

EaP Think Bridge

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“ZE” TIME IN UKRAINE



A well-known showman and comic Vladimir Zelensky won the presidency in Ukraine. The most interesting development is yet to come

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Time for the new leaders?

The stunning victory of comedian Vladimir Zelensky at the presidential elections in Ukraine demonstrated a keen request for leaders from outside the old system. Without actually seeing any program of the candidate, or any names on the team, 74% of Ukrainians still voted for him, showing that they are ready to support anyone, as long as it's a new person.

This yet again made the neighbors worry: can such a public request be exported? In his very first winning speech, Zelensky addressed the post-Soviet republics, where leaders in power have not changed for decades: "Look, it is possible!" Whether the new president will live up to high expectations and receive the majority seats in parliament, Sergey Gerasimchuk analyzed.

The permanent president of Belarus does not seem to be losing ground. He is fully preparing for the elections scheduled for next year, flirts with the pro-Russian electorate yet again and talks about changes to the constitution. However, the results of the Ukrainian vote have already forced the Belarusians to worry over economic reasons.

The echoes of the Ukrainian elections reached Georgia, causing verbal altercations of ex-President Saakashvili with Russian President Putin.

In Moldova, new leaders don't seem to gain power so far as dividing portfolios and establishing the majority in the newly elected parliament is not yet possible. So the country risks getting stuck in an ever-deepening crisis.

But in Armenia, the same anti-establishment new leader has been in power for almost a year now - continuing to fight corruption, facing clashes with former companions, and showing his temper, perhaps, for the first time.

Over the past year and a half, the Eastern Partnership and partner states have made significant progress in harmonizing digital markets with the EU. What has already been done and what new prospects in this area open up after several important events for the region, Maksym Koryavets studies.

These and other important news of April in the Eastern Partnership analyzed in our monthly reviews of domestic and foreign policy, as well as the economies of the countries of the region.

Olga Chizhova

Editor-in-Chief of the EaP Think Bridge Digest



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Armenia: Confrontation in parliament over the challenges of business & politics

Richard Giragosian, Regional Studies Center (Yerevan, Armenia)

Government continues to investigate cases of corruption among high ranking officials, while the clashes in parliament go on as well.



DOMESTIC POLICY

Government official decries corruption charges

Davit Sanasaryan, the head of a state agency empowered to investigate and prosecute corruption, claimed his

innocence on 29 April after facing his own criminal charges of corruption. Sanasaryan argued that “counterrevolutionary” forces were behind the case and were intent on discrediting him. Sanasaryan also dismissed media reports detailing the evidence against him, including the reported

surveillance video by the National Security Service (NSS) allegedly showing him accepting large amounts of cash from other officials. As the charges were first brought earlier in April, Sanasaryan was suspended from his duties as the head of the State Oversight Service (SOS). The case deepened after the arrest of two other senior SOS officials in late February after an investigation into bribes over state-funded supplies of medical equipment to hospitals.

Challenges of business & politics

A long simmering clash between the ruling “My Step” faction and the second-largest party, “Prosperous Armenia,” deepened after a heated exchange in parliament on 18 April over the adoption of modified legislation that directly benefits “Prosperous Armenia”’s leader, Gagik Tsarukyan, a wealthy businessman. Later in April the clash escalated to include a possible move to strip Tsarukyan of his parliamentary mandate over his clear violation of laws against engaging in business while holding office. It got a new legal dimension after a formal petition was filed with law-enforcement authorities demanding a criminal investigation and calling for the formation of an ad hoc parliamentary commission. Such commission would be empowered to investigate and possibly appeal to the Constitutional Court to impose punitive measures against the “oligarch,” including his possible removal from parliament. This tension has only heightened since a raid on the oligarch’s business interests by tax police in the wake of his party’s attacks against the government’s economic

A long simmering clash between the ruling “My Step” faction and the second-largest party, “Prosperous Armenia,” deepened

policies earlier this month.

Parliament defeats presidential candidate

In a rare setback for Armenian President Armen Sarkisyan, the parliament rejected the president’s nominee for a vacancy in the Constitutional Court on 16 April. The ruling “My Step” faction refused to support the candidacy of Gor Hovannisyan, a legal scholar based in Germany, from among three candidates for the vacant position in the country’s highest court. As Parliamentary Speaker Ararat Mirzoyan explained this move was due to “discrepancies” over the nominee’s required fifteen years of professional experience in order to hold a seat in the Constitutional Court. This was a significant setback for the largely symbolic president, especially as his two previous nominees were rejected by the former parliament last year.

Prime Minister in angry outburst

In a rare public display of his temper, Prime Minister Nikol Pashinyan ordered the firing of customs officials during a visit to a customs terminal on 9 April. Premier erupted in anger over a dirty Armenian flag in the unkempt office and after present customs officials failed to show “respect” for the premier by not standing when he entered the room. After criticism of his behavior by human rights activists, the prime minister defended his actions on 15 April, explaining that the behavior of the customs officers was unprofessional and only revealed their “lack of respect” for ordinary citizens dealing with the customs service, a state body long derided as being notoriously corrupt.

ECONOMY

Positive trends

Hailing some positive signs in the Armenian economy, the National Statistical Committee announced on 5 April that foreign direct investment in the country increased, reaching \$254 million. Although the increase was rather slight, Prime Minister Nikol Pashinyan added that some 13 investment projects worth \$146 million have been approved in the first quarter of 2019, although admitting that the projects would result in a mere 912 new jobs. The announcement followed

a controversial decision by the government to nearly triple salary bonuses for tax and customs officials in 2019, a move that was opposed by Finance Minister Atom Janjughazyan. The move, defended as a measure to prevent corruption and as a reward to improved tax collection, sparked a rare public confrontation between the finance minister and Davit Ananyan, the head of the State Revenue Committee (SRC), which was exacerbated by the disclosure in January that Ananyan himself received \$29,000 in bonuses during his eight-month tenure.

FOREIGN POLICY

New U.S. Ambassador pledges support

Recently arrived U.S. Ambassador to Armenia Lynne Tracy pledged on 15 April American support for reforms and the Armenian government’s “democracy agenda,” as

well as promising to continue to help efforts to combat corruption and strengthen the rule of law. The ambassador also responded to previous criticism of the U.S. by Prime Minister Pashinyan by strongly defending the “very good track record” of U.S. activities in Armenia and stressing the shared agenda of promoting democracy in order to

strengthen “the sovereignty of the country.” She further highlighted American backing for the government in its efforts to bolster the “institutions responsible for law-enforcement and the judiciary” while making them more “accountable to people (and) transparent in their activities.” Despite the prime minister’s criticism of what he termed Washington’s “zero reaction” to democratic change and his charge that there has been no significant increase in U.S. economic assistance in an address to parliament last month, the U.S. ambassador pointed to the fact that the U.S. has provided over \$2 billion in assistance to Armenia since 1992.

Armenian officials eager to deepen ties to China

On 4 April Prime Minister of Armenia Nikol Pashinyan met with a visiting Chinese delegation led by Mrs. Shen Yueyue, the Vice-Chairwoman of the National People’s Congress Standing Committee of China. During the meeting, Pashinyan noted that the development and deepen-

ing of bilateral Armenian-Chinese relations remain one of the government’s foreign policy priorities, and noted that Armenia is particularly interested in cooperation in the political, economic, and technological areas. The premier also reiterated Armenia’s commitment to the “One-China policy”, and hailed progress in tourism, road construction, energy, organic agriculture and civil aviation.

Armenia holds joint military exercise with Russia

Armenian and Russian troops started a ten-day large-scale battalion tactical military exercise on 1 April at the Baghramyan training grounds in Armenia. Heading the exercise, Armenian Major General Tigran Parvanyan, the commander of a special joint Armenian-Russian force, explained that the live-fire exercise seeks to “harmonize the joint actions of different types of troops and test the combat readiness of the personnel during the joint implementation of training objectives,” with an emphasis on defensive, offensive, and counter-offensive tactics.

Azerbaijan: Domestic calm, international activity

Sevinc Aliyeva, The Baku Academy of International Law and Human Rights (Baku, Azerbaijan)

In April the foreign policy agenda of Azerbaijan was dominated by the first formal meeting between Aliyev and Pashinyan in Vienna. In spite of happening in a positive and constructive environment, this meeting is considered inconclusive with no tangible results. Besides, President Aliyev attended the Second International Forum “One Belt, One Road” in China and held meetings with Putin and Jinping. In early April, the International Monetary Fund published a report with projections of different economic indicators of Azerbaijan for 2019 and 2020. The domestic policy agenda was fairly stable.



DOMESTIC POLICY

Formula 1

The domestic policy agenda was fairly stable for Azerbaijan during April. The country is currently hosting Formula One Grand-Prix for the fourth time. In spite of its economic benefits

including money and tourist flood to the country, according to the local poles, inhabitants of Baku do not feel happy about the Grand Prix because of the closure of roads, traffic jams and other difficulties for daily living.

ECONOMY

Economic Outlook from IMF

According to the World Economic Outlook report published by the International Monetary Fund in April, Azerbaijan's econ-

omy is expected [to increase by 3.4%](#). Next year's growth is forecasted to be 3.1%. Compared to the economies of other countries in the Commonwealth of Independent States, Azerbaijan exceeds the average growth of 2.2% and falls behind

only Turkmenistan and Uzbekistan whose economies are projected to accelerate 6.3% and 5% respectively. According to the report, the main source of export earnings will keep coming from fuel products. The report illustrates that Azerbaijan, Russia and Kazakhstan are the three CIS countries where the current account surplus is expected. The current account surplus is forecasted to be 11.7% and 13.3% of GDP in 2019 and 2020 respectively.

Meanwhile, the Center for Economic and Social Development in Azerbaijan published main economic figures for the first three months of 2019. The report shows that half of GDP growth comes from the non-oil sector. The inflation rate for the first quarter was 6.4%, although government [reports indicated 2.1%](#).

Meetings over “One Belt, One Road”

In late April President Aliyev paid a working visit to Beijing upon the invitation to participate in the Second International Forum “One Belt, One Road”. This forum brought representatives of 37 countries and members of international organi-

zations together. The Belt and Road initiative is listed as one of the largest projects in history covering half of the world’s population and addressing the infrastructure gap [through connecting Asia, Africa and Europe](#).

During the forum, two important meetings were held with Vladimir Putin and Xi Jinping. In his meeting with Putin, Aliyev talked about the importance of transportation and logistics sector in the dynamic development of cooperation between Azerbaijan and Russia. He emphasized the trade growth of 14% for the last year [between the two nations](#).

In his meeting with Aliyev, Xi Jinping praised the active participation of Azerbaijan in the implementation of the “One Belt, One Road” project and expressed his hopes about mutually beneficial [cooperation in the future](#).

During the forum, several agreements were signed including the agreement between Azerbaijan’s main internet provider AzerTelecom and China Telecom for the creation of telecommunications corridor and other strategic [partnership agreements between transportation, electrical engineering and technology companies of the two countries](#).

FOREIGN POLICY

Positive, yet inconclusive meeting

The main topic for discussions during April was the first official one-on-one meeting of Azerbaijani President Ilham Aliyev and Armenian Prime Minister Nikol Pashinyan on March 29 in Vienna. Leaders had previously met in unofficial settings such as the World Economic Forum in Davos, CIS summits in Dushanbe and St. Petersburg. The two-hour private discussion between two leaders was followed by a consultation with OSCE Minsk Group diplomats and Foreign Ministers of the countries. Aliyev and Pashinyan exchanged their views about the settlement process, ceasefire and direct communication channels. One of the key topics of the meeting agenda was changing the format of the negotiation process. Pashinyan made his position clear when he [responded to the statement](#) issued by OSCE Minsk Group co-chairs in early March saying that [“The fact is that today at the negotiating table there is no legitimate authorized representative of Artsakh ... I have repeatedly said that the Prime Minister of Armenia does not have such powers”](#). However, Aliyev did not agree to invite Nagorno-Karabakh regime to the table and since negotiation format cannot be changed without consent from both sides, the format of the negotiations remained unchanged. In his interview, Aliyev noted that [“The important thing is that the format of the negotiations remains unchanged, the negotiations are being conducted between Armenia and Azerbaijan, as it has been for many years”](#).

The Vienna meeting is considered to be the first round of

the highest level settlement talks. Although there was no media statement after the meeting, the leaders commented about the discussion on various occasions. In his meeting with the Armenian community in Austria, Pashinyan stated that the meeting was not “a breakthrough”; however, the launch of official talks will enable Armenia to raise voice about its agenda and notions.

Both sides still perform diplomatic power games, thus, a full-scale settlement over Nagorno-Karabakh is not expected in the near future

In their announcement, OSCE Minsk Group co-chairs stated that [“... the leaders recommitted to strengthening the ceasefire and improving the mechanism for direct communication. They also agreed to develop a number of measures in the humanitarian field”](#). Azerbaijani President also stressed the importance of humanitarian actions in order to support the settlement process. Stefan Visconti, the OSCE Minsk Group co-chair from France called the discussion [“long, meaningful and effective”](#).

Overall, the environment of the first official meeting between Aliyev and Pashinyan was positive and constructive and we may see tangible steps in the humanitarian field in the short term. However, the statement of “new war for new territories” formula by Armenian Defense Minister David Tonoyan and the response of Azerbaijan Foreign Ministry saying that [“...the Armed Forces of the Republic of Azerbaijan are among the most powerful armies in the world and are able to liberate the occupied territories of Azerbaijan”](#) show that both sides still perform diplomatic power games. Thus, a full-scale settlement over Nagorno-Karabakh is not expected in the near future.

Belarus: The path of mobilization

Yuri Trasik, Center for Strategic and Foreign Policy Studies (Minsk, Belarus)

Belarus has finally decided on the date of the parliamentary and presidential elections. Russia has recalled its notorious ambassador, but its economic pressure continues.



DOMESTIC POLICY:

Elections and personnel purging

In April Belarusian authorities decided on the election campaigns in the country. Contrary to expectations and projections, the parliamentary election [will be held](#) first in mid-September 2019. The presidential election will take place “as scheduled”, according to President Lukashenko, which most likely means August 30, 2020. Many observers thought that it would make more sense to hold the presidential election in 2019 as financial, economic and other consequences of Moscow’s pressure remain relatively constrained and predictable. In his [speech](#), President Lukashenko mentioned this point and said that he would not try to use this comfortable situation.

The news about parliamentary election in 2019 pushed some experts to suggest that the authorities might conduct a constitutional reform in the period between elections,

using the powers of the newly-elected Belarusian parliament to that end. Lukashenko once again spoke about the reform in his address to the Belarusian people and the National Convention (the reform entails redistribution of powers from president to government, National Bank and parliament, greater role of political parties). However, Belarusian leader [said earlier](#) that the Constitution would be amended in the course of five years, and that he would run in the upcoming presidential election. Therefore, the most likely scenario is for the transition to take place after Lukashenko is elected in the 2020 presidential election.

The experience of Kazakhstan shows that this formula is the safest one.

The implementation of the Kazakhstan-style transition, however, takes a lot of efforts in consolidating Belarusian elites. The past month has shown that this is not yet perfect.

The [arrest](#) of Andrey Vtiurun, Deputy State Secretary of the Security Council of Belarus, was a sensation in the country. The move was allegedly triggered by the bribe this top security official received for dealing with the delivery of equipment for the state-owned Beltelecom telecoms plant (its director general was [detained](#) too). But the Russian background and Vtiurun's pro-Russian political position played a role in this decision. Lukashenko realizes that the Russian influence on the government apparatus and security/law enforcement agencies is the main vulnerability of his regime.

ECONOMY

External pressure

April was marked by further escalation of restrictive measures in trade applied by Russia against Belarus. Moscow continued the policy of [rough restriction](#) of sanctioned produce re-export schemes through the Belarus territory. Russia's restrictions hit both the grey and the fully legitimate businesses. The [decision](#) to stop the imports of bone-in beef without the certificate on mad cow disease from the World Organization for Animal Health hit 70% of Belarusian beef exports to Russia.

Meanwhile, attempts to diversify its foreign trade and decrease its dependence on the Russian market are so far moving slowly, alternating between success and failures. Belarus has [managed](#) to significantly increase export to China and decrease the share of potassium fertilizers in it. Further progress in Belarus-Chinese cooperation largely depends on progress in Belarus-EU relations. In this segment, Minsk still has [little to boast about](#): while the EU is willing to allocate more resources to programs in Belarus, the key agreements between Minsk and Brussels remain unsigned.

Given the 2019-2020 election calendar announced by

Lukashenko avoided direct accusations of Moscow in his annual address and tried to gain support of his traditional, largely pro-Russian electorate

He is likely to continue actions to eliminate that vulnerability.

Another important factor is that pro-Russian sentiments prevail in Belarusian society. The population is unlikely to support Lukashenko's attempts to criticize Russia. Therefore, Lukashenko avoided direct accusations of Moscow in his annual address and tried to gain support of his traditional, largely pro-Russian electorate. It is increasingly difficult to do so with the Kremlin's aggressive actions in the background.

Lukashenko, however, real money presently matters more for Minsk than strategic prospects. Therefore, the [placement](#) of US \$500mn-worth five-year bonds at the Irish Stock Exchange by the state Development Bank at 6.75% per annum can qualify as an important victory of the Belarusian government (and of the country's Ministry of Finance and National Bank). Especially as the loans (US \$600mln as interstate loan and US \$200mn under the program of cooperation with the Eurasian Fund for Stabilisation and Development) from Moscow have been approved in rhetoric, but "frozen" in reality.

Ukraine was a source of concern for the Belarusian authorities in April.

Among other things, Minsk worries that Volodymyr Zelenskiy, the winner of the presidential election supported by "oligarch" Ihor Kolomoiskyi, will serve the interests of his sponsor. Given that Kolomoiskyi [lobbied](#) for restrictions of Belarusian (and Russian) oil products to Ukraine back in 2018, this may lead to serious financial losses in Minsk. Moreover, Kolomoiskyi-owned Kremenchuk Oil Refinery is in a perfect position with the exports of Belarusian oil products curtailed recently after [contaminated unprocessed Russian oil](#) got into the Druzhba pipeline.

FOREIGN POLICY

Illusions and reality of victories

The key foreign policy news in April was probably the [suspension](#) of Mikhail Babich as Ambassador of Russia to Belarus and Russia's special envoy for trade and economic cooperation with Belarus. The decision was preceded by numerous exchanges between Babich and Belarusian MFA, public criticism of the Russian diplomat from Lukashenko, and a wave of rumors and speculations on the movement towards "deeper integration" which the Russian side launched with active engagement of Babich. He was replaced by Dmitri Mezentsev, member of the Federation Council and former governor of Irkutsk Oblast. The position of special envoy for trade and economic cooperation in Belarus remains vacant.

Rumor has it that Babich will replace Vladislav Surkov as the assistant to Russia's President in charge of the "unrecognized states", including "republics" in South-Eastern Ukraine.

Given the sharpness of the exchange between Babich and Belarusian authorities in January-March 2019, unprecedented in the diplomatic practice, many commentators see his withdrawal as Lukashenko's victory. At the same time, experts [point](#) to the fact that Babich was only fulfilling the Kremlin's instructions, while its "offensive" strategic priorities with regard to Belarus remain unchanged after his withdrawal. This means that the new appointee will conduct the same policy of increasing pressure on Minsk, even if in a softer format compared to his predecessor.

Georgia: 55 injured in clashes against hydroelectric power plant

Lasha Tughushi, the “Liberal Academy Tbilisi” Foundation (Georgia, Tbilisi)

In Georgia this April was marked by the violent clashes between the residents of the Pankisi Gorge and the police, the beginning of the tourist season, and the verbal exchanges of the presidents.



DOMESTIC POLICY

Clashes in the Pankisi Gorge

On April, 21 55 people, including 38 policemen and 17 civilians, were injured in a clash in the village of Birkiani. The residents of the Pankisi Gorge protested against the hydropower station construction on the Alazani River. The protesters burned and damaged the MIA's vehicles and equipment.

In the evening Minister of Internal Affairs of Georgia Georgy Gakharia, Deputy Prime Minister Maya Tskitishvili, and Minister of Environmental Protection and Agriculture Levan Davitashvili arrived in Pankisi. The representatives of the authorities started negotiations with some of the protesters in the village of Jibakhevi. According to the par-

ticipants, they reached an agreement on suspension of the construction until the majority of the population accept it. Also, the MIA withdrew its special forces from the Gorge.

A great part of the local people has been protesting against the construction for a long time, being concerned about its impact on the environment. Some ecologists believe that the HPP construction could threaten water supply of the villages, as well as pastures, and the entire gorge ecosystem.

This opinion is not shared by the executive authorities and the construction company. The situation is quite tense, given the Minister of Internal Affairs promise on the air to bring to justice all the participants of the fight with the police equipped with the stones and sticks. Nearly the

entire gorge population was engaged in the action, while the rest of the country watched it live in horror.

The Pankisi Gorge, where the Kists (or Georgian Chechens) live, is a particularly sensitive place. During the Russian-Chechen war, the Kists often sheltered some Chechen militants from Chechnya persecuted by the grim realities of war. The population of ten villages of the charming little gorge is the Kists professing Islam. Unlike other ethnic

minorities living compactly in Georgia, Kists are fluent in Georgian. And they have always been loyal to the Georgian state. At the same time, several dozen of Kists left to fight for the Islamic State, a lot of them being killed.

The Georgian government is interested in implementing some special social programs in the gorge, but it is not easy to do in such a tense situation.

ECONOMICS

More tourists — more money

In the first quarter of 2019, the foreigners spent in Georgia 439.02 million lari (\$162.29 million) just from payment cards. That is almost 28 million lari (\$10 million) more than during the same period a year before. According to the official statistics, the number of foreign visitors in the first quarter increased by 4% compared to the previous year. And with the start of the tourist season in April, even

sharper increase in the number of visitors is expected.

As for the international transfers in USD, within the first three months of 2019 \$51.77 million were transferred abroad. Most of the funds were sent from Georgia to Russia (\$17.7 million in cash payments, which is 34.2% of the total volume of transfers). The second place in the first quarter was taken by Turkey, where \$6.53 million were transferred. And Ukraine took the third place with \$6 million payments transferred from Georgia.

FOREIGN POLICY

Presidents and trolls

The echo of the presidential elections in Ukraine reached Georgia too. The Russian President Vladimir Putin once again “hurt” his former colleague, the ex-president of Georgia, the former governor of Odessa Region, and a former citizen of Georgia and Ukraine, evicted from both “motherlands” Mikhail Saakashvili.

Putin advised the newly elected President of Ukraine, Volodymir Zelenski, to return the passport of Ukraine to Saakashvili: “As for the freedom, this is also an important point. In this sense, it is probably better to start not from Russia, not from Russians, but, let’s say, from Georgians.

The former Georgians. For example, it would be fair to return the Ukrainian passport to a person who was Geor-

gian in the past and today considers himself a Ukrainian. I mean Saakashvili”.

In response, Saakashvili recalled on his Facebook page that it was Putin who in December 2017 at a press-conference publicly demanded from Poroshenko to expel the ex-president of Georgia from Ukraine (and Poroshenko did so a month later). According to Saakashvili, Putin demanded Mikho to be banned from entering not only Georgia, but also Turkey, Armenia, and Azerbaijan.

“And now, the newly-made troll Vladimir Vladimirovich, I am experienced enough to see your policy of double standards for these maneuvers—to demand from an opponent, whose answer to your statement on the Russian passports distribution in the occupied part of Donbas was so strong, to return me, hoping that he will be afraid to do so”, wrote Saakashvili.

Some ecologists believe that the HPP construction could threaten water supply of the villages, as well as pastures, and the entire gorge ecosystem

Moldova: Stalemate — looking for the way out

Natalia Sterkul, Foreign Policy Association of the Republic of Moldova (Chisinau)

The way out of the Moldovan domestic politics' impasse, formed after the parliamentary elections, has not yet been found. The stalemate affects both the economics and the country's foreign policy.



DOMESTIC POLICY

Search for compromise and despair

The main domestic agenda focus of the Republic of Moldova is still set on finding a way out of the current impasse, formed as a result of the February elections held according to a mixed electoral system. The compromise solution to create the parliamentary majority has not been reached yet.

The ACUM bloc took a rather tough position and consistently adheres to it. The bloc put forward a number of specific demands enabling the advancement of the legislative [initiatives to deoligarchize the state](#). These demands include filling the Chairman of the Parliament and the Head of the Government posts, as well as leading some ministries work.

Of course, the socialists (PSRM) cannot accept such offer. At the same time, everyone understands the need

to resume the work of the highest legislative body. Otherwise, the risk of the Parliament dissolving and early elections is one of the most likely scenarios. It is obvious to everyone that even if ACUM bloc and the PSRM reach an agreement, this cooperation will be temporary due to its incapacity.

The Democratic Party and the Party of Socialists symbiosis will not lead to any changes as well, since the democrats will form a minority government and with the [“MPs-defectors”](#) votes will again have all the levels of government in their hands.

The stalemate situation is unlikely to change as a result of the early elections, which, according to the decision of the Constitutional Court, would also be held under a mixed electoral system. Thus, the destabilization of the state, political struggle, blackmail and manipulation, deep

ECONOMICS

Economic growth stagnation

The economic crisis was shaped by the lack of a unified approach, the synergy of the fiscal, economic, monetary, and commercial policies. This leads to the stagnation of the economic development. According to the International Monetary Fund estimation, the economic growth in the Republic of Moldova for 2019 is forecasted at 3.5%. This is one of the lowest economic growth rates for a group of the CIS member countries. At

The destabilization of the state, political struggle, blackmail and manipulation, deep socio-economic crisis will remain unchanged components of the Moldovan domestic policy

the same time, the experts of the Fund expect the growth to [return to 3.8% level in 2020 and grow to 4% in 2021.](#)

And this forecast is not optimistic.

Taking into account all the urgency and depth of the situation, the need to change the existing state of affairs becomes obvious. However, the focus is made not on changing the outdated approaches to the economic policy, but on attracting some foreign investments, partly due to the tax incentives for those investing in the strategic sectors of the Republic of Moldova.

FOREIGN POLICY

EU waiting for Moldova to fulfill its obligations

The instability of the domestic situation influences the foreign policy as well. Cooling down in relations with the EU against the background of the domestic situation created some concerns, including the abolition of the visa-free regime with the EU. In particular, the EU Ambassador to the Republic of Moldova P. Michalko noted it as an issue for the future government to deal with.

[“Our expectations and openness are the continuation of the existing relationships. We are waiting for the ful-](#)

[fillment of the commitments as soon as possible, so that we can continue our support and help for changing the Republic of Moldova for the better. This also applies to the area of the visa liberalization”.](#)

The Eastern Partnership, where the Republic of Moldova is one of the participants, turned 10 years old, and despite the numerous achievements of this project, today there is an increasing need to restore the confidence of the European partners and the constructive dynamics in relations with the EU. This is the only chance and guarantee of the future success of Moldova.

Ukraine: The election is over, the economic and hybrid war with Russia is not

Sergiy Gerasymchuk, Foreign Policy Council “Ukrainian Prism” (Kyiv, Ukraine)

The April election in Ukraine overshadowed many important events. The parliament adopted a law regulating the status and the use of the Ukrainian language, while the risk of abolishing the nationalization of PrivatBank could hit the economy. Russia was not inactive either as it impeded the shipments of Russian oil products; left the issue of Russian gas transit open; and announced illegal issuance of Russian passports in the Donbas – these are the challenges the president-elect will face in the near future.



DOMESTIC POLICY

Poroshenko’s “language legacy” and the “passport challenge” for the sixth president

The second round of the presidential election was the top

event in April. On April 21 showman Volodymyr Zelenskyi won by a landslide in a race with the current President Petro Poroshenko. Zelenskyi will become Ukraine’s sixth president. After the Central Election Commission processed 100% of electronic protocols, it announced the results: [73.22% for](#)

[candidate Zelensky and 24.45% for Poroshenko.](#)

Ukraine's parliament did not sit idly amidst the election turbulence: the Verkhovna Rada spent April considering the Law on Ensuring the Functioning of the Ukrainian Language as the State Language, one of the most important laws, and controversial, according to some opinions. The draft law was submitted to parliament in June 2017, with over 2,500 amendments following between the first and the second readings. MPs spent the whole April looking at the amendments. As a result, the law got voted in by 278 MPs in the [second reading and as a whole](#). Despite the positive results of the vote, four resolutions were submitted to abolish the vote by April 26. Speaker Andriy Parubiy said that all necessary procedures for the Language Law would be complied with so that nobody could later [appeal against it in the Constitutional Court](#).

The long-suffering Language Law faced opposition both internally in parliament (all Opposition Bloc MPs voted against it), and externally. Hungarian officials assailed it with criticism shortly after it was passed. Hungary's Foreign Affairs Minister Péter Szijjártó called the law adopted on

On April 24 the Russian President signed the decree to simplify the procedure for granting Russian citizenship to the residents of the occupied regions in Eastern Ukraine

April 25 unacceptable. The top Hungarian diplomat pointed out that the new law violates the rights of the Hungarian minority and reflects the vision of President Poroshenko, who had been promoting an [anti-Hungarian policy](#), according to Szijjártó. At the same time, MP Mykola Kniazytskyi guaranteed that [the Venice Commission-recommended amendments](#) were preserved in the law.

Another extraordinary development came on April 24 when the Russian President signed the decree to simplify the procedure for granting Russian citizenship to the residents of [the occupied regions in Eastern Ukraine \("DNR" and "LNR"\)](#). Ukraine's Ministry of Foreign Affairs [commented on the decree on the same day](#). As the guarantor of the Constitution, the President of Ukraine

strongly condemned [such criminal acts](#). In turn, Ukraine's Ministry of Foreign Affairs called on the international community to increase pressure on the Russian Federation. An emergency meeting of the UN Security Council was convened. All civilized countries and international organizations have already condemned [Russia's provocative step](#).

ECONOMY

Russia, oil and PrivatBank

The National Bank reduced discount rate to 17.5% per annum on April 26, 2019. This decision was enabled by the slowdown of inflation in Ukraine and the favorable [situation in the financial market](#). The situation may change, however, given the significant challenges Ukraine's economy faced in April.

Russia is a source of risks on the one hand. According to Russia's Prime Minister Dmitry Medvedev, Russian oil, coal and oil products could be imported to Ukraine only with special permits [starting from June 1](#). Ukraine's Prime Minister Volodymyr Hroysman said that the ban of exports of Russian oil and oil products to Ukraine is part of the

economic war and pledged to take measures [to minimize the negative impact of the Russian ban](#). The situation in gas transit is challenging as well. European Commission Vice-President Maroš Šefčovič has said that the trilateral gas talks between Ukraine, Russia and the EU would be held over [the coming weeks](#).

On the other hand, the April 18 decision of [the Kyiv District Administrative Court](#) to recognize the nationalization of PrivatBank illegal in favor of the Ukrainian oligarch Ihor Koloimoisky is a source of a challenge for the economy. The National Bank has already announced [an appeal against that verdict](#). The European Union supports the National Bank [in this issue](#). Moody's announced that the return of PrivatBank to a private owner would significantly damage Ukraine's [credit profile](#).

FOREIGN POLICY

The West supports, the Kremlin "abstains"

As before, Ukraine remains a focus of international policy. When he spoke at the US Congress, NATO Secretary General said that the Alliance increased its support to Georgia and Ukraine after the occupation of Crimea. He added that ["sovereign nations have the sovereign right to choose their own path"](#). In addition, diplomats called on Russia to release the detained Ukrainian sailors and once again did not recognize

Russia's illegal annexation of [the Crimean peninsula](#) during the meeting of G7 foreign ministers in early April.

The end of April was equally visible as the world leaders congratulated the president-elect Volodymyr Zelenskyi. US President Donald Trump was [among the first ones](#). Ambassadors of the G7 countries [congratulated the youngest president of Ukraine as well](#). The Kremlin refrained from congratulating Zelenskyi. Putin's spokesman [Dmitry Peskov called them premature](#).

“Ze” time in Ukraine

Sergei Gerasymchuk, Foreign Policy Council “Ukrainian Prism” (Kyiv, Ukraine)

Ukraine’s second round of elections took place on April, 21 with a well-known showman and comic Vladimir Zelensky winning the presidency. The winner managed to secure 73% of votes while his main opponent, Ukraine’s incumbent president Poroshenko only got 25%.



Zelensky became the winner in all macro-regions of Ukraine, while Poroshenko – only in Lviv region. Yet it cannot be said that the people of Ukraine united for shaping a positive agenda as this candidate’s campaign was built according to the “good vs. evil” principle, without revealing the very mechanisms of building a new better Ukraine. “Team Zelensky” still remains a mystery. Separate surnames were named as counselors of the president-elect, however, they do not provide a general picture of his vision of Ukraine’s domestic and foreign policy priorities.

Moreover, looming parliamentary elections this fall in fact mean that Ukraine’s political system will go through some turbulent times at least in the nearest six months. This is only a start and the most interesting development is yet to come.

The loser’s triumph?

It looks like the man learning his biggest lesson during the

elections was the incumbent president Petro Poroshenko. During his presidency his team successfully navigated between different political groups, which allowed them to keep their power monopoly. However, situational alliances with former rivals from ex-representatives of “Party of Regions” and rising tensions with his Maidan partners – “People’s Front” led by Arseny Yatsniyuk, Yulia Tymoshenko’s “Batkivshchyna” and “Samopomich” headed by Andriy Sadovyi did not result in the strategic benefits initially desired. Essentially, Poroshenko made the same mistake as Viktor Yushchenko, who quarreled with the so-called “orange team” in the first years of his presidency as well, which in the end led to his defeat. Moreover, the president’s team built his campaign around his confrontation with Tymoshenko, not perceiving Vladimir Zelensky as a potential opponent. In their turn, Zelensky’s team was able to skillfully use the fact that Poroshenko became the target for

criticism coming from all other candidates running for presidency.

Already after Poroshenko turned out to be the runner up according to the results of the first ballot, giving up the first place to Zelensky and having only a small advantage compared to the results of Tymoshenko, he thought harder and began to diligently correct his own mistakes. The president got rid of many notorious figures associated with corruption in the circles of the head of the state, publicly admitted his mistakes in making some appointments, and even agreed to a dialogue with his rival Zelensky in the format of an exciting (however poor in terms of content) show taking place at the main stadium of the country. However, neither lessons learned nor his active electoral campaign and fair reminders regarding the real threat coming from the Russian Federation did not help Poroshenko gain his victory.

It would seem that such bitter defeat is Poroshenko's only destiny, however, the lost presidential battle did not become his one-way ticket to the trash heap of history. He has a lot to be proud of. Poroshenko's predecessor, fugitive president Viktor Yanukovich left the country with an empty treasury and its enemy at the gate, and these factors inevitably made their impact on the starting positions of president Poroshenko. However, in the past year the president managed to significantly strengthen the army as the supreme commander-in-chief as well as to keep Western support while fighting Moscow, keep the regime of sanctions, and achieve a visa-free regime with the European Union and the recognition of the autocephaly for the Orthodox Church of Ukraine. Although it was mostly thanks to the pressure coming from international institutions, much was achieved in terms of reforming the state: electronic tax filing for state employees, creating anti-corruption bodies, working together with the government in order to strengthen Ukrainian economy and cooperating with international financial structures, and decentralization – all these factors create a significant political heritage Poroshenko is leaving to his successor.

Despite losing the elections, Poroshenko was able to consolidate quite many active and politically competent citizens of Ukraine around him. Many of his 25 % voters evaluated his work rather highly, forgave his mistakes and even came to the president's administration building on April, 22, the day following the election day when his defeat became obvious, in order to show their gratitude in a moving gesture. These voters will be able to become the electoral core of the political party Poroshenko is planning to participate in the parliamentary elections with. It is also important that the Mejlis of the Crimean Tatars is supporting him as well. The unchallenged authority of Mustafa Dzhemilev, the leader of the Crimean Tatars, will help Poroshenko to get the votes of one of Ukraine's core nations.

At the same time, Poroshenko's epic defeat may help him

lose those false allies who only wanted to be his political companions in times of his successful presidency and will not take the risk of joining him in opposition.

The main task for Poroshenko is to learn his lesson and not lose his support before the parliamentary elections take place, and then the ex-president's chances to remain in big politics will increase.

The winner's burden?

Ukraine's new president-elect, at first sight, hit a jackpot big time. His campaign was exciting and extraordinary, with his support setting a record for a new high. In the eyes of the majority of Ukrainian citizens Zelensky, a showman, is a new face that embodies their hope for ending the recession, re-loading Minsk agreements and putting an end to a war with Russia, while achieving a final victory in its fight with corruption. However, the expectations of Zelensky's electorate may backfire. In the heat of the

moment, when fighting the opponent, Zelensky's team was generous with lavish promises. The people, having trusted a promising candidate, now await the end of the "epoch of poverty" and the beginning of the "epoch of honesty". However, having secured the desired victory the representatives of Zelensky's team are forced to disavow some of their promises. It is obvious Russia is not going to make any concessions and on the contrary, poses a threat for further escalation in the east of Ukraine. Moscow simplifies Russian citizenship procedure for Donbass residents, which, in the end, will allow Kremlin to manipulate its right to protect their new Russian citizens. Fighting corruption is not that easy as well. The President does not have the direct authority to initiate judicial decisions and, moreover, to predetermine such decisions. The country's economic policy is still determined by the Cabinet of Ministers and presidential power in this respect is also rather limited.

Zelensky could significantly boost his sphere of influence if he got the support of the Parliament's majority. However, the current majority will hardly re-orient with the new head of state in mind. The new parliament will be formed in the elections coming this fall, however, by this time Zelensky himself can lose some part of his rating and then the support for his political power "The People's Servant" will not be as high. Given such conditions, there is a temptation to dissolve the current Parliament and call for early elections – they would provide for a large faction appearing in the country's Parliament and supporting Zelensky. However, there may appear some legal obstacles. It is not possible to dissolve Parliament unless it happens at least six months prior to the planned elections. Time is of the essence for the president-elect. If his inauguration takes place later than at least six months ahead of the parliamentary elections, he will not be able to dissolve the current Verkhovna Rada without taking some steps questionable from the legal standpoint.

Despite losing the elections, Poroshenko was able to consolidate quite many active and politically competent citizens of Ukraine around him

Another issue the president-elect Zelensky is going to face – the appetites of the “shareholders” of his presidential campaign. It is not a secret that before and during the elections he was considerably supported by Ukrainian oligarch Igor Kolomoisky. To say the least, the national “1+1” TV channel Kolomoisky owns was very active in supporting Zelensky and brutally criticizing Poroshenko. It is quite plausible that Kolomoisky will want his share of power as a sign of gratitude. If this is the case, Zelensky will either have to confront Kolomoisky, which means in fact losing a media resource prior to parliamentary elections, or accepting Kolomoisky’s partnership and sharing power with all reputational losses following in aftermath.

In other words, despite such a landslide victory, unquestionable support of a considerable part of the country’s population and his ambitious plans, the future president is at the same time facing major challenges, with his ability to deal with these challenges mostly determining not only Zelensky’s own political future but also the future of Ukraine.

Allies and rivals

The political duel between Poroshenko and Zelensky somewhat overshadowed other candidates and influential political figures in Ukraine. However, they are now maximizing their efforts in order to compensate for the loss in the presidential race and get decent representation in the new parliament.

Yulia Tymoshenko, who took the third place in the presidential elections, maintained her dignity while suffering a heavy blow to her ambitions to become head of state. Tymoshenko will probably attempt to compensate for her defeat by running a successful parliamentary campaign.

If parliamentary elections take place in the fall, Tymoshenko will get a chance to criticize both Poroshenko and Zelensky and get a part of their electorate. Her ultimate mission is to receive enough mandates in order to compete for a chance to become prime minister. And even though many swiftly “buried” Tymoshenko’s political career, past experiences demonstrate that she is able to return to the political arena even having much worse initial positions.

Vladimir Groysman, the incumbent prime minister, also made a statement about his own political ambitions. Having been overshadowed by president Poroshenko up until recent times, now Groysman is saying he is going to take part in the parliamentary elections as a separate political power, with the prime minister attempting to demonstrate his success to his electorate and explain that he is equally responsible for the economic success of the recent years alongside Poroshenko.

The president-elect Zelensky is going to face the appetites of the “shareholders” of his presidential campaign

It seems that Kyiv mayor Vitali Klitschko also developed a political appetite. He supported Poroshenko at the previous parliamentary elections, but now, most probably, is ready to start his independent political journey.

There is still an ongoing intrigue involving another celebrity of Ukrainian politics Svyatoslav Vakarchuk. He is a celebrated musician, known in many corners of the world. He was perceived as a potential candidate running for presidential elections, however, he chose not to run. Yet Vakarchuk made a statement that he is interested in political life, and therefore, he can either play an independent role or support one of the existing political parties at the coming parliamentary elections.

“Party of Regions” figures should not be ignored as well. The fiasco of this political power after Yanukovich fled can now be attempted to be compensated for by its representatives who might try to infiltrate Zelensky’s team as well as try their luck in the parliamentary elections under the flags of new political projects.

Finally the presidential campaign demonstrated that political ambitions of the “grey cardinal” of Ukrainian politics Viktor Medvedchuk have increased. If he had been satisfied with his de facto status of Vladimir Putin’s representative up until recently, prior to the presidential elections he demonstrated his readiness to resurface and compete for a public political status and the parliamentary elections will give him such an opportunity.

While the enemy is still at the gate...

Political diversity and pluralism demonstrated by presidential elections are most probably going to be repeated during the parliamentary elections and this is saying that Ukraine is confidently developing its democracy. Competitive ideas and visions regarding the future of the state, political battles and a transparent electoral process make Ukraine stand out in the eyes of the international democratic community.

Yet the emotional tensions of the recent elections, polar political views of the opponents and their readiness to fight for power using any means available demonstrated that in the heat of domestic political battles many in Ukraine forgot about Moscow, its main foreign observer at the current elections, while with any president and any configuration of power in the new parliament Ukraine’s success is unfavorable and even dramatically dangerous to Russia and the latter is going to use all its resources in order to prevent that. This is exactly what both Ukrainian political figures and Ukrainian people need to keep in mind. The survival of the country is what is at stake...

In the heat of domestic political battles many in Ukraine forgot about Moscow, its main foreign observer at the current elections

Digital agenda for the Eastern Partnership region: chasing 2020

Maksym Koriavets, Polissya Foundation for International and Regional Studies (Chernihiv, Ukraine)

Early 2019 marked a series of important developments in harmonization of digital markets for the Eastern Partnership (EaP) countries.



The 4th meeting of the Harmonization of Digital Markets (HDM) panel within the EaP Economic development and market opportunities platform (February 7, 2019 in Brussels) and the 3rd EaP Ministerial Meeting on Digital Economy (February 28, 2019 in Bucharest) were another reference point in bringing the region's countries closer to the EU digital space.

The panel participants mainly focused on cyber resilience, the creation of the common roaming space, and the development of broadband infrastructure in the EaP region.

The Ministerial meeting approved the Declaration on the

intentions of EU member-states and institutions to deepen cooperation for the fastest and most effective accomplishment of the major goals for digital market harmonization.

In the context of these new opportunities, the launch of [EU4Digital: Supporting Digital Economy and Society in the Eastern Partnership, a new massive project, was announced](#). It is funded under the European Neighborhood Instrument (ENI) framework. The main efforts of this initiative will be in line with the key sectors in the harmonization of EaP's digital markets with those of EU member-states:

- telecom rules and digital infrastructure;
- e-Trust and cyber security;

- e-Trade;
- startup and ICT innovation ecosystems;
- Digital Skills;
- e-Health.

In fact, the main support will go to six thematic networks of EU4Digital initiatives framed along the sectors listed above. This support will include the establishment of expert groups for every network. Moreover, the project is expected to increase the visibility and transparency of thematic networks and the HDM panel overall.

In the past 18 months, the priority of digital development of the economy and society increased significantly in all EaP countries. Accomplishments under [the 20 Deliverables For 2020 common working document](#) proves this. At the same time, a preliminary assessment of the digital market harmonization in the region points to little likelihood of accomplishing all goals mentioned in the document by 2020.

Telecom rules and digital infrastructure

The main positive result of multilateral cooperation in this sphere is the confirmation by EaP ministers that they are ready to sign the regional agreement on decreasing international roaming rates between EaP countries by 2020 and approve a joint roadmap that should lead to the signing of this regional agreement. Importantly, EaP countries and EU member-states have agreed to examine the possibility of establishing common space for international roaming, including economically sustainable cutting of roaming rates between EaP countries and the EU. The parties have agreed to start discussions and conduct a respective study that will be launched in 2019 and completed by the end of 2020.

The approval of the Declaration that records all this is an important signal for further joint work of EaP countries and EU member-states to set up common international roaming space for both regions. For now, however, none of the countries has passed a strategic document to regulate harmonization of frequencies between partner-states.

Almost all countries in the region have started developing strategies for improving access to broadband Internet although there has been little visible action on harmonization.

For now, this sector of digital market harmonization has the best results compared to other sectors of cooperation for the six EaP countries.

e-Trust and cyber security

The main positive prerequisite for the development of

this sector of HDM in EaP countries is the launch of EU4Digital: improving cyber resilience in Eastern Partnership countries (under ENI). Its goal is to improve cyber resilience and the respective systems of criminal judiciary in EaP countries. It will focus on designing technical mechanisms and cooperation mechanisms that improve cyber security and readiness for cyber attacks. These include reinforcement of institutional management and legal framework, development of critically important IT infrastructure, and improvement of cyber crime incident management potential.

The region has delivered some accomplishments in this sector of HDM in the past two years:

- progress in implementing the European eIDAS Regulation;
- adoption of a number of national strategies on cyber security (Moldova, Georgia, Ukraine);
- establishment of cyber security departments in government authorities;
- first steps to implement the EU Directive on Security of Network and Information Systems (Belarus, Georgia and Ukraine lead the way).

The creation of permanently operational transborder systems for digital signature and regional systems of transborder digital services for the business between partner states and the EU by 2020 is now unlikely because of many normative and technical barriers.

e-Trade

None of the EaP countries has a unified government body in charge of paperless trade and e-logistics. As a result, decision making in these areas is not comprehensive.

Transition to digital technologies in exports procedures is the weakest element of e-trade in EaP countries. The region has reached quite a high level in implementing e-identification solutions in logistics.

Recent developments in the EaP region signal the countries' intention to further develop transborder e-trade systems.

At the same time, most relevant measures have been declarative, not always aiming to harmonize e-trade systems between partner states.

The signatories of the Association Agreement with the EU have made the most visible steps towards harmonizing regulations on e-commerce, e-customs procedures and e-logistics with the EU's respective laws and regulations.

For now, no one strategic document exists that could boost the establishment of sustainable transborder e-trade systems between EaP countries. This makes the creation of digital transport corridors, both internal and with EU member-states, less likely.

The launch of EU4Digital: Supporting Digital Economy and Society in the Eastern Partnership, a new massive project, was announced

Startup and ICT innovation ecosystems

The available legislation on intellectual property, digital signature and e-documents is the most positive factor for the establishment of structured ecosystems for ICT research, innovation and startups. Over the past two years, virtually all EaP countries adopted programmatic documents on innovative development on the nationwide scale. At the same time, most countries face a number of negative factors:

- fragmented responsibility for policy design between different government agencies;

- a lack of specific policy instruments (supported with budget resources) that could have a positive effect on national ICT innovation systems;

- a lack of demand for ICT innovations in domestic markets coupled with restricted use of

ICT and the resulting low income of the market players.

Simultaneously, a number of factors exist which hamper the establishment of links between ecosystems of partner states and similar ecosystems in the EU:

- a lack of systemic and strategic approach to the construction of innovation ecosystems;

- the existing national innovation systems in EaP countries are fragmented and incomplete.

The work to accomplish the goals of 20 Deliverables For 2020 in this sector requires the most comprehensive and long-term approach.

Digital skills

For now, this sector of HDM shows the lowest factual results compared to other sectors in the context of harmonization within the region and with the EU.

Actions within the EU4Digital: eSkills Network are the most telling accomplishments in this sector. Under its umbrella, a series of seminars was conducted on the development of digital skills in the EaP region, and the first National Coalition for Digital Skills and Jobs was established in Armenia in 2017. Georgia, too, has done some preparations in this sector. But the process has stalled so far at the stage of the memorandum of understanding designed for the coalition. Belarus plans to launch the coalition in 2019.

According to the EU4Digital: eSkills Network seminar participants, the first-priority area of digital skills development in the EaP region is the improvement of digital skills in education, including skills for teachers, the creation of training instruments and platforms, and early teaching of the youth and students. These are followed by digital skills for the workforce not represented in ICT, digital skills for ICT professionals, and digital skills for the citizens.

The lack of national strategies and coalitions in most countries prevents partner states from controlling the digital skills situation and taking balanced decisions on the ground.

The introduction of the e-Competence Framework (e-CF) as an additional factor in the development of digital skills is poorly articulated in EaP states. As a result, EaP countries have few prerequisites for fast adoption of the standard that is understandable across Europe. The lack of a harmonized e-CF makes it impossible to evaluate workforce on the ground.

The implementation of e-CF will help EaP countries develop a system of standards under the European e-Competence Framework umbrella. This will help determine the skills and competences necessary for successful performance in IT-related work (listed in the Single Digital Market Strategy for Europe, among

In the past 18 months, the priority of digital development of the economy and society increased significantly in all EaP countries

others).

In order to speed up the development of digital skills in the EaP region, it is necessary to design ways to implement e-CF and to establish national coalitions for digital skill development in the first place. Launching the drafting of national strategies for digital skills in partner states is another priority.

e-Health

The plan is to harmonize e-health legislation between EaP partner states and the EU by 2021. Pilot transborder e-health services will be launched between EaP partner states and the EU.

For now, however, only the commitment of partner states to adopt EU standards for e-health (acquis EC) and a regional study on e-health (regional recommendations and national roadmaps have been developed to coordinate e-health systems between partner states in line with the EU norms) are available.

None of the partner states has a clearly formulated and officially approved e-health strategy that complies with the EU e-health strategy.

The key barrier on the path towards transborder e-health services is the multiplicity and divergence of health record and database systems in all countries. They were all created a long time ago and use outdated software. These systems barely interact with each other. A lack of legal clarity and operational (technical) capacity for medical data exchange between states is one of the reasons.

Studies of innovations in e-health, including the practice of innovation procurement, are hardly done or conducted on a small scale. This is partly because of the divergence of data and sources.

Current cooperation with the EU is insignificant and irregular.

A mechanism for coordination within the EaP region should be set up, according to recommendations of the e-health systems study in the region. It is assumed that the regional EU4Digital: e-Health network will have relevant functions as a coordination and support body.

Recommendations

In order to improve the accountability of the harmonization of digital markets processes in the Eastern Partnership, a number of measures should be taken to reduce the following general constraints for all HDM directions:

1) lack of transparency and consistency in publishing the results of EU4Digital networks and the HDM Panel;

2) the imperfections and diversity of the Eastern Partnership countries' statistics systems, which does not allow to fully assess and compare the degree of development of the digital economy and society in partner states, as well as in the region as a whole.

It is assumed that the first factor will be partially decreased by the EU4Digital project, which, in particular, will increase the visibility and transparency of the thematic networks and the HDM Panel as a whole by developing a website and creating permanent thematic expert working groups within the HDM directions (EU4Digital networks).

The second factor is more complex and important for

timely identification of problems and needs in the field of HDM and digital economies of the partner countries. Its importance is confirmed [by the results of a Study on monitoring the Digital Economy and Society in the Eastern European Partner Countries \(HiQSTEP project\)](#). The problems of the EaP statistical systems are mostly caused by the lack of a clear and unified methodology for data collection, insufficient funding, and a shortage of qualified personnel. These problems will partially be solved at the expense of [the Regional Programme on Statistics with Eurostat in the Eastern Partnership](#).

Eliminating the above mentioned factors will make a significant contribution to further assessment of digital development of the Eastern Partnership region as a whole and its each country; it will help identify digital economy areas that require investment most; it will allow making comparative analysis not only between Eastern Partnership countries, but also between countries of the EaP region and the EU.

Improving the transparency and visibility consistency of the EU4Digital and HDM Panel will increase the accountability and improve public understanding of the region's HDM sphere, which in its turn will contribute to early identification of problems in digital economy and society as well as create the prerequisites for successful advocacy on solving identified problems.

EaP Think Bridge

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