



EASTERN PARTNERSHIP Civil Society Forum

Report

2d Working Group of the Eastern Partnership Civil Society Forum

GENERAL INFO

The 2 WG consists of **27 members**, 24 participants represent EaP countries, 3 - EU countries. In the framework of CSF4 in Stockholm on the WG meeting **Hennadiy Maksak** (Ukraine) was elected as WG Coordinator from EaP countries. There is no Coordinator from the EU member states.

Main directions:

1. Institutional composition and capacity building,
2. Regional activities.
3. Statements

1. INSTITUTIONAL COMPOSITION AND CAPACITY BUILDING:

Sub-Groups

This year 6 sub-groups have been created within the framework of WG2 in order address more specific subject areas. Five of them are modeled along the existing Panels within Platform 2 of the Eastern Partnership, while the sixth sub-group addresses territorial, regional and cross border cooperation.

The existing sub-groups are:

1. Environment & Climate Change

Farid Malikov, Partnership for Economic and Social Initiatives (PESI), Azerbaijan

2. SME Policy

Sabit Bagirov, Entrepreneurship Development Foundation, Azerbaijan

3. Agriculture & Rural Development

Sergiu Mihailov, "Pro Regional Cooperation", Moldova

4. Transport

Iiuri Vdovenko, Ukrainian Association for European Studies, Ukraine

5. Trade and Trade Regulated Cooperation linked to DCFTAs

Gogolashvili Kakhaber, Georgian Foundation for Strategic and International Studies (GFSIS), Georgia

6. Territorial, regional and cross border cooperation

Valentina Ceban-Mihailov, Association of Professional Women from Moldova

Annual Meeting of Working Group 2 on 13 of May in Brussels

Working Group 2 on “Economic Integration and Convergence with EU Policies” held its annual meeting on 13 May 2013 in Brussels in order to receive updates on the work done so far and to discuss future activities of the WG. The meeting was chaired by the Coordinator of WG2 Hennadiy Maksak and gathered around 25 representatives of civil society organisations from the Eastern Partnership countries and the EU.

The meeting was opened by two presentations of Michaela Hauf, Policy Officer at DG Enterprise, on the SME policy performance in the EaP countries and the Work Programme of Platform 2 for 2014-2015.

WG2 participants were briefed by Anna Link of the Konrad Adenauer Stiftung on the Project “Strengthening Non-State Actors’ Capacities to Promote Reform and Increase Public Accountability” and discussed the role of the WG in the project. The WG was further informed by Jeff Lovitt, the Executive Director of the Policy Association for an Open Society (PASOS), on the project on the monitoring of the Eastern Partnership Roadmap.

The WG listened to reports of past Platform 2 and WG2 events and was briefed on upcoming events including the CSF in Chisinau and the EaP Summit. The WG prepared and adopted a position paper which was presented by the CSF representatives at the Platform 2 meeting on 14 May 2013. Furthermore, regional projects of the WG, funded by the project on “Strengthening capacities of the National Platforms of the Eastern Partnership Civil Society Forum” were discussed.

Capacity building and expertise

1) Laboratory on Social Partnership for Matching Skills with Jobs, 18-19 of April 2013, Lisbon

Sergiu Tutunaru from Moldova and Farid Malikov from Azerbaijan as a representatives of the WG2 of the Civil Society Forum have taken part in the Laboratory on Social Partnership for Matching Skills with Jobs.

Discussed questions:

1. How to generate relevant labour market information to develop content (occupational standards and competences) and to analyse demand (skills projections and training needs analysis): how to organise data production (methods and tools); what data or information are needed; partners to be involved and sources to be used; costs

2. How to analyse data and information and how to use them for policy interventions: how to analyse collected evidence (incl. limitations and complementarity); who should do the analyses and use data; capacities needed and costs.
3. Dissemination of analyses and information: access to and availability of information; how, by whom and who pays; preparation of overall recommendations and conclusions

Participants: Social partners, sector representatives and relevant government agencies from the Eastern Partnership countries, representatives and experts from the EU Member States, the European Commission (DG Employment), the ETF and the ILO.

2) Panel on Agriculture and Rural Development, 13 May 2013, Brussels

The EaP Civil Society Forum was represented at the first meeting of the Panel on Agriculture and Rural Development which took place on 13 May 2013 in Brussels by Sergiu Mihailov from Pro Cooperare Regionala, Moldova and by Oleg Shatberashvili from European Studies for Innovative Development, Georgia. The panel brought together not only representatives of the respective EaP countries, but also stakeholder's representatives (professional agricultural organisations, agricultural cooperatives, NGOs) active in rural areas in addition to the EaP CSF experts.

During the meeting the EU approach to rural development policy was explained to participants and national strategies of each EaP country for agriculture and rural development presented and discussed. Special importance was given to the role and importance of producer's cooperation and how governments can support this form of cooperation.

The CSF forum experts stressed the importance of analysing the Deep and Comprehensive Free Trade Agreements' impact on the agricultural sector and underlined the need to promote the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) more broadly by organising different events with the participation of farmers. Furthermore, they stressed the importance of the cooperation process in the agricultural field and underlined that legal regulations in this field need to be adapted to EU standards. The low funding of research and innovation systems as well as institutions active in the agricultural field as identified as an important area that needs to be addressed including reforms in the educational system for small farmers.

3) 9th meeting of EaP multilateral Platform Economic Integration and Convergence with EU Policies, 14 May 2013, Brussels

The meeting of Platform 2 (Economic Integration and Convergence with EU Policies) took place on 14th May in Brussels. The purpose of the meeting was to provide a summary account of past events and an outlook of activities planned until the autumn Platform meeting. A key focus was also put on the discussion of the upcoming Work Programme and the role of the SME Panel. The meeting was enriched by presentations on ECFIN's latest Occasional Paper on the EU's Neighbouring Economies, the

European Competitiveness Report 2013 and COSME (Programme for the Competitiveness of Enterprises and SMEs).

The afternoon session was kicked off with a very animated discussion on the Work Programme. Each section of the Work Programme (the different Panels and Work Areas) was introduced by the responsible DG (or if absent by the Platform Coordinator) which was then followed by comments from the Civil Society Forum, the Partner Countries and Member States. These comments will be taken up in the next version of the draft outline of the Work Programme and Partner Countries and Member States were asked to submit their comments and any further suggestions in writing by 31st May 2013 to Michaela Hauf. Generally, all proposals made by the DGs and proposals received in advance of the Platform meeting were appreciated by the Platform participants. A detailed account of the discussions will be provided in the meeting report. The issue of the length of the Work Programme (whether two or four years with a mid-term review) remains to be resolved. The discussion on the Work Programme was concluded with the approval of the revised ToR and the prolongation of the SME Panel.

The CSF was represented by Sabit Bagirov, leader of the SME policy sub-group in the WG2 (Entrepreneurship Development Foundation, Azerbaijan) and Karen Chilingaryan, ANP WG2 Coordinator (NGO “Protection of Consumers’ Rights”, Armenia). Position paper of the working sub-group on SME policy has been delivered by Mr. Bagirov.

4) Workshop Upgrading the SME Policy Index and SEE 2020 Monitoring Methodology, 3-4 of July, Trento, Italy

The workshop focus was on SME Policy Index/SEE 2020 monitoring methodology. This methodology was developed by the OECD Private Sector Development Division (PSD) in joint with European Training Foundation for areas of human capital development (principle 1 and 8a of Small Business Act). It measures policy development and assesses policy implementation across a number of key policy dimensions relevant to SME development and competitiveness in such areas as access to finance, entrepreneurship promotion, institutional policy framework, regulatory simplification.

The aim of this workshop was to upgrade the methodology, allowing an improved and more accurate assessment of policies. Key elements to enhance the current methodology are a better assessment of policy strategies as key policy frameworks, policy monitoring and impact evaluation tools, leveraging data and statistics and company surveys. SEECEL shared with participant that SEECEL methodology would also include elements of peer learning for areas of human capital development within SBA.

The WG2 was represented by Eugen Roscovanu (Small Business Association(SBA), Moldova).

5) Workshop for Eastern Partnership Countries “Towards the Common Transit Procedure Convention”, 12 September 2013, Warsaw

The Seminar was co-organised by the European Commission and the Polish Customs. Workshop for the Eastern European region countries on the necessary steps towards

the introduction of the Convention on a common transit procedure, laying down the foundations of a future decision on becoming party to the Convention.

Among the participants there were representatives of the customs services of the Eastern Partnership Countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine, EU Member States: Croatia, Finland, Hungary, Latvia, Lithuania, Poland, Slovakia and the European Commission; WG2 of the Eastern Partnership Civil Society Forum. Working group was represented by Hennadiy Maksak (Polissa Foundation for International and Regional Studies, Ukraine) and Zohrab Ismayil (Public Association for Assistance to Free Economy, Azerbaijan).

The workshop provided for a wide forum for Eastern EU partners potentially interested in becoming party to the Common Transit Convention. It enabled to build an EU-Eastern Partners transit expert network. The political will of the country being justified by the customs administrations to accede to the CTC is prerequisite. Balance between business expectations and Customs/state requirements has to be found. Representatives of WG2 of Civil Society Forum offered cooperation with national customs authorities in the region to launch the awareness rising campaigns with potential beneficiaries on CTC procedure in the Eastern Partnership Countries.

2. REGIONAL ACTIVITIES:

1) International Conference “Socio-Economic Dimension of DCFTA between EU and Eastern Partnership Countries” 3 September 2013, Kyiv

International conference on Social and Economic dimensions of the DCFTA with EU and Eastern Partnership countries took place in Kyiv, Ukraine at the beginning of September as part of the activities of the WG2 of the Eastern Partnership Civil Society Forum and supported by the Friedrich Ebert Stiftung.

Objectives: To analyze advantages of the DCFTA for development of the EaP region; to analyze social challenges of the DCFTA in EaP countries; to design propositions on possible cooperation with the EU and within EaP to address social and economic challenges of the European integration to reduce socio-economic imbalances and increase stability.

Target audience: representatives of Ukrainian think-tanks and experts from EaP countries, governmental authorities of Ukraine, international organizations, diplomatic authority, members of national platforms of EaP Civil Society Forum.

Among the reporter on the conference there were the WG2 members:

Ihor Burakovsky (Institute for Economic Research and Policy Consulting (IER), Ukraine), Vladimir Amiryanyan (Chamber of Commerce and Industry of Republic of Armenia), Kakha Gogolashvili (Georgian Foundation for Strategic and International Studies, Georgia), Ziya Alili (Center for Economic and Social Development, Azerbaijan).

Also the web-conference was organized with the WG leaders and activists from National platforms of EaP CS Forum: Karen Chilingarian (NGO “Protection of Consumers’ Rights”, Armenia), Sabit Bagirov (Entrepreneurship Development Foundation, Azerbaijan), Egor Klimovich (Republican Confederation of

Entrepreneurship, Belarus), Givi Kochoradze, (International Center for Advancement of Research, Technology & Innovation, Georgia), Eugen Roscovanu (Small Business Association of Republic of Moldova).

Project coordinator – Hennadiy Maksak, EaP CSF WG2 Coordinator

2) Project “Cost of border” in Black Sea region

Project is aimed on rising of public awareness on benefits of free trade and free labor resources movement, as well as in awareness on current trade and visa policy. Project coordinator – Zohrab Ismayil (Public Association for Assistance to Free Economy, Azerbaijan).

A conference Cost of Borders in the Black Sea Region organised by the WG2 EaP CSF member organisation "Public Association for Assistance to Free Economy" (PAAFE) in Baku on 30 May 2013 showed that reforms in the area of removal of barriers hindering the free movement of goods, services, capital and people are rather slow. Although trade and investments between the countries of the Black Sea Region is generally growing, certain factors hindering the free movement persist and their removal could foster further economic growth across the region.

Another issue addressed at the conference was the fact that the Deep and Comprehensive Free Trade Agreements (DCFTA) will facilitate diversification of Eastern Partnership countries in economic terms with Azerbaijan being the only South Caucasus country not included in the process. The main reason for this fact identified by the participants of the conference was the inadequate political will of the Azerbaijani authorities especially concerning membership of the country in the WTO. Although Azerbaijan would be capable of fulfilling all required procedures and reforms within one year, the authorities have decided against membership.

Round Table “Cost of Borders: experience of trade liberalization in Ukraine, Georgia, and Azerbaijan”, September 24, 2013, Kyiv. The discussion focused on two countries that liberalized their trade and investment regime — Ukraine and Georgia. Despite both countries are open to foreign goods and capital, they benefit from free trade only to a limited extent. The reasons for that are specific for each country, but the solution may be common — European integration, which implies, in particular, approximation of public policies in certain areas to the EU ones. Both countries plan to sign an Association Agreement with the European Union, including establishment of Deep and Comprehensive Free Trade Areas with the union. Approximation of regulation to the EU one will also facilitate trade between Ukraine, Georgia, and other countries of the Black Sea region.

The project events were organized by the Public Association for Assistance to Free Economy (Azerbaijan) as a part of the project “Cost of border” in Black Sea region” in cooperation with GFSIS (Georgia), IER (Ukraine), Friedrich Naumann Foundation (FNF), and Black Sea Trust for Regional Cooperation, a project of the German Marshall Fund of the United States (GMF).

3) International Conference "Ukraine-Belarus: new opportunities for the development of cross-border cooperation", 12 June 2013, Chernihiv (Ukraine)

The conference was devoted for transferring the best practices in cross-border cooperation from Visegrad states to Ukrainian and Belarus border regions. The experts from WG2 organizations from Ukraine, Poland, Slovak Republic and experts from the EaPTC Support Programme have participated in the conference.

The project was supported by the International Visegrad Fund. The project leader – Polissa Foundation for International and Regional Studies, Ukraine (WG2 member).

3. STATEMENTS

Position paper of the working sub-group on SME policy It was delivered on the 14 of May on the Platform 2 meeting in Brussels.

Working sub-group on SME under the Economic Group of the Civil Society Forum

Considering that:

- SMEs are one of the main drivers of economic development, an inexhaustible source of innovation, and an important factor in the creation of employment in the European Partnership countries;
- In EP countries there remain many unresolved problems for improving the business climate for SMEs;
- The most important direction of stable economic growth and social good for the countries of the EP is the convergence of the business climate in EP countries to that of the creation and conduct of business in the countries of the EU. The main direction of this convergence is the realization of the of the 10 principles of the European Act of SME by countries of the Easter Partnership;
- Civil Society and business associations can and must play an important role in the improvement of the business climate in EP countries. The work of Platform 2 as an instrument for the establishment of collaboration between countries of the EP, including in the sphere of SME, is a positive example in this region;
- SMEs can and must become important participants in the programs of EP;
- The development of women's entrepreneurship must be the subject of significant attention in EP countries. The creation of networks of women-entrepreneurs within EP countries and cooperation with networks of women-entrepreneurs in the EU is also important.

Welcoming

- Efforts of the European Commission to promote the ideas of the EP;
- The Declaration made by EP ministers promoting the development of SMEs, entrepreneurial activity, and competitiveness in the countries of Eastern Europe and Transcaucasia, June 17, 2011;
- Efforts of the EP Civil Society Forum to enhance the participation of civil organizations in the development of SMEs;

Taking into Account

- The results of research on the business climate in EP countries conducted by the World Bank, EBRD, and other international institutes and organizations;
- The results of research about the politics in EP countries in the sphere of SME— Path towards the realization of the EC Act on small business;

Calls Upon

- the European Commission
- Allow SMEs in EP countries to participate in programs of support to small business run in countries of the EC (Competitiveness and Innovation Framework Programme (CIP), Information and Communication Technologies Policy Support Programme (ICT-PSP), Intelligent Energy Europe Programme (IEE), Programme for the Competitiveness of enterprises and SMEs (COSME));
- Examine the possibility for European Partnership SMEs to participate in the Envoy EU institute on SME
- Examine the possibility of including data about EP SMEs in the Annual Report on European SMEs (SBA fact sheets);
- Examine the possibility of expert discussion and the development of new conceptions in to stimulate SME and job creation in EP countries by way of organization of a specialized three-day conference to be held in one of the partnership countries;
- Carry out public discussions in EP countries about the results of research carried out by EC institutes on the state of SME development. Expand involvement in this research by representatives of independent analytical centers of corresponding EP states;
- Taking into account the EP's beginning stage of development, conduct annual SME forums with the goal of trading experience in economic development and creation of new employment.
- Governments of EP countries:
- Bring the nation's law into accordance with the principles of the EC Act on SME;
- Continue efforts to reduce the administrative burden on SMEs, which disproportionately effect small businesses;
- Increase dialogue and cooperation with civil society and in part with independent public policy institutes and analytical centers that work in the field of improving business climate and business associations;
- Accelerate the implementation of the obligations accepted in the EP Ministers' Declaration regarding the SME development, entrepreneurial activity, and competitiveness in Eastern Europe and Transcaucasia, June 17, 2011;
- Take measures to create the Envoy Institute for SMEs;
- Promote competitive professional cadres, including middle-tier specialists, through the active participation of employers and civil society;
- Promote the development of social entrepreneurship by way of introducing encouraging taxes, tariffs, duties, and other tools using the experience of EC countries (Great Britain, Spain, and other countries);

- Plan and introduce measures for the transformation of the economy on the basis of principles of social knowledge, with the goal of more rationally using the labor resources of SMEs;
- Promote SME activity by introducing alternative and renewable energy sources;
- Implement EU methodology to identify business entities belonging to the category of small, therefore narrowing the gap in the definitions of micro, small and medium business with the EC definitions;
- Continue efforts to liberalize foreign trade;
- Actively stage events promoting the creation of fair competition and de-monopolization of EP economies. Reform fiscal policy with the goal of creating adequate economic freedoms for SME, which stimulate job creation. Introduce representatives of civil society into these processes;
- Introduce best practices of ecological and climate-friendly technologies to SMEs encouraging them to promote environmentally friendly technologies. Provide corresponding training programs for their employees;
- Coordinate the implementation of e-government in the ICT field with the level of training of SMEs. Strengthen measures for the development of SME's computer literacy;
- In line with EC standards as well as taking into account the specifics of EP countries, harmonize organizational legal forms and the status of artisans and representatives of the agrarian sector, including agrarian tourism and farming.

EaP CSF WG2 Coordinator

Hennadiy Maksak