistance) for potential candidate countries aiming to assist the alignment of their administrative and legal frameworks with EU *acquis communautaire* are also noteworthy. The EU funds these activities with the aim of strengthening internal institutional rule of law and promoting capacity building in new Member States.<sup>13</sup> However, this approach was later extended to neighboring countries beyond the Eastern

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<sup>7</sup> Ioannides, I. (2014). *Rule of Law in European Union External Action: Guiding Principles, Practices and Lessons Learned*. [online] International Institute for Democracy and Electoral Assistance 2. Available at: <https://www.idea.int/sites/default/files/publications/rule-of-law-in-european-union-external-action.pdf> [Accessed 3 May 2019].

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Pech, L. (2012). *Rule of law as a guiding principle of the European Union's external action*. The Hague: T.M.C. Asser Institute. [online] Available at: <https://www.asser.nl/media/1632/cleer2012-3web.pdf> [Accessed 3 May 2019].

border of the EU. As Christophe Hillion emphasizes in *The EU's Neighborhood Policy Towards Eastern Europe*:

'The instruments and techniques that EU employs to carry out its neighborhood policies greatly reminds of the so-called "pre-accession strategy" through which it orchestrated candidate countries' extensive transformation in the period 1997-2004/7. Seen as a good template for stimulation of reforms, the pre-accession methodology is not only used to prepare countries for membership, it is now extensively relied upon to transform EU neighbors into a "ring of EU friends.'<sup>14</sup>

A good example of the 'ring of EU friends' is The Eastern Partnership (EaP) established in 2009 – a joint policy initiative aimed at deepening and strengthening relations between the EU and its Eastern neighbors (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine). The EaP requires that these countries make greater efforts in the area of rule of law by implementing key judicial reforms and achieve convincing progress in the fight against corruption.<sup>15</sup> If an EaP country violates promises made, the EU may invoke sanctions or even suspend aid. As pointed out in the Eastern Partnership Index 2017:

'The governments of the Eastern Partnership countries must focus on the professionalization and independence of the justice system, and the EU should make financial support to the respective governments strictly conditional on prompt and comprehensive reforms of the judiciary and prosecution service, and genuinely independent anti-corruption agencies. The freezing of EU assistance to the government of Moldova should continue until a government emerges that shows a commitment to tackling this challenge with integrity.'<sup>16</sup>

However, among the deficiencies of the EaP mechanism is the lack of a clearly defined set of incentives regarding the future of the parties to it. For instance, the EaP initiative neither guarantees nor does it make a promise of future EU membership. Instead, it proposes such 'specific rewards' as visa-free travel to and within the EU for the nationals of the countries concerned following progress in certain areas (combating trafficking in human beings, etc.).<sup>17</sup> Furthermore, aid in the framework of the EaP is conditional upon and provides for the suspension of financial assistance for violations of obligations undertaken by partner countries: '[S]uspension clauses

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<sup>14</sup> Dashwood, A., & Maresceau, M. (2008). *Law and practice of EU external relations : Salient features of a changing landscape*. Cambridge, N.Y.: Cambridge University Press.

<sup>15</sup> Ec.europa.eu. (2019). *20 Deliverables for 2020: State of play in 2018*. [online] Available at: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eap\\_deliverables\\_factsheet\\_2018.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eap_deliverables_factsheet_2018.pdf) [Accessed 3 May 2019].

<sup>16</sup> Lovitt, J. (2018). *Eastern Partnership Index 2017: Charting Progress in European Integration, Democratic Reforms, and Sustainable Development*. [online] Available at: <https://eap-csf.eu/wp-content/uploads/EaP-Index-2017.pdf> [Accessed 4 May 2019].

<sup>17</sup> Ioannides, I. (2014). *Rule of Law in European Union External Action: Guiding Principles, Practices and Lessons Learned*. [online] International Institute for Democracy and Electoral Assistance 2. Available at: <https://www.idea.int/sites/default/files/publications/rule-of-law-in-european-union-external-action.pdf> [Accessed 3 May 2019].

have been quasi-systematically included in financial programmes dedicated to candidate countries and the financing of cooperation actions with countries in the neighborhood.<sup>18</sup>

The ‘more for more’ principle stands in contrast to this. It is an incentive-based approach that envisages stronger partnerships and higher volumes of support to countries showing greater progress toward democratic reform (judicial independence, fight against corruption, free and fair elections, freedom of expression, assembly and association, etc.).<sup>19</sup> In order to demonstrate greater equality of relationships, the EU has enshrined the notion of ‘mutual accountability’ into its assistance policies, with beneficiaries playing a more prominent role in policy design, also weaving it into requirements for the EU to keep its promises.<sup>20</sup>

In 2014, an interesting development within the framework of the EaP took place in Georgia, Moldova and Ukraine, when they signed respective EU Association Agreements providing for a change in the approach to financial assistance. The Association Agreements provide a solid foundation for cooperation in the area of rule of law and its reform. The principle of respect for the rule of law is a cornerstone of each agreement. Its implementation is essential for unlocking the full potential of the Deep and Comprehensive Free Trade Agreement (DCFTA), which is an element of each Association Agreement.

From the onset, the Association Agreements signed with Georgia, Moldova and Ukraine have been considered an effective mechanism for the countries’ transformation and for the establishment and promotion of the principle of rule of law. ‘There was a sense that these three Eastern Partnership countries would have a fast track to closer integration with the EU, while the other three would have a much looser relationship without a Deep and Comprehensive Free Trade Area agreement.’<sup>21</sup> Despite the DCFTA agreements becoming effective in 2017 in Georgia, Moldova and Ukraine, and visa-free travel to and within the EU being granted to the citizens of these countries, the Union has more recently cooled down hopes for closer integration. The main reason, among others, was the notably low level of success in the efforts of the three countries to integrate and implement democratic reforms. This applies equally to Armenia, Azerbaijan and Belarus.

Although the joint declaration of the Eastern Partnership Summit in Brussels (24 November 2017) emphasized ‘strengthened differentiation in bilateral relations’ between the EU and the members of the EaP initiative, it criticized the chronic problems existing in EaP countries as regards the rule of law, independence of the judiciary and anti-corruption measures.<sup>22</sup>

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<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Lovitt, J. (2018). *Eastern Partnership Index 2017: Charting Progress in European Integration, Democratic Reforms, and Sustainable Development*. [online] Available at: <https://eap-csf.eu/wp-content/uploads/EaP-Index-2017.pdf> [Accessed 4 May 2019].

<sup>22</sup> Lovitt, J. (2018). *Eastern Partnership Index 2017: Charting Progress in European Integration, Democratic Reforms, and Sustainable Development*. [online] Available at: <https://eap-csf.eu/wp-content/uploads/EaP-Index-2017.pdf> [Accessed 4 May 2019].

However, the EU has been widely criticized for its refusal to promise the prospect of EU accession and for the role given to financial aid to promote the rule of law and democratic reforms in EaP countries, which is immense and has become ‘a tool of purposive power’:

Overall, European financial support to EaP partners has increased, albeit not dramatically. If the EU has not fully retreated from the region, neither have its efforts sufficed to gain significantly more strategic influence over EaP states. The EU has been both more insistent that its geopolitical advantage lies in its focus on democratic reforms in EaP partners and less rigid in the tactics through which it pursues that focus. The reform-oriented dimension of EU policies is now framed and calibrated more instrumentally as a tool of purposive power – sometimes enhanced for this use, at other times set aside where this is judged to be geopolitically optimal.<sup>23</sup>

In this regard, Ukraine may be described as a key country in which the EU has increased its assistance for reforms as support as ‘a tool of purposive power’.<sup>24</sup> However, the term implies measuring the effectiveness of the aid given.

### **Mechanisms of EU Development Aid in Ukraine and its Effectiveness**

Since Ukraine proclaimed its independence in 1991, the EU has been the biggest donor with grant assistance provided to the tune of EUR 3.7 billion and loans in the amount of EUR 8.3 billion until 2015 – ‘more than in any other third country’.<sup>25</sup> Since 2014, Ukraine has faced unprecedented foreign aggression, and in response the EU has stepped up support, mobilizing more than EUR 7 billion in grants and loans for reform programme[s].<sup>26</sup> It is planned that by 2020 the EU grants to Ukraine will increase by a further EUR 4.8 billion.<sup>27</sup> Substantially increasing its assistance to Ukraine, the EU has used these financial assistance tools as a purposive power for promotion of the rule of law and good governance in Ukraine. To imagine the size of this assistance, we may compare it with the aid given to the EU countries from the latest enlargement. ‘In absolute monetary terms this will comfortably exceed, or in a couple of cases approach, the levels of assistance provided earlier to the countries of Central and Eastern Europe prior to their accession.’

At the same time, the EU works on adapting its approaches and mechanisms to delivering assistance to Ukraine. This means that Ukraine has an advantage over other countries in the Eastern

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<sup>23</sup> Youngs, R. (2017), ‘*Is “hybrid geopolitics” the next EU foreign policy doctrine?*’, EUROPP Policy Brief, LSE European Institute, London: London School of Economics, [online] Available at: <http://blogs.lse.ac.uk/europpblog/2017/06/19/is-hybrid-geopolitics-the-next-eu-foreign-policy-doctrine/>

<sup>24</sup> Wolczuk, K. (2018). *Rebuilding Ukraine: An Assessment of EU Assistance*. [online] Chatham House. Available at: <https://www.chathamhouse.org/sites/default/files/publications/research/2018-08-16-rebuilding-ukraine-eu-assistance-wolczuk-zeruolis.pdf> [Accessed 6 May 2019].

<sup>25</sup> European Commission (2016), *Support Group of Ukraine. Activity Report. The First 18 Months*, [online] Available at: <https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/neighbourhood/pdf/key-documents/ukraine/20161028-report-sgua.pdf> [Accessed 6 May 2019].

<sup>26</sup> Ibid.

<sup>27</sup> Wolczuk, K. (2018). *Rebuilding Ukraine: An Assessment of EU Assistance*. [online] Chatham House. Available at: <https://www.chathamhouse.org/sites/default/files/publications/research/2018-08-16-rebuilding-ukraine-eu-assistance-wolczuk-zeruolis.pdf> [Accessed 6 May 2019].

Partnership, experiencing more flexible support for implementing the Association Agreement and democratic reforms.<sup>28</sup>

What are these differences? First of all, we should mention that before the Association Agreement, Ukraine enjoyed many of these same forms of EU support, for example budgetary aid and technical assistance. In 2014, the situation changed.<sup>29</sup> Let us consider the main methods, forms and approaches to the promotion of the rule of law in Ukraine through the instrument of EU assistance.

**The Support Group for Ukraine.** In 2014, following the initiative of the President of the European Commission, the Support Group for Ukraine (SGUA) was established with the aim of facilitating political association and economic integration with the EU. The SGUA ‘focused from the outset on the basic reforms required. These can be divided into three broad categories: first, reform planning, governance and rule of law; second, economic governance; and finally, sectoral policies including agriculture, energy, infrastructure, health, the labour market and education, and IDPs’.<sup>30</sup> The working methods of the SGUA entail providing direct advisory services, engaging experts from other European Commission services, deploying experts provided by EU Member States, and coordinating grant assistance with the EU and other donors.<sup>31</sup> ‘Among EU institutions, it is the main coordinating body for providing assistance to Ukraine across various Directorates-General in the European Commission and European External Action Service.’<sup>32</sup> The latter body ensures that flexible approaches are used in the coordination of assistance that promote a sector-focused approach. This helps to ensure that EU assistance becomes ‘more systematic, focusing on strengthening State capacity rather than merely facilitating legal approximation’.<sup>33</sup>

Unlike in the run-up to 2014, the general focus of the SGUA and the EU in Ukraine is now on state-building in a number of sectors (for example justice and anti-corruption), using a comprehensive approach including capacity-building, strategic coordination and policy implementation. By way of example, EU sectoral support programmes have been launched in three broad areas: trade, transport, environment, borders, civil society, regional policy, SME, business climate, justice, anti-corruption, etc.<sup>34</sup> In exchange for receiving sectorial assistance, the respective sectoral strategies prepared by the Ukrainian government should be of superior, world-class caliber and be put in place and made operational — an undoubtedly challenging task.

The European Union Advisory Mission to Ukraine (EUAM) was initiated by the Ukrainian government and began operating after the Maidan revolution of 2013. It is a unique example of a

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<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> European Commission (2016), *Support Group of Ukraine. Activity Report. The First 18 Months*, [online] Available at: <https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/neighbourhood/pdf/key-documents/ukraine/20161028-report-sgua.pdf> [Accessed 6 May 2019].

<sup>31</sup> Ibid.

<sup>32</sup> Wolczuk, K. (2018). *Rebuilding Ukraine: An Assessment of EU Assistance*. [online] Chatham House. Available at: <https://www.chathamhouse.org/sites/default/files/publications/research/2018-08-16-rebuilding-ukraine-eu-assistance-wolczuk-zeruolis.pdf> [Accessed 6 May 2019].

<sup>33</sup> Ibid.

<sup>34</sup> Ukraine-eu.mfa.gov.ua. (2019). *EU's assistance to Ukraine - Mission of Ukraine to the European Union*. [online] Available at: <https://ukraine-eu.mfa.gov.ua/en/ukraine-eu/eu-policy/assistance> [Accessed 6 May 2019].

non-executive mission of the European Union.<sup>35</sup> The EUAM focuses on strategic advice and support to operational activities in the area of civilian security sector reform and provides advice to a number of justice sector stakeholders. The Mission acts independently as a successful strategic player by choosing the reforms it supports, focusing on engaging with local actors and supporting bottom-up pressure for security sector reforms.<sup>36</sup>

Although the presence of the EUAM demonstrates the EU's strategic interest in countering Russia's aggression and its influence in Ukraine's civilian security sector, the Mission was established as a 'normative' project to empower local actors in an effort to rid the civilian security sector of corruption and Soviet-era practices.<sup>37</sup> Therefore, 'it relies on relatively weak tools (advice and, more recently, training), which cannot be effective without a locally shared vision of what the Ukrainian security sector should be like.'<sup>38</sup>

'**Delegated agreements**' were also a new form of support for the Ukraine from the EU delivered to several sectors post-2014. Since the projects within the framework of the 'delegated agreements' are implemented by development agencies, the arrangement gives greater flexibility, proactivity to managers and possibilities for needs-based implementation to beneficiaries. 'These delegated agreements speed up award allocation procedures, allow for longer term projects, introduce needs-driven flexibility in implementation, and combine support instruments (for example, investment, technical assistance and twinning). The broader sectoral experience of staff from developmental agencies of EU member states and the flexibility of the delegated agreements are improving the effectiveness of assistance to Ukraine.'<sup>39</sup>

Examples of such 'delegated agreements' are anti-corruption programmes and support to judicial reform – both are comprehensive projects to assist Ukraine in its ongoing rule of law reform efforts by providing necessary technical resources, equipment and capacity-building for sustainable reform and effective implementation of the relevant sector-strategic documents. These programmes have strong links to the EU project to support decentralization reform and strengthen local government in Ukraine, including public administration reform.

Another mechanism for delivering assistance and promoting rule of law is the EU-Ukraine **Visa Liberalization Dialogue** launched in 2008. In November 2010, the European Commission presented the Ukrainian Government with an action plan on visa liberalization (VLAP) in which it committed itself to proposing visa-free travel for Ukrainian citizens as soon as all the benchmarks set out in the VLAP had been met. The sets of benchmarks related to ID security, including biometrics, border management, migration and asylum, public order and security, and

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<sup>35</sup> EUAM Ukraine. (2019). *EUAM Ukraine*. [online] Available at: <http://www.euam-ukraine.eu/our-mission/about-us/> [Accessed 6 May 2019].

<sup>36</sup> Wolczuk, K. (2018). *Rebuilding Ukraine: An Assessment of EU Assistance*. [online] Chatham House. Available at: <https://www.chathamhouse.org/sites/default/files/publications/research/2018-08-16-rebuilding-ukraine-eu-assistance-wolczuk-zeruolis.pdf> [Accessed 6 May 2019].

<sup>37</sup> Ibid.

<sup>38</sup> Rieppola, M. (n.d.). *The EU advisory mission Ukraine*. College of Europe.

<sup>39</sup> Wolczuk, K. (2018). *Rebuilding Ukraine: An Assessment of EU Assistance*. [online] Chatham House. Available at: <https://www.chathamhouse.org/sites/default/files/publications/research/2018-08-16-rebuilding-ukraine-eu-assistance-wolczuk-zeruolis.pdf> [Accessed 6 May 2019].

external relations and fundamental rights.<sup>40</sup> The big advantage of this dialog as a mechanism, which was foreseen as a condition for aid delivery, was that it envisaged incentives in the form of explicit benefits for all Ukrainians. Thus, having a concrete objective in sight, the Ukrainian government fulfilled all necessary requirements. This ensured the effectiveness of the assistance given by the EU for VLAP implementation.

**Micro-financial assistance** has also had an innovative feature as it was tied to reform programmes developed by the Ukrainian authorities in areas such as public procurement, external audit, fiscal governance, anti-corruption, public administration, energy sector, the judiciary, and trade and deregulation.<sup>41</sup> Despite the remittance of the first tranche in 2015, the second tranche was postponed due to Ukrainian government's failure to comply with the requirements for implementing reforms. Nevertheless, despite the violation of the terms by the Ukrainian side, the second tranche was eventually paid in 2017. This had a negative impact on 'the EU efforts to use the macro-financial conditionality to exert pressure on the government.'<sup>42</sup>

### Conclusions

Although the volume of EU aid to Ukraine may be compared to pre-accession assistance, Ukraine has demonstrated modest results in implementing reforms as compared to the countries that joined the EU in the latest wave of accession. This is due to a host of problems, including dysfunctional post-Soviet institutions and persistent lack of political will among the country's elites, etc. Another problem relates to international assistance, including EU aid, which was ineffective and failed to meet the needs of Ukrainian government institutions or effectively target their specific problems.<sup>43</sup> Not long after 2014, the EU changed its approach, making aid less rigid, problem and needs-driven and better attuned to local needs.

However, another major challenge regarding the effectiveness of the EU assistants continues to persist. Even after signing Association Agreements with Ukraine and two other EaP countries, the EU has failed to envisage a clear goal of integration into the Union. This has created problems with incentives for the implementation of the complicated and painful upgrade of State institutions. Although, the suspension of financial assistance for violations of obligations undertaken by partner countries and macro-financial conditionality tactically show some positive effects and continually push government for reforms, they remain strategically weak.

The impact of bilateral donors, such as the EU, on Ukraine is undoubtedly significant from both a developmental and geopolitical point of view. Overall, the EU is more than just a donor. It is strategically helping the efforts to rebuild Ukraine's architecture, simultaneously nurturing and

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<sup>40</sup> Migration and Home Affairs - European Commission. (2019). *Visa liberalisation with Moldova, Ukraine and Georgia - Migration and Home Affairs - European Commission*. [online] Available at: [https://ec.europa.eu/home-affairs/what-we-do/policies/international-affairs/eastern-partnership/visa-liberalisation-moldova-ukraine-and-georgia\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/international-affairs/eastern-partnership/visa-liberalisation-moldova-ukraine-and-georgia_en) [Accessed 6 May 2019].

<sup>41</sup> Memorandum of Understanding between the European Union and Ukraine (2015). 'Macro-Financial Assistance for Ukraine, Loan Facility from the European Union of up to 1.8 billion EUR'. [online] Available at: <https://www.eurointegration.com.ua/files/d/4/d42bb98-mfa.pdf> [Accessed 6 May 2019].

<sup>42</sup> Wolczuk, K. (2018). *Rebuilding Ukraine: An Assessment of EU Assistance*. [online] Chatham House. Available at: <https://www.chathamhouse.org/sites/default/files/publications/research/2018-08-16-rebuilding-ukraine-eu-assistance-wolczuk-zeruolis.pdf> [Accessed 6 May 2019].

<sup>43</sup> Ibid.

embedding respect for the rule of law as a fundamental principle. Ukraine's choice to seek alignment with the EU is the root cause of the present armed conflict with Russia. The 'transformative power' of EU support in Ukraine is extremely important in these circumstances and should continue to evolve in innovative ways. To enhance its effectiveness, EU assistance should be tied to the implementation of Ukraine's obligations under the Association Agreement (this is not currently the case). This is yet another reason for slow implementation, insufficient progress and the poor chances for Ukraine's integration into the EU in the foreseeable future as an overarching goal for the national government and all Ukrainians.