Editor’s note

Dear readers,

I’m delighted to introduce the first issue of the EaP Monthly Bulletin.

We initially planned to launch this publication before the meetings of the Standing Committees of the Euronest Parliamentary Assembly and the meeting of the Associations Agreement ad hoc Working Group, which had been planned to take place in Yerevan this spring. However, the postponement of that event is not a reason to postpone the publication indefinitely, but rather to review the current situation and related challenges. Furthermore, this issue also focuses on policies that may influence the EaP in a short- and medium-term perspective, and on some other recent publications.

Needless to say, we are very much looking to possible cooperation with many of you. Your contributions will be much appreciated.

Armen Grigoryan
Editorial

There is life after coronavirus

The pandemic will subside – hopefully sooner than later. Yet, different policy approaches as regards the quarantine and other measures may result in extended border closures and other obstacles for a return to normal daily routines because of the fear to import a new wave of infection. In any case – also in the most optimistic scenario – there will be questions and concerns about the future.

Besides putting a number of people’s lives in danger, the COVID-19 pandemic has already caused a rather obvious concern about the possibility of a new authoritarian upsurge. Some governments may find new possibilities of digital surveillance tempting, partly out of fascination by the alleged effectiveness of China-style big data authoritarianism in dealing with the spreading contagion, but also, especially in countries where essential checks and balances are already weakened, because of the temptation to perpetuate control and, eventually, power.

In this context, certain narratives aggressively promoted in the EU member states, EaP countries and also globally, catch attention as well. In *The Coronavirus pandemic and the new world it is creating*, High Representative Josep Borrell admitted the existence of ‘a geo-
political component including a struggle for influence through spinning’, such as the notion that unlike the US, China is a responsible and reliable partner. Regularly updated reports by the EEAS Strategic Communications and Information Analysis Division have been analysing and exposing disinformation campaigns which promote narratives about the lack of solidarity and mutual assistance within the EU; the latter’s imminent collapse; Russia and China being responsible, benevolent powers; Ukraine being ‘abandoned by its European allies’; and so forth. These are just the latter addition to ongoing attempts to undermine the liberal democratic order in Europe and beyond by influence operations and ‘active measures’. Some of disinformation campaigns and ‘active measures’ in the EU and EaP countries will be revised in more detail in the coming issues of this publication as well.

However, additional dangers caused by the pandemic are not limited to a potential new wave of authoritarianism and subversive activities. As Ivan Krastev warned, if the pandemic cannot be dealt with quickly enough, ‘at a certain point, governments will be forced to choose between containing the spread of the pandemic at the cost of destroying the economy, or tolerating a higher human cost to save the economy’. While that, an increase of crime because of savings running out, or even social unrest, seem distant possibilities in more advanced economies, some more fragile societies may approach the edge within a few months.

The EU’s economic assistance will help to alleviate problems that some of the EaP countries may soon face. However, in a longer term, economic recovery and growth will require stronger efforts towards modernisation and an improved competitiveness. Apt crisis management able to adapt to the new conditions quickly is becoming even more important.

A prolongation of the economic shutdown entails further reduction in the amount of savings, and that, in turn, means less consumption and less demand. Besides, as both industrial and service sectors in many advanced economies are likely also going to need subsidies, attracting investors could become an even more difficult task. The importance of having a good investment climate, including the rule of law and good governance, as well as skilful and disciplined workforce, will be emphasised again.

The new, fast changing situation makes even some very recent plans and scenarios outdated. Making new plans requires expertise and vision, and the main problem faced by some of the EaP countries is not the lack of those. It is rather the difficulty of mobilising and effectively using their potential – aggravated by decades of dictatorship, mismanagement, corruption, oligarchic control over politics and economy, ineffective education systems, underdeveloped civil society, or other obstacles to the full realisation of human capital, particularly in public management.

Back in 1998, Jon Elster, Claus Offe and Ulrich K. Preuss used the ‘rebuilding the ship at sea’ metaphor to illustrate the difficulties of institution-building in post-communist countries – former members of the Warsaw Pact. The EaP countries’ situation is even more difficult: metaphorically speaking, the sea is stormy nowadays – unsolved conflicts, ongoing ‘hybrid’ aggression, economic troubles, pandemic-related humanitarian issues, and many more add up to the ‘storm’.

To repeat a known truism, a crisis doesn’t just mean danger – it also means opportunity. There are opportunities to implement public management and economic reforms, and otherwise contribute to human development, but also opportunities to use the pandemic or other troublesome issues as a pretext for renewed authoritarianism and power grab; in some cases, the latter approach will definitely prevail – and not only in some EaP countries. However, in case of EaP countries, this would also be a test for the EU’s incentive-based approach (‘more for more’ and ‘less for less’), outlined in the recent Joint Communication: Eastern Partnership policy beyond 2020: Reinforcing Resilience – an Eastern Partnership that delivers for all, which, hopefully, will not remain on paper.
Eastern Partnership policy beyond 2020: Reinforcing Resilience

On 18 March, the European Commission made public its new long-term strategy for the EaP – the Joint Communication: Eastern Partnership policy beyond 2020: Reinforcing Resilience – an Eastern Partnership that delivers for all, asking the European Council, the European Parliament and the Council for an endorsement. The document will also be discussed with partner countries at the coming EaP Summit, currently planned to be held in June 2020.

Aiming at strengthening of Eastern partners’ resilience, the proposed strategy outlines five policy objectives – resilient, sustainable and integrated economies; accountable institutions, the rule of law and security; joint steps towards environmental and climate resilience; a resilient digital transformation, and resilient, fair and inclusive societies. Within those objectives, the strategy outlines 20 specific goals.

The economic dimension of the proposal particularly includes maximising the benefits of the existing Association Agreements, Deep and Comprehensive Free Trade Agreements (DCFTAs), and other trade agreements; modernising EaP economies and making them more competitive and innovative in line with the EU new growth strategy, the European Green Deal and the Digital Strategy; investment in physical connectivity and infrastructure (transport, energy and digital); safeguarding macroeconomic stability and incentivising structural reforms; supporting small and medium sized enterprises; and connecting education, research and innovation with private sector needs.

The strategy suggests supporting good governance and democratic institutions rule of law, anti-corruption policies, fight against organised crime, and respect of human rights and security, as the backbone of strong and resilient states and societies, as well as preconditions for a functioning market economy and for sustainable growth. The EU’s projected support will include ways to better measure the impact of judicial reforms, which should be based on alignment with European standards; will consider progress in rule of law reforms when deciding on assistance; will support the fight against corruption and economic crime; will improving cross-border cooperation to better protect people against organised crime; and will increase support for security dialogue and cooperation.

The action towards environmental and climate resilience proposes considering environmental and climate realities in the partner countries, and supporting action in areas critical for people’s health and wellbeing, particularly the modernisation of medical facilities and training of medical staff; increasing the resource-efficiency of economies; developing and economic opportunities linked to the green transition; developing local and renewable sources of energy; and managing natural assets to maximise sustainability.

Specific goals relating to digital transformation focus on improving digital infrastructure, strengthening e-governance, support innovative digital start-ups, as well as assistance in cybersecurity.

The society-related goals include cooperation in order to build transparent, citizen-centred and accountable public administrations, support free and fair elections, engage civil society, support free, plural and independent media, and protect citizens’ rights. The proposed measures include supporting inclusive and evidence-based policy development, improving transparency and reducing corruption risks, particularly be means of e-government solutions. The EU will also support the capacity of civil society organisations, enabling them to engage in policy making processes, will develop further strategic partnerships with key organisations to strengthen cooperation, and will support social innovation and social entrepreneurship.
High Representative Joseph Borrell and Commissioner for Neighbourhood and Enlargement Policy Olivér Várhelyi also underlined the ‘ambitious yet achievable’ proposals mentioned in the joint communication in articles reiterating some of the achievements in cooperation with each of the partner countries.

Particularly, since 2009, the EU loaned the companies in Armenia €500 million, supported 25,000 enterprises and created 2,500 new jobs, including support to more than 300 local SMEs in one of the most growing industries in the country – tourism. Over the past 14 years, over 4,500 students have benefited from the reforms supported by the EU, and under Erasmus+ (2014-2020), over 1,800 students and academic staff from Armenia have studied or taught in Europe, and 885 Europeans went to Armenia. In addition, over 6,800 young people and youth workers took part in short-term exchanges, mobility, training and volunteering projects.

In Azerbaijan the EU has assisted 13,000 companies with funding, training and export support through the EU4Business initiative, contributing to the creation of over 3,300 new jobs. The EU’s Erasmus+ programme has given almost 1,600 students and academic staff from Azerbaijan the opportunity to study or teach in EU countries.

In Belarus, 4,500 companies have been assisted with funding, training and export support; 5,700 new jobs were created at small and medium size companies. Under Erasmus+, over 3,000 students and academic staff exchanges have taken place since 2009, over 3,400 young people and youth workers from Belarus have been involved in exchanges, training and volunteering projects in the EU since 2014, and over 5,500 Belarusians have participated in short-term professional exchanges.

In Georgia, EU support since 2009 has helped over 40,000 SMEs and microenterprises access loans on better terms to develop their activities, increase incomes and create jobs; since 2013, EU assistance has helped over 30,000 Georgians find employment through relevant vocation education courses and labour market tools; Over 90,000 Georgians living in smaller towns and villages have easier access to 200 public and banking services as well as free internet and libraries through the EU’s support to the establishment of 76 Government Community Centres; under Erasmus+, almost 7,500 students and academic staff exchanges have taken place between Georgia and the EU, and over 9,300 young people and youth workers from Georgia have been involved in joint exchanges, training and volunteering projects.

In Moldova, around 6000 new jobs have been created with the support offered to SMEs, and the number of companies exporting to the EU has increased by 51%. With EU assistance to the energy sector, around 200,000 people have benefited from secure and locally produced energy, and more than 300 schools, kindergarten, hospitals and community centres connected to biomass heating systems. The EU has been active in the civil society sector, with tailored support for people who need it the most. In 2019 alone, about 619 vulnerable persons benefited free of charge of services and products offered by social enterprises; start-ups and small businesses were created by people with disabilities and new jobs were made available, including for women and youth. The elderly received support via the five centres created in Moldova within the Life Long Learning initiative.

Finally, since 2014, the EU and financial institutions have mobilised more than €15 billion in grants and loans to support the reform process in Ukraine, and structures such as Support Group for Ukraine, EU Advisory Mission to Ukraine and EEAS East StratCom Task Force have been put in place, bringing together expertise from across the European Union to tackle the country’s key challenges. Ukraine is one of the largest beneficiaries of the Erasmus+ program in the Eastern Partnership region, with more than 9,000 Ukrainian and nearly 4,000 European students and academic staff benefiting from academic exchange opportunities.
Coronavirus: The European Union stands by its Eastern partners

According to a press release issued on 30 March, the European Commission has reallocated €140 million to meet Eastern partners’ most immediate needs. In addition, the Commission will redirect the use of existing instruments worth up to €700 million to help mitigate the socio-economic impact of the coronavirus crisis.

Commissioner for Neighbourhood and Enlargement Olivér Várhelyi said: ‘These are very difficult times not only for the EU, but for our partner countries as well. We are doing all we can to mitigate the impact of the coronavirus outbreak on human lives and livelihoods. We are responding both to the immediate needs of the health systems, as well as longer term needs to the most vulnerable groups in society and small and medium-sized enterprises, which are the backbone of the economies in the six countries’.

In response to the partners’ request based on immediate needs, the EU supports the supply of medical devices and equipment, such as ventilators, laboratory kits, masks, goggles, gowns, and safety suits. The necessary supplies can be distributed in the coming weeks. In addition, the funds will support national health administrations to train medical and laboratory staff and carry out awareness raising measures to the wider population.

The Commission has also made available more than €11.3 million in small grants to civil society organisations, funding such needs as supporting local schools with distance learning. By the summer, as part of this package, the Commission will launch the Eastern Partnership Solidarity Programme targeting the most affected parts of the populations through civil society support.

The Commission is working closely with international financial institutions and relevant financing institutions from EU Member States for a coordinated European response for the real economy, including small and medium enterprises (SMEs), in particular through:

- Launching of a new support programme of €100 million to help SMEs, including self-employed;
- Facilitating, simplifying, accelerating, and reinforcing €200 million worth of existing credit lines and grants to SMEs;
- The EU has also mobilised the European Fund for Sustainable Development (EFSI), worth a total of €1.55 billion, with €500 million being made available for the EU’s neighbourhood. This will rapidly provide liquidity in the EU’s neighbourhood, including through working capital, trade finance, or moratoria on debt service. This support is in addition to the ongoing macro financial assistance support to partners, including Georgia, Moldova and Ukraine.

The Commission is also ready to provide assistance through TAIEX, by using EU Member States expertise, experience and examples of good practices on assessing emergency preparedness response scheme and health systems.
We are pleased to introduce the report released on 16 March in a special edition of Visegrad Insight published by the Res Publica Foundation.

The report, edited by Wojciech Przybylski and Joerg Forbrig, was jointly developed by Visegrad Insight, the German Marshall Fund of the United States and through workshops and collaboration with over thirty analysts, journalists, policymakers, civic activists, digital community and business leaders from the six countries of the Eastern Partnership. They were joined by experts from the Slovak Foreign Policy Association, the Czech Association for International Affairs, the Hungarian Centre for Euro-Atlantic Integration and Democracy, the Foreign Policy Council ‘Ukrainian Prism’, the Belarusian House and the International Strategic Action Network for Security. Together, it is their hope that this report will inform public and policy debate on this key European region.

For the period until 2030, the report identifies four possible scenarios that variously evolve around further integration between Eastern Europe and the EU, a return of Russia as a hegemon, an EU-Russian grand bargain and a civic momentum propelling Eastern European developments. Yet underneath these key dynamics, as all scenarios acknowledge, a host of further trends are at play, both regional and global ones. These range from domestic political developments in the six Eastern European countries to those in Russia and the EU, from regional and global geopolitics to the involvement of the United States and China, from security and energy issues to economic dynamics, technological change, demographic challenges and from the information space to social problems. The four scenarios do their best to account for this complexity without, however, aiming at prediction and probability.

Besides mapping principal trends, strategic dilemmas and plausible trajectories for Eastern Europe at large, individual country perspectives add to each scenario. In so doing, this report hopes to account for the considerable diversity among the countries of Eastern Europe, one of the principal challenges not least for the Eastern Partnership and the EU.

The first discussed scenario is titled Pragmatic Integration. Over the next ten years, in the absence of major political setbacks or security related turbulence, most of the countries of the Eastern Partnership will have a fairly good chance of success in their political association and economic
integration with the EU. The soft power of the world’s largest trading bloc and the market-based advance towards greater economic integration and technical approximation will develop into a pragmatic, fairly inconspicuous, yet effective approach.

In the second scenario, Russian Hegemony Revisited, with the world economy keeping its demand for oil and gas high and lacklustre efforts to stimulate ‘green’ alternatives, Russia manages to advance some of its military and economic modernisation despite the continuation of the West’s sanctions regime. Russia goes on the offensive and implements new measures to project its power and influence over immediate neighbours once again. Amid tension over the Eastern Partnership, it provokes yet another conflict that undercuts ambitious plans for association and integration with the EU.

The third scenario, EU Pivot to Moscow, suggests that EU leaders embrace a revised approach to Russia in order to ease economic and political tensions and establish the ground for a new European security architecture. The EU agrees to downplay political differences for the time being while prioritising economic development. Approximation and consensual politics with Russia, mostly through economic means but also for achieving a pan-European security community, emerge as the top priorities for the EU and several individual member states.

In the fourth scenario, Civic Emancipation, the emancipatory power of civil society to define, defend and demand changes in society becomes a key future of the Eastern Partnership region. It follows a global rise of popular protest movements with a discernible impact on the political process across the world. People in the streets or ‘people power’ is what drives an agenda of greater prosperity, access to education and expanded economic opportunity. Although this is based on a domestic, bottom-up driver of activism, to some degree independent from foreign actors and external variables, this trajectory is characterised by a stagnant and distracted West and an ineffective or disengaged EU.

The experts contributing to the report also suggested some possible policy responses to the possible scenarios. Some of the recommendations are: building greater interconnectivity; deepening the partnership between the EU and civil society in the EaP countries; developing digital tools; mobilising relevant stakeholders’ and researchers’ efforts towards deeper cooperation in terms of scientific research, information technology as well as encouraging innovation at the regional level.