

The Eastern Partnership Civil Society Forum Working Group2 Annual Activity Report 2021

Introduction

This document consists of three parts. Part I represents a summary of the answers by the WG2 National Platform's coordinators and WG2 members from the EU to the questionnaires jointly developed by WG Coordinators. These two categories of respondents were provided with two different questionnaires to provide their thoughts and feedback with the view of the upcoming EaP CSF Annual Assembly. Their answers were not anonymous.

The respondents had an option to decide on their preferred language (i.e. English or Russian). The respondents were allowed to choose either written answers or an online interview. In the latter case, all but one interview was recorded.¹

The questionnaires were shared with all relevant participants indicated above. The response rate was the following:

- Five out of six national coordinators responded. Among them, representatives of Armenia, Azerbaijan, Belarus, and Ukraine opted for an online interview. Representatives of Georgia sent their answers in written form. Despite several reminders, no answers were collected from the Moldovan NP.
- Two out of three WG2 members from the EU-based organizations responded. One of them delivered the answers in a written form, while another WG2 participant opted for an interview.

All written answers and interview recordings and notes are kept with the WG2 Consultant and can be provided upon request.

Part II addresses the issues discussed during the WG2 thematic session at the EaP CSF 2021 Annual Assembly.

Part III provides conclusions and offers recommendations for the future WG2 activities based on

- the answers from Part I and
- a summary of the discussion and proposals raised during the WG2 AA thematic session covered in Part II.

Note: *Terms "apolitical", "depoliticized" and similar used throughout this report by no means suggest that topics covered by the WG2 are not connected with the domestic political developments in the EaP countries. Instead, these terms rather suggest that the authorities in each EaP country may view these issues as somewhat less politicized than the agendas covered, for instance, by WG1. Therefore, the author of this report suggests using this fact as an opportunity for CSOs working in a non-democratic environment. More to that, using this*

¹ One WG2 member from the EU asked not to record the conversation. Instead, relevant written notes were made to address the main topics of the interview.

vocabulary might cause less negative attention and potential persecution from the authorities while still promoting the core European values in the EaP countries and relying on CSOs solidarity.

PART I

WG2 National Platform Coordinators

Armenia

Armenia WG2 representative underlined a comprehensive approach based on the fact that there are at least several priorities that could be interesting not only for this country but also for the entire EaP region. Their list includes but is not limited to SME, agriculture, trade, infrastructure development, or high-tech. For instance, the program focused on agriculture is seen as a medium that could result in societal transformation. The first aspect in this regard is poverty reduction in remote rural areas. The second aspect is the focus on youth that involves their employment and willingness not to migrate to the urban areas and abroad. In a wider perspective, this threat of demographic and economic security applies to the entire EaP region. Research on economic security is therefore one of the priorities of the WG2 in Armenia. Harmonization of economic diplomacy in the EaP could, thus, be a potential area for international cooperation within the EaP area. Moreover, poverty reduction involves cooperation with the representative offices of international organizations. Focus on youth employment is put as a pilot issue.

In Armenia, the WG2 members conducted meetings with the MPs and representatives of the executive power, as well as other members of the expert community to present their programs pertinent to the policy development at the national level. Some recommendations were incorporated into strategies or legislation. In other cases, the legislative failures have been addressed. For instance, Armenia's law on minimal consumer basket is inefficient, as it fails to implement its provision that guarantees that should be pegged to the minimum payment. The need to abolish or modify the law was discussed. Another example is the Tax Code, as its shortcomings also demonstrate significant similarities among the post-Soviet countries which provide room for the common assessment of good and bad practices.

One of the major challenges for ArNP was the lack of sufficient funds for the implementation of the programs. The Covid-19 pandemic was one of the factors that negatively affected the capacities of the WG2 in Armenia. Another challenge is the decreasing demand for an expert opinion which could be observed after the 2018 Velvet Revolution. Civil society is significantly ignored when it comes to the adoption of governmental programs, and virtually no proposals or suggestions are accepted. The same applies to the CEPA implementation. This affects the activity of the CSOs and results in a loss of interest among youth to get engaged in this sector. Yet, there was some engagement at the regional level. Specifically, there was a

At the local level, the enlargement of conurbations resulted in the emergence of new trends. It was an attempt to identify the positive and negative trends coming from the enlargement of rural conurbations. In addition, private companies and other CSOs demonstrated their interest in cooperation and expertise.

Overall, the communication with other EaP countries is seen as essential for the ArNP to create a room for joint projects based on networking and systemic approach when project design comes first being followed by financing. ArNP sees meetings as a very useful tool as they create a circle for mutual feedback among them and international partners.

Azerbaijan

In Azerbaijan, the current legislative framework related to CSOs and grants results in the significant limitations of the CSO activities, so that the activists act in their individual capacities. It substantially affects their institutional capacity-building. Due to the existing legal framework, there is some degree of decline in the level of NGO activities, as activists often do not see many perspectives for them. After the 2020 Nagorno-Karabakh war, the Azerbaijani authorities also partially switched their focus from the willingness to implement reforms.

Yet, it does not preclude the AzNP members from expressing their opinions in their individual expert capacities through social networks. The regularity, frequency, and visibility of these positions create a channel for the AzNP members and other experts to be heard by the authorities. An additional channel is embassies and representations of international organizations which are also provided with the positions on the issues related to the WG2 thematic area in Azerbaijan. This creates an opportunity for a dialogue with and influence on the authorities through international actors. At the same time, Azerbaijani authorities do not treat CSOs as equal partners in the dialogue on policy development. Finally, events organized by the authorities with the participation of domestic experts provide another channel for communication, especially on social and economic issues.

In 2021, in Azerbaijan, the main focus of the WG2 was made on the activities related to Covid-19 and its impact on different social groups, including IDPs, disabled and elderly people. Based on this, a report was prepared and sent to the relevant state authorities. The success of the activities is defined as at least moderate, albeit timely. Other endeavors could be classified as advocacy considering Azerbaijani realities. For instance, there were appeals to the president and advocacy in the social networks for the change of the legislation aimed at CSO registration and granting. This process is ongoing and there are no outcomes so far, but these issues are considered. There were several online meetings with the stakeholders, including the Ministry of Economy, Tax Service, and MPs where proposals were addressed. In addition to that, there was an opportunity to address issues pertinent to the economy or environment through advisory groups and public councils. It was reported that the authorities created several advisory groups aimed at the improvement of Azerbaijani positions in different international rankings. These indexes are regularly published and the results are visible. Bad performance is an indicator and signal for the further address of these problems. There is also a sort of post factum monitoring when the authorities adopted laws or regulations and their contents signify the extent of the acceptance of recommendations or suggestions coming from CSOs by the authorities.

Belarus

External aspects affected the capacities of the national WG2 to implement its goals. Specifically, the current situation in Belarus reveals that business associations opt to abstain from active

participation in WG2 in order not to become a subject of excessive attention and apparent sanctions by the state. As a result, there was a need to expand the WG2 membership but due to this uncertainty, it is still pending. In early 2021, the WG2 strategized how to synchronize WG2 activities with the current strategy of the BNP. During a joint meeting with the representatives of WG5, the ways how to enhance the available potential of WG2 and strengthen cooperation of business associations, independent trade unions, and other relevant structures were discussed. Specifics of the Belarusian WG2 is that it is predominantly composed of sectoral business associations. It lacked the engagement of research institutions and think tanks dealing with the relevant topics. In March 2021, a position document was prepared which is to be actualized by the end of the year. Within an EaP CSF re-granting scheme a project by a WG2 member on patterns of digitalization of Belarusian economy and enhancement of digital skills among Belarusians was implemented.

A positive sign is that the national WG2 was capable to keep its potential and expertise pertinent to the theoretical and methodological framework. Despite the negative political environment, policy dialogue in the areas related to the WG2 activities was kept. Its members participated in consultative councils at different governmental bodies, for example, the one functioning under the auspices of the Ministry of Economy. Another tool for this participation is networking with partner business associations who can provide all relevant information and arrange a possibility for the WG2 members to present their positions before any of the consultative councils. Another tool for influencing the state authorities is the analysis of the situation in other countries through a neutral focus on the relevant practices from the thematical areas related to WG2.

In general, the WG2 is less affected by the political turbulences in Belarus as, for instance, WG1. Due to political developments in the country, the main attention was paid to the WG1 agendas. Yet, there is a belief that all initiatives pertinent to the positioning of its views should go in the BNP.

WG2 was not involved in any advocacy as it per se requires sufficient access to the information. At the same time, the authorities do not always provide enough information in the core areas of interest, like a novelization of legislation on simplified taxation for businesses. In terms of legislative monitoring, the WG2 addresses legislative changes consistent with its priorities, including novelties in the support of SMEs, digitalization, and the IT-sphere aimed at entrepreneurship being more competitive. Based on that, relevant proposals are being developed. Yet, no publications were made and internet visibility could be better. Partner organizations, also those beyond WG2, conduct similar activities focused on their thematic priorities and specializations. This information is subject to mutual exchange. WG2 members also actively participated in the events within the EaP CSF architecture pertinent to the topics of e-governance, SMEs, and trade.

Georgia

In Georgia, the National Platform dealt with five objectives covered by WG2 themes outlined in the WG2 Development Strategy and Action Plan, the main document for WG2:

1. monitoring and evaluation of the implementation of the measures provided by the DCFTA and other Joint Documents under the EU-Georgia AA, accompanied by the

recommendations to the relevant institutions. Harmonization of Georgia's legislation with the *acquis communautaire* was also monitored. This was accompanied by expert involvement and advocating for positive changes at the national and European levels;

2. Monitoring and involvement in the implementation of a thematic platform Economic Integration and trade opportunities and 20 deliverables for 2020 by providing relevant expertise;
3. Evaluation of the effectiveness of state agencies' activities, programs, and implemented projects, submission of a request to the Government of Georgia and further lobbying for the country to join EU funded framework program (COSME);
4. preparation of the policy and analytical documents to strengthen the dialogue between the private sector and public institutions in the economic sector;
5. promotion of the HDM, including facilitation of the development of HDM strategies and action plans by providing expertise as well as national roadmaps to support the development of HDM ecosystems in Georgia.

Four out of these objectives were met to a little extent. Only Objective 3 was met to a moderate extent. Among the obstacles to the implementation of objectives, several issues were identified. In Georgia, the lack of sufficient attention by the state authorities towards their criticism was emphasized. The authorities demonstrate low-level responsiveness to the existing problems or even pretend not to see them. As a result, dialogue with them does not bring much-added value for the CSOs to leverage the impact on the insufficient performance of the state bodies.

Despite the above challenges, the achievements can be noted. Within objective 1, the GNP introduced a funding program to support members of the coalition in 2020 which brought funding for three with ca. 20 WG2 organizations to benefit from it. The endeavors of WG2's subgroup on sustainable tourism can also be positively evaluated, as they implemented a collaborative program analysing social and economic challenges of the Covid-19 in the tourism industry. The outcomes were presented during several public events. WG2 was engaged in advocacy pertinent to legislative changes in tourism, and the project findings were an integral part thereof. As for DCFTA implementation, GNP was involved in the discussion of the implementation action plan and provided recommendations re: incorporation of the draft laws on e-commerce and post services into the current version of the action plan. Ministry of Economy and Sustainable Development was requested to implement the provisions of the sub-section Liability of intermediary service providers according to annual action plans of the EU integration and DCFTA. As for objective 3, unused opportunities of the country's CSO and private sector in funding programs and instruments were analysed and the needs to join these programs were identified. Ministry of Economy and Sustainable Development was requested to start relevant consultations at the domestic and EU levels. Yet, the Ministry blocked this process without providing arguments. The GNP continued communication with the relevant domestic stakeholders advocating the need to join this EU tool through letters and panels during conferences. The outcome was the notification by the Ministry about the start of the consultations and the invitation of the GNP to participate in the further consultation process. In terms of objective 5, the major challenge was low law enforcement by the relevant stakeholders that stems from weak governance and coordination, lack of awareness, and competencies on the new

legislation and opportunities it provides. Relevant recommendations were submitted to the government.

Besides, three position papers were drafted which reflect the above situation:

- Enhancing digital transformation and connectivity in Georgia on the way to EU integration;
- Current problems in the structure of donor funding in Georgia; and
- Domination of state sector on the private sector in Georgia.

Ukraine

The WG2 consists of 22 members and they are very active with their own expertise. The strategic goals of the UNP included implementation of the EaP priorities in Ukraine, advocacy of Ukraine's membership in the EU, capacity building of the NP members, and strengthening of the platform's role as the leader of Ukraine's European integration. All these goals were embedded into the WG2 activities. Each of the goals was achieved to a moderate degree. Many of the WG2 members cooperate with the Government Office for Coordination on European and Euro-Atlantic Integration and individual MPs providing their expertise in the relevant areas. An active focus is paid towards the implementation of the DCFTA. This, *inter alia*, includes the provision of training to the representatives of SMEs to learn about the existing opportunities under the AA and specifics of the export to the EU market. In the WG2 view, this assistance to businesses is crucial for their successful performances. Moreover, a constructive dialogue between SMEs and civil society is essential to identify the areas where this type of assistance is needed.

Among the major problems, one can identify insufficiently organized internal and external communication. The Covid-19 pandemic resulted in the need to swiftly adapt to the new realities, including the use of digital platforms. Yet, insufficient communication was an obstacle for more effective activities.

The effectiveness of the WG2 is measured through the achieved changes. Currently, many of the initiatives are still in progress. Among the initiatives, the involvement of the new WG2 members is promoted taking into account its focus on Ukraine's economic integration with the EU. However, the number of CSOs dealing in Ukraine with these issues is quite limited as it requires qualitative expertise. In general, the UNP strives to increase the CSOs' capacities pertinent, focused on but not limited to monitoring and evaluation of the implemented projects.

There are different consultative bodies and parliamentary committees which involve the expertise of the WG2 members. The recommendations delivered by the WG2 members are taken into account. There are examples of their inclusion into strategic documents at least at the district levels. CSOs also conduct monitoring in the areas related to their expertise. There is also a "Pulse of the Agreement" (*Puls uhody*) website at the domain of Ukraine's government where the AA implementation process is described in detail.

Ways to overcome existing challenges

Generally, advocacy campaigns and discussions with the domestic stakeholders were mentioned by all interlocutors. This involves MPs and relevant representatives at different ministries (incl.

environment, agriculture, economy, foreign affairs, etc.) and other public bodies, as well as working groups and other consultative bodies under their auspices. The latter could also be achieved through networking with partner organizations and experts acting in their individual capacity who are not parts of the national WG2.

Some examples of successful advocacy could be mentioned. For instance, in Georgia, the campaign for improving the capacity of civil society and the private sector and increasing involvement in the EU development programs and instruments was accepted by the country's Ministry of Economy. Yet, there are different situations in each country in terms of the intensity of possible advocacy and their channels, and these specifics should be taken into account.

At the EU level, the most effective way seems to be the development of relevant position papers, country updates, and similar documents where problems are indicated and recommendations for improvement are presented.

Future priorities and EaP CSF involvement

In Armenia, the first priority is country-specific as it involves repair works after the 2020 Nagorno-Karabakh war as well as social issues related to its consequences for the country. The second priority rests on the continuation of the work with youth and finding schemes to reduce poverty, secure youth employment, prevent brain drain, and overcome other challenges to economic security. The potential for further cooperation within the EaP in these areas was mentioned as the one being of significant demand.

An Azerbaijani representative underlined the need to address to evaluate the post-Covid economy. Further focus should be paid towards reforms aimed at the development of the private sector in the areas that are currently managed by the state sector. Public finance transparency and accountability is also an important issue, as well as the Enhancement of trade and economic relations with Europe.

For Belarus, the enhancement of the professionalism of organizations and working groups was important which is also relevant for other EaP countries. It was also underlined that the role of research could enhance argumentation of the business entities in promotion of their goals whilst business could provide empirical feedback for research-oriented entities.

In the view of Georgian WG2 national coordinators, the priorities should remain the same which is explained by the lack of sufficient progress. The role of the EaP CSF in helping to achieve these ends could be seen in more support and inclusion of the CSO sector in policy dialogue and technical assistance programs. More leverage for the CSO sector is also suggested to enable it to become an important counterpart to the state bodies in the areas related to the reform implementations.

Ukraine's WG2 national coordinator stressed that the priorities should be HDM between Ukraine and the EU, and the economic mechanisms of the Green Deal. The EaP CSF should act as an intermediary for methodological assistance, expert consultancy, and coaching focusing on country-specific and thematic issues.

Interest rate and financial sources

Generally, all interlocutors emphasized a medium to a high level of Working Group member organizations' interest and activity at the national level. Any interest should be motivated and communication is essential for that while the current online format does not contribute to this. Interest and activities could be enhanced through the ability to effectively influence policy-making, achieve legislative changes which will simplify the CSO activities and implementation of multilateral projects with significant added value.

The main funds come from donor organizations and are project-tailored. These entities include the European Commission, SIDA, GIZ, ADA, USAID, local embassies, various domestic foundations, among others. Some organizations are financed through membership quotas or personal funds of their members. In addition, some funds come from consultancy and expert services demanded from the civil society sector.

Visibility and the position of NPs concerning national and EU policymakers

All interlocutors acknowledge the need to strengthen the NP's visibility and position vis-a-vis domestic and EU policymakers. Specifically, an increase of CSOs capacity building, knowledge exchange, and cooperation enhancement were mentioned. Policy and position papers, country updates, and other relevant publications can be effective tools in this process. Another tool is qualitative information campaigns essential for the effectiveness of the NP activities and engagement of the new members. If the demand for it is enhanced, further expansion could be achieved. Yet, the need to find additional financial resources from donors, state funds, and businesses for funding common projects and actions for achieving goals on the way of EU integration is mentioned.

Role of the EU-based organizations

All interlocutors acknowledged the need to strengthen the role and involvement of EU member organizations in the WG2 activities. Their experience and knowledge are essential for changes in the EaP region. At the same time, it is suggested for the EU-based organizations to enhance their knowledge about relevant EaP countries to increase the efficiency of their activities in the region. The creation of a database of potential cooperation partners was also mentioned.

Key messages

- more access for EaP CSOs to the EU programs;
- more networking and joint projects with the EU organizations;
- capacity building of EaP CSO's through synergy, cooperation, and competition on the way of EU integration;
- contributing to confidence, knowledge, and competencies for life;
- while the EaP is a unique tool that enables CSOs to voice their views, the CSOs should make their voice stronger and more professional;
- support the reforms and, where possible, advocate before the governments of their necessity and the need to consider civil society's voice in this process;
- more trust-based attitude towards the EaP civil societies from the EU;

- switch from formal membership in the EaP towards real partnership when the countries could mutually help each other by focusing on the issues in common and two-way partnership with the EU.

EU-based WG member organizations

The total number of EU-based organizations currently involved in the WG2 activities is as low as three. Only two of them responded to the questionnaire. In the case of the Institut für Europäische Politik, no recordings were made due to privacy issues. Instead, only notes were collected. It was only one organization that was predominantly focused on the issues related to the WG2 thematic area, namely the Carpathian Foundation (*Karpatská nadácia*, CF) from Slovakia. Yet, their answers can be seen as a basis for further strategizing of WG2 priorities.

Scope of recent activities

In 2021, the main scope of activities of the Carpathian Foundation in the EaP region was limited to Ukraine, where it acts with a name-sake partner foundation based in Uzhhorod. Previously, the cooperation included the development of civil society, regional and local community development, non-formal education, and early childhood development (ECD) in marginalized (mainly) Roma communities. Supported by the state-run SlovakAid, this program became inactive due to budget cuts. The main focus was switched towards a bilateral cross-border ECD program, separately funded in Slovakia and Ukraine by a private donor. Additionally, the CF was cooperation was organized within the framework of the financial support by the Visegrád Fund and go beyond the Transcarpatia region. Targeting Ukraine and Belarus, they focused on the information, knowledge, and best practices exchange in the areas related to economic development, SMEs, or eco-innovations in Europe.

In the case of the Institut für Europäische Politik (IEP), their activities included project-tailored work, as it corresponds to the organization's profile. Overall, four projects were implemented covering such countries as Belarus, Georgia, Moldova, and Ukraine. Supported by German state or party-related foundations (Konrad-Adenauer-Stiftung), they encompass research support, knowledge exchange, countering disinformation (incl. analysis of regulatory framework and media activities), and CSOs capacity-building within the context of AA. Yet, these projects fall mostly within the scope of WG1. The IEP's engagement with the WG2 is merely linked to its previous project activities when the institution focused on the DCFTA implementation.

Main progress

In the CF view, Ukraine's CSOs and civil society, in general, increased their capacities in entering different planning, development, advocacy, and watchdog processes in Ukraine. SME-focused organizations advanced in knowledge transfer, including in the areas related to the approximation of legislation and similar issues.

Main challenges

In the view of CF, it is still hard to speak about "real" CSOs in Ukraine, as the legal framework for their functioning differs from those in the EU. It results in apparent challenges during project implementation and also affects their work in the country of registration.

Potentially, the EaP should lobby a swifter transformation towards the CSO functioning not only in Ukraine but also in other EaP countries to create more favorable conditions for that. Special focus should be paid to the legal aspects related to the NGO finances. Albeit being a challenge for many post-communist EU member states, their experience could be used in the EaP countries as a role model for both good and bad practices.

As for IEP, Covid-19-related issues were mentioned among the challenges which restricted on-site communication and brought the activities online. Additionally, a possible increase of the support schemes for newly-established and lesser-known organizations was mentioned to ensure their consistent work and develop their ideas.

Prospective priority areas

The answers collected from the CF include the following with the keyword "development":

- a healthy environment for economic activities with a special focus on SMEs and women in this context;
- a better legislative environment for CSOs, associations, businesses and trade unions, and
- financial instrument to support CSOs and other relevant stakeholders thematically active in the issues related to WG2.

As for IEP, their view was mainly focused on opportunities and potential developments coming from the DCFTA implementation, specifically in pushing the countries' authorities to get the advantage of the existing opportunities. Additionally, a possible increase of the support schemes for newly-established and lesser-known organizations was mentioned to ensure their work and develop their ideas.

Possible support from the EU-based organizations

CF stresses that it can offer its expertise in all relevant areas, which is more focused on the issues related to civil society and experience limited only to working with Ukraine. Being grant-making, it can also offer expertise in developing effective grant schemes, programs aimed at financial support, as well as in their transparent and efficient implementation in the EaP region.

The IEP emphasized the need to strengthen the networking among CSOs, academia, and think tanks, and use these opportunities to discuss relevant issues, particularly with the AA trio, and thereby present the CSOs perspective.

Recommendations

- Maintenance of a dialogue with the authorities on prospective legislative changes and collaboration with their peers from other EaP countries within the Forum and outside it to make their voice stronger;
- In the case of the AA countries, actively lobby before the government to use the full potential of the existing agreements.

- CSOs self-development for the purpose of gathering relevant data and information to be well equipped for the roles of watchdogs and advocacy actors;
- Addressing economic development with the focus on SME activities, identification of linkages between small and big actors, creation of a sufficient base for future CSR programs aimed to become a solid basis for independent support of CSOs activities;
- Continue reaching out to the EU capitals, particularly those that could be reached to be present in their agendas and realize own aspirations;
- Focus on the association trio to strengthen their cooperation, so they can use the existing opportunities and learn from each other in negative and positive ways.

Key messages

The general approach is to place the concept of "ambitions" as the central notion for prospective cooperation that should be aspired. This should involve the development of realistic and technically achievable targets consistent with concrete political goals.

PART II

WG2 AA thematic session

The WG2 thematic session was held on December 1, 2021, from 9:30 to 10:45. The EaP CSF responsible staff members involved Věra Řiháčková Pachta and Kristina Pitalskaia. The session was moderated by Maksym Koriavets, one of the WG2 coordinators.

The structure of the thematic session involved introductory remarks by the moderator, followed by country updates delivered by WG2 country coordinators. After that, the author of this report presented an intermediate WG2 activity report, namely Part I, and preliminary conclusions and recommendations formulated in Part III. The rest of the session was allocated to the discussion on the next steps and priorities of WG2 for 2022 following by concluding remarks by the moderator.²

In his introductory speech, Maksym Koriavets underlined the need and timeliness of the WG2 meeting. He emphasized that economic cooperation and partnership form an important element of the EaP CSF architecture, also on the eve of the 2021 EaP summit. He also stressed the need to take stock of the current economic development patterns and channel them towards the plans aimed at the post-pandemic recovery.

Albeit country-specific, the country reports were thought of as quite uniformed pieces of information. Before the session, the country coordinators were asked to prepare their answers to the following guiding questions³:

² Here and further in this part of the report, all references to the contents of the participants' speeches are based on the WG2 AA thematic session minutes compiled by Nia Chigogidze.

³ For details, please consult the EaP CSF Annual Assembly 2021 Working Group 2 Meeting Agenda.

- from the civil society's perspective, briefly assess the 2021 developments in the areas pertinent to WG2 agendas (trade, SMEs, digitalization, structural reforms, agriculture) in your country;
- briefly focus on up to three main developments and explain why they are especially significant;
- briefly describe the main obstacles and your vision of how to overcome them, incl. the role of EaP CSF Secretariat, WG2 members from other EaP countries, and WG2 members from the EU.

In addition to the above, representatives of the three AA/DCFTA countries were asked to:

- briefly structure the main progress areas related to the AA implementation and identify the main obstacles related to it, as well as the visions of how to overcome them, incl. the role of EaP CSF Secretariat, WG2 members from other EaP countries, and WG2 members from the EU.

Note: Country updates were presented in the alphabetical order of the EaP countries in question but not on the extent of the changes that occurred in a particular EaP country or specific successes of each country in the topics covered by the WG2.

Armenia

Tatul Manaseryan, WG2 Armenia National Platform's coordinator, informed that despite the pandemic his colleagues at the national level actively cooperated to address the thematic issues covered by WG2. He underlined challenges for Armenian WG2 members to work with the current government of the country due to the lack of interest in the WG2 members' expertise. The government was reluctant to their advice pertinent to several projects. This low level of cooperation with the government authorities presents a serious challenge for Armenian WG2.

Another challenge raised by an Armenian representative was attributed to the outcomes of the 2020 Nagorno-Karabakh war. In his view, despite strained relations between Armenia and Azerbaijan, there is still room for dialogue taking into account numerous common threats these two EaP countries face. He believes that all decisions adopted by authorities should be scientifically justifiable, while the voice of civil society should be heard to prevent unfounded actions. If representatives of the two countries join their efforts to reach this goal, the achievement of dialogue could become feasible. A further key message from Armenia also contained the notion of dialogue as its core. In the view of the Armenian representative, identification of common threats and challenges for the EaP countries is essentially embodied in the designing and subsequent implementation of joint projects. In his view, expert dialogue plays a crucial role in this process. It was argued that this type of cooperation will enable the EaP countries to eliminate stereotypes about them and demonstrate that they also have examples of expertise and best practices to share.

Azerbaijan

Samir Aliyev, WG2 Azerbaijan National Platform's coordinator, underlined in the beginning that his country and Armenia can identify common points which will enable these two countries to live peacefully as good neighbours.

As for the domestic developments in Azerbaijan, one of the key challenges for the country's civil society is the situation with the unfriendly legislation on CSOs. It results in the situation when experts act in their individual capacity as individual entrepreneurs. It also results in the situation when the number of people engaged in the CSO activities is decreasing. Yet, he underlined that there is some information, albeit merely rumours, that the Azerbaijani government is working to design a new law that is reportedly about to improve the framework for CSO activities.

As for the economy, the Azerbaijani representative underlined the high dependence of his county on oil. Specifically, its price substantially affects the patterns of Azerbaijan's economic development. If they drop, the government is more willing to work on reforms and economic diversification. An increase in oil prices creates the opposite effect as the authorities try to take advantage of the situation. Yet, it can be concluded that the digitalization of the country's economy is prioritized by the government. A further focus for the discussion is attributed to SME development. Current trends in Azerbaijan also reveal that the government raises taxes and makes them stricter. This negatively affects the CSO sector. Additionally, the increase in social expenditures which form 48 percent of the current budget is again linked with the oil prices. Expert assessments suggest that the drop in prices will likely produce economic troubles.

Belarus

Natallia Harbuz, WG2 Belarus National Platform's coordinator, informed that the group currently consists of six members. The activities of the group were significantly shaped by the 2020 presidential election in Belarus and its aftermath. It resulted in the restructuring of the WG2's activities, also taking into account the decision of Lukashenka's regime to suspend the country's participation in the EaP. Among other things, the group members focused on digital skills development and the extension of online communications. The presented information suggests that the group's prioritized activities involve the development of relevant tools and best practices to ensure public-private dialogue based on European technologies and best practices. Stakeholder consultations aimed at finding common goals for that took place.

Yet the achievements of the group should be measured through the political situation in the country and the CSOs need to adapt to it. On the one hand, the state largely disregards the opinions of the WG2 members or takes them to a very little extend and only in some of the thematic fields. On the other hand, 2021 can still be designated as a fruitful year. The WG2 issued a position paper related to regranting projects with teams from other countries. Among other prospective areas of cooperation, the potential enhancement of public-private dialogue with the Central Asian countries was mentioned. It was also suggested to have regular consultations with the secretariat which will contribute to the formulation of the realistic goals in the thematic areas covered by WG2. Furthermore, the need for more offline conferences during the post-pandemic time was suggested.

Georgia

David Tsiskaridze, WG2 Georgia National Platform's coordinator, referred to Georgia's progress pertinent to the harmonization of the domestic legislation with that of the EU. Specifically, he referred to the Covid Green passports that are used as a tool that identifies an individual's Covid status necessary for access to public places. He reminded that the European Commission recognized Georgian Covid passports as suitable for traveling to the EU which also substantially simplifies mobility and people-to-people contacts. A Georgian representative reminded that the country's government views the digital agenda as its priority for increasing economic and business opportunities. The 2020 economic strategy of Georgia addresses many overarching issues, including e-government, innovations, and availability of high-speed broadband internet. The main issue at stake is about the capacities of Georgia's authorities to transpose all advantages of the EU digital market. To achieve positive results, the government should develop digital market harmonization strategies, elaborate relevant national roadmaps, and design a relevant legislative framework.

One of the major challenges for Georgia is that the country faces insufficiently weak law enforcement. Moreover, businesses are not always aware of the existing sectoral legislation and the opportunities it can offer to them. Furthermore, for businesses, it is crucial to build and/or increase the capacities. It is particularly relevant for SMEs and their ability to get access to EU funding. It was reported that the government of Georgia launched consultations with the relevant bodies at the European Commission on this issue and CSO representatives were invited to be a part of these consultations.

Moldova

Viorel Chivriga who presented Moldovan country updates underlined the difficulties his country faced due to the pandemic, as it was unprepared for this type of crisis. Both the state and businesses faced several problems to which they had to adapt themselves. Yet, he underlined that Moldova found itself in a unique situation as its current political configurations allow the pro-European forces to implement reforms to the extent they never had before. There is a common understanding that the advantages of this political configuration should be used as broadly as possible.

When it comes to agriculture, 2021 was assessed as a good year. At the same time, this sector has evident multiple systemic deficits related to out-migration, aging, lack of infrastructure, and further vulnerabilities. Moreover, ecological problems could have negative consequences on the agricultural sector in the long-term run.

Moldovan representatives hope that a higher level of reform implementation under DCFTA. It was informed that WG2 in Moldova participated in a round table on the Covid-19 pandemic's effects on the SME sector. One of the issues studied by the WG2 members was the opportunities for export to the EU which resulted in a set of recommendations and a resolution delivered to all interested stakeholders.

Ukraine

Iryna Kuropas, WG2 Ukraine National Platform's coordinator, underlined Ukraine's progress pertinent to the AA implementation. She informed that 56 percent of Ukraine's commitments under it were implemented. She also referred to the "Pulse of the Agreement" (Puls uhody) website as a useful monitoring tool for the evaluation of the AA implementation process. According to her, some of the provisions in the economic part of the EU-Ukraine AA have no longer potential. An example could be the situation of the free trade zone developed based on numbers from the 2000s. In March 2021, the government approved a national economic strategy until 2030 which is crucial for the SME sector. Among other things, includes issues pertinent to digitalized services and small affordable loans. She also mentioned that in September 2021, Ukraine's authorities adopted a national strategy for the promotion of civil society development for 2021-2026. It reflects the importance of social entrepreneurship and civil society's engagement in the domestic discourses on various issues in Ukraine.

Presentation of WG2 Activity Report

Presentation of the main findings of Part I and preliminary conclusions and recommendations formulated in Part III of this report was made by its author, Kiryl Kascian. Yet, these issues can be skipped in this part of the report, as they can be accessed in the specified parts thereof.

Next steps and priorities of WG2 for 2022

In terms of time, this discussion was short but still fruitful. According to Ihar Rynkevich, it was essential to reflect the WG2 priorities in the strategy in the best possible way. Meaning Belarus, he emphasized that civil society in this country has to experience the situation when the government does not want to maintain relations with the civil society organizations. That is why solidarity among WG2 members is essential.

In the view of Nino Elizbarashvili, it is extremely important to address the role of women in the WG2 agendas. She underlined that women entrepreneurs faced particularly negative consequences of the Covid-19 pandemic, including a higher level of SMEs closure. According to her, the next strategy must contain a particular reference to the need to promote the role of women in business.

Sargis Sedrakyan, President of the Armenian Movement of Farmers, referred to the situation in Armenia. There, the EU implements green agriculture programs. These programs aim to develop agriculture, reduce poverty and emigration among the rural residents of Armenia. According to him, complaints from farmers are frequent that their good and feasible proposals are often rejected. Thus, the Armenian Movement of Farmers asked for the opportunity to monitor these programs to assist farmers and improve the quality of the targeting the EU funding. Further communication with Sargis Sedrakyan clarified several essential points on the reasons for the necessity of this monitoring. Specifically,

- ✓ many residents will significantly benefit from the EU agricultural programs and the organizations that practically implement them will not be discriminated against;
- ✓ it will lead to the decrease of poverty and outmigration in Armenia's rural communities;
- ✓ the role and reputation of the Armenian Movement of Farmers as the EaP CSF representative will increase;
- ✓ use of the EU funds will be more efficient and targeted.

Based on the assessment of the information delivered by Sargis Sedrakyan and the community importance of the endeavors pursued by the Armenian Movement of Farmers, it seems necessary to support his proposal to monitor the EU-funded agricultural programs in Armenia. It also seems that the results of this type of monitoring can be useful not only for Armenia and its agricultural sector but also for other EaP countries taking into account their specifics. Thus, the EaP CSF should consider providing monitoring for the CSOs that urge for that as necessary as well as offer feedback and, if necessary, methodological support for all organizations requesting for it.

Suggestion: The EaP CSF should consider launching a (sub-)unit within its architecture to handle this type of request and implement them practically. This can be country- or WG-specific.

PART III

Conclusions and recommendations for the future

Referring to the context of the WG2 online meeting in June 2021, the following areas can, among other topics, be identified as policy priorities of WG2:

- creation of favorable regulatory and economic environment through structural reforms;
- SMEs support and creation of new jobs, particularly the peripheral and rural areas;
- implementation of DCFTA and SEPA;
- digitalization and connectivity with relevant infrastructural upgrades;
- diversification and intensification of trade.

Based on the information received from the WG2 national coordinators and representatives of the EU-based CSOs, the following conclusions can be made.

1. The growing discrepancy between the AA trio and the other three countries (and particularly, Azerbaijan and Belarus) seems inevitable. Yet, all six countries have much in common and could learn not only from the EU-based entities but also from each other. It opens up further opportunities for cohesion among the EaP CSF member organizations against the background of growing differentiation within the EaP itself.
2. Due to its thematic coverage, the WG2 seems to be one of the most "depoliticized" WGs within the EaP CSF architecture. It makes it possible to more effectively address its thematic agendas also in the countries where authorities are more reluctant towards cooperation within the EaP framework.
3. Within the WG2 representatives from the EaP, a growing demand was identified in the domains pertinent to networking opportunities with the EU-based partners, implementation of joint projects, the capacity building achieved through synergy and cooperation, as well as knowledge exchange, including professional training sessions and best practices.

Considering the all above, the author of this report suggests the following steps for the improvement and strengthening of the WG2 performance which is also based on the SMART criteria:

- specific - the WG2 priorities should be perceived from the perspective of what all six countries and their societies have in common and learn from each other;
- measurable - it is suggested to set up specific baselines which will become measure units for the assessment; regular monitoring and watchdogging are suggested as the tools for such evaluation;
- achievable - all priorities should be feasible and remain consistent with the declared integration frameworks;
- relevant - all deliverables should comply with the key priority areas under the overarching framework of strengthening resilience in the EaP region
- time-bound - all activities should have short-, mid-and long-time results; to this end, it is suggested to perform regular performance assessments to measure the achieved results, identify the differences between the countries, and address the challenges and limitations which constrain the achievements of the planned results.

In practical terms, the following results can be expected:

- enhancement of the capacity-building and professionalism of the CSOs in the EaP region, including EaP CSF members and their partner organizations, to make them more capable of effectively handling different planning, development, advocacy, and watchdog processes in their countries;
- identification of multidimensional linkages between different stakeholders, representing authorities, businesses, CSOs, academia, and think tanks, and applying their potentials, with a more welcoming and supportive approach towards new and lesser-known organizations;
- establishment of closer networking not only within the WG2 member organizations but also between other EaP CSF WGs.

In practical terms, they can be based on **the 3R+R+V** formula. In this formula, 3R refers to recovery, resilience, and reforms.

The fourth R here implies regional focus which suggests promotion of more in-depth cooperation among the relevant stakeholders (CSOs, businesses, authorities, academia, think tanks) in the adjacent regions and countries in both EaP-EU and intra-EaP dimensions. The last R suggests a more achievable and overarching implementation of the 3R concept, as it will consider different ambitions of the individual EaP countries and apply comparable frameworks based on the greater familiarity of the potential partners with each other's situation. Through the prioritization of this dimension via the increasing number of projects consistent with the WG2 agendas, a more thorough focus can be paid towards the smaller urban centres and rural areas which also implies an increased focus on vulnerable groups, including those with multiple characteristics.

V goes here for visibility and is linked with the information, watchdog, and advocacy campaigns. The information received from the interlocutors suggests that position papers, country updates, and similar documents can be an effective tool in terms of bringing domestic and international attention to the issues that fall within the scope of the WG2 agendas. Online media and social

networks also proved their efficiency, particularly in the countries where CSO activities are more challenging, also because the WG2 agendas are relatively "apolitical." Yet, it seems that the number of relevant conceptual publications produced under the EaP CSF architecture is insufficient. The demand for these types of publications and analyses is substantially higher, as they may serve as one of the most effective ways to address the relevant issues at the EU level. Collaborative synergies with other relevant stakeholders (like business, think tanks, or academia) could create more potential for a more systemic approach towards these campaigns. Furthermore, for many CSOs that collect relevant information, particularly those lesser-known ones and/or with insufficient capacities for processing this information, it could be an effective tool to distribute this information and address specific issues in a more systemic and overarching way before a wider audience of relevant decision-makers.

All endeavors of the National Platforms, WG2 and its individual members performed within the scope of the EaP CSF framework should be more visible, whereas the cooperation within the EaP CSF framework should be more articulated.

In addition to the recommendations expressed by the national WG2 coordinators and representatives of the EU-based member organizations, the following specific **recommendations** are suggested for WG2:

- take advantage of the "apolitical" thematic scope of the WG2 in maintaining a dialogue with the authorities;
- achieve a balance between action-oriented CSOs and analytical/research centres who can process the information from the action-oriented counterparts and deliver conceptual products relevant to WG2 agendas;
- increase the number of thematic analytical publications addressing the WG2 agendas and enhance their visibility at the domestic and the EU level;
- for the EaP CSF Secretariat, use the available capacities and networking in attracting experts and expert collaborations to identify and produce topic-specific analyses, based on the resources from within the EaP CSF members (both the EU and EaP-based) and, where necessary, external experts;
- since a significant gap between EU- and EaP based organizations was identified, it is suggested to further expand their networking, using the available potential of the EU-based organizations for providing training, knowledge exchange, and performing/supervising analysis based on the information collected by the EaP organizations;
- all endeavors within the WG2 agendas should be consistent and pertinent, as well as further supported by the WG2 members on their own when the donor funds ended or are not available anymore.

The report was compiled by Kiryl Kascian, EaP CSF WG2 Consultant