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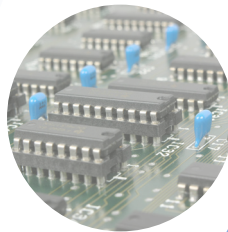
EASTERN PARTNERSHIP  
CIVIL SOCIETY FORUM

# Advancing Economic and Digital Transformation in the Eastern Partnership Region

Enablers and Challenges. What is the Role of Civil Society?

EaP CSF Working Group 2 Policy Paper

March 2025





EASTERN PARTNERSHIP  
**CIVIL SOCIETY FORUM**

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# Contents

<b>Introduction</b>	<b>4</b>
<b>Executive Summary</b>	<b>5</b>
<b>I.Policy development, economic progress in EaP countries and civil society</b>	<b>9</b>
1.Policy development and civil society participation	9
2.Economic progress and civil society	11
<b>II.Challenges, Opportunities for Economic Diversification in the Eastern Partnership Region and opportunities for engagement with the civil society</b>	<b>14</b>
1.Main Challenges for Economic diversification	14
2.Opportunities for engagement with civil society	15
3.The Way Forward: Strengthening Economic Resilience through Civil Society Engagement	16
<b>III.Policy Recommendations for Strengthening Civil Society Engagement in Economic policy Development</b>	<b>18</b>
<b>IV.Policy development, digitalisation progress in EaP countries and civil society organisations</b>	<b>22</b>
<b>V.Challenges, Opportunities for digital transformation in the Eastern Partnership Region and opportunities for engagement with the civil society</b>	<b>27</b>
1.Main Challenges associated with digitalisation	27
2.Opportunities for Civil Society in Digitalisation	31
3.Civil society support in using digital tools	32
4.Civil Society as a Catalyst for Digitalisation	33
5.The Way Forward: Strengthening Civil Society’s Role in Digital Governance	34
<b>VI.Annex</b>	<b>37</b>

## Introduction

The policy paper explores the role of civil society organisations (CSOs) in driving digital transformation and economic development in the Eastern Partnership (EaP) countries—Armenia, Georgia, Ukraine, Moldova, Azerbaijan, and Belarus. It examines how CSOs contribute to advancing digital transformation by fostering inclusive governance, advocating for transparency, and supporting small and medium-sized enterprises (SMEs) in leveraging digital tools. The paper also assesses the policies and frameworks that facilitate the active participation of civil society in economic and digital transformation, highlighting both the opportunities and barriers they encounter. Through an analysis of success stories from various EaP countries, it identifies best practices that have led to tangible improvements in digital governance and economic resilience. Finally, the paper provides strategic recommendations for CSOs, national authorities, and the donor community, emphasising the need for structured collaboration, capacity-building initiatives, and policy adjustments to foster sustainable digital and economic transformation in the EaP region.

## Executive Summary

The first section of the paper on economic development in the EaP region outlines how countries like Georgia, Ukraine, and Moldova have leveraged Deep and Comprehensive Free Trade Area (DCFTA) agreements with the European Union (EU) to redesign their economic infrastructure and regulatory frameworks. These agreements have facilitated trade diversification, investment attraction, and business-friendly environments, particularly benefitting small and medium-sized enterprises (SMEs). However, civil society organisations in several EaP countries continue to face significant restrictions that limit their ability to influence policy development and economic reforms. While CSOs in Georgia, Ukraine, and Moldova have relatively structured mechanisms for engagement in economic policy, in Armenia, Belarus, and Azerbaijan, their role is largely suppressed or procedural, reducing the inclusivity and effectiveness of economic governance.

Country-specific economic strategies illustrate diverse approaches to development. However, local CSOs highlight a lack of meaningful engagement in economic policymaking, reducing transparency and accountability.

The major challenge in the EaP region remains economic diversification. Most countries struggle with limited production capacity, weak product quality, and infrastructural barriers that hinder their ability to compete in the European market. While the EU provides economic support, local CSOs criticise the misalignment of this assistance with regional needs, often excluding small enterprises and women-led businesses. Civil society stresses the necessity of structured policy dialogues between governments, businesses, and local stakeholders to ensure inclusive development.

The economic progress of EaP countries has been significantly shaped by regional political dynamics, particularly the ongoing war in Ukraine. The conflict has had profound economic consequences, disrupting trade routes, exacerbating inflationary pressures, and forcing governments to reassess their economic policies. Ukraine, in particular, has faced severe economic challenges, including the destruction of key infrastructure, supply chain disruptions, and increased reliance on international financial assistance. Moldova and Georgia have also faced economic instability due to geopolitical uncertainty and fluctuating regional trade dynamics, while Armenia has seen a shift in its trade dependencies, with increased reliance on Russia amid Western sanctions.

Regional political dynamics demonstrate also a critical correlation between civil society participation and economic resilience. The absence of structured civil society engagement in economic policymaking in several EaP countries has led to weaker governance, reduced transparency, and a lack of diversified economic strategies. Countries with strong CSO involvement, such as Ukraine, and Moldova, have made strides in aligning their economies with European standards, reducing their dependence on traditional markets like Russia, and enhancing competitiveness. In contrast, Armenia, Azerbaijan, and Belarus, where civil society engagement is either restricted

or superficial, have struggled with economic diversification, making them more susceptible to external economic shocks and limiting their ability to integrate fully with the European market. The increasing economic dependence on Russia, coupled with the absence of meaningful civil society engagement, presents a significant risk to political and economic integration with the European Union.

The policy paper recommends framing stronger institutional frameworks to support civil society engagement in economic governance, reinforcing economic diversification strategies, and ensuring that digital transformation aligns with inclusive and democratic governance principles. Strengthening CSO involvement in policymaking and reducing economic reliance on Russia are essential steps toward ensuring long-term economic stability and fostering deeper political and economic integration with the EU.

The second section addresses digital transformation across EaP countries. Governments have made substantial progress in e-government services, expanding digital infrastructure, and integrating innovative technologies. Countries have developed digitalisation strategies such as Armenia's "Digital Transformation Agenda," Azerbaijan's "Digital Development Concept," and Moldova's "Digital Transformation Strategy for 2023–2030." These plans aim to enhance digital governance, cybersecurity, and economic modernisation. Ukraine has pioneered digital transformation through initiatives like "State in a Smartphone" and the "Diia" platform, providing digital public services and streamlining administrative processes. While digitalisation has progressed rapidly, the absence of civil society oversight in algorithmic decision-making, digital rights, and personal data protection presents significant challenges. CSOs have played a key role in advocating for open government, increased accessibility to digital services, and bridging digital divides. However, their participation in digital policymaking remains weak, leaving crucial aspects such as algorithmic transparency, digital rights protections, and cybersecurity governance largely unregulated or poorly monitored. This gap raises concerns over accountability, privacy, and the potential misuse of digital tools in governance and public administration.

Unlike selected examples of economic policies, digitalisation lacks structured mechanisms for CSO engagement, leading to weak oversight, unregulated digital governance, and reduced transparency. Governments frequently treat digital transformation as a purely technological issue, sidelining democratic governance concerns such as accountability, inclusivity, and citizen rights. This exclusion results in fragmented digital services, inefficient administrative processes, and limited accessibility for marginalised populations.

Data protection and cybersecurity emerge as critical challenges. Although some EaP countries have enacted data protection laws, these frameworks often fall short of European standards. In Armenia, Azerbaijan, and Ukraine, existing laws fail to align with the General Data Protection Regulation (GDPR), exposing citizens to risks of data misuse. Belarus, meanwhile, faces severe digital rights restrictions, including government surveillance and censorship. Civil society organisations stress the need for stronger legal frameworks, independent regulatory bodies, and mechanisms to track and protect personal data.

The paper also highlights the role of digital rights and cybersecurity in shaping democratic resilience. In Ukraine and Moldova, CSOs have documented increased government use of facial recognition technologies, raising concerns about surveillance and privacy. Belarus employs systematic measures to restrict internet access and suppress independent media. Across the region, civil society engagement in cybersecurity policymaking remains weak, limiting public oversight. CSOs advocate for integrating human rights considerations into digital governance, ensuring that digital transformation supports democracy rather than undermines it.

The paper concludes with policy recommendations for strengthening civil society engagement in economic and digital policymaking. Governments should establish structured consultation platforms, enhance capacity-building programmes for CSOs, and integrate civil society into trade and digital policy reforms. The EU should ensure that its financial and technical assistance aligns with localised needs, supporting SMEs, women entrepreneurs, and digital inclusion efforts. Strengthening legal frameworks for data protection, cybersecurity, and digital rights is essential to ensure that digital transformation advances democratic governance rather than reinforce authoritarian tendencies.

# 01

## **Economic development in Eastern Partnership countries: main tendencies**

Economic developments and trends in Eastern Partnership (EaP) countries—Armenia, Georgia, Ukraine, Moldova<sup>1</sup>, Azerbaijan, and Belarus—have demonstrated structural challenges and turbulences.

For countries such as Georgia, Ukraine, Moldova through the Deep and Comprehensive Free Trade Area (DCFTA) agreements and broader economic partnership with the European Union provided opportunities for re-designing the infrastructure, economy model and regulatory framework, it has also created new opportunity for the engagement with civil society (CSO).

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<sup>1</sup> Georgia received EU candidate country status in 2023 along with Ukraine and Moldova, although because of Georgia's democratic backsliding, the country's European integration is currently on hold.



# I. Policy development, economic progress in EaP countries and civil society

The Eastern Partnership countries have articulated comprehensive policy documents to guide their socio-economic development, aiming to foster sustainable growth and align with international standards, as well as to promote trade, diversify export and import, support to the progress of the economy.

The primary framework for civil society participation in economic development within the EaP region has been the Eastern Partnership cooperation framework. This mechanism has provided a platform for dialogue and engagement between civil society organisations and policymakers. In Georgia, Moldova, and Ukraine, additional mechanisms have been established under their DCFTA frameworks, requiring the inclusion of civil society in economic policy formulation and the creation of institutional structures to facilitate their participation.

However, despite these frameworks, significant restrictions on civil society in several EaP countries (detailed in the respective sections of this paper) have severely limited CSOs' ability to influence policy development and implementation, particularly in economic and digitalisation sectors. The lack of institutional autonomy, political pressures, and financial constraints have further diminished the effectiveness of CSOs in driving economic reforms and advocating for inclusive development strategies.

## 1. Policy development and civil society participation

The “Armenia Development Strategy for 2014–2025” sets out a long-term vision centered on poverty reduction, sustainable economic growth, and human capital development. The strategy prioritises strengthening competitive industries and improving public administration efficiency to ensure a more dynamic and resilient economy. There are also a number of policy documents in different sectors of the economy<sup>2</sup>.

Azerbaijan's economic strategy is outlined in the “Azerbaijan 2030: National Priorities for Socio-Economic Development.” This plan focuses on diversifying the economy, fostering sustainable growth, improving social welfare, and implementing institutional reforms to strengthen governance and enhance public services. Azerbaijan's approach underscores the need for economic diversification beyond its traditional reliance on the energy sector<sup>3</sup>.

Similarly, Belarus has outlined its long-term vision through the “National Strategy for Sustainable Development until 2035,” which integrates the Sustainable Development Goals (SDGs) into national policies. The strategy focuses on modernising the economy, building social capital, and fostering conditions for self-realisation. Additionally,

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<sup>2</sup> Armenia Development Strategy for 2014-2025, Annex to RA Government Decree # 442 - N On 27th of March, 2014, available [here](#).

<sup>3</sup> Official website of the President of Azerbaijan, “Azerbaijan 2030: National Priorities for Socio-Economic Development”, available [here](#).

Belarus emphasises education, social infrastructure, and transitioning towards a green and circular economy<sup>4</sup>.

Georgia has adopted multiple strategic frameworks to strengthen its free-market economy and improve private sector competitiveness. Key policy documents include the “Agriculture and Rural Development Strategy 2021–2027<sup>5</sup>,” and the “SME Development Strategy 2021–2025<sup>6</sup>.” These strategies emphasise entrepreneurship, investment attraction, and regulatory reforms to create a business-friendly environment, particularly for small and medium-sized enterprises (SMEs).

Ukraine’s “National Economic Strategy until 2030<sup>7</sup>” reflects its ambition to achieve sustainable economic growth through structural reforms, innovation, and deeper integration into global markets. The strategy highlights key priorities, including business climate improvements, energy efficiency, and human capital development, which are essential for Ukraine’s post-war economic recovery and long-term stability.

Policy documents on economic developments in EaP countries provided a foundation for economic stability, investment strategies, and international partnerships; however, local civil society organisations raised concerns about the lack of inclusivity, emphasising a significant gap in economic policymaking, which often fails to ensure meaningful engagement with diverse stakeholders. In many cases, civil society has not been adequately engaged in shaping these strategies, leading to a lack of representation of diverse societal and regional needs. Moreover, civil society participation has often been procedural rather than substantive, with consultations serving as a formality rather than an opportunity for genuine input. Furthermore, the absence of structured mechanisms for civil society participation in economic policymaking in several EaP countries weakened transparency and accountability in decision-making, reducing public trust in economic governance. As a result, key concerns—particularly those affecting regional economies, and small businesses—are frequently overlooked, limiting the effectiveness and impact of these strategies on broader socio-economic development.

In Armenia, civil society engagement remains sporadic and largely dependent on donor-driven initiatives. Belarus and Azerbaijan facing severe political restrictions, have seen the role of civil society in economic development almost entirely suppressed.

Civil society in Moldova, Georgia<sup>8</sup> and Ukraine has benefited from DCFTA and bilateral economic relations with the European Union to establish and apply more structured and participatory frames.

4 UNDP Belarus, Shaping Development Strategies by 2040 Across Five Belarus’ Regions, August 21, 2024, available [here](#).

5 Food and agriculture organisation of the United Nation, Georgia Agriculture and Rural Development Strategy of Georgia 2021 – 2027, available [here](#).

6 Official website of the Ministry of economy and sustainable development of Georgia, SME Development Strategy of Georgia 2021-2025, available [here](#).

7 UkraineInvest, Vectors of Ukraine’s economic development until 2030, available [here](#).

8 On December 28, 2015, MoESD established the DCFTA Advisory Group to support effective implementation of the DCFTA and ensure civil society’s participation in the process. See <https://dcfta.gov.ge/assets/uploads/implementatation/2015%20Annual%20Report.pdf>

Despite these differences, a common challenge persists across the region: the lack of formalised and meaningful participation of civil society in economic policymaking and trade negotiations.

## 2. Economic progress and civil society

The imposition of Western sanctions on Russia prompted Armenia to serve as a conduit for goods between Russia and Western countries. In 2022, Armenian exports to Russia surged to \$2.4 billion, nearly tripling from the previous year. This trend continued into 2023, with exports reaching almost \$3.6 billion<sup>9</sup>. Notably, a significant portion of these exports comprised imported goods re-exported to Russia, indicating Armenia's role in facilitating Russia's access to goods amidst sanctions<sup>10</sup>. In 2023, the trade turnover between Armenia and Russia reached a record \$7.3 billion, with Russia accounting for over 35% of Armenia's foreign trade, surpassing the European Union's 13% share<sup>11</sup>. The growing dependence on the Russian market poses potential risks for Armenia and can adversely affect Armenia's economy, given its substantial reliance on Russia for both exports and imports. Diversifying trade partnerships and reducing economic dependence on a single country may be prudent strategies for Armenia to mitigate these risks.

The civil society engagement across the EU priority cooperation sectors in Armenia remains uneven<sup>12</sup>, with high levels of participation in governance, institutional reform, and human rights, while economic development continues to receive limited attention<sup>13</sup>. This imbalance has left key areas of socio-economic progress underrepresented in civil society dialogue and policy influence. Furthermore, despite the establishment and ongoing operation of the EU-Armenia Civil Society Platform (the Platform), its potential remains underutilised due to insufficient technical and financial support from the EU and other donors. The lack of support from the EU for the national platform raises concerns about the EU's commitment to fostering diversity in civil society participation and recognising it as a vital institutional mechanism for facilitating EU-Government dialogue on association and integration processes.

The Platform has not been adequately equipped to expand its scope, strengthen its institutional capacity, or diversify civil society engagement beyond traditional sectors. In particular, there has been a lack of strategic efforts to include civil society actors focused on economic development, digital transformation, and innovation, limiting

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9 The Jamestown Foundation, Significant Economic Reliance on Russia Stunts Armenia's Integration With West Publication: Eurasia Daily Monitor Volume: 21 Issue: 3, available [here](#).

10 World Bank, Armenia Trade Competitiveness Diagnostic, available [here](#).

11 Azatutyun.am, Growth In Armenian Exports To Russia Moderates, available [here](#).

12 Gopa PACE has received € 7 751 250 from EU to Support to CEPA Monitoring, Implementation and Communication followed the same path focusing mainly on governance, institutions, human rights and corruption, and moving with individual, rather than institutional approach in empowering civil society. See <https://cepacso.am/en/event/16>

13 EU ROADMAP FOR ENGAGEMENT WITH CIVIL SOCIETY IN ARMENIA 2021-2027, Date of approval: March 2022, available [here](#).

their role in shaping Armenia’s economic modernisation agenda. Addressing these gaps requires a more inclusive and well-supported approach to civil society participation in EU-Armenia cooperation frameworks.

With Russia losing access to European markets due to sanctions and geopolitical tensions, Azerbaijan has increased its energy trade with Russia. This strategy allows Azerbaijan to boost its own gas exports while utilising Russian gas to meet domestic demand, especially during peak periods. Additionally, Azerbaijan facilitates the transit of goods to and from Iran and Persian Gulf ports, enhancing its role as a critical economic partner for Russia. The EU is Azerbaijan’s main trading partner, accounting for approximately 48.5% of Azerbaijan’s total trade primarily consisting of energy products. In June 2022, Azerbaijan and the European Commission signed a memorandum of understanding to double Azerbaijan’s gas exports to Europe by 2027<sup>14</sup>. In March 2024, the EU and Azerbaijan announced a collaboration on wind energy projects, aiming to harness Azerbaijan’s substantial wind energy potential<sup>15</sup>.

The civil society participation in economic development in Azerbaijan is constrained by formalistic engagement mechanisms that limit genuine influence on policymaking. The establishment of public councils was intended to facilitate collaboration between government agencies and civil society organisations (CSOs). However, these councils often function more as symbolic entities than as platforms for substantive dialogue<sup>16</sup>. The government typically selects organisations for participation, leading to a lack of genuine representation and limited opportunities for CSOs to provide meaningful input. Consequently, the role of civil society in shaping economic policies remains minimal, and the existing frameworks for engagement are largely ineffective.

The European Commission announced a €1.8 billion aid package in October 2024 in Moldova. This “Growth Plan”<sup>17</sup> aims to bolster reforms and infrastructure projects, reflecting the EU’s commitment to Moldova’s integration and stability. The EU is Moldova’s biggest trade partner, accounting for 53.7% of its total trade in 2023<sup>18</sup>. While Moldova achieved moderate economic growth in 2024, ongoing challenges in external trade and the necessity for structural reforms underscore the importance of strategic policy implementation to ensure sustainable economic development in the coming years<sup>19</sup>.

Similar to Georgia, in Moldova, civil society organisations play a pivotal role in the implementation of the Deep and Comprehensive Free Trade Area (DCFTA) agreement

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14 US Department of State, 2024 Investment Climate Statements: Azerbaijan, available [here](#).

15 European Training Foundation, 30 Years, 30+ Stories: Azerbaijan, a path to a green and digital future, available [here](#).

16 Baku Research Institute, Rethinking Public Councils in Azerbaijan, 17 June, 2022, available [here](#).

17 European Commission, Moldova-EU trade relations with Moldova. Facts, figures and latest developments, available [here](#).

18 European Commission, Moldova-EU trade relations with Moldova. Facts, figures and latest developments, available [here](#).

19 World Bank Group, Moldova Economic update, Macroeconomic trade and & Investment global practice, October 2024, available [here](#).

with the European Union. The DCFTA mandates the establishment of platforms for structured dialogue, enabling CSOs to actively participate in monitoring and advocating for reforms in areas such as trade, sustainable development, and governance<sup>20</sup>. In addition, the Economic Council to the Prime Minister of the Republic of Moldova facilitates the dialogue between the representatives of the business environment, donors' community and policy makers<sup>21</sup>. The EU-Moldova Civil Society Platform serves as a formal mechanism for this engagement, facilitating discussions between CSOs, government representatives, and EU officials. Through this platform, CSOs contribute to policy formulation and oversight, ensuring that the implementation of the DCFTA aligns with democratic principles and addresses socio-economic challenges<sup>22</sup>. However, CSOs in Moldova face challenges, including limited financial resources and the need for capacity building, which can hinder their effectiveness in influencing economic policy and ensuring comprehensive implementation of it.

As part of the broader EU-Ukraine Association Agreement, since the DCFTA's implementation, bilateral trade between the EU and Ukraine has experienced substantial growth. The EU has become Ukraine's largest trading partner, accounting for a significant share of its trade volume<sup>23</sup>, accounting for 56% of its trade in goods in 2023. In response to challenges introduced by the evolving geopolitical landscape and Russian invasion in Ukraine, the EU introduced alternative export routes<sup>24</sup> for Ukrainian agricultural goods (such as eggs, oats, and sugar) and waived tariffs and quotas for the import of Ukrainian agricultural products to the European Union<sup>25</sup>.

Civil society organisations have become integral to the nation's economic development, particularly in the context of the DCFTA established under the EU-Ukraine Association Agreement. In addition to Moldova's and Georgia's mechanisms for civil society engagement, the special Domestic Advisory Groups were established to advise on the implementation of trade agreements<sup>26</sup>. Once per year, a joint civil society meeting is organised under each trade agreement. Through active participation in these advisory groups, CSOs contribute to aligning Ukraine's economic policies with EU standards, promoting sustainable development, and ensuring that the benefits of economic integration are widely shared.

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20 European Commission, 6th Civil Society Forum under EU-Moldova Deep and Comprehensive Free Trade Area (DCFTA): Trade and Sustainable Development, March 2023, available [here](#).

21 Economic Council to the Prime Minister of the RM, available [here](#).

22 See [https://www.eeas.europa.eu/sites/default/files/documents/2024/EU\\_roadmap\\_for\\_engagement\\_with\\_csos\\_Moldova.pdf](https://www.eeas.europa.eu/sites/default/files/documents/2024/EU_roadmap_for_engagement_with_csos_Moldova.pdf)

23 European Commission, Ukraine- EU trade relations with Ukraine. Facts, figures and latest developments, available [here](#).

24 Center for Strategic and International Studies, Fracturing Solidarity: The Grain Trade Dispute between Ukraine and the European Union, available [here](#).

25 In May 2023 when the European Union adopted "exceptional and temporary preventative measures" to uphold the ban on domestic sales of Ukrainian wheat, maize, rapeseed, and sunflower seed within the five member states, while still facilitating the export of these products to other countries within and outside of the bloc - See <https://www.csis.org/analysis/fracturing-solidarity-grain-trade-dispute-between-ukraine-and-european-union>

26 Domestic Advisory Groups, Domestic Advisory Groups advise on the implementation of trade agreements, available [here](#).

## **II. Challenges, Opportunities for Economic Diversification in the Eastern Partnership Region and opportunities for engagement with the civil society**

The primary framework for civil society participation in economic development within the EaP region has been the Eastern Partnership cooperation framework. This mechanism has provided a platform for dialogue and engagement between civil society organisations and policymakers. In Georgia, Moldova, and Ukraine, additional mechanisms have been established under their DCFTA frameworks, requiring the inclusion of civil society in economic policy formulation and the creation of institutional structures to facilitate their participation.

However, despite these frameworks, significant restrictions on civil society in several EaP countries (detailed in the respective sections of this paper) have severely limited CSOs' ability to influence policy development and implementation, particularly in the economic and digitalisation sectors. The lack of institutional autonomy, political pressures, and financial constraints have further diminished the effectiveness of CSOs in driving economic reforms and advocating for inclusive development strategies.

### **1. Main Challenges for Economic diversification**

Despite the geopolitical ambitions and economic strategies of Eastern Partnership countries, limited production capacity remains a fundamental barrier to achieving stable, large-scale export supplies that can effectively meet the demands of the European Single Market. The absence of a robust industrial base, coupled with seasonal agricultural production, weak product quality, and insufficient certification and marketing capabilities, hinders the region's ability to expand its exports to the EU. Furthermore, transportation and logistical barriers, including high costs and inadequate infrastructure, not only constrain external trade but also pose significant challenges to regional and domestic market integration. Expanding access to the EU market requires substantial investments in infrastructure, logistics, and compliance mechanisms. In addition, competitiveness of goods remains one of the most pressing concerns. While meeting EU regulatory standards is crucial, broader challenges such as weak product quality, low levels of innovation, and technological underdevelopment must also be addressed. The reality in EaP countries is that a majority of businesses in the regions are small-scale enterprises lacking the financial and technical resources needed to compete in advanced markets.

Local civil society indicates that while the European Union has provided economic support, its assistance is often misaligned with local needs due to a lack of localised expertise and insufficient understanding of the region's institutional and legal frameworks. This has led to ineffective interventions that fail to address structural barriers faced by businesses, particularly small and medium-sized enterprises, rural entrepreneurs, and women-led businesses. These groups experience disproportionate challenges due to the absence of targeted projects and financial mechanisms that

could help them overcome logistical and compliance-related obstacles. It has also been highlighted by civil society that, although national policies aimed at fostering entrepreneurship, attracting investment, and advancing structural reforms are in place, significant challenges persist in translating these strategies into effective implementation. The lack of effective mechanisms for channeling local and regional needs to central governments continues to impede balanced development, preventing targeted solutions that address the specific challenges faced by businesses and entrepreneurs at the local level. Strengthening institutional coordination and ensuring inclusive policy dialogue between regional stakeholders and national decision-makers is essential for fostering sustainable and equitable economic growth.

Expanding domestic trade and overcoming local logistical barriers remains another critical challenge for SMEs in Armenia, Georgia, and Azerbaijan. While much attention is given to export-related difficulties with external partners, internal trade and transportation within national borders pose equally significant obstacles to business growth. Regional SMEs, particularly those in rural areas, often struggle to distribute their products efficiently across their own countries due to poor infrastructure, high transportation costs, and regulatory inefficiencies.

Similar experiences have been reported by organisations in Azerbaijan, where CSOs supporting SMEs face common challenges such as insufficient financial and technical resources to scale up operations, limited cross-border collaboration, and restricted opportunities for experience-sharing, networking, e-commerce and marketing.

Despite their critical role in fostering economic resilience, local organisations often operate with minimal support from international donors, including the EU, as well as from local governments. This lack of institutional backing hinders their ability to create larger, more sustainable business ecosystems that could support driving regional economic growth.

To overcome these barriers, governments must collaborate closely with civil society, leveraging its potential to shape proactive economic policies that foster a more dynamic investment climate, incentivise innovation, and implement state-backed programmes to enhance the technological and industrial capabilities of local businesses. A well-structured and inclusive policy approach can mitigate the immediate challenges of economic transition and create a more resilient and competitive economic environment. In this context, while short-term difficulties exist, the long-term advantages of diversifying trade away from Russia far outweigh these challenges. Strengthening economic ties with the EU not only enhances market stability but also promotes innovation, attracts investment, and reinforces the region's broader European integration goals—ultimately fostering sustainable economic growth and greater political resilience.

## **2. Opportunities for engagement with civil society**

In addition to the participation in policy development civil society organisations have played a pivotal role in supporting enterprises (SMEs) in Eastern Partnership countries, particularly women-led businesses and rural enterprises. This is done by providing

training, mentorship, and access to initial funding, developing capacities for registration and for e-banking, as well as for the use of technologies, for cybersecurity measures and so on. Local interlocutors indicated that small and medium-sized enterprises were acting as the main driver of growth in regions.

Examples for it can be illustrated by the experience of two organisations: Winnet Armenia<sup>27</sup> and the Martuni Women Center<sup>28</sup>, which have successfully empowered women entrepreneurs to establish and grow their businesses. These initiatives have provided essential capacity-building, networking, and market access opportunities, enabling many women to launch enterprises.

Through active cooperation with the Georgian Association “Women in Business” (GAWB), the government ensures that its economic policies address existing gender disparities and support women entrepreneurs in accessing resources, training, and investment opportunities. In 2018, the Georgian Association “Women in Business” initiated the establishment of the Sub-Council of Women Entrepreneurship Promotion (SCWEP) within the framework of the Entrepreneurship Development Council. This initiative aims to create a sustainable institutional framework for supporting women’s participation in business, addressing gender disparities, and promoting inclusive economic growth.

Regional economic hubs, such as the International Business Development and Investment Promotion Center<sup>29</sup> in Ajara have been active in supporting economic development initiatives in Ajara and other regions.

The EU4Business – SME Development and DCFTA in Georgia project, co-financed by the European Union and implemented by GIZ under the EU4Business Initiative, aimed at enhancing the competitiveness and regulatory compliance of Georgian SMEs in alignment with the DCFTA requirements. The project played a crucial role in facilitating institutional and regulatory reforms, strengthening SMEs’ ability to adapt to the evolving trade and investment environment. By fostering a business-friendly regulatory environment, the initiative sought to empower SMEs, enabling them to expand market access, enhance productivity, and integrate into the European economic space<sup>30</sup>.

Ensuring effective implementation of such initiatives remains vital for maximizing the economic benefits of EU-EaP countries cooperation under the cooperation framework.

### **3. The Way Forward: Strengthening Economic Resilience through Civil Society Engagement**

The increasing economic dependence on Russia, coupled with the absence of meaningful civil society engagement, presents a significant risk to inclusive economic growth

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27 “WINNET Armenia” Network of Women Resource Centers, available [here](#).

28 Martuni Women Center, available [here](#).

29 International Business Development and Investment Promotion Center, available [here](#).

30 SME Development and DCFTA in Georgia Working to Increase Competitiveness of Georgian SMEs, Project Achievements 2015-2019, available [here](#).



limiting also possibilities for democratic governance. Without robust accountability and transparency mechanisms, decision-making in economic policies risks becoming concentrated within a narrow group of policymakers, further marginalising independent businesses and limiting market competition. In such an environment, monopolisation of economic opportunities may thrive, ultimately shrinking the civic space and weakening democratic oversight.

To mitigate these risks, country-specific mechanisms must be developed to ensure structured and effective civil society participation in economic decision-making. While institutional frameworks such as public councils, civil society national platforms have been established to facilitate engagement, their role often remains formal rather than functional, lacking the capacity to influence policy outcomes meaningfully. A more integrated approach is required to bridge the gap between civil society initiatives and policy-making structures. Strengthening coordination mechanisms—where the insights and challenges faced by entrepreneurs, SMEs, and social enterprises are systematically communicated to decision-makers—would ensure that economic reforms reflect real market needs. One of the key areas where civil society could play a stronger role is in bridging the gap between government economic policies and real business needs.

Social entrepreneurship initiatives have demonstrated tangible economic impact, empowering local communities and fostering grassroots economic resilience. To increase their role further, capacity-building programmes, particularly in digital commerce, cybersecurity, and regulatory compliance, are necessary.

To enhance the impact of civil society initiatives and maximise their contributions to economic development, there is an urgent need for:

- Greater investment in capacity-building programmes for CSOs working with SMEs, particularly in rural businesses and in sectors such as women’s entrepreneurship, tourism, agriculture, and digital trade.
- Improved financial and technical support from both international and domestic sources to strengthen logistical infrastructure and business networking platforms.
- Meaningfully support EU-national civil society platforms to diversify their participation in public policy making and economic relations with the EU.
- Increased cross-border cooperation between regional CSOs to facilitate knowledge exchange, best practices, and collaborative projects aimed at overcoming trade barriers.
- Targeted policies and funding mechanisms that recognise the role of CSOs in economic development and provide structured support for their initiatives.
- Developing platforms that allow real-time engagement between businesses, policymakers, and civil society could lead to more evidence-based economic decision-making.
- Investing in logistics and infrastructure improvements to reduce trade costs and support internal and regional market expansion.
- Enhancing the institutional capacity of civil society organisations to engage in economic policy dialogue and influence trade-related reforms.
- Aligning EU assistance programmes with localised needs by ensuring that civil

society plays an active role in shaping trade and investment policies.

- **Strengthening Civil Society's Role in Supporting SMEs and Women Entrepreneurs.** Without structural economic reforms and inclusive decision-making processes, EaP countries risk further economic dependence on traditional markets, limiting their ability to fully leverage the opportunities offered by European integration. A well-coordinated approach that bridges civil society engagement with economic development policies will be crucial to ensuring long-term prosperity and resilience in the region.

### **III. Policy Recommendations for Strengthening Civil Society Engagement in Economic policy Development**

#### **Enhancing Civil Society Participation in Economic Reforms and European Integration**

- A renewed commitment to structured and meaningful engagement with civil society is essential for Georgia and other Eastern Partnership countries to advance their European integration efforts.

#### **Enhancing EU support for national civil society platforms (Armenia) to strengthen their role as institutional mechanisms for facilitating structured EU-Government dialogue on association and integration processes.**

This includes:

- Providing financial and technical assistance to ensure the sustainability and effectiveness of these platforms in promoting inclusive and diverse civil society participation.
- Recognising national platforms as key actors in policy discussions related to EU association, integration, and reform implementation.

#### **Enhance the role of civil society organisations (CSOs) in expanding broadband connectivity across Eastern Partnership (EaP) countries, with a particular focus on bridging the digital divide in rural areas.**

- Advocating for targeted investments to improve high-speed internet access for rural communities and small businesses, ensuring equitable participation in the digital economy.

#### **Encouraging greater representation of regional and sectoral civil society organisations to ensure that the dialogue reflects the full spectrum of societal and economic interests.**

#### **Targeted Support for Women Entrepreneurs and Digitalisation**

- Despite the increasing number of women entrepreneurs across EaP countries, they continue to face disproportionate barriers in accessing finance, markets, and capacity-building programmes.
- Greater emphasis should be placed on projects addressing cross-cutting issues, particularly those that promote women’s entrepreneurship, digitalisation, and digital trade.
- Dedicated funding and technical support should be provided for women-led digital marketing initiatives and e-commerce platforms, enabling them to participate more effectively in both regional and European markets.

### **Improving Access to Product Certification for European Markets**

- One of the key challenges local entrepreneurs face in expanding exports to the EU is the costly and complex product certification process. Governments and international donors should establish financial support schemes and advisory services to assist SMEs, particularly in rural areas, in meeting EU certification requirements.
- Raising awareness and technical knowledge about export regulations, compliance procedures, and quality standards is essential for ensuring that businesses can compete effectively in European markets.

### **Strengthening the Role of Civil Society in Sustainable Development and Green Transition**

- CSOs play a critical role in bridging the gap between policymakers and the population, particularly in areas related to sustainable development, environmental governance, and climate resilience. Civil society should be actively engaged in data collection, policy advocacy, environmental monitoring, and public awareness campaigns to ensure that economic policies align with sustainability goals.
- Greater efforts should be made to promote multi-stakeholder collaboration, bringing together government institutions, businesses, and CSOs to develop solutions for green transition and sustainable resource management.

### **Expanding Social Entrepreneurship and Rural Economic Development**

- Civil society organisations should be empowered to lead and participate in social entrepreneurship programmes, particularly in supporting rural SMEs and women-led enterprises.
- International donors and national governments should prioritise funding for social enterprises that promote inclusive economic growth, employment creation, and community-driven development.
- Strengthening policy frameworks that support social entrepreneurship, cooperative business models, and sustainable rural development will contribute to long-term economic resilience in the region.

By implementing these recommendations, EaP countries can foster a more inclusive and sustainable economic environment, ensuring that civil society plays a central role in shaping economic reforms, digital transformation, and trade integration with the EU. Policy Recommendations for Strengthening Civil Society’s Role in Business Support

and Sustainability

### **Enhancing Civil Society's Role in Business Support**

- Civil society organisations (CSOs) primarily engage with public services as individual citizens rather than structured entities. However, donor-supported initiatives should allocate resources to enable CSOs to provide specialised training and consultancy for businesses, particularly in trade facilitation, digitalisation, and export readiness. Given the high costs associated with such services, sustainable funding mechanisms are essential to expand CSOs' role in business support beyond donor-driven projects.

### **Promoting Corporate Social Responsibility (CSR) and Business Engagement**

- The collaboration between businesses and civil society remains underdeveloped and strengthening partnerships through CSR initiatives can enhance knowledge-sharing, skill development, and innovation. Digital Innovation Hubs serve as a successful model, demonstrating how CSOs can facilitate digital transformation for SMEs. Expanding such initiatives can further integrate businesses into European and global markets.

# 02

## **Digital transformation in Eastern Partnership countries: main tendencies**

The Eastern Partnership (EaP) countries—Armenia, Azerbaijan, Georgia, Belarus, Moldova, and Ukraine—have made substantial progress in digital transformation, modernising public administration, expanding e-government services, and improving digital infrastructure. Despite geopolitical and economic challenges, digitalisation efforts in countries have streamlined public services, enhanced transparency, and facilitated economic modernisation.

The United Nations E-Government Survey<sup>31</sup> demonstrates that the Eastern Partnership countries developed high scope and quality of online services, developed telecommunication infrastructure and inherent human capital.

**E-Government Development Index (EGDI) 2024 by countries<sup>32</sup>**

Country	EGDI 2024	EGDI Rank
Azerbaijan	0.7607	74
Armenia	0.8422	48
Belarus	0.7445	77
Georgia	0.7792	69
Moldova	0.7719	70
Ukraine	0.8841	18

**IV. Policy development, digitalisation progress in EaP countries and civil society organisations**

The “Digitalisation Strategy for 2021–2025”, approved by the Armenian government in February 2021. This strategy aims to integrate innovative technologies across various sectors, focusing on cybersecurity, data policy, and the development of e-government systems. It emphasizes the coordination of digitalisation processes and the establishment of common standards to ensure a cohesive approach to digital transformation<sup>33</sup>.

Furthermore, Armenia has developed a comprehensive Digital Transformation Agenda to position itself as a competitive digital nation. This agenda involves creating a national strategy, conducting stakeholder workshops, and providing training programmes to

31 E-Government Development index incorporates the access characteristics, such as the infrastructure and educational levels, to reflect how a country is using information technologies to promote access and inclusion of its people.

32 UN E-Government Survey 2024, available [here](#).

33 Digwatch-Geneva Internet Platform, Armenia’s Digital Transformation Strategy (2021-2025), available [here](#).

foster economic growth through digital means. The goal is to establish Armenia as a regional leader in digital innovation by 2030<sup>34</sup>.

A key institution driving these initiatives is the Information Systems Agency of Armenia (ISAA)<sup>35</sup>. Established to ensure the technological foundations and development of the digital society in Armenia, ISAA collaborates with both government and private sector entities to implement interoperability frameworks, cybersecurity measures, and digital identification systems. Notably, ISAA is responsible for projects such as “YesEm,” Armenia’s digital ID solution, and the establishment of the National Computer Emergency Response Team (AM-CERT), which coordinates responses to cybersecurity incidents affecting the nation’s critical infrastructure.

The National Services Platform of Armenia-hartak.am<sup>36</sup>, is one of the successful digitalised solutions. It is a comprehensive digital portal designed to centralise and streamline access to a wide array of public services and information for citizens and aims to enhance user experience by consolidating services and guidance related to significant life events, such as childbirth, education, employment, and property ownership. It offers step-by-step instructions and resources to assist users in navigating various governmental procedures. Additionally, the platform categorises services by themes, including support programmes, family and children, education, citizenship and residency status, transportation, finance and taxes, business and industry, justice and law, and more, facilitating easy access to relevant information. The development team encourages users to provide feedback to improve the platform’s functionality and content.

In January 2025, the Azerbaijani government approved the Digital Development Concept of the Republic of Azerbaijan. This strategic document outlines the nation’s priorities in digital transformation, focusing on the integration of digital technologies across various sectors. Key objectives include improving public administration efficiency, fostering economic development, and elevating the quality of life for citizens. The concept emphasises the creation of an effective ecosystem that balances the interests of the state, businesses, and citizens, promoting the widespread application of information technologies and the development of e-government services<sup>37</sup>. Complementing this initiative, the Azerbaijan Rapid Technical Assistance Facility (AZTAF) was established in 2022 as a collaborative effort between the European Union and the World Bank. This three-year programme, with a budget of €5.25 million, aims to provide advisory and analytical support, as well as capacity building, to align with Azerbaijan’s national priorities. AZTAF focuses on areas such as “Smart Villages” and digital connectivity, supporting the government’s agenda to integrate digital solutions into rural development and enhance nationwide digital infrastructure<sup>38</sup>.

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34 United Nations University Operating Unit on Policy-Driven Electronic Governance Digital Transformation Agenda for the Republic of Armenia, available [here](#).

35 Information system Agency Armenia, available [here](#).

36 National Service Platform, available [here](#).

37 Ministry of Digital Development and Transport of Azerbaijan, available [here](#).

38 World Bank Group, A New Program to Support Reforms in Azerbaijan to Benefit from European Union and World Bank Support, available [here](#).

In 2022, while e-commerce in Azerbaijan experienced rapid growth, its overall market share remained limited. The increasing popularity of social media has bolstered mobile commerce (m-commerce), yet infrastructure challenges persist, potentially hindering further development<sup>39</sup>.

The AzExport.az portal serves as a platform for Azerbaijani products, enabling global buyers to make online purchases. Domestic electronic payment systems, such as GoldenPay, and online authentication tools like the “Asan Imza” electronic signature system, have facilitated online transactions<sup>40</sup>. Despite these advancements, cash remains the preferred payment method for many Azerbaijanis, and e-commerce is predominantly utilised for international purchases. Currently, platforms like vxside.gov.az offer centralised access to public services.

The “National Broadband Development Strategy of Georgia and Its Implementation Action Plan 2020–2025 (NBDS)”, adopted in 2020. Aligned with the EU’s Gigabit Society objectives, the NBDS outlines strategic priorities such as increasing market competitiveness, attracting investment, and building digital skills<sup>41</sup>. The strategy aims also at creating infrastructure and establishing Georgia as a digital and information hub in the region. Complementing the NBDS, the Government Programme for 2021–2024, “Towards Building a European State,” emphasises the importance of digital transformation in public administration and services. This programme aims at the development of digital economy and information society in the country through information and communication technologies<sup>42</sup>.

To support innovation and digital transformation, the Georgia Innovation and Technology Agency (GITA) was established<sup>43</sup>. GITA plays a pivotal role in stimulating innovation across various sectors, fostering the development of a robust digital ecosystem. Additionally, the implementation of electronic identification documents has enabled over 3.1 million citizens to access digital services and digitally sign documents, streamlining interactions between the government and the public.

Moldova has articulated a comprehensive “Digital Transformation Strategy for 2023–2030”, overseen by the Ministry of Economic Development and Digitalisation. This strategy aims to establish a fully digital state by 2030, focusing on sustainable development and alignment with European integration goals<sup>44</sup>. The government utilises the online platform particip.gov.md to publish legal acts, strategic documents, and action plans for public consultation. However, this platform lacks interactivity; it does not allow users to submit comments or receive feedback directly. Enhancements

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39 International Trade Commission, Assessment of Current Buyer Behavior in Market, available [here](#).

40 International trade administration, Azerbaijan - Country Commercial Guide, available [here](#).

41 EU4Digital, Georgia approves broadband development strategy 2020-2025, available [here](#).

42 Government Programme for 2021-2024, Government of Georgia: Programme for 2021 – 2024 Towards Building a European State, available [here](#).

43 Georgia’s Innovation and Technology Agency, Partnership Agreement between GITA and Catapult Georgia, available [here](#).

44 See [https://mded.gov.md/wp-content/uploads/2023/11/STD\\_EN.pdf](https://mded.gov.md/wp-content/uploads/2023/11/STD_EN.pdf)



are needed to enable comment submission and governmental responses, ensuring transparency and public engagement<sup>45</sup>.

Moldova has made notable strides in digitising public services through platforms like eGov MD. Various public institutions, including healthcare providers, offer online services and payment options. For instance, citizens can request birth, death, and marriage certificates online, with options for email delivery or home delivery for an additional fee. Accessing these services requires an electronic signature, obtainable via mobile phone operators. Public procurement processes are fully electronic, promoting transparency and efficiency<sup>46</sup>. These initiatives reflect Moldova's commitment to creating a modern, citizen-centric digital society, enhancing accessibility, transparency, and public participation in governance.

Ukraine has undertaken significant strides in digital transformation, establishing a robust framework to enhance public services, governance, and economic development. A cornerstone of this effort is the Digital Agenda of Ukraine<sup>47</sup>, adopted in 2016, which aligns with the European Union's Digital Agenda for Europe. This strategic document emphasises the importance of digital transformation as a catalyst for innovation and societal progress, setting the foundation for integrating digital technologies across various sectors. Building upon this foundation, the Concept of Digital Economy and Society Development for 2018–2020 was approved by the Cabinet of Ministers on January 17, 2018. This concept aimed to implement the Digital Agenda by promoting the digitalization of industries, enhancing digital skills among the population, and developing digital infrastructures to support economic growth and improve the quality of life<sup>48</sup>. In 2019, the establishment of the Ministry of Digital Transformation marked a pivotal moment in Ukraine's digital journey. The ministry was tasked with implementing the "State in a Smartphone" initiative, which seeks to provide 100% of government services online by 2024. This initiative led to the creation of the Diia platform, encompassing both a mobile application and a web portal, offering citizens access to digital documents and over 70 online services<sup>49</sup>.

Another prominent example is the ProZorro electronic public procurement system, which was initially developed as a civil society initiative and has since been adopted nationwide for all public procurements. Local interlocutors believe that the system's open-source nature and the principle that "everyone can see everything" have been pivotal in reducing corruption and increasing efficiency in public spending<sup>50</sup>.

Complementing ProZorro is DoZorro, an online platform that enables any participant in the public procurement process—citizens, businesses, public buyers, and oversight bodies—to monitor specific tenders, analyze procurement records, report irregularities,

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45 Open Government Partnership, Improving Consultation Mechanisms in Decision-Making (MD0076), available [here](#).

46 Achizltii, Public and private electronic procurement system, available [here](#).

47 Digital agenda for Ukraine, See [http://www.e-ukraine.org.ua/media/Lviv\\_Minich\\_2.pdf](http://www.e-ukraine.org.ua/media/Lviv_Minich_2.pdf)

48 Ministry for Development of Economy and Trade, Digital Agenda for Ukraine available [here](#).

49 Digital State, Diia, available [here](#).

50 Prozorro, Electronic public procurement platform, available [here](#).

and appeal illegal practices. It has been launched in 2016 to facilitate public oversight and consolidate efforts from regional monitoring organisations to ensure accountability in public procurement<sup>51</sup>.

Belarus has made notable progress in digitising administrative procedures, with over 400 services now available electronically, including vehicle registration and housing rental processes. This advancement reflects the country's commitment to leveraging digital technologies for sustainable development<sup>52</sup>. Belarus is actively pursuing digital transformation through the “Digital Development of Belarus” State Programme for 2021–2025<sup>53</sup>, which serves as the primary framework for implementing advanced information and communication technologies across various sectors. It provides a comprehensive framework for the nation's digital transformation. A key achievement under this programme is the expansion of fiber-optic communication lines to 122 settlements with 50 or more households by the end of 2021, effectively addressing digital inequality. Additionally, the development of the mobile network has resulted in LTE technology covering 97.4% of the population<sup>54</sup>.

In the realm of public administration, the automated information system “Rulemaking” is being implemented to automate all stages of the regulatory process, including drafting, coordination, expert evaluation, public discussion, approval, and official publication of legal acts. The system has already yielded practical results through the “Legal Forum of Belarus” platform and is expected to be fully operational by 2024. Belarus has expanded the “Mobile Postman<sup>55</sup>” service to all rural postal offices and regional economic centers, enabling residents in remote areas to access a variety of postal and administrative services. These services include newspaper subscriptions, utility bill payments, and the sending and receiving of postal items. The “Smart Cities of Belarus<sup>56</sup>” project is another significant initiative, focusing on creating a standardized regional digital platform for urban infrastructure management, public safety, and electronic citizen services. Following technical project development in 2023, the platform will be tested in Minsk and the Orsha district before expanding to 17 other cities. Concurrently, efforts to modernize the national data transmission network are ongoing. This includes increasing external internet access channels, upgrading data transmission networks, and connecting subscribers using GPON technology. As a result, the number of fixed

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51 Dozorro, Громадський контроль держзакупівель, available [here](#).

52 UNDP Belarus, The Digital Transformation: A Tale of Two Worlds, available [here](#).

53 Ministry of Communications and Informatization of the Republic of Belarus, State programme “Digital Development of Belarus” for 2021 - 2025 Скопировано с сайта: <https://mpt.gov.by/en/state-program-digital-development-belarus-2021-2025>, available [here](#).

54 Ministry of Communications and Informatization of the Republic of Belarus, Информация о результатах реализации Государственной программы «Цифровое развитие Беларуси» на 2021 – 2025 годы в 2021 году Скопировано с сайта: <https://mpt.gov.by/ru/informaciya-o-rezultatah-realizacii-gosudarstvennoy-programmemy-cifrovoe-razvitie-belarusi-na-2021>, available [here](#).

55 Grodno Oblast Executive Committee Official portal, Online services for villagers. How the Mobile Postman project works in Grodno region, available [here](#).

56 Sustainable Development in Belarus, Implementation of the project «Smart Cities of Belarus» was discussed in Bobruisk, available [here](#).

broadband internet subscribers has reached approximately 3.2 million<sup>57</sup>.

## **V. Challenges, Opportunities for digital transformation in the Eastern Partnership Region and opportunities for engagement with the civil society**

### **1. Main Challenges associated with digitalisation**

Eastern Partnership countries have emerged into digital governance designing and suggesting digital services to citizens across the public administration areas. Despite the notable progress in digital transformation across EaP countries, civil society organisations have often been marginalised in key decision-making processes related to digitalisation.

Local interlocutors reported that civil society participation in digitalization policymaking has been minimal or entirely absent across most Eastern Partnership countries. Unlike other policy areas such as economic development, where institutionalised frameworks like the EU Association Agreements and DCFTA mandate civil society engagement, digitalisation policies lack similar structured requirements, leaving CSOs largely excluded from decision-making<sup>58</sup>. Without institutionalised mechanisms ensuring CSO engagement, digitalization remains an unregulated policy area in terms of inclusiveness and transparency.

While digital tools hold significant potential to enhance open government, their adoption also introduces new challenges that may undermine democratic principles such as transparency, equality, and privacy<sup>59</sup>. At the same time, digitalisation is increasingly blurring the boundaries between physical and digital government, as well as across sectors and jurisdictions, introducing new layers of complexity that require careful governance and oversight. Despite the growing influence of digital transformation on public administration and policymaking, civil society has largely been excluded from these processes, limiting its ability to fulfill its watchdog role or engage in advocacy efforts as it traditionally does in safeguarding and promoting democracy in traditional world. One of the reasons indicated by local interlocutors is that public sector institutions

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57 Ministry of Communications and Informatization of the Republic of Belarus, Ministry of Communications: development of telecommunications and data transmission networks in Belarus available [here](#).

58 The exception is Ukraine, where the civil society-driven accountability platform for public procurement evolved into Prozorro, the government's e-procurement system, demonstrating how CSO involvement can lead to systemic improvements in digital governance. However, in other countries, CSOs were either not consulted at all or involved only in a superficial capacity, limiting their ability to shape digital policies, address inclusivity concerns, and advocate for digital rights. See <https://www.chathamhouse.org/sites/default/files/2024-06/2024-06-05-ukraine-wartime-recovery-role-civil-society-lutsevych.pdf.pdf>

59 National Empowerment for Democracy, The Digitalization of Democracy How Technology is Changing Government, Accountability, by Teona Turashvili, Published on March 27, 2023 by Forum Staff, available [here](#).

mistakenly viewed digital processes as purely technological issues rather than matters of policy and democracy. This misconception also leads to an underestimation of the critical role of civil society engagement in ensuring accountability, inclusivity, and public oversight in digital governance.

In addition, in many countries, governments do not disclose agreements with vendors, and digital solutions often fail to address policy issues in line with legislative requirements<sup>60</sup>. Monitoring and oversight in the design and deployment of digital services are minimal or nonexistent, limiting accountability in both governance and public service delivery. The lack of legal frameworks for digital system design, algorithmic transparency, and accountability further prevents participation of civil society in the process. The Institute for Development of Freedom of Information, for example, highlights significant gaps in regulations and standards, making it difficult to hold governments and private companies accountable for the algorithms shaping public policy solutions<sup>61</sup>.

Local civil society organisations highlight that the lack of meaningful participation in digital policymaking has led to the digitalisation of inefficiencies rather than their elimination. In several EaP countries, while public services have become digital, administrative processes remain fragmented, lacking interoperability between government agencies. As a result, individuals still need to visit multiple institutions to obtain required documents, replicating traditional bureaucratic hurdles in a digital format. Additionally, paper documents and physical signatures are still required in many cases, further undermining the efficiency gains of digital transformation. These persistent challenges hinder service delivery, emphasizing the need for systemic reforms to ensure fully integrated, user-friendly digital governance. Moreover, civil society reports systemic barriers to digital inclusion in rural populations, particularly agricultural workers and the elderly. In many EaP countries, e-governance initiatives and digital public services remain inaccessible due to insufficient digital literacy programmes and lack of infrastructure in remote areas. In addition, coordination between businesses, local governments, and CSOs remains fragmented, leading to inefficiencies in implementing digital transformation projects. In many cases, business-driven initiatives in rural regions remain digitally underdeveloped, deepening the socio-economic divide.

## Data protection

Despite the ongoing digitalisation of public services in EaP countries, robust legal safeguards for data protection remain inadequate. While digital transformation has streamlined government services and improved accessibility, it has also exposed significant vulnerabilities in data security, privacy, and oversight mechanisms. Local civil society organisations have raised growing concerns over the collection, storage, and use of large amount personal data by state institutions, emphasizing that data governance frameworks remain weak or nonexistent. The lack of transparency in data

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<sup>60</sup> National Empowerment for Democracy, *Overcoming Obstacles to Surveillance Research: Lessons for Civil Society* by Eduardo Ferreyra, Published on June 7, 2022 Communications, available [here](#).

<sup>61</sup> Ibid. 59

handling, coupled with an absence of legal requirements to track and regulate how personal data is processed, raises serious risks of unauthorised access and misuse. Moreover, accountability mechanisms for potential breaches remain either ineffective or entirely absent, making it difficult to hold state institutions or private entities responsible for unlawful data usage.

Beyond legal amendments, the effective enforcement of data protection laws is equally critical. Without institutional mechanisms for oversight and enforcement, legislative reforms risk remaining superficial and ineffective. Addressing these gaps requires a coordinated approach, ensuring civil society participation in policymaking, developing independent regulatory bodies, and implementing mechanisms for citizens to track and control their personal data usage.

In Armenia the “Law on the Protection of Personal Data”, enacted in 2015; it provides the principles and conditions for processing personal data across both public and private sectors. However, it does not fully align with GDPR standards<sup>62</sup>.

The “Law on Personal Data”, enacted in 2010 in Azerbaijan is the main legislation that outlines general requirements for data protection, including the rights of data subjects and the obligations of data controllers and processors. However, the current legal framework in Azerbaijan does not fully align with the General Data Protection Regulation (GDPR). There is an absence of specific provisions regarding data breach notifications and the appointment of data protection officers, which are key components of the GDPR<sup>63</sup>.

Moldova has recently enacted Law on Personal Data Protection<sup>64</sup>, aligning its data protection framework with the European Union’s General Data Protection Regulation. This law enhances individuals’ rights over their personal data, including the ability to monitor data usage and file complaints against unauthorised access. However, there is no specific information confirming the existence of a centralised platform that allows citizens to track the usage of their personal data through personal accounts.

The “Law on Personal Data Protection” was drafted in Ukraine in 2022. This draft law aims to modernize Ukraine’s data protection framework by introducing key GDPR principles, enhancing data subject rights, and updating definitions and obligations to align with European standards<sup>65</sup>. While the draft has not yet been adopted, it is anticipated to be enacted within the upcoming years.

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62 Aravot - Armenian News, Aligning Ambition with Regulation: Is Armenia’s High Tech Agenda Supported by Its Regulatory Framework?, available [here](#).

63 One Trust Data Guidance, Law of 11 May 2010 No. 998-IIIQ on Personal Data (only available in Azerbaijani [here](#)) (‘the Personal Data Law’), available [here](#).

64 No. 195 of 25.07.2024, The law is set to enter into force 24 months after its publication, providing a transition period for implementation See <https://datepersonale.md/wp-content/uploads/2024/09/Law-no.-195-2024-on-personal-data-protection-1.pdf>

65 Council of Europe office in Ukraine, Protection of Ukrainians’ personal data is on time – an expert discussion of the opinion provided by the Council of Europe on the Draft Law No. 8153 of 25.10.2022 on “Personal Data Protection, available [here](#).

The new “Law on Personal Data Protection” with specific obligations for businesses took effect from March 1, 2024 in Georgia<sup>66</sup>. The Law introduces enhanced standards for personal data protection, including principles such as data minimisation, purpose limitation, and transparency, mirroring GDPR requirements. The law also mandates that data controllers implement technical and organisational measures during the development stages of systems to ensure that only necessary data is processed, adhering to the “privacy by design and by default” approach. These obligations include obtaining consent before sending commercial communications and establishing clear guidelines for audio and video recordings, with a particular emphasis on protecting children’s personal data.

## Digital rights

In the face of rapid technological advancements and increasing government surveillance, civil society struggles to ensure transparency, accountability, and human rights protection. Civil society organisations in Ukraine and Moldova have documented the use of facial recognition technologies in public spaces, particularly in response to security concerns intensified by war and political instability<sup>67</sup>.

Interviews and insights from local organisations indicate that mechanisms for digital rights protection remain limited and are not systematically integrated into the work of traditional human rights organisations. This gap is largely attributed to a lack of technical expertise and institutional capacity to effectively monitor and oversee the implementation of IT tools and technology-driven solutions. Without a comprehensive understanding of digital governance frameworks, algorithmic decision-making, and cybersecurity risks, many human rights organisations struggle to establish structured mechanisms for oversight and accountability in the digital sphere.

The digital rights landscape in Belarus faces significant challenges concerning internet freedom and access to information. Authorities employ systematic measures to restrict access to independent information sources, utilising both technical and administrative tactics. This includes the blocking of websites, which not only impacts media outlets but also hinders civil society organisations in maintaining their digital presence and conducting online activities<sup>68</sup>.

## Cybersecurity as a major challenge

Along with data protection, civil society signals cybersecurity as a critical concern across Eastern Partnership countries<sup>69</sup>. Some Eastern Partnership countries have adopted or are in the process of drafting national cybersecurity strategies to address emerging threats. However, the enforcement of these strategies remains weak due to gaps in legislation, the absence of regulatory oversight, and fragmented coordination between government agencies, private sector actors, and civil society. The lack of a

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66 EU4Digital, New data protection law taking effect in Georgia, available [here](#).

67 EDRI, 2023 Digital Rights Update: Eastern Partnership CSO Meter, available [here](#).

68 [Humanconstantia](#)

69 EU4Digital, The EU4Digital Initiative, available [here](#).

unified cybersecurity governance framework limits effective threat detection, incident response, and risk mitigation.

Civil society organisations actors have a limited role in shaping cybersecurity policies and ensuring digital rights protection. They often lack the technical expertise and financial resources needed to conduct effective oversight of government cybersecurity initiatives. There is an urgent need to strengthen civil society participation in cybersecurity governance, ensuring that policies balance security imperatives with human rights, privacy, and digital freedoms.

## 2. Opportunities for Civil Society in Digitalisation

One of the key mechanisms for civil society engagement in digitalisation is the EU4Digital Initiative, which aims to extend the benefits of the EU's Digital Single Market to Eastern Partnership countries . The initiative targets eTrade among other objectives. However, it did not provide a greater opportunity for regional enterprises. Despite these efforts, local interlocutors from Armenia, Azerbaijan and Georgia report persistent challenges in the establishment and accessibility of digital markets, both domestically and regionally. Logistical barriers, limited infrastructure, and insufficient digital literacy hinder the ability of small and medium-sized enterprises (SMEs) to utilize existing digital platforms effectively. Many businesses struggle to integrate digital solutions into their operations, further exacerbating economic disparities and digital exclusion.

The Digital Innovation Hubs (DIHs) initiative, supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), exemplifies collaboration between universities, civil society, and research organisations under the auspices of various governmental bodies, including Ukraine's Ministry of Digital Transformation. This concept aims to foster cooperation among diverse European stakeholders to drive digital innovation across Eastern Partnership countries. The project works together with the Ministries of Economy of Armenia, Azerbaijan, Georgia, Moldova, and the Ministry of Digital Transformation of Ukraine to enhance the competitiveness of small and medium-sized enterprises (SMEs) through digital transformation. By promoting the establishment and development of DIHs, the initiative seeks to support SMEs in their digitalisation efforts, thereby facilitating their integration into the European single market<sup>70</sup>.

While some initiatives have focused on improving digital skills and online marketing—particularly for businesses seeking access to EU markets—the overall adoption of digital trade remains limited. Many SMEs struggle with logistics, compliance with international e-commerce platforms like Amazon and Etsy, and digital marketing strategies tailored to global audiences.

Efforts to improve cybersecurity and digital resilience remain fragmented. Awareness of online threats such as phishing, data breaches, and digital transaction security is low among SMEs. Training and capacity-building programmes have attempted to address these gaps, but their reach has been insufficient, and a comprehensive national

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<sup>70</sup>Giz, Making companies in the Eastern Partnership more competitive through digital transformation, available [here](#).

cybersecurity strategy for businesses is still lacking.

However, further efforts are needed to ensure sustainable, locally driven digital development, including stronger civil society participation in digital policymaking, targeted investments in digital literacy, and improved digital infrastructure to make digital markets more inclusive and accessible.

A local initiative in Georgia mentioned by local civil society organisations is the Georgian Innovation and Technology Agency (GITA), which provides grants and support for startups. However, inefficiencies in programme implementation and assessment have limited its overall impact. Many applicants face procedural complexities, and funding distribution often fails to align with the specific needs of businesses in the digital sector. To maximise the effectiveness of GITA's programmes, a more strategic approach is needed, potentially involving stronger collaboration with international partners and industry experts. Such improvements could significantly enhance digital adoption among SMEs, ensuring that financial and technical support is better tailored to market demands.

### 3. Civil society support in using digital tools

The Belarusian Cyber Partisans<sup>71</sup>, a hacktivist collective formed in response to the disputed 2020 presidential elections in Belarus, have been instrumental in exposing the government's human rights violations. The organisation also developed the security applications and provided comprehensive guidelines to help individuals safeguard their digital activities. These resources include instructions on installing Virtual Private Networks (VPNs) and methods to securely access information on platforms like YouTube and Telegram. Such measures are crucial, especially as the government has partially blocked platforms like YouTube to prevent citizens from accessing opposition content.

The Belarusian Cyber Partisans have developed "Partisan Telegram<sup>72</sup>," a modified version of the Telegram messaging app, designed to enhance data protection for politically active users in repressive environments. This application introduces features such as dual passcodes—one real and one false. Entering the false passcode triggers predefined actions, such as hiding or deleting sensitive chats, thereby safeguarding users during forced device inspections.

The development of Partisan Telegram was supported by the Open Technology Fund (OTF)<sup>73</sup>, a U.S.-based nonprofit organisation that funds projects promoting internet freedom and countering censorship. OTF's support has been instrumental in advancing tools that protect user privacy and security in restrictive digital environments.

Addressing this gap requires clear policy commitments to integrate civil society participation in digital transformation strategies, ensuring that digitalisation advances in a way that is accountable, inclusive, and aligned with broader democratic governance

71 Binding Hook, The Belarusian Cyber Partisans' story, available [here](#).

72 Belarusian Cyber Partisans, Partisan Telegram (P-Telegram), available [here](#).

73 Open Technology Fund, Partisan Telegram for Android, available [here](#).



principles.

Another initiative is the CyberHub Armenia<sup>74</sup> which is a cybersecurity center dedicated to enhancing digital security, raising awareness, and providing technical support to businesses, civil society organisations (CSOs), and individuals in Armenia. The organisation plays a critical role in strengthening cybersecurity resilience by offering training programmes, threat analysis, and digital security consultations to help protect sensitive data and online activities. CyberHub Armenia supports local businesses and civil society by providing cyber risk assessments, digital literacy workshops, and tools for secure online operations. Through partnerships with experts and international cybersecurity initiatives, the organisation promotes best practices for data protection, cyber hygiene, and incident response. By fostering a culture of cybersecurity awareness and preparedness, CyberHub Armenia empowers its stakeholders to safeguard their digital environments against evolving cyber threats.

#### **4. Civil Society as a Catalyst for Digitalisation**

The digital transformation of the EaP region presents both opportunities and challenges. To fully leverage digitalisation, governments must adopt inclusive, transparent, and rights-based approaches, ensuring that civil society, businesses, and educational institutions play an active role in shaping policies. By aligning digital strategies with global best practices, strengthening cybersecurity and regulatory frameworks, and investing in regulatory framework, Eastern Partnership countries can enhance economic resilience, foster innovation, and secure a more equitable digital future.

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<sup>74</sup> [CyberHub](#)

## **5. The Way Forward: Strengthening Civil Society's Role in Digital Governance**

### **Institutionalised Consultation Mechanisms**

- Governments should establish permanent consultation platforms where CSOs can regularly engage in digital policy discussions.

### **Capacity Building for CSOs**

- International donors and governments should invest in digital literacy and technical training for CSOs to enhance their ability to contribute meaningfully to digital governance.
- Oversight and Accountability of AI Algorithms in Public Service Delivery should be insured through civil society programmes.
- Digital Rights Monitoring should become part of traditional human rights monitoring programmes.

### **Funding Support for Digital Inclusion Projects**

- Financial resources should be allocated to CSO-led initiatives that promote digital accessibility, cybersecurity awareness, and ethical AI governance.

### **Multi-Stakeholder Collaboration**

- Digitalisation strategies should integrate public, private, and civil society stakeholders to ensure that digital policies are inclusive, rights-based, and aligned with societal needs.

### **Support for Digitalisation Grants**

- To extend small grants to civil society organisations (CSOs) to support their digitalisation efforts, including the adoption of digital accounting systems and online service delivery. This would enhance efficiency, transparency, and accessibility of civil society initiatives.

### **Expansion of Online Consultation and Training**

- Civil society should be empowered to provide online consultations and training on digital tools, including platforms like Zoom, Microsoft Teams, and other virtual collaboration technologies. These initiatives would improve digital literacy and enhance civic engagement.

### **Enhancing Cybersecurity**

- Develop a national cybersecurity awareness campaign targeting small businesses

and startups.

- Provide government-backed cybersecurity assessments and solutions for businesses engaged in digital trade.
- Strengthen cooperation between the government, private sector, and civil society organisations to ensure that businesses are well-equipped to mitigate cyber threats.
- Invest in cybersecurity infrastructure, strengthening resilience against cyber threats, particularly in public institutions and critical infrastructure sectors.

### **Improving Civil Society Engagement in Digitalization Policy and implementation**

- Institutionalise structured consultations with CSOs on digitalisation policy, trade agreements with vendors, IT companies.
- Develop civil society-led monitoring platforms to track the effectiveness of digitalisation programmes and reforms.
- Encourage regional economic forums where CSOs, businesses, and policymakers can collaborate on investment priorities and development strategies.

### **Strengthening Data protection**

- Enhance requirements and support for adoption of data protection regulations, including GDPR-aligned laws, and their effective enforcement remains inconsistent, and business awareness is limited.
- Support development of cybersecurity and digital ethics in business sector.

### **Enhancing Digital Literacy and Workforce Readiness**

- Develop comprehensive digital literacy programmes in collaboration with civil society, educational institutions, and the private sector, ensuring that students and workers acquire the necessary skills for the digital economy.

### **Bridging Digital Skills Gaps through Regional Initiatives**

- Conduct situational and gap analyses to identify specific digital skill deficiencies across different sectors.
- Implement cross-border capacity-building programmes, such as those previously launched in the Black Sea region, to facilitate knowledge exchange and networking opportunities.

### **Enhancing Practical Application of Digital Tools**

- Offer hands-on training on integrating digital solutions into business operations, focusing on content marketing, online advertising strategies, and analytics-driven decision-making.
- Promote professional use of digital tools to maximise visibility, engagement, and business growth.

Cross cutting issues and recommendations in digitalisation and business development

To enhance the digital capabilities of businesses, targeted training programmes should be developed to equip entrepreneurs and sector representatives with essential digital marketing and platform utilisation skills. These programmes should focus on:

### **Capacity Building in Digital Marketing and E-Commerce**

- Provide structured training on the effective use of digital platforms, including social media (Facebook, Instagram) and e-commerce tools, to strengthen businesses' online presence.
- Cover key aspects such as strategic planning, digital advertising, PR campaign management, and performance monitoring.

### **Strengthening Digital Adoption for SMEs**

- Introduce structured training programmes on digital trade and e-commerce compliance tailored to specific industries.
- Expand access to mentorship and consulting services to support businesses in adopting digital sales strategies.
- Improve integration with global e-commerce platforms, providing financial and logistical support for SMEs.

### **Redesigning Civil Society's Role in Business Support and Regulatory Awareness**

- Delegate civil society organisations in serving as mediators and facilitators in promoting digitalisation and regulatory reforms.
- Expand awareness campaigns for businesses on the benefits of cybersecurity compliance beyond regulatory obligations.
- Introduce targeted digital literacy programmes to equip enterprises with practical cybersecurity measures.

### **Optimising Government Support Programmes for SMEs**

- Involve independent international experts to assess and improve funding mechanisms for digital innovation.
- Promote regional digital innovation hubs beyond capital cities to ensure that organisations across countries have access to resources and investment opportunities.

## VI. Annex

### Methodology

For the policy paper the research employed a mixed-methods approach to assess the role of civil society organisations in advancing digital and economic transformation in the Eastern Partnership region. The study combines desk research, case studies, interviews, survey and data analysis to provide a comprehensive evaluation of civil society's contributions.

**Desk Research:** A thorough review of academic literature, policy documents, and reports on civil society's role in digital transformation and economic development have been conducted. It provided context for understanding existing frameworks, challenges, and opportunities.

**Case Studies:** Detailed analyses of successful CSO-led initiatives in Armenia, Georgia, and Ukraine were presented. These case studies explored enablers of digital transformation and highlight best practices that can be replicated across the region.

**Interviews:** Semi-structured interviews have been conducted with key stakeholders—members of Working Group 2 of the EaP Civil society Platform, as well as experts. These interviews offered qualitative insights into the effectiveness of policies and frameworks that support civil society engagement.

**Survey:** A structured survey has been conducted among the Working Group 2 to gather perspectives on the challenges and opportunities faced by civil society in digital and economic transformation. It has provided quantitative data on CSO activities, their perceived impact, and areas for further engagement.

**Data Analysis:** Both quantitative and qualitative data has been collected to assess CSO activities and their impact on digital transformation efforts. It involved an evaluation of programme outcomes, policy implementation, and stakeholder perspectives.

By integrating these methods, the research aimed to provide a nuanced understanding of CSO engagement in digital and economic transformation, offering evidence-based recommendations to enhance collaboration between civil society, national governments, and international donors.



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