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## PROPOSAL OF GEORGIAN THINK TANKS ON THE FUTURE STRATEGIC DIRECTION OF THE EASTERN PARTNERSHIP

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## Foreword

The Eastern Partnership (EaP) is nearly a decade old. As the partnership comes of age in a new era of geostrategic and societal challenges, it requires fresh approaches and direction. This report assesses the state of play in the EaP countries, 10 years on, with a particular focus on Georgia. It finds countries challenged by irregular out migration and brain drain, and populations questioning the validity of the EaP amid growing populism and Euro-scepticism – fueled by the heavy price of reforms, but also Russian interference. Yet this contestation, which includes new hybrid threats and overt challenges to pro-European actors and liberal values, makes the EaP more relevant than ever, and requires a robust response from the EU. Renewed and targeted EU investment is needed in support of both the political project (prioritizing human rights programmes and a priority for civil society development) but also to improve the material realities of EaP citizens: Investment in human capital (educational and life-long learning systems); mobility (legal migration partnerships); and infrastructure development are part of this story.

This report finds a great deal of potential win-wins for both the EU and EaP countries arising from a deeper engagement: security cooperation, in terms of the fight against radicalization and security sector reform, as well as more proactive EU engagement in transforming protracted conflicts in the region would meet EU’s strategic security needs. Support to regional connectivity across new sectors such as ICT and, where relevant, trade and energy policies could foster job creation and sustainable development as well as much needed intra-regional cooperation in a contested and fragmented region.

Differentiation will be crucial to the success of the EaP in its second decade. Noting the differentiated take-up of the EaP by the six partners, our experts argue that the EU should explicitly tailor the incentives offered, as well as the format and structures of the Partnership. Membership Perspective may be a distant prospect for now, but it should not be taken entirely off the table. In the meantime, expectations of partners should be managed: our experts advocate that a multi-speed approach should be instituted to respond to the ambitions of those “Associated States” having a deeper relationship with the EU, via Association Agreements (Ukraine, Georgia and Moldova). Such an approach can afford the EU some flexibility in pursuing alternative models of deeper relations among and with EaP countries.

Sectors such as trade and security policy can be addressed through a two-layered approach involving specific configurations for the three frontrunner countries. A DCFTA area, with a view to developing a European Economic Area is suggested on the former. On the latter our experts acknowledge that these countries are actual and potential strategic allies and security partners for the EU, whereas there are barriers to CSDP cooperation with CSTO member countries. Specific meeting formations should be created to reflect that. Nevertheless, the authors conclude that the EU should strike a balance of differentiation and inclusiveness among the six partners: ultimately a new approach should complement the existing



multilateral track rather than replace it completely: the “more for more” incentive should remain for Armenia, Azerbaijan and Belarus to come closer to the EU – contingent on them implementing necessary democratic and structural reforms. In other words: despite temptation to pursue more realist approaches in recent years, conditionality remains more relevant than ever.

This means the EU needs to diversify its efforts away from recent state-centric approaches and focus on empowering civil society organisations and non-governmental actors to take part in policy formulation and assessment and monitoring of EaP policy implementation. These people are the EU’s constituency. They are civil society actors, students, young leaders, entrepreneurs. Across the region they are making the case for a reform project that amplifies European values and provides peace, security and prosperity. As the EaP matures, the EU should not abandon the ideas and the power of attraction that motivated this project and should reward the efforts that have been made. Above all, the EU should resist internal pressures, as well as those of Russia, to weaken this project and take another path. It should reward efforts made and follow through with new incentives to EaP countries complete this exciting journey.

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## 1. HOW CAN WE BOOST ECONOMIC PROSPERITY AND HUMAN CAPITAL DEVELOPMENT IN THE EASTERN PARTNERSHIP WHILE PROMOTING SUSTAINABILITY?

The countries of the Eastern Partnership (EaP) need to achieve sustainable economic growth. In order to achieve this goal, they will need to create the conditions which enable people to have quality jobs that stimulate the economy while not harming the environment. EaP countries should therefore invest in human capital and promotion of knowledge and skills as a means to promote economic participation, social inclusion and sustainable growth. The latter are interdependent and can contribute to prosperity, trust, stability, security and co-operation in the EaP region. To date, achieving sustainability in this regard remains an unaccomplished task for EaP countries.

Another challenge faced by EaP countries, which must be tackled in order to boost sustainable development, is irregular labour migration. This relates not only to the violation of the rights of migrants involved and greater risks of trafficking, but also to the financial losses incurred by origin countries associated with fulfilling obligations under readmission agreements. In the case of countries having a Visa Agreement with the EU, there is the additional threat of suspension of visa-free travel due to growing numbers of illegal stays or unfounded asylum claims. Furthermore, irregular labour migration leads to a brain drain from the EaP countries, which hinders human capital development.

High unemployment rates in the region, particularly in Georgia, are the main driver of illegal migration, which is mainly to EU countries. The private sector in the EaP area is expanding slowly and the majority of jobs are being created in the low-productive service sector. As a result, the numbers of highly-qualified personnel are rising amid an overall context of high unemployment. Meanwhile, circular labour migration, while recognised as a legal - albeit temporary - means of mobility, is not yet fully established in the legal and institutional framework between the EU Member States and individual EaP countries. Against this backdrop, it is important to empower the EaP countries to use legal labour migration effectively in the interest of human capital development.

More broadly, recognising the potential for human capital development to contribute to boosting economic growth in the EaP area across a range of sectors, the European Union should take the following steps:

### **Labour Migration:**

- Open and, if applicable, speed up negotiations aimed at identifying opportunities for cooperation on labour migration with EaP countries;
- Streamline the legal framework regarding obligations and procedures for circular labour migration with individual EaP countries;

- Invest in vocational training and professional education;
- Encourage exchanges of students and professionals between EaP and EU member states by expanding programs for delivering lifelong learning skills, entrepreneurial learning and vocational training (e.g. Horizon 2020, and Erasmus+). This should include expanding the existing arrangement allowing EaP countries to access a special funding window within the Erasmus+ programme;
- Promote “Mobility partnerships” and circular migration with the aim of ensuring that part of the workforce undergo professional experience in European countries and upgrade their working skills; and design assistance programs supporting the returned circular migrants in re-integration into local economies.

#### **Energy and Green Economy:**

- Provide policy and funding to support the development of a green economy and eco-friendly production in EaP countries;
- Foster the creation of regional and sectoral clusters in EaP countries and between them, chains, supporting innovations through increased approximation with EU SME policy and funding inter-alia, through the Horizon 2020 programme;
- Support the development of renewable energy sources in EaP partner states – solar, wind, bio, hydro, other – in particular by providing assistance for necessary legal and institutional developments to allow approximation with EU policies in the field, as well as assistance for innovation, education and capacity building by reinforcing respective projects within the Flagship Initiative on energy;
- EIB, EBRD and EDF to increase funding for the production of energy-saving materials and technologies in construction and other industries in EaP countries, directing more investments towards SMEs oriented on innovations, high-tech and knowledge-based production.

#### **Connectivity: Transport and IT**

- Support the international competitiveness of goods produced in the EaP region;
- Strengthen connectivity – transport and IT communications – between EaP countries and within them by supporting transport, electricity and broadband connectivity with the EU; and linking the South Caucasus countries to EU electricity grid;
- Concentrate on developing information technologies and electronic trade with a view to effectively creating a digital trade market in EaP.

### **Business, Infrastructure and Trade**

- Encourage EaP producers to market their production for the European market through joint ventures and value chains;
- Promote intra-regional trade by supporting the establishment a regional deep and comprehensive free trade/economic area among countries implementing the DCFTAs;
- Establish a dedicated support mechanism for Ukraine, Georgia and Moldova – a Trust Fund pooling resources from public and private donors for investing in projects aiming to improve socio-economic conditions and infrastructures in the three countries;
- Promote SME and women’s entrepreneurship as important not only for improving equality, but also for greater economic efficiency and competition;
- Foster business-to-business interactions between EU and EaP countries through promoting B2B meetings, international business forums, trade fairs, electronic networks, etc.;
- Increase access to funds for small and medium sized businesses, and micro enterprises; help start-ups with initial capital, particularly in rural areas.
- In addition, donor organisations should support EaP countries' relevant line agencies by providing consultations and training.

### **Education and Research**

- Provide institutional capacity building assistance for the adoption of principles of smart specialisation also by drawing on the capacity and expertise of the European Commission’s Joint Research Centre;
- Support a greater number of educational programmes for the EaP, and also, ensure more integration in the EU research and innovation programmes.

## 2. HOW CAN WE FURTHER STRENGTHEN GOOD GOVERNANCE, THE RULE OF LAW AND THE SECURITY DIMENSION OF THE EASTERN PARTNERSHIP?

### EMPOWERMENT OF CSOs AND STRENGTHENING THEIR ROLE

The recent autocratic pushback in the EU’s Eastern neighbourhood shows that communist legacies are far more resilient than initially thought and that ruling elites are not always trustworthy local partners when it comes to consolidating democracy and the rule of law. Yet, the EU continues to follow a mostly state-centric approach in its relations with EaP partners. The recent pragmatic turn in EU’s approach, which includes a stronger focus on stability and less attention to the normative agenda, only strengthens further the ruling elites who have little interest in fostering good governance and rule of law. By contrast, the EU increasingly ascribes at best a low-profile consultancy role to local non-state stakeholders – including experts and civil society actors who are well positioned to provide analysis and critique of the state of democratic consolidation in their respective countries

From this perspective, an effective way to improve good governance, the rule of law, and by extension also to enhance security governance, will be through empowering non-governmental and civil society actors. One of the major challenges remains the nature of governance in individual countries where governments do not particularly welcome the participation of CSOs in policy evaluation or receiving advice and/or criticism from them.

The EU would therefore do well to stop viewing the development and reform in the EaP countries as the “sovereign responsibility” of governments and end its almost exclusive reliance on governmental channels of cooperation. Instead, the EU should give more support to civil society organisations a bigger stake in decision-making process. The EU is advised to support civil society organisations (CSOs) and other non-governmental epistemic communities to become key stakeholders in policy formulation in the EaP countries. Furthermore, supporting CSOs is not cost-intensive. It can be accommodated under current financial instruments of the EaP/ENP and reinforced under the EU’s proposed new Multi-Annual Financial Framework (MFF).

Another equally important challenge is the lack of technical competence of CSOs, especially in technical matters. For example, in Georgia, issues such as accreditation, customs, metrology, aviation, maritime affairs, blue economy, etc. are not subject to qualified monitoring of AA/DCFTA implementation due to the lack of technical expertise in civil society. The existing instruments providing EU assistance and support for CSOs are either insufficient or ineffective. In order to address the above-mentioned challenges the EU should contribute to strengthening the technical role of CSOs in the assessment and monitoring of EaP

policy implementation. This could be done by providing specific support for knowledge transfer and/or twinning between EU think tanks specialised in technical thematic analysis and EaP CSOs within the CSF.

As civil society plays a significant role in the enhancement of cooperation between the EaP and the EU, the National Platforms of the EaP CSF have a potential to become more productive and results-oriented partners. Empowerment of the National Platforms and more structured engagement in policy dialogues would further support the consolidation of civil society and the development of results-oriented partnerships. Thus, the EU should:

- Assist CSOs and other non-governmental epistemic communities to become key stakeholders in EaP Policy formulation and implementation ;
- Insist that governments include/invite CSOs in the process of evaluating EaP policy implementation;
- Enhance the Eastern Partnership Civil Society Facility so that knowledge and expertise are effectively transferred at short notice through tailor-made e-learning and/or workshops and other forms of twinning;
- Call on EU member states to develop stronger bilateral instruments towards CSO capacity building on matters in the EaP region.

## PROMOTING GOOD GOVERNANCE AND RULE OF LAW

Despite EaP countries' and particularly the associated members' gradual move closer to the European Union, longstanding barriers impeding further integration remain: problems related to the rule of law, the lack of an independent judiciary, high-level corruption and social hardship, all continue to hinder further integration, and in some cases, these problems have become even more acute. Apart from bringing legislative and institutional changes pursuant to AA commitments, there is a need to scale-up efforts for full-fledged implementation of necessary reforms.

Overall to strengthen good governance, and the rule of law of the EaP, the European Union should:

- Continue and increase training as well as twinning projects for judges, investigators, prosecutors, prison staff, public defenders and lawyers to increase their skills in protecting the rights of individuals;
- Increase support for individual human rights defenders and CSOs from available financial tools, and proactively support their participation in the process of implementing and assessing the state of play of reforms;
- Set up an inclusive and multi-stakeholder joint monitoring body to scrutinise the progress of implementation of AA/DCFTA. This would strengthen/formalise the role of CSOs in the process on the one hand, and on the other, increase the scrutiny of the governments;



- Enhance cooperation to fight against illegal migration, trafficking and other related issues. Expand cooperation between EaP countries and Europol and EPPO, including in the areas of fight against organised crime;
- Share experience in disaster risk management, including on forest fires, floods, wildfires and droughts through promoting Georgia's participation in the EU civil protection mechanism.

## STRENGTHENING THE SECURITY DIMENSION

The security dimension of the EaP remains largely vulnerable to the present challenges in international politics. To strengthen this dimension, it is proposed to introduce a two-layer system of security cooperation. The first layer should involve all six EaP countries and should concentrate on issues of internal security, such as the fight against terrorism, cross-border crime, radicalization and other relevant topics. This cooperation can also embrace all other aspects influencing the stability of states as well as efforts to maintain the regional peace. The second layer, dealing predominantly with external security issues, including most of the hybrid tactics deployed by Russia, should involve only the Associated States which are actual and potential strategic allies and security partners for the EU.

One of the most important goals of the Eastern Partnership is the deepening of cooperation and economic integration within the region itself. Keeping a high level of inclusiveness of all participating states in multilateral cooperation is essential. At the same time, it is obvious that due to the differences between the Eastern Partners, the cooperation formats (multilateral track) face certain limitations and difficulties owing to a lack of depth of engagement by all states. A differentiated approach that supports the development of bilateral cooperation between individual states and the EU can be a solution to a certain extent. However, to ensure that differentiation does not come at the expense of inclusiveness, it would be important to make the multilateral format more flexible and therefore effective.

For example, countries like Armenia or Belarus cannot actively participate in CSDP (security dedicated) panels, because of their membership in CSTO – a defence alliance led by Russia, an open adversary of European integration in Eastern Europe. CSDP meetings where the above-mentioned EaP states participate cannot address issues of open military and hybrid threats originating from Russia. Nor can all six partner countries adopt any common conclusions or recommendations on that issue. Another similar example pertains to trade related panels. There are many topics to be discussed with all six countries - international trade, promoting regional trade, elimination of non-tariff barriers, etc., but only the three Associated States can effectively engage in discussions around a DCFTA.

The CSDP Panel can also be held in two configurations. One for all EaP countries, which would discuss and encourage the exchange of information; increase understanding of EU security priorities among EaP partners; and discuss ways of preventing crises and address challenges in the wider region. Another

configuration can include only Associated States and, other states invited on an ad hoc basis, when appropriate. The invitations can also be extended to EU candidate and potential candidate countries.

In order to strengthen resilience of EaP states and enhance stability and security in the wider region EU should:

- Explore avenues for participation by EaP countries in security cooperation mechanisms, such as PESCO and the European Defense Agency;
- Increase support for programs designed to enhance security sector oversight and accountability; Strengthen security cooperation, including measures for building confidence and countering radicalization and violent extremism, among others;
- Foster cooperation in the area of cyber resilience for critical infrastructure.

### **PRIORITISATION OF CONFLICT TRANSFORMATION**

Most EaP countries continue to grapple with territorial conflicts that further intensify the security challenges they are facing. The EU only marginally refers to conflict management issues in its EaP policy, despite the intensity of the security dilemma and the persistence of protracted conflicts in the region. In the absence of engagement in this issue-area, it is questionable whether the EU's ambitions in terms of fostering state and societal resilience in EaP region can be met fully and durably.

Moreover, the EU has always shied away from taking an active role in resolving territorial conflicts in the post-Soviet space. The main reason is the lack of political will to actively oppose Russia, which uses these conflicts to block the advancement of Western influence in the shared neighborhood. The imposition of sanctions against Russia has been so far the most stringent measure taken by the EU, but the impact of this measure is apparently insufficient.

Besides the geopolitical aspect, the second reason for EU inaction specifically in Georgia, is that the conflicts in Abkhazia and South Ossetia are also ethno-political in nature and require reconciliation of the parties. To get involved in the process of peaceful resolution of these conflicts, the EU will need to win the confidence of the parties. However, because the EU officially supports the principle of Georgia's territorial integrity, a special approach to the separatist sides of the conflict is necessary in order to play the sophisticated role of a neutral mediator. So far, the EU cannot cope with this dilemma. This is the reason why the EU's efforts have been less visible in Georgia than in Moldova. In the case of Moldova, the EU has become an alternative to Russia at least in the field of foreign trade for Transnistria as the latter has been convinced to embrace DCFTA policy. As a result, the EU has become a significantly larger market for Transnistrian exports than Russia. Accordingly, the dependence of this region on Russia is decreasing.

In the case of Georgia, however, the EU cannot boast of a meaningful impact. Although the EU-mandated monitoring mission (EUMM) plays an important stabilizing role, it does not aim to resolve the conflict. The

Geneva discussions, where the EU is a part of the mediators, have not brought results towards conflict resolution for a long time. A few years ago, the EU declared a new approach to conflicts in Georgia - Engagement without Recognition. Unfortunately, the first part of this formula remains somewhat empty. The existing context is extremely unfavourable and makes “engagement” difficult. Against the background of the fierce Georgian-Russian dispute over the status of the breakaway territories, it is a challenge for the EU to fit into the process of a comprehensive settlement where the Russia-backed Abkhazian and South Ossetian parties have their claims to Tbilisi.

Furthermore, the dominant paradigm of "conflict resolution", embraced by official Tbilisi and Sukhumi/Tskhinvali as well as EU and donor community, is not useful in the current context and needs to be modified. Within the conflict resolution approach all efforts are directed at finding ways to reconcile the entrenched positions of parties to the conflict. Because this is a mission impossible in the foreseeable future, the process should be gradually diverted towards transforming relations between the immediate parties to the conflict in order to stop mutual alienation and begin building trust. Examples of such relations in Moldova or Cyprus should become a new benchmark for the time being. However, such a reorientation of the process is a very difficult task and not everyone is able or willing to contribute. Only the EU is in a position to bring parties to the conflict together through a mixture of incentives, confidence building measures and people-to-people dialogue. The EU also has a broader concept of dialogue which embraces not only state actors but also non-governmental actors (track 2) and even citizens' community based organisations' (track 3) diplomacy, whose involvement is required to address the different levels of this conflict. In short, the EU should prioritise active engagement in the protracted conflicts in the EaP area. In order to fulfill its role as an effective mediator and even transformer of conflicts the EU should:

- Devise tailor-made approaches to the conflicts taking into account the specifics of each case;
- In the case of Georgia, engage with government and civil society towards complementing the existing “conflict resolution” paradigm with a “conflict transformation” one, aiming at the attainment of social change in relations between Georgians and Abkhaz/Ossetians;
- Support public discussions to raise general awareness about the expediency of focusing on conflict transformation as oppose to ‘managing’ the conflict or ‘resolving’ it;
- Develop the EU-funded and UNDP-administered CBM facility (Confidence Building Early Response Mechanism - COBERM) facility to meet the needs of conflict transformation projects;
- Support the Georgian government’s peace initiative “A Step to a Better Future”, also with funding through a Special Independent Fund.

### 3. HOW TO ENHANCE COOPERATION BETWEEN EASTERN PARTNERS, WHILST APPLYING THE PRINCIPLE OF DIFFERENTIATION?

#### PROMOTE BOTH MORE INCLUSIVENESS AND MORE DIFFERENTIATION

To a large extent the EU still sticks to the regional one-size-fits-all approach within the EaP framework. Yet the result is that the political elites, various epistemic communities and populations in the EaP Associated States are not happy with how the policy is developing. There is a sense that their progress is not rewarded enough as they continue being put in the same basket as countries which have no interest in going far beyond of existing contractual relations with the EU.

The EU's 'more for more' approach has largely remained a paper tiger and in practice was limited to (moderate) financial carrots. Furthermore, whereas the EaP has formally remained a single framework, the gap between the EaP countries in terms of interests and transition paths has only increased. It is a fact that Associated countries (Georgia, Ukraine and Moldova) need a more robust institutional framework, since there is a growing mismatch between the level of ambition, priority and the depth of their relations with the EU and that of other EaP countries (notably Armenia, Azerbaijan and Belarus). A new setup should be instituted to respond to the ambitions of these three countries and reflect the degree of their partnership. At the same time, this should not happen at the expense of weakening the multilateral track; it should complement the existing framework rather than replace it entirely.

One way to go about it is to establish a separate panel for countries implementing the Association Agreement and DCFTA. This would replace informal ministerial meetings held among the three countries and serve the purpose of coordinating economic and political reforms set out in the agreement. The EU could also establish a regular platform for high-level dialogue with heads of the three countries. To foster intra-regional cooperation, the EU should also support the establishment of an economic area among the DCFTA implementing countries emulating the existing practice of Visegrad Group and CEFTA, with an eventual possibility that the bloc will be granted freedom of labour movement to the EU.

The EU should pursue a bolder agenda in the multilateral track as well, focusing on cross-cutting areas such as physical connectivity, energy, environment, transport, etc. Other possible measures include abolishing roaming tariffs and easing regulations for financial transfers. All of this, however, should be contingent upon implementation of democratic reforms by participating states.

The EU is advised to promote both more inclusiveness and more differentiation. The differentiation between three Association Agreement signatory countries (Georgia, Moldova, and Ukraine) and the remaining three states (Armenia, Azerbaijan and Belarus) is only implicit and not acknowledged formally by the EU. Ideally, introducing a multi-speed format would allow the EU to fully realise the "regatta principle" which underpinned reforms in Central and Eastern Europe, whilst also enabling the EU to

support societal pro-reform groups in all EaP countries. At the same time, the EU should not exclude the three other countries from the new formats and offer them same incentives, if they prove willing to undertake the necessary reforms and if they show increased interest in closer relations with the EU. This would strengthen across the EaP countries the regatta principle, which produced impressive outcomes in the Central and Eastern Europe and assisted the countries in their reforms. The EaP countries need a similar push.

The lack of clarity about the EaP's final outcome is another source of divergent expectations among EaP countries. Stemming from the key differences in EU member states' national approaches towards the EaP in terms of accession perspectives for the partners, this uncertainty creates the context where the benefits of differentiation further fuel unjustified expectations among "frontrunners", and at the same time cause suspicion among others. However, in the absence of a European perspective within the EaP framework, differentiation remains an indispensable tool for retaining reform dynamics in "frontrunner" countries.

By contrast, the current EU practice, whereby the general framework and the agenda guiding the EaP are not established jointly with the partner countries, risks undermining the sense of ownership among some EaP members. Also, other models of relationship with the EU (e.g. EEA, Swiss bilateralism, Turkey's Customs Union, etc.) have not been given due consideration to date. Lack of acceptance by the EU of ideological contestation coming from EaP partners may hamper the promotion of EU norms across EaP and further limit ownership by these countries, potentially leading to fully-fledged rejection by some partners. Thus, the EU should make the policy design more inclusive by conducting real political dialogue around the future direction of the policy, particularly listening to those willing partners, instead of unilateral decision-making.

## **BOOST TRADE AND ECONOMIC LINKS**

To increase trade and economic relations between EaP countries it is necessary to establish more opportunities for business exchange (B2B) and share experience. This can be done by promoting regional projects where business representatives can frequently meet and, in increasing numbers, establish contacts, make each other familiar with their activities, seek partnership, sign trade contracts, establish joint ventures or include each other in regional/sectoral clusters.

They may also inform each other about the conditions in their markets, supply and demand trends, etc. With the support of EU, EaP countries could also jointly organise fairs and exhibitions to make each other familiar with their business/production achievements, and market opportunities. EaP countries should

also seek to improve their trade in services. It would be important to conduct a study of service markets in neighbouring EaP countries with a view to making recommendations as to how citizen engagement could help develop a cross/border trade between EaP countries.

Whilst there are challenges to the multilateral format in the context of the EaP, it would be important to keep the structure of the Multilateral Platforms intact. Significant developments at the international level continue to make multilateral discussions on issues ranging from security and resilience, to renewable energy and energy security, climate and connectivity highly relevant. However, there may need to be adjustments to existing formats, including at the lower levels. For example, the EU should introduce specific formats of cooperation, where the participation of specific EaP states will depend on its relevance to their policy alignment and ambition. One suggestion would be to introduce a Panel of Associated States (AS), where other (non-associated states) could attend only part of the discussions, related to the analysis and evaluation of progress. This means that discussions dedicated to new measures and developments related to general AA issues should only be attended by AS. Such an approach would contain both inclusiveness and differentiation.

The Multilateral panel on trade could also be divided in two parts – one dedicated to the measures to increase bilateral trade between the EaP countries as well as with EU. Here all six participating states could share their concerns, proposals and plans for future work. A separate section of the panel could then be dedicated to the AS countries and EU, addressing issues such as: increasing trade convergence between AS, the state of play of DCFTA implementation, sharing of experience and opportunities and challenges related to the reform of regulatory sphere, etc.

The multilateral Panel (apart from Flagship Initiative) on Energy should also be divided in two parts – one will address issues of cooperation between EaP countries, sharing experience of implementing energy security, energy efficiency policies; and discussing and promoting energy transit, renewable and climate change related topics. The EU, relevant EU institutions and AS, should also attend a separate part of the Panel, dedicated to the Energy Community and EU energy policy requirements under the AA. Given that all three states are members of Energy Community, it is important to consider the mentioned issues together.

By contrast, the Panel on connectivity covers Transport, Communication and Energy (pipelines, electric lines, cables) and as such is relevant for the whole EaP region. This panel is especially important as a means to promote infrastructural links across the region. In the presence of the EU, EIB and EBRD, as well as the EIF all six partners should discuss and propose the projects for better connectivity in the EaP area.

The EU will need to assume leadership and take decisive measures to ensure that the deliverables meet the needs and are better aligned with expectations. In this regard, improved cooperation and experience

sharing among the EaP member states play a major role. The EaP countries, especially the ones with Association Agreements, face many common challenges and crosscutting policy priorities (good governance, transport, energy, security, etc.). They need an appropriate format for more tight and thematic cooperation to create an added value and achieve multiple results.

The EU has to demonstrate that the countries who take actions and conduct more reforms will have an opportunity to access more thematic and financial support and vice versa. In turn, the EU should be strict and demanding towards the EaP countries in terms of implementation of the agreed policy agendas. This would further contribute to achieving more ambitious reforms and sustainable progress.

Furthermore, the increased involvement of EaP countries in EU programs and agencies can bring tailor-made benefits not only to the state institutions of those countries but also to many other actors in different fields such as culture, education, innovation, etc. The EU should also consider inviting the countries with Association Agreements to the meetings of the EU sectorial Councils and enabling them to participate in the meetings, enrich their experience and obtain political support.

In order to enhance cooperation between the EaP partners and the EU, and effectively address the above-mentioned needs, the EU should now take the following steps:

**Differentiated yet inclusive approach:**

- Recognise the differentiation among the EaP members explicitly and define relevant aims for each member type;
  - Upgrade the EaP to a multi-speed EaP+ format offering the frontrunner EaP states new benefits, and embracing the ‘regatta principle’ among the EaP states, while excluding (for the time being) the automatic pathway to the membership perspective;
  - Develop a flexible approach to multilateral panels across a range of sectors (CSDP, trade, energy and infrastructure, connectivity) adapted to the specificity of sectors and the level of ambition and policy alignment of partners in each sector, so that ‘associated’ countries can have deeper cooperation with the EU and each other where relevant;
  - Develop a separate panel with Association Agreement countries and conduct permanent and intensive consultations on the reform implementation process;
  - Foster intra-regional cooperation in specific thematic areas, such as the establishment of an economic area among the DCFTA implementing countries emulating the existing practice of Visegrad Group and CEFTA;
  - Elaborate a clear vision with specific and measurable indicators, thus defining relevant milestones and benchmarks relevant to that specific EaP partner.
- Improved and tailored technical support;

- Increase support during reform implementation processes, including improved technical assistance, twinning and training programs for the EaP countries;
- Strengthen bilateral and multilateral cooperation through experience sharing, thematic discussions and capacity building on reform implementation;
- Enhance coordination and provide more support for crosscutting reforms and regional initiatives, including regional DCFTA.

### **More for more**

- Uphold the conditionality principle and maintain a strict policy in terms of “more for more” and “less for less” approach, not only related to the policy ambition of EaP partners, but also based on an evaluation of the progress made and how well reforms are being implemented;
- Make credits, grants and loans more accessible for countries that implement more ambitious reform agenda;
- Conduct more comprehensive monitoring and evaluation of the EU financial assistance and reform implementation processes.

### **Civil Society Involvement**

- Ensure capacity building and more structured engagement of National Platforms of the EaP CSF in policy planning, policy monitoring and evaluation.
- Support the development of strong ties among the EU member states’ and EaP countries’ think tanks, universities, academics, professional networks etc.



## 4. HOW CAN WE DO MORE TO ENHANCE VISIBILITY OF THE EASTERN PARTNERSHIP?

The issue of visibility cuts in both directions: on the one hand, it is important to raise awareness of the Eastern Partnership in Europe. On the other hand, it is necessary to raise public awareness in EaP countries about the EU's activities. It should be alarming that currently less than five per cent of the population in the EaP countries have even heard of the format, while the level of awareness about the EaP in the EU is lower than one per cent. Since the EaP is the key format for cooperation among the EU and EaP countries, the current low awareness of the EaP is an important obstacle to the promotion and success of partnership and cooperation.

As for the visibility of the EaP in Europe, it is advised to place raising awareness of the EaP higher on the agenda. Visibility and communications have a key role in facilitating the effective integration of the EaP countries in the EU. Eastern Partnership countries enjoy very low visibility among EU member states, while the EaP remains rather a vague concept in the mind of the average European. Symptomatically, the Eastern dimension of the European Neighbourhood Policy only accounts for one-third of the ENPI/ENI budget. That is, for instance, far less than funds allocated by the EU to the transformation and integration of Central and Eastern European countries between 2000 and 2006 (through PHARE, ISPA, and SAPARD).

Today in EaP countries there is no purposeful work being done to create a favourable narrative about the benefits the EU could derive from rapprochement with them - neither as individual nations nor collectively. EaP countries are not paying due attention to external strategic communication to increase visibility in Europe and, instead, are placing all their emphasis on working to ensure vulnerable groups within their countries are inoculated against Russian propaganda. In the case of Georgia, these groups are mainly ethnic and religious minorities. Additionally, in the case of the South Caucasus countries of EaP, unfavourable geography and underdeveloped transport infrastructure act as an obstacle to ease of communications and regional connectivity.

Furthermore, the EU's public image in EaP states also suffers. That is mostly because the EU does not do enough to raise public awareness about its activities in the regions and minority areas. As a result, the European narrative is hijacked and misused by Eurosceptic groups in the EaP countries. The EaP countries face many common challenges, but there are important differences among the EaP countries as well, which should be considered during the elaboration of the visibility and communication policy framework. Taking into account the demands of new media and hybrid challenges, the EU needs to modify its traditional visibility and communication architecture to reach target audiences more effectively and find its appropriate place in the crowded contemporary information space.

In order to win the battle of messages and narratives it is vitally important to have coherent and well-coordinated strategic communications. Existing practice demonstrates that the EaP countries have low capacity and competence in the field of strategic communications. Despite the fact that the EU countries successfully established the East Stratcom Task Force in 2015, not enough pro-active and tailor-made visibility actions have been taken by the EU so far. Lack of coordination among the EU and EaP countries and inadequacy of joint efforts often results in fragmented and sporadic visibility actions on the common agenda both in the EU and in EaP countries.

Most of EaP countries are on the frontline of Russian propaganda and disinformation campaigns. Russia makes every effort to undermine the belief in and adherence to European values among the people of the EaP countries as a means to prevent them from seeking EU integration. The EaP countries are also constantly challenged by the Russian Federation to choose between their values and short-term interests.

Together with foreign threats, there are many different and important aspects preventing the EaP and the EU from achieving more effective visibility. Currently, independent media and civil society organisations – two key actors with a huge role in ensuring effective grassroots visibility and communications - lack adequate resources. Frequently enough, this results in poor media literacy, lack of civic education, reduced resilience and ineffectiveness in the fight against disinformation. These challenges, which also exist in capitals of EaP countries, are even more acute in the regions of the EaP countries.

Social media and digital diplomacy can play a crucial role in ensuring coherent and result-oriented visibility of the EaP and the EU. Considering the large gap between the capitals and regions of the EaP countries in terms of communication tools and citizen awareness, both traditional and new types of media are vital for raising awareness and ensuring timely and effective engagement of different target groups.

Bearing this in mind, the EU should take decisive steps to ensure that all media and information stakeholders deem the adopted policy important and relevant, so that the experience is shared and actions are properly coordinated. Visibility and communications should be understood as one of the key leadership requirements, and the EU and EaP countries need to find new ways of being creative and innovative in this regard.

The EU and its member states need to improve their communication strategy with the EaP countries and public. The EU should, for instance, sponsor advertisements on national and local TV channels in order to promote what the EU does for and in EaP states. Even though the EU does not embrace the language of political symbolism and assertive posturing, it should promote the image of a stronger, principled and more effective EU to counter the populist narrative of a weak and inefficient union that is unable to cope with its internal and external problems and is not taken seriously by other actors.

The EU should also strengthen democratic conditionality towards EaP state authorities so the population understands that the EU and European states care more about the needs of ordinary citizens than the needs of government. That will contribute to neutralizing the anti-Western narrative propagated by Eurosceptic actors, which portrays some EaP authorities as Western puppets and the West as an imperial great power.

To enhance the visibility of the Eastern Partnership and the EU, and to demonstrate the continuing relevance and need to work in partnership to provide a better future, the EU should take the following key actions: 1) Foster the development of a reasoned narrative, working together with governments and civil societies in the EaP countries, which spells out how the EU's interests will be best served if EaP's security and welfare are better protected; 2) Support EaP governments and EU member states to devise and coordinate external strategic communication targeting European institutions, societies, and pro-EU political parties.

To boost positive EU communication and foster societal resilience, the European Union should:

- Promote joint communications efforts and increasingly close coordination among the EaP countries through multilateral and bilateral meetings with a focus on developing coherent and well-coordinated strategic communications with the active engagement and participation of the EaP countries;
- Share the best experiences of its member states on strategic communications with the EaP countries and support the development of effective communicator networks;
- Open up the European Centre of Excellence for Countering Hybrid Threats to the participation of EaP countries;
- Invest more in peer-to-peer capacity building and experience sharing in activities like media literacy, civic education, countering disinformation, etc. focusing on exchanging best practices among countries with similar histories and challenges, notably the Central and Eastern European EU member states in particular;
- Increase financial support to the EU East StratCom that is tasked with communication and promotion of EU policies towards the Eastern Neighbourhood. This would involve strengthening cooperation between the East StratCom and EaP member states including through developing institutional ties, such as designating special country desks for each of the EaP countries;
- Invest more in building resilience to hybrid threats (propaganda, disinformation, deception etc.), in the region, while also demonstrating greater support of peer-to-peer initiatives between countries and ad hoc activities;
- Provide greater financial and human resources to EaP countries' CSOs and authorities to counter Russian disinformation and propaganda and improve cyber security;

- Enhance cooperation between StratCom’s EUvsDisinfo portal and EaP civil society organisations working on disinformation;
- Increase non-EU quotas in the “blue book” training scheme and support study visits of youth activists and young political leaders to EU institutions in order to enhance cooperation and networking between EaP youth with their counterparts in the EU;
- Continue and expand the EU Young Ambassadors program and Eastern Partnership Civil Society fellowships;
- Engage with Eurosceptic segments of society (minorities, church);
- Enhance financial support for national and local media outlets, as well as media monitoring efforts;
- Increase financial assistance for media literacy initiatives, particularly to those targeting high school and university students;
- Enhance financial support for national and local media outlets, as well as independent media monitoring efforts, and provide targeted support to media outlets and think tanks involved in countering Russian disinformation;
- Demonstrate the concrete benefits of the EU assistance more vividly through both traditional and new media channels, and proactively use social media and digital communications at the level of EU delegations;
- Increase activities for raising awareness and improving visibility in the regions of EaP countries;
- Keep the EaP on the EU agenda at the highest levels of the new Commission and Parliament, and clearly demonstrate strong support for it.

## 5. WHERE NEXT FOR THE EASTERN PARTNERSHIP? REFLECTIONS ON THE FUTURE

Three of the EaP partner countries (Georgia, Ukraine and Moldova) have considerably advanced in their transformation and Europeanization efforts; shown determination in their European aspirations; and are ready to not only absorb and respect European values but also actively defend and promote them at the regional level. The three other EaP partner countries (Armenia, Azerbaijan and Belarus) whilst maintaining a general interest in continuing rapprochement with the EU, have not demonstrated the same level of ambition neither with regard to approximation of values nor in pursuing a European perspective. This fact should not deter the EU from engaging further with these latter countries, as long as they show determination for continuing with democratic reform.

### CREATION OF EEA BETWEEN EAP ASSOCIATED COUNTRIES AND EU

The current state of play therefore requires a two-speed 'Eastern Partnership' in line with the *regatta principle*. In terms of concrete policy outcomes, the further development of EaP could lead towards a regional deep and comprehensive free trade area in the first instance between three Associated States (AS) of Ukraine, Moldova and Georgia, with the prospect of its future extension to create an European Economic Area "Plus" (EEA+) with the EU.

In this vein, the EU is also advised to work on alternative models of cooperation with the frontrunner EaP countries. In the absence of a short-term EU membership perspective, the establishing of European Economic Area with the EU could act as a golden carrot. The EU should open up the long-term prospect of creating the EEA with such countries. As it stands now, the EEA seems to be the only incentive that can fully replace the golden carrot of EU membership. Certainly, it will take years until Associated States can become fully prepared to satisfy the conditions necessary to conclude such a deal with EU.

The EU should not only maintain the EaP as a unique form of regional cooperation with Eastern Europe, but also encourage Associated States to construct and employ other models of regional cooperation, similar to those existing in Central Europe, Western Balkans and the Baltic region, which were created to support their erstwhile integration into the EU.

### EUROPEAN PERSPECTIVE STILL NEEDED

For the time being, the lack of membership perspective continues to undermine the attractiveness of the EU in the frontrunner EaP states Georgia, Moldova and Ukraine. The problem is exacerbated by the lack

of a new vision and/or new incentives for three EaP states. The trio of Associated States has consumed all the juicy carrots and therefore the pro-European forces in these countries need new sustenance with which to continue the reform process and keep in check the Eurosceptic anti-reformist political and social actors who are now emerging at the national level.

Aside of 'ideas' contestation in national politics in EaP countries, there is also a geo-strategic risk: in the absence of membership perspectives, the EU's transformative power in the EaP region can only be weaker, while the costs of transformation to be borne upfront by the Associated States are substantially higher. The EU will need to take care that the sense of historical injustice and disappointment among pro-European EaP countries arising from the constant and firm rejection of the prospect of EU membership does not further hinder creation of a favourable ground for promoting democratization and further Europeanisation of the region.

At the same time, the EU needs a clear vision to motivate the EaP countries and bring concrete and tangible results. While discussing the future of the EaP, it would be a mistake to declare that the "European Perspective" is not up for discussion even for the most successful EaP countries that are implementing Association Agreements (Georgia, Ukraine and Moldova). This is because, based on a variety of studies, a majority of people in the EaP frontrunner countries consider the membership of the EU and European Institutions to be the best and the most desirable choice.

Deeper integration and political acknowledgement of the European perspective can be granted in exchange for rule of law and good governance reforms; it will help implement the Association Agreement/DCFTA, and galvanize pro-democracy and pro-reform elites and their constituencies. This will also be in line with the 2017 summit declaration that welcomed "strengthened differentiation" between the EU and EaP countries.

## **MORE EMPHASIS ON DEMOCRACY AND HUMAN RIGHTS**

There are also efforts that the EU can make in its programmatic cooperation that can strengthen the EaP: Recognising that the EaP remains a political project, the EU should also put more emphasis on issues of democracy and human rights in its development support programs. Technical milestones are important, as they allow for more precise evaluation and implementation, but the EaP was not designed as a managerial project. Overlooking the political nature of the project would risk EU's credibility and attractiveness.

At the same time - and as part of a twin-track approach with normative development support programs detailed above - the EaP needs to demonstrate that it brings tangible improvements to people's day-to-day material realities. To maximise impact and benefits to citizens, the EU should also prioritise

infrastructure development in its financial support to Eastern Partnership countries. All EaP countries are in dire need of infrastructure investments, but this has not been reflected in the design of EaP. Therefore, more attention should be drawn to infrastructure development in post-2020 EaP agenda.

For more successful cooperation and result-oriented partnership with the EaP countries, the EU should take the following steps:

- Support the establishment of the regional economic area of the countries with an Association Agreement (AA) to enhance economic ties both with the EU and between the AA countries with a view to creating a European Economic Area (and eventually an EEA + should additional EaP countries join).
- Open the long-term European Perspective to the EaP countries, especially for the three Association Agreement country;
- Balance incentives with demands at the level of sectoral development support programmes in the post-2020 EaP by prioritising the offer a twin-track approach of infrastructure investment alongside support for human rights and democratisation.



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