

**Eastern Partnership Civil Society Forum**  
**Working Group 2 on Economic Integration and Convergence with EU policy**  
**Information bulletin**  
*No1, February 2010*

**January-March 2010**

This bulletin represents the ambition of WG2 to have regular, useful and informative paper which will provide the working group members with updated information about EaP current activities and opportunities; about priority directions agreed in the WG2 recommendations in November 2010; and will also assist in developing networking and achieving practical results through WG2 activities.

The bulletin structure is flexible; it may vary depending on WG2 participants' interests. Thus the higher involvement of social partners, business organizations and civil society organizations in defining the points of interest to highlight is very welcomed. Any comments, suggestions and participation at preparing this bulletin are highly appreciated.

**Content:**

- 1. Minutes of the Eastern Partnership Platform on Economic Integration and Convergence with EU Policies meeting (Thematic Platform 2, 9<sup>th</sup> November 2009, Brussels)**
  - 2. Brief report on presentation of WG2 activities at CSF Steering Committee meeting (22<sup>nd</sup> January 2010, Brussels)**
  - 3. Brief report of WG2 representatives participation at the meeting between DG Enterprise, DG Relex, DG Aidco and OECD (3<sup>rd</sup> February 2010, Brussels)**
  - 4. Progress on WG2 recommendations**
  - 5. Schedule of some meetings and events related to EaP and WG2 activities in March and April 2010**
- Announcement**

<b>Minutes of the Eastern Partnership Platform on Economic Integration and Convergence with EU Policies meeting (Thematic Platform 2, 9<sup>th</sup> November 2009, Brussels)</b>
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The second meeting of Platform 2 took place in Brussels on 9<sup>th</sup> November 2009. At this meeting the Platform adopted a work programme for the years 2009 – 2011 with regard to the practical implementation of the multilateral framework of the Eastern Partnership in the area of economic integration and convergence. The meeting was chaired by Director John Farnell (European Commission, Directorate General Enterprise and Industry). It was divided into six sessions beginning with a comprehensive discussion on the draft of its work programme including the core objectives of this Platform followed by a substantial discussion on the management of the economic crisis, priorities in the field of regulatory approximation and cooperation and the development of cooperation on regional policy issues, based on the achievements of the EU cohesion policy. The OECD, which was invited by the Platform as ad-hoc participant, introduced its South-Caucasus–Ukraine initiative in order to support private sector development and SMEs in the region of the Partner Countries. Finally, the Platform was informed about the state of play regarding the “SME Facility” Flagship Initiative.

Work Programme 2009 - 2011:

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The Platform agreed to focus, in the near term, on two Panels related to “Trade and Related Regulatory Cooperation linked to Deep and Comprehensive Free Trade Areas (DCFTA)” and “Environment and Climate Change”. The first Panel will address the core objectives of regulatory approximation across the whole spectrum of the EU acquis related to trade and investment and enhancing the administrative capacities of Partner Countries. It will also support the creation of a network of bilateral Deep and Comprehensive Free Trade Areas and involve the business community. The second Panel will focus on convergence towards EU environmental legislation and action to address climate change. The Panels will start their work in March 2010.

With regard to the work of the Platform, it was agreed to concentrate on six fields of cooperation:

- Enterprise Policy;
- Enhanced Cooperation in the Field of Taxation and Public Finances;
- Labour Market and Social Policies;
- Cooperation in Questions of Monetary, Exchange Rate and Financial Stability;
- Regional Economic Cooperation;
- Cooperation in the Field of Transport.

The European Economic and Social Committee (EESC) supported strongly the core objectives of this Platform. In particular, it was welcomed that one paragraph of the list of core objectives would be dedicated to questions of the socio – economic development. This would be in line with numerous declarations of the EESC relating in particular to civil society organisations in the Partner Countries. Unfortunately, the Eastern Partnership Civil Society Forum would take place after this Platform meeting, but the EESC expressed his hope that the conclusions of this Forum would also be taken into account or at least discussed within this Platform. Regarding the Trade Panel, it was welcomed that the business community should be involved in the work of the Trade Panel. An active participation of the business world would be a necessary condition for this panel to be successful. Finally, the SME Flagship Initiative and its implications for the development of SMEs in the region should also be reflected in the work of the Panel.

Next Platform meeting:

The next Platform meeting will take place on 7 May 2010. It will focus on Enterprise and SME policy issues, cooperation in the field of taxation and public finance and a discussion on the core objectives and the work programme of transport issues. In addition, the European Commission will report about the state of play with regard to the first Panel meetings.

**Brief report on presentation of WG2 activities at CSF Steering Committee meeting,  
22 January 2010, Brussels**

At the second day of first EaP CSF Steering Committee meeting the information on WG2 activities, in particular preparations for the discussions on EaP Business Forum was delivered. The stress was put on necessity:

- Foresee budget for practical steps for WG2 activities and make concrete proposals for EaP Platform 2 before its next meeting in May 2010;
- Raise representations of business organizations, social partners (employers organizations, trade unions) other relative organizations in the WG2 activities at the EaP partner countries national level;

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- Start online discussions to raise awareness and stimulate interest of organizations from EaP and EU countries; quick way to start such discussions is to use Facebook (both English and Russian).

After presenting information on preparations for Business Forum discussions the following questions were asked and comments were given:

- Should it be named “Industrial Forum” rather than “Business Forum” because this would help to provide real deliverables and push for projects which are needed;
- What was the real value of the working group activities;
- Who precisely would be participants of business forum, because business actors (businesses as such) can’t be seen as part of civic society;
- Would activities of business forum be controversial to activities on developing and promoting democracy, especially for the country like Belarus and Azerbaijan; examples of Nord Stream pipeline and Nabucco pipeline were brought as controversial cases;
- Comment was given on necessity to strengthen small and medium business first of all to provide grounds for democracy development (because big businesses often don’t care about democracy and use their tools to get what they want);
- Another comment on Belarus was that idea of putting people under the pressure of economic crisis to get them out of there after final victory of democracy in the country is unlikely meet lot of sympathies with common people in the country.

Replies (briefly):

- name, content, participants of the Business Forum should be discussed, that’s why active involvement of all relevant business organizations is necessary;
- working group 2 had lively discussions, prepared detailed recommendations, participants were very enthusiastic about being practical; because of limited resources started from working on more needed issues, namely raising business involvement into the EaP CSF activity;
- Business Forum is designed for business organization, social partners (employers organizations, trade unions) which are part of civil society in the EU understanding, although it’s difficult to separate the interest of business organizations from interest of companies and businesses which they represent;
- SMEs should be priority, they would be tackled first by economic integration with the EU;
- Business Forum can be also a way to support democracy, rule of law in the EaP countries to bring good practice into business to overcome corruption.

Suggestions:

- to take into accounts raised questions and comments in the text of concept paper for Business Forum (participants, scope, aims, name of it);
- to make discussions about Forum as much inclusive as possible, to share concept paper with other working groups to seek their views and comments as well;
- to make stress on necessity of better involvement of SMEs into EaP Business Forum.

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**Brief report of WG2 representatives participation at the meeting between DG Enterprise, DG Relex, DG Aidco and OECD (3rd February 2010, Brussels)**

At meeting on 3<sup>rd</sup> February, Director John Farnell from DG Enterprise who is Chairman of Thematic Platform 2 informed the WG2 representatives that OECD will be closely involved into EaP Platform 2 activities to provide assessment of investment climate and economic/business situation in the EaP countries through its Eurasia Competitiveness Programme. Commission needs OECD input for independent ‘benchmarking’ to understand the progress in EaP countries, in particular state of play and what should be done to advance in adopting EU standards in the EaP countries. Formally OECD involvement should be decided on Platform 2 meeting on 7<sup>th</sup> May. The idea is **to establish panel on Business climate issues (possibly in second half of 2010) to be lead by OECD and financed with the EU support.**

OECD representatives described their current activities in the region (similar to Western Balkans and EuroMed). By June 2010 they plan to cover also Belarus, so all 6 EaP countries will be covered by their programme. They foresee creating Private Sector Forum mostly at political level and with business organizations (UBCCE, BSEC Business Council). They reach SMEs for their surveys through market research agencies in each country.

DG Relex representative informed about SMEs Facility, it should be launched officially in May 2010, possibly at the same date at Platform 2 meeting, but it will be a parallel event. DG Relex should invite stakeholders to participate. They have nearly concluded their internal discussions (deadline was end of January 2010), DG Relex is waiting for final technical proposals from EIB and EBRD to complete its description for SMEs Facility. They should be open to invite business organizations and business representatives to this event. Possibly first results on selection for East Invest will be known by then. SMEs Facility should provide both financial support and to reinforce advisory services (budget is allocated for EBRD for their TAM/BAS programme). SMEs Facility should give direct support to organizations and individual companies.

DG Aidco representative remarked that East Invest main object is to target ‘private area’ and OECD is involved in ‘public area’. DG Aidco representative encouraged ‘to get involved into the “East-Invest” project whether you will be part of winning team or not’. The chart with description of what DG Aidco would like to achieve by East Invest was presented (enclosed).

WG2 coordinator, Mr. Ivan Voles explained about first meeting of Working Group 2 in November 2009; the recommendations which were agreed; necessity to involve business organizations more actively into the EaP activities; WG2 recommendations (1) to create an Eastern Partnership Business Forum; (2) to analyze social dialog development and propose the measures how to make it more efficient in the partner countries.

WG2 representatives got a very good feedback from the European Commission and OECD. DG Enterprise showed interest in encouraging the business active involvement. The necessity to coordinate activities to avoid duplications was mentioned.

**Conclusions:** It was a good signal as such that WG2 representatives were involved at this meeting, hopefully the next step will be participation of WG2 representative at Trade Panel in March and Platform 2 meeting in May. Further cooperation and coordination of activities with

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OECD and also under the East Invest project is necessary (practical mechanism should be elaborated).

At the meeting the WG2 was presented by Mr.Ivan Voleš (European Economic and Social Committee), coordinator; Ms.Anna Zvolikevych, rapporteur (EU Ukraine Business Council); Mr.James Wilson (Belarus EU Business Council).

**Progress on moving forward the WG2 recommendations**

**On creating permanent Eastern Partnership Civil Society Forum.** As agreed in the Working Group 2 recommendations, the EU Ukraine Business Council ([www.euubc.com](http://www.euubc.com)) prepared first draft paper on Eastern Partnership Business Forum. To promote this idea the meetings with representatives of business organizations and EU officials took place in Brussels in December 2009, January and February 2010. The first draft proposal was disseminated among WG2 participants and submitted officially on behalf of Working group 2 to Director John Farnell, Platform 2 Chairperson, DG Enterprise. According to our latest information this paper was circulated among relevant DGs and WG2 is expecting to get Commission's feedback to this proposal.

After assessing existing resources, discussing with EaP CSF Steering Committee members, it was agreed with WG2 coordinators that Facebook page should be a most effective short term solution to launch online discussions on Eastern Partnership Business Forum to involve as much business organizations and stakeholders as possible. Both English and Russian Facebook pages for Eastern Partnership Business Forum were opened on 4<sup>th</sup> February 2010:

- In English [http://www.facebook.com/pages/Eastern-Partnership-Business-Forum/289000156709?v=app\\_2373072738&ref=ts](http://www.facebook.com/pages/Eastern-Partnership-Business-Forum/289000156709?v=app_2373072738&ref=ts)
- In Russian <http://www.facebook.com/pages/Biznes-Forum-Vostocnogo-Partnerstva/294309264352?ref=ts>

As so far the comments were received from Belarus EU Business Council, Confederation of Employers of Ukraine, Centre "EcoResource" (Ukraine), Foundation for Small and Medium Businesses (Armenia).

**On analyzing social dialogue development in the partner countries.** The Eurasia Partnership Foundation (EPF) [www.epfound.org](http://www.epfound.org) reiterated its commitment to draft an outline for the study *Social Dialogue in the EaP partner countries* at the EaP Civil Society Forum in Brussels last fall. The first draft of the outline was posted at the EPF blog (<http://crrc-caucasus.blogspot.com/2010/02/social-dialogue-in-eastern-partnership.html>). The draft will be open for comments and suggestions until **March 19, 2010**. EPF will summarize the comments and re-draft the study outline accordingly for the final discussions at the WG2 meeting in April, 2010.

EPF and its Caucasus Research and Resource Centers (CRRC) program [www.crrccenters.org](http://www.crrccenters.org), with offices in Armenia, Azerbaijan, and Georgia, will serve as a lead organization in developing and drafting the study outline. They are ready to lead the study team, draft funding proposal(s),

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and carry out the research in the South Caucasus countries as well. Expressions of interest on behalf of individuals and organizations to join the study team are invited. Please indicate (1) your specific interest in the study, (2) research capacity, and (3) individual/organization's experience in administering and/or conducting similar studies. Comments on the time-frame, research team selection process, and fundraising opportunities that you can post on the blog are also appreciated.

**Schedule of some meetings and events related to EaP and WG2 activities in March and April 2010**

**4<sup>th</sup> March, Brussels**

Debate “**Eastern partnership – new challenge for EU businesses**” with participation of **Štefan FÜLE**, Commissioner responsible for Enlargement and European neighbourhood policy. The event is organized by CEBRE – Czech Business Representation to the EU in cooperation with the Czech Permanent Representation to the EU under the auspices of Czech Permanent Representative Milena VICENOVÁ.

Following questions will be raised: How can be the EU business organisations helpful in capacity-building of their Eastern partners? Is a strengthen dialog within the Eastern Partnership an opportunity to take for EU businesses?

WG2 coordinator Ivan Voleš and rapporteur Anna Zvolikevych will contribute as speakers to the debate.

**11<sup>th</sup> March, Istanbul**

**OECD Workshop: Challenges for Private Sector Development in the Black Sea and Caspian Region.**

The objective of the workshop is to:

- Discuss challenges for Private Sector Development with OECD experts and consultants;
- Discuss objectives, setting and format of an OECD Eurasia Private Sector Forum including mandate and scope of activities;
- Develop a business statement which would be delivered to Ministers of Economy from Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine and other related countries on the occasion of the OECD Ministerial meeting on 14 and 15 October 2010, Prague, Czech Republic.

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- 12<sup>th</sup> March, Brussels**                      **Meeting of the expert group on developing EaP CSF Website**
- 23<sup>rd</sup> – 24<sup>th</sup> March, Kyiv**                      **Second meeting of the EaP CSF Steering Committee**
- 25<sup>th</sup> – 26<sup>th</sup> March, Kyiv**                      **Workshop EU-Ukraine relations: the role of the civil society. Industrial change and economic crisis in Ukraine.**
- This is a third workshop on EU-Ukraine relations and civil society involvement organised by the European Economic and Social Committee (EESC) in cooperation with the Ukrainian National Tripartite Social and Economic Council (NTSEC).
- More than 120 participants are invited to discuss and to exchange their opinions about current developments and involvement of the civil society in the implementation of the EU-Ukraine Association Agreement and in the monitoring of the Free Trade Agreement negotiations. Discussions will also focus on practical arrangements for the creation of an EU-Ukraine civil society Joint Body.
- 29<sup>th</sup> – 31<sup>th</sup> March, Brussels**                      **Trade Panel of the EaP Thematic Platform 2 meeting**
- April, Brussels (date to be confirmed)**                      **Working group 2 meeting – preparation of recommendations for the Thematic Platform 2 meeting on 7<sup>th</sup> May**

**Announcement**

We are calling to all WG2 participants who are interested to contribute to produce regular bulletin on the Working Group activities to make themselves known and to give their suggestions/proposals how they would like to see this paper. This paper is an initiative of the WG2, so there are no funds available from the European Commission or any other sources to conduct this work. However the bulletin will give organizations the opportunity to make themselves and their activities known to wider and developing network of CSF and WG2 participants as well as to the European Union and Eastern partner countries institutions.

If you are willing to contribute please address WG2 coordinators Mr.Kakha Gogolashvili, Director, Center for European Studies, Georgian Foundation for Strategic and International Studies ([gogolashvili@gfsis.org](mailto:gogolashvili@gfsis.org)) and Mr.Ivan Voleš, Member of the European Economic and Social Committee, Head of the Eastern Neighbours Contact Group ([voles@komora.cz](mailto:voles@komora.cz)) or WG2 rapporteur Ms.Anna Zvolikevych, Director, EU Ukraine Business Council ([az@euubc.com](mailto:az@euubc.com)).

We will also highly appreciate your help with translation of bulleting into Russian.

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