

# Eastern Partnership 2030 Trends



ANTON BENDARZSEVSZKIJ

QUINCY CLOET

PAVEL HAVLICEK

KERRY LONGHURST

HENNADIY MAKSAK

PETER PLENTA

WOJCIECH PRZYBYLSKI

PAVEL USOV

---

**AUTHORS**

Anton Bendarzsevszkij

Quincy Cloet

Pavel Havlicek

Kerry Longhurst

Hennadiy Maksak

Peter Plenta

Pavel Usov

**EDITORS**

Wojciech Przybylski

Quincy Cloet

---

Published by the Res Publica  
Foundation in cooperation with the  
German Marshall Fund of the U.S.

November 2019

Project supported by the  
International Visegrad Fund and the  
Polish Ministry of Foreign Affairs

# Brief

**This report outlines major trends that over the course of the next decade will shape the future of Eastern Partnership (EaP) region, to be understood as six individual countries and as a policy framework of the European Union. The authors of the report have focused particularly on those trends that are common for all or at least for most of the EaP countries. This brief lists directions that are explained in the following sections.**

——— **1** The dynamics of the political processes in the Eastern Partnership countries are becoming more determinant for the directions regarding the external partners than any political plans outlined by major global players. Political instability and activism from within increasingly shape political and institutional developments, while remaining subject to external security dilemmas. The EU policy framework in respect to these countries is evolving: it searches for stability and consolidation, while new impulses come from the Russian Federation or China. In the next decade, the countries of the region will gravitate towards larger economic and political spaces as well as towards common cooperation platforms to reinforce their bargaining positions.

——— **2** Demographics are rapidly changing and bringing more diversity along global trends such as the urban-rural divide, brain drain and changing family models. Pre-existing migration patterns are amplified while governments remain unprepared to respond. In the last decade, only Azerbaijan increased its population while other countries saw a decline.

——— **3** The economic exchange with the EU single market generally is increasing although there are differentiated patterns of trade. Overall, the export of ICT service is on the rise. Trade relations with the EU are building up some resilience against recession due to lower costs of production and services in the EaP countries. These are expected to have an insulating effect although they may fail to stop the consequences of a large economic slowdown.

——— **4** Information and digital public services are rapidly changing, often more dynamically than in the EU countries. Online media are an area of experimentation and testing of new disinformation tactics while programmes to build cyber resilience are also on the rise. EaP governments will be quick to adopt digital tools for governance but there is not enough bottom-up digital literacy education in the region. The exchange of good practices between the EaP countries in these areas is still minimal.

——— **5** Changing patterns of energy consumption, exports and transit will be a determining factor in the next decade. Facing an ambitious green policy from the EU and being pressured by economic constraints, the EaP countries will seek to increase energy efficiency and modernise infrastructure. Fossil fuel exports and transit remain crucial strategic factors in the politics of the region. These will be areas of struggle between, on the one hand, a demand for greater flexibility and interconnectedness and, on the other hand, the protection of long-term monopolies and vested interests.

Brief	<b>3</b>
Introduction	<b>5</b>
Politics and Security	<b>7</b>
Society and Demography	<b>10</b>
Economy and Technology	<b>13</b>
Information and Digital	<b>17</b>
Energy and Environment	<b>20</b>

# Introduction

**The Eastern Partnership is a joint policy framework of the European Union and six eastern neighbours. It is also the only working format of approximation between the EU and the countries to the East. This year marks a decade since it was launched in Prague during the first EaP summit. It is expected to evolve and further shape the future relationship between all the involved countries. The idea brought up by Poland and Sweden has grown in significance largely because of the continuous commitment all Visegrad Group countries, other EU members but first and foremost due to EaP countries themselves.**

Since 2009, the Eastern Partnership has had a considerable domestic and international impact, although its effects did not evenly spread across the region. Throughout this period, the participating states have undergone political, economic and social changes that redefined their relationship with the rest of Europe. What is more, they must contend with competitive and divergent interests from both global and regional powers.

From the East, the Russian Federation undermines the security of the region. The stabilising role played either by the United States or the United Kingdom recently has been thrown into question while new powers, such as China, are seeking a stronger foothold in Eastern Europe. Regional demographics and energy ties are increasingly disruptive as are digitalisation and disinformation. These are just a few of the factors that influence long-term trends and that drive political and social change. In this situa-

tion, the EU takes the ten year anniversary of the EaP to review this initiative. Then, in 2020, the European Commission is to announce its revised policy for the region, a daunting task given that eastern neighbours are more differentiated and multifaceted than ever.

This publication outlines major trends that will shape the future directions of the EaP countries identified by a group of experts from the EU and the EaP states. It is part of a broader effort that over the course of a year brings together more than 30 analysts, opinion shapers and community leaders who discuss the future strategy for the Eastern Partnership, outline major trends and resulting scenarios, organise public debates across the region and eventually launch a final report with policy recommendations based on the scenarios that give a voice to the representatives of the region as part of policy debates.

The project “Eastern Partnership 2030” takes a scenario-based approach that has been developed jointly by the Visegrad Insight of the Res Publica Foundation and the German Marshall Fund of the U.S. along with a number of regional partners including the Slovak Foreign Policy Association, the Association for International Affairs, the Centre for Euro-Atlantic Integration and Democracy, the Foreign Policy Council “Ukrainian Prism”, and the International Strategic Action Network for Security.

It is co-funded by the International Visegrad Fund and the Polish Ministry of Foreign Affairs, but the analysis and opinions published in this report do not represent the official position of either of the sponsors.

# Politics and Security

---

**T**he European Union's Eastern Partnership has brought six eastern countries closer to political cooperation. Political and security issues will determine the development in the region and cooperation with the EU in the following decade. There are four political trends that will significantly shape the future of the EU's eastern neighbourhood. First, growing Russian resilience in the region. Second, the EU increasing its focus on more efficient but less political cooperation. Third, a growing individualisation of the Eastern Partnership countries and its implications for the region's security. Fourth, the continuation of political instability and activism in the EaP countries.

External actors have increased their presence in the region, most notably the European Union, over the last few years. This phenomenon is called polycentrism. The involvement of oth-

er actors in the Russian backyard has created resilience from the Russian leadership. The EaP is seen as a vehicle of the EU to advance its interest in the near neighbourhood, which Moscow considers its sphere of influence. As the Russian position is relatively declining, it will be paradoxically more resilient, by promoting its interests and ideas. By way of frozen conflicts, it undermines NATO and EU's membership ambitions in some of the EaP countries.

The strength of an assertive Russian stance will depend on domestic and external factors. Among the main internal factors belong to the improvement of the fragile economy. The Russian Federation faces international sanctions and growing social issues. Due to military adventures abroad, Russian economic sources are going to be under increasing pressure. Another challenge lies in the transformation of the Eurasian Union into an attractive economic (and political) project. Though there is an ambition

to enlarge its membership, the Eurasian Union also faces discontent of the minor members with the current situation.

It is not possible to expect significant changes in the Russian presidential election of 2024. On the other hand, like in the past, the Russian political elite can use foreign policy tools to distract the domestic population from structural problems. The rise of a post-Soviet generation of politicians represents another factor contributing to possible shifts in domestic politics.

External factors that will influence Russia's stance are mainly related to the EU-US relation and frozen conflicts. There will be a continued rise of politicians in the European Union member states that call for closer cooperation with Russia. The European Union will be increasingly divided over the issue. Russia needs conflict with the West for domestic purposes, regardless of whether such a conflict is happening or not.

The second factor is the frozen conflicts in the region. The only Eastern Partnership country without frozen conflict, so far, is Belarus. These conflicts keep the Eastern Partnership in long-term instability and cripple the efforts to come closer together with the EU and NATO. While the frozen conflicts will not be resolved in the next decade, they represent a possible danger of turning into "hot" disputes and various skirmishes, possibly involving Russian troops as well.

From the EU's perspective, the 2010s were characterised by institutional stagnation and internal issues related to the economic and migration crises and Brexit. The external policies of the EU received less of a prioritisation than before. The rise of populists, Eurosceptics and far-right politicians is another factor that further hindered common policies towards eastern partners. The last couple of years of the EaP can be described as a process of squaring the circle of matching different expectations of partner countries with possibilities on the EU's side. At the same time, EaP countries are difficult partners because of problems in the implementation of Association Agreements

(AAs) and Deep and Comprehensive Free Trade Areas (DCFTAs). Both the EU and EaP are dealing with issues that will not be resolved overnight, and thus they are going to shape mutual relations in the next few years.

This development can be called a "status quo plus" or deepening of integration, instead of enlargement. It is based on a current approach which concentrates on good practices, sector-specific cooperation, and avoids politically-sensitive issues. The recent proposal of further institutionalisation of the EU's eastern policy could be accepted in the future. It is feasible to expect a strengthening of the EU's role in security management, particularly in Moldova and Ukraine.

While the EU is trying to revive the multilateral framework of the Eastern Partnership, these efforts have not brought success in the previous years. However, in the case of successful sectoral integration, the multilateral framework would offer the opportunity for EaP countries to cooperate on new specific targets related to closer cooperation with the EU.

One of the most challenging issues will be for the EU to clarify the absence of the new incentives, which shaped the policy in the previous decade, including a visa-free regime, an association agreement and access to the EU single market. Not only EU institutions and member states feel some "EaP fatigue", due to the little progress in partner countries. Also, the political elite and citizens of these countries can feel exhausted by continues mentoring by the EU and dissatisfaction with the "graduate approach" in mutual relations

The absence of a grand vision, something that the EU is not willing and able to provide to the eastern neighbourhood, can trigger a decrease of pro-EU attitudes as well as a decline in support for a reform agenda and the implementation of Association Agreements and Deep and Comprehensive Free Trade Areas.

Despite a shared history, a similar development and dealing with the same political and economic issues, the EaP countries differ in

## *The EU is trying to revive the EaP framework. One of the most challenging issues will be for the EU to clarify the absence of new incentives, which shaped the EaP policy in the previous decade*

---

significant terms. Such differences have deepened in previous years and the degree of differentiation and individualisation is going to continue in the following years. This will be visible on two main dimensions, foreign policy and internal development.

The current differences will be intensified because of countries' choice of the economic, political and normative framework offered by the European Union, the Russian Federation or by the intensification of cooperation with other external players. The EaP finds itself in a contested normative space: especially the civilisational choice between the EU and Russia represents a serious dilemma, while China emerges as another actor in the region.

While some of the countries chose closer cooperation and possible sectoral integration with the European Union, others have decided for limited cooperation or even selection of another institutional framework, i.e. participation in Russia-led projects. Due to ongoing international competition, the European Union (and Russia) will extend their support to the

countries belonging to "their" block and reinforce their presence there. At the same time, it will increase instability in countries with "divided loyalties", such as Moldova and Armenia, where the political elite and society are polarised over the issue.

The choice of framework will have obvious implications to the security environment of the countries of the Eastern Partnership. For some, NATO membership remains high on the agenda while others will try to retain a strategic balance or continue to depend on Russian dominance. The risk of escalation remains high in case of a decisive move towards deeper integration with the EU and NATO for Georgia, Ukraine and Moldova. The instrumentalisation of active and frozen conflicts, the use of hybrid warfare and the "stick" of energy dependence are feasible outcomes in such a scenario. As a consequence, regional differences the result of security choices will be further emphasised because of future investments and procurement of military and cyber technology as well as their technical compatibility with Euroatlantic or Russian defence systems.

Unless a significant change in the international system will happen, the international orientation is going to cause increasing differentiation in internal development as well. Although economic and political reforms in the region did not always bring desirable results, the influence of the European Union is gradually changing the political institutions, the economy and encouraging greater involvement of citizens into political processes.

Economic and political reforms and access to the EU single market bring increasing benefits in terms of economic growth, social support, and strengthening democratic institutions and practices. This could reinforce the middle class as well as small and medium enterprises, with an increasing impact on political processes. On the other hand, if the rise of illiberal politicians and practices will continue inside the EU, these ideas can spill over to neighbouring countries as well.



Eastern Partnership countries have a historical legacy of being tempted towards stability and a strong, hierarchical rule. While relatively marginalised so far, traditionalist politicians oriented towards resentment could be on the rise, in case of instability, failure of economic progress or the successful development of Eurasian Union project.

Regional leaders and populations lack a clear idea how their state and society should develop and position itself in the international arena. The palpable absence of political will in the EU to provide a membership perspective to the EaP countries threatens an increase in disappointment within the region. In the absence of visible progress towards EU membership, other developments such as the rise of illiberal leaders and closer ties with EU regional competitors, such as China, Turkey and Russia, will gain ground.

Currently, regional leaders do not portray a vision of prosperous countries able to improve their situation without the help of external actors. Such development will coincide with a generational change in politics. At least some of the new politicians increasingly will utilise populist, anti-liberal, anti-democratic and even anti-EU perspectives.

*The EaP finds itself in a contested normative space: especially the civilisational choice between the EU and Russia represents a serious dilemma*

Popular revolutions, post-election protests and mobilisation against poor economic performance, corruption, injustice and the power of oligarchs already marks the Eastern Partnership countries. Close ties with the European Union have encouraged citizens to demand an end to poor governmental policies, corruption and repressive practices. Even if the protesters were not waving the EU flag, they evoked its ideals by asking for a better and more democratic life. Since protests have become an effective tool, they often will be exploited by various political actors to spread their agenda. The recent development in Armenia indicates that the regime in Belarus and Azerbaijan may face new challenges as well.

While showing the “power of the people” and removing ruling elites from their positions, revolutions and mass protests have brought only limited results, since widespread corruption, clientelism and oligarchic power persist. Growing disappointment with the actual situation and the absence of a clear future perspective will coincide with a series of elections in the region and the call for new leaders. The young will be activated in the next decade. Their rise and the importance of civil society represent both an opportunity and a threat. Youth movements in the EaP countries have more experience with politics than in many other regions of the world. However, fulfilling a “change” with the help of a concrete vision and a political programme remains one of the most significant challenges for regional leaders, including the next generation.



# Society & Demography

---

**By 2030 the Eastern Partnership countries are likely to be characterised by greater diversity in the area of demography and as a consequence the "human" dimension of development. Overall, the impact of an increasing urban-rural divide, brain drain and changes in family structures cannot be underestimated as significant and interrelated trends.**

While according to traditional economic measures, which tend to suggest a general trend of economic growth, an upswing in GDP and amelioration in basic living standards, a more nuanced reading and forwards projection could indicate a less than rosy and far more stratified picture. Furthermore, though the UN ranks Belarus as "very high", and the other five EaP states "high" in terms of their Human Development, this is seemingly tempered the Happiness Index rankings, which, based on people's perceptions and senses of whether

they are "living the life they value", reveals less optimistic outcomes, especially with regards to the views of Ukrainians, Georgians and Armenians. Current and emerging trends and facts on the ground suggest that by 2030 economic growth and human development, understood in a broad sense, will be more patchy and societies less happy. A number of interrelated trends appear to confirm this claim.

First, GDP growth will be somewhat overshadowed by divergences across a number of axes, including between urban and rural settings and between older and younger generations. This could imply that by 2030 striking differences in wealth and opportunity will be ever more apparent, particularly in Moldova, Armenia and Georgia, with capital cities becoming focal points for investment and development to the detriment of other regions. By definition this will lead to a swelling of urban populations and a continuation of the socio-economic hollowing out of towns and villages, to unprecedented

## *A more nuanced reading and forwards projection could indicate a less than rosy and far more stratified picture of economic growth and basic living standards*

ed levels, which will pose significant challenges for governments to create adequate social safety nets.

Despite any government policies aimed at bolstering the regions and spurring rural development, by 2030 areas beyond the capitals are likely to be marked by vicious circles of high levels of poverty, weak infrastructure and limited economic development.

This tendency could well be exacerbated by sustained outflows from the regions of predominantly younger working-age populations, which by definition will expedite the ageing process, raise unemployment rates, lower GDP per capita and heighten poverty rates compared to the average national level. In the face of governments' lack of resources and capacities in the fields of social and health policies, lifelong-learning and (re)training for the over 50s structural as well as long-term unemployment may become the norm beyond the big cities. What this adds up to could be a scenario in which substantial and unbridgeable divergences become ever more apparent within societies, which cannot be ameliorated by government policies.

A second key trend also relates to migration. Declining populations have long been a principle feature in virtually all post-Soviet states. This trend will be both reinforced, but also transformed, by more intensive and varied forms of outwards migration, which over the next ten years will have far-reaching impacts upon the EaP states. In terms of destinations, workers from the EaP states, and especially from Moldova, Armenia, Belarus and Ukraine, who may have previously opted to work in Russia, increasingly head westwards to take up employment in the EU member states. However, it does not end there, as a change of destination is only a small part of a bigger and more consequential story.

There is a notable tendency for migrant workers from the EaP states to be female, so much so that by 2030 it is possible to foresee that the typical EaP migrant worker will no longer be a male working in the construction industry, but rather a young female working in the service or care sector in Western Europe. Coupled with this, though demand for workers in manual (and male) domains will continue, by 2030 the types of jobs on offer to migrant workers from the East will typically attract the more educated and skilled elements of society.

A further discernible trend is for migrant workers to hold longer term contracts and therefore for migration to be less 'circular' and fixed-term in nature. Difficult and unpredictable economic realities in Eastern Partnership states, coupled with attractive opportunities in the West, are seeing migrants become more attached to their host countries and therefore less involved and interested in their countries of origin. In other words, in the run up to 2030, migrants are spending more time away from home and some figures suggest that permanent migration is a becoming a discernible feature.

The effects of this are already being felt and are likely to become more pronounced over the forthcoming decade. To begin with, the brain drain is becoming ever more intense and the notion that migrants will return with new-

## *The socio-economic condition of most EaP states on route to 2030 is not wholly positive. This situation will pose significant policy challenges for governments which do not have adequate resources*

found skills and attributes to deploy at home to boost local development is being palpably challenged by reality. Global trends suggest that such changes in migration patterns have direct and detrimental effects on societies; a fall in the levels of remittances, which traditionally get passed either directly to families and relations back home or formally via state coffers, will make households poorer and reduce levels of consumption and state income.

Based on current tendencies Moldova, Armenia and Georgia would be most affected in this area, which is noteworthy given that by 2030 payments from overseas workers could plausibly fall by around 25%. All in all, whilst labour migration will continue to bring benefits, by 2030 the changing nature of outwards migration will be an ever more pressing source of insecurity and risk for EaP states.

A third contributing trend to shaping states and societies in the EaP region also relates to the structural factors and impacts outlined above but refers to very specific developments at the level of families and communities. Mi-

gration studies tend to concur that the family unit is a victim of migration, especially when it involves movements on based on economic hardship from very poor to much richer countries or regions.

Within the EaP region migration patterns within countries, coupled with strong outwards migration has indelible effects on families and on the children who are most likely to be 'left behind' when their parents move away for work, especially for lengthy periods. Though commentators disagree on how far this phenomenon detrimentally affects children's development and psychological well-being in a permanent sense, in the context of the Eastern Partnership states the consequences are fairly well documented and crucially are expected to be of more significance and impact.

A growing number of economic migrants from the EaP countries tend to leave their children in the care of grandparents or other ageing relatives, often in rural areas and, as already mentioned, tend to be away from home for longer and longer periods. Trends suggest that instances of parents leaving their children home will only increase, rather than abate, in the face of sustained domestic economic hardships and perceptions that things are not getting any better. In this scenario, research suggests that children of migrant workers may have higher cases of nutritional neglect and attachment-related behavioural problems, which present intensive policy challenges for governments to create and support institutional structures needed to alleviate problems with being 'left behind'.

Overall, based on the selection of the kinds of indicators highlighted above, the socio-economic condition of most EaP states on route to 2030 is not wholly positive and crucially, it will be the already underprivileged elements of society that will continue to be most vulnerable. This situation will pose significant policy challenges for governments which do not have adequate resources and means to implement the kind of social, educational and regional policies to counter this scenario.

# Economy and Technology

---

**T**here are five important economic trends for the EaP countries, which will determine their prospects for the future. First, the effects of the DCFTA agreements in case of Ukraine, Georgia and Moldova. Second, the role of the ICT sector and the diversification of the economy. Third, problems related to demography and migration. Fourth, developments of transport infrastructure and fifth, the possible implications of a new economic crisis and the economic vulnerabilities of the EaP countries.

Despite their geographical and economic differences, the Eastern Partnership has proven to be a viable initiative, providing the grounds for a beneficial dialogue, a boost in trade flows between the EU and the neighbouring countries and increasing the overall favourable opinion on the European Union in the six states.

The assessment of the effects of the Deep and Comprehensive Free Trade Areas is an important step, because the agreements serve as a benchmark for those EaP states that did not agree to closer association and access to the EU single market. Positive results may serve as an additional incentive to deepen partnerships with the others.

Moldova and Georgia joined the DCFTA in July 2016 and in the case of Ukraine, it fully entered into force in September 2017, offering the associated countries the "four freedoms" of the EU single market, with some limitations concerning the free movement of capital, goods, services, and people.

Among the three members, Moldova has witnessed the strongest signs of a developing partnership between 2013 and 2018 – over 60% growth in exports, while also increasing the EU's export share from 56% (2013) to 74%

*One challenge remains the region's ability to further innovation within the sector and let its local tech companies grow into big enterprises before seeing them depart to the United States.*

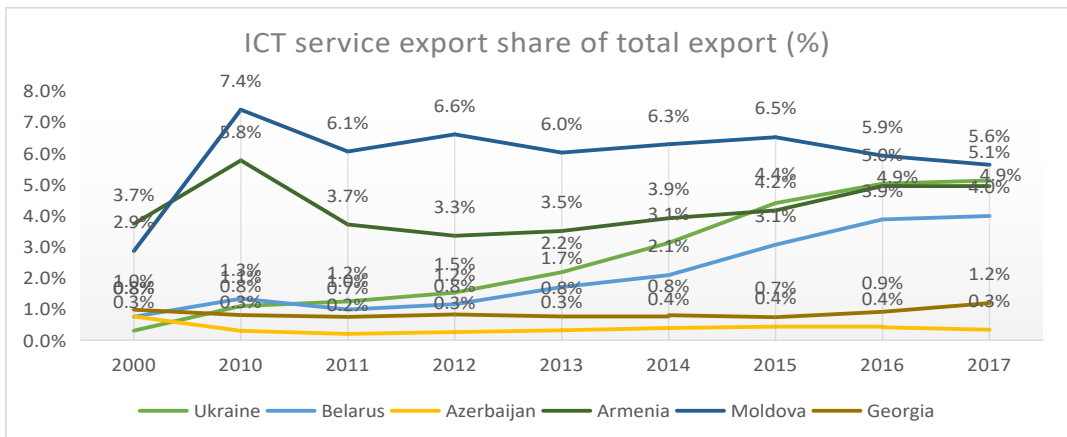
(2018). Ukraine saw significant growth of its exports to EU as well – 20% growth from 2013 to 2018, while the EU's share in Ukraine's exports also increased: from 27% (2013) to 42% (2018). It is important to note, that this increase happened even though Ukraine was experiencing an armed conflict in Donbas, losing parts of its territory and seeing a 25% decrease in total exports. Among the three DCFTA members, Georgia had the lowest increase in its exports to EU, 6%, while the European Union's share between 2013-2018 remained the same (16%). The reason behind it is that Russia has lifted sanctions, imposed on Georgia's ag-

ricultural products in 2005-2006, resulting in the increase of the export share of Russia from 8% (2013) to 22% (2018).

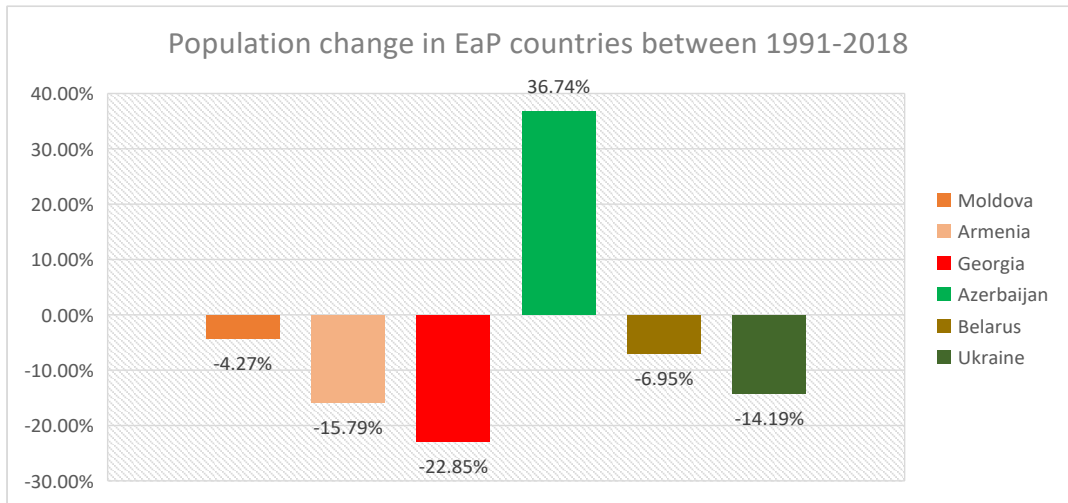
Overall the effect of the DCFTA proved to be beneficial for these countries, especially in terms of export, while the growth in foreign direct investment was insignificant. These promising results could encourage other EaP countries to follow suit.

One sector that plays an important role in the majority of the EaP countries is Information and Communication Technology (ICT). The ICT sector is expected to grow even more rapidly in the next decade. Its success is due to comparable ease to export services, which goods suffered more high costs after the dissolution of the USSR. Thus, it was a logical decision for many countries to jump on the bandwagon of a relatively new sector. Belarus, Armenia, Ukraine, Moldova and to a lesser extent Georgia started by providing incentives to the big tech companies and the adaptation of favourable regulations. Another reason for the sector's success, was the relatively safe degree of investment and a lower degree of corruption.

Belarus has large tech parks and attracts a great number of foreign investments. Ukraine is one of the region's leaders, with a high number of the Fortune 500 list relying on its country-based expertise. It also has the fourth-largest ICT workforce in the world. Already under the Soviet Union, Armenia was a notable IT



ICT service export share of total export (%) between 2000-2017. Source: World Bank.



Population change in Eastern Partnership countries between 1991-2018. Source: World Bank.

centre where 40% of military mainframe computers were created. The country was a natural choice for further development of the sector and now has a year-on-year 25% growth rate, also supported by a large Armenian diaspora. Moldova has a high share of ICT services in relation to its GDP and overall exports, partly because of other low-performing sectors. Azerbaijan is characterised by a high imbalance: while declaring the ICT sector a priority, its share in overall export is still very low. Baku remains very dependent on the export of natural resources. As such, the ICT sector will play a crucial role in the future economic development of these countries. One challenge remains the region's ability to further innovation within the sector and let its local tech grow into big enterprises before seeing them depart to the United States.

Demography plays a crucial role for the economy. A population with a low average age can give a significant boost to the labour market, as it happened after the Second World War, while a high average age creates a deficit of labour and puts pressure on the healthcare and pension systems. Almost all of the EaP countries – with the exception of Azerbaijan – saw a significant decrease of population between 1991 and 2018 and today face the problem of an aging population.

Ukraine is the “leader” in terms of population decrease, having lost almost 23% of its population since gaining independence. Weak economic performance in the EaP has lowered fertility rates, increased mortality rates and reduced the average life expectancy. However, migration is the most important reason for the population decrease. In the past, people moved from the EaP countries to the Russian Federation but in the last few years this trend has changed, also due to of a badly performing Russian economy and a devaluation of the currency. Migration patterns have reoriented to other, mostly EU labour markets. Ukraine and Belarus see an outflow to Poland, Moldovans migrate to Italy and Georgians go to other EU member states. Absent a recovery of the Russian economy, the EaP workforce mostly will target the EU as a labour destination in the next decade. This will result in more people-to-people contact and economic ties between the EU and the EaP, while not resolving the significant demographic challenge for the eastern neighbourhood.

To a large degree, the development of transport infrastructure and international as well as external connectivity will have an impact on areas such as trade, economic growth and migration. Many of the countries in the region – Ukraine, Moldova, Georgia, Azerbaijan, Ar-



## *A deepening of trade relations with the EU based on the DCFTA agreements and increased exports in the short run will help to avoid a sudden economic slowdown and could have favourable long-term effects*

---

menia – have a challenging situation in terms of infrastructure because of frozen conflicts and threats from geographical isolation.

The EU foresees that the development of the infrastructure significantly will bolster economic growth and create additional job opportunities in the region. This is why in 2017 the EaP countries were included into the trans-European Transport Network (TEN-T) and in December 2018 a so-called Investment Action Plan was adopted to provide almost 13 billion euros investment to construction and rehabilitation of a total of 4,800 kilometres of roads and rail network, six ports and 11 logistics centres by 2030. The biggest beneficiary of the investments will be Ukraine (4.4 billion euros) and Georgia (3.4 billion euros). All the proposed investment projects should boost trade and economic relations of the region, while also increasing mobility and interpersonal relations.

There is a reasonable chance that another global economic crisis could have lasting consequences for the EaP region. This could be the rest of a slowdown of the Chinese economy, protectionist economic policies and tariff wars that hamper trade. Out of the six EaP countries, the economies of Ukraine, Belarus and Azerbaijan seem the most vulnerable, however, for different reasons.

Ukraine looks the most vulnerable, due to a high level of inflation (9.78 in 2018), a high rate of government debt to GDP (75.6% in 2017) and a large trade deficit (9.5 billion dollars in 2018). Combined with the ongoing armed conflict in eastern Ukraine and the use of economic sanctions, these are obstacles to growth that are unlikely to dissipate in the near future.

The vulnerability of Belarus is due to its deep connections to Russia and its dependency on cheap Russian fossil fuels. The devaluation of the Russian rouble also has direct effects on Belarus: an even slight increase in the price of energy resources could crash the energy-intensive Belarussian economy. The economy of Azerbaijan is driven by the export of crude oil and gas, it represents over 91% of Baku's exports and is responsible for 44% of its GDP. Such reliance on oil and gas makes Azerbaijan's economy extremely sensitive to changes in the global prices of energy resources.

Not all economic trends foresee a negative scenario for the EaP region. A deepening of trade relations with the EU based on the DCFTA agreements and increased exports in the short run will help to avoid a sudden economic slowdown and could have favourable long-term effects. Strong growth in the ICT sector and ambitious infrastructure projects will encourage greater connectivity with and between the countries of the region. Nevertheless, it is important to emphasise the implications of demographic decline and migration in the EaP countries: a labour deficit, a sizeable brain drain and additional pressure on the health-care and pension systems; while in case of a new global economic crisis, some countries are extremely vulnerable to any serious slowdown and would fall into recession for years.



# Information and Digital

---

**H**ybrid information threats from the Russian Federation have become one of the key factors in the activation of processes concerning the information and digital environment of the Eastern Partnership countries. For the next few years, support for the struggle of the countries of the region against these threats is both a palpable trend and priority of external assistance from the EU, which is reflected in an acceleration of the formation of information and digital policies in the region's countries. Of course, the development of these areas also falls under the influence of global challenges regarding the role of information and technological progress.

The information space of the Eastern Partnership countries has become one of the bridgeheads of the struggle for sovereignty over the past five years. This struggle intensified signif-

icantly after the 2014 revolution in Ukraine, when the information channels of the Russian Federation significantly diversified methods of disseminating disinformation regarding Ukraine. In addition, the Russia Federation advanced its geopolitics among neighbouring countries.

In the EaP countries, there is a lack of active mechanisms (including a legislative framework) to identify and counter propaganda. Yet, there are also a number of cases of public campaigns and initiatives to counter propaganda in Ukraine and Georgia.

For the region, the share of Russian media content that affects a large part of the population in the media remains significant. The post-Soviet socio-economic memory of the population and the formation of controlled political elites are important factors which contribute to this Russian media influence. Topics such

as the usage of language, religion and ethnicity are a convenient means for destabilisation of the information space in the EU's eastern neighbourhood. The financial influence of the media propaganda, often channelled through powerful business players with international commercial interests, only contributes to this hostile media environment.

Online media remain an important niche in terms of confronting the current level of disinformation. They are periodically subjected to direct or indirect pressure in individual EaP countries. At the same time, Russian-based social networks (such as Vkontakte and Odnoklassniki) play an important disinformation role in the region's internet environment. There is a growing influence of cyberattacks and the increased use of technology to achieve political goals in the EaP region. These are correlated to a wider growth of international political tension between the region and the Russian Federation.

Technological and human resources play an important role in the ability to counter cyber threats in the region. In the next decade, this will require a thorough methodological and technical training as well as adequate financial support. In particular, digital isolation because of a gap in "digital literacy" between generations risks a further deterioration of the situation.

Cooperation with the relevant EU structures, such as the DG Communication Task Force on Disinformation and the EU East StratCom Task Force, will be one of the ways to strengthen information resilience of the countries of the region. NATO is an equally important potential partner in countering hybrid information threats. The Ukraine-NATO Platform and the Agreement on the Implementation of the Ukraine-NATO Trust Fund on Cybersecurity between the Security Service of Ukraine will provide a vital framework to counter hybrid information threats.

With regard to the broader digital space, new opportunities will be provided under the recently launched project "EU4Digital: Support-

ing Digital Economy and Society in the Eastern Partnership", funded within the European Neighbourhood Instrument (ENI) framework. The main efforts of this initiative are to harmonise key sectors of the EaP's digital markets with those of EU member states: telecom rules and digital infrastructure, e-trust and cyber security, e-trade, start-up and ICT innovation ecosystems, digital skills and e-health.

In the past three years, the priority of digital development of the economy and society increased significantly in all EaP countries as well as for the EU which evidenced by opening additional opportunities for partner countries. The main positive result of multilateral cooperation in the telecom sphere is the confirmation by the EaP ministers that they are ready to sign the regional agreement on decreasing international roaming rates between the 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 will look to establish a common space for international roaming, including economically sustainable cutting of roaming rates between the EaP countries and the EU. The parties have agreed to start discussions and conduct a respective study in the next year. A future agreement will mean a significant boost for regional connectivity and further development of the digital economy.

In a related area, the main positive prerequisite for the development of cybersecurity sector in the EaP countries is the launch of a related project named "EU4Digital: improving Cyber Resilience in Eastern Partnership countries" (also 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 cybersecurity and readiness for cyberattacks. These include reinforcement of institutional management capacity and the legal framework, the development of critically important IT infrastructure, and the improvement of the potential for cyber crime incident management.

## *It will be crucial to create a common platform for the EaP countries for dialogue in the sphere of information security in the next few years, including the development of soft power tools*



The region is delivering some accomplishments in this sector, among others, the adoption of a number of national strategies on cyber security (Moldova, Georgia, Ukraine), the establishment of cybersecurity departments in government authorities and the first steps to implement an EU directive on the security of network and information systems (Belarus, Georgia and Ukraine lead the way).

Looking ahead, the digitalisation of the socio-political sphere of the region will become an indispensable tool to increase independence and the level of free flow of information in EaP countries through the expansion of broadband access to the Internet, the adoption of regulations that promote cross-border socio-economic relations between EaP countries and the increase in digital skills of the population in all countries of the region.

It will be crucial to create a common platform for the EaP countries for dialogue in the sphere of information security in the next few years, including the development of soft power tools. Ultimately, such a common platform could be-

come a means for regular diplomatic consultation. Moreover, the presence of a mediator of an international level (EU, NATO, OSCE) would be a prerequisite.

Technical and financial support for the EaP information sphere will be vital to counteract hybrid threats and to help to build a powerful tool to fight disinformation in the region. Moreover, such support should be directed to traditionally problematic (television) and potentially massive (new media and Internet media) information channels. Moreover, digital skills and media literacy should become the flagship when developing future digital policies for the EaP countries.

In the upcoming decade, the drafting of national strategies for digital skills could complement the existing legislative framework. The creation of a permanent open digital databases for the main socio-political players in the EaP region (including the media) may be one of the possible tools for monitoring socio-political stability.

Greater attention to hybrid threats means that information security will become one of the priorities for the Eastern Partnership. The region is the closest and most vulnerable target for the Russian Federation's information war. Therefore, the EU will intensify its work through bilateral association with the three countries that have an Association Agreement (Ukraine, Moldova, Georgia), as well as with those that do not have such framework agreements (Azerbaijan, Belarus, Armenia). Additionally, improving the transparency and visibility of the EaP digital markets will increase accountability and lead to an improved understanding of the digital sphere, its problems and impact on wider society.

# Energy and Environment

---

**M**any of the trends in the areas of energy and environment will be driven by policies of the European Union, whether it concerns a greening of its Eastern Partnership agenda or capacity-building against hazards and differentiating energy needs, from production to consumption, in the region.

The European Union takes active attempts towards the greening of its policy action which will see ramifications in the relationship with its eastern partners. Climate has become mainstream in all areas of its exclusive competences and those shared with member states. More money is earmarked to boost green projects, combat pollution and support local and national authorities in their transition towards a decarbonised society as well as prepare for the burgeoning impact of climate change.

The Eastern Partnership is not overlooked as an area in terms of EU ambitions to be a

role model for the international community in terms of green and carbon-neutral investment. Agreements with partners from the eastern neighbourhood include far reaching specifications concerning climate change and energy efficiency. The EaP platform is used to strengthen the focus on clean energy production, greater connectivity of infrastructure, improvements in efficiency and the reduction of waste, as well as a transparent management of the transition and mitigating the effects of climate change. Greater pressure is put on strategic actors in terms of energy transition and critical infrastructure to move away from investment in fossil fuel sources and focus exclusively on carbon-neutral means of energy production.

The EU will raise expectations when it comes to EaP countries targets for decarbonisation and implementation of policies to achieve this aim. Past examples have shown ambition in countries such as Ukraine and Belarus to focus

on energy efficiency and the green economy, enabled through platforms such as the Eastern Europe Energy Efficient and Environment Partnership (E5P), but with few results because of limitations in absorption capacity of EU support as well as a general underexploited potential. Conflict could arise in areas where there is a clear mismatch between high EU expectations and impediments to realise the green agenda component of the EaP policies. Weak administration of public funds, the absence of a coherent, integrated policy towards climate continues to haunt the region. In part, EU support will seek to offset such obstacles at the national level by reorienting attention to bottom-up and local initiatives that aim to build awareness and practical experience in the implementation of a climate strategy.

Overall, countries that have a closer relationship with the EU, such as Ukraine, Georgia and Moldova, will be more intensively exposed to attempts of transposition and implementation of the EU acquis in the domains of energy and environment. Hitherto, there is no concerted effort although the trend suggests moderate improvements during the next decade. Yet, the weak resonance of EU rules and the few immediate rewards could still hamper success in this area.

Many of the improvements depend on the extent of additional funding from the EU institutions, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), which will be tied to new elements of conditionality. Investment in energy resources, water supply and waste management are areas where there is a clear prospect of financial support being dependent on bringing countries in line with key international climate objectives. This could trigger broader, comprehensive efforts to develop a coherent environmental policy that addresses both issues of energy and environment.

In strategic terms, the EU plans to build a more visible component of resilience into its green focus. The eastern partners are encouraged to address challenges in terms of energy production and transit as well as climate change

in terms of capacity-building to protect society against the consequences of a transition to carbon-neutrality by the mid-2050s.

The issues of resilience and capacity-building against both natural and man-made disasters will see greater resonance in the next decade, as cleavages emerge within societies and between countries in how to deal with hazards occurring because of global warming, pollution, deforestation, as well as the poor implementation and a lack of enforcement of measures due to corruption and a lack of adequate safety standards. The impact of a major nuclear disaster continues to have a lasting impact and is reflected in the concerns of society and the international community. Extension of nuclear reactors with EU support, for instance in Armenia, will face more scrutiny and opposition in the next few years.

The greatest threats to the EaP region's institutional capacity in dealing with hazards, however, will come from the consequences of the projected warming of the Earth. Likely effects are extreme weather and longer periods of warming in the greater region. Temperature rises will cause excessive drought and heat waves occurring at more regular intervals. While Belarus, Moldova and Ukraine are already affected, such climate-related episodes are expected to be frequent and put great strain on government authorities.

From the local to the national level, authorities in the EaP will have to show they are acting and do not restrict themselves to empty words – or risk pressure from the street and frustration in their relationship with the EU. Attempts at building greater resilience against climate-related hazards are dire at best. There is little effort undertaken to promote initiatives related to reducing the carbon footprint, improve energy efficiency at home and at work. Local innovations that could empower a wider government strategy barely exist, and where they exist they do not offer adequate incentives for extensive experimentation with capacity-building. In addition, there is a lack of cooperation between all relevant stakeholders.

## *The Russian Federation will offer competing projects to the EU, thereby seeking to undermine efforts at interconnection between the EaP countries and links with the EU's energy market*

Apart from the difficulties such obstacles will create in relation to the EU, civil unrest will be a defining factor that could sway local and national governments to do more. While many places in the EaP still have problems with sparse awareness about climate and the finite potential of mobilisation, the first signs of civil society and non-governmental action are palpable in Ukraine and Moldova and may extend to the South Caucasus.

In determining future energy needs and how to build the institutional capacity to manage the transition towards a decarbonised economy, the Eastern Partnership will face a great variation of existing situations, demands and resources to address the issue. Differentiation in terms of energy needs, for investment and consumption but also priorities to address environmental concern, will create generate divergences within the region. In turn, this could create cleavages within countries but particularly in terms of intra-regional cooperation. Differentiation may limit the effectiveness of

financial support channelled through international actors.

Already, there is potential for disruption in intra-EaP cooperation because of broad spectrum of institutional relations and degrees of integration with the EU or Russia, which has led to divergences in terms of agenda, priorities and the overall question of energy interdependence. DCFTAs between the EU and some of the countries will serve a platform for deepening cooperation in the field of energy but at the same time may weaken the overall potential of the EaP as an umbrella platform and enabler in the fields of energy and environment. A multitude of bodies and platforms such as the Energy Community (of which Ukraine and Moldova are signatories) and the E5P also entail a risk of fragmentation. In the case of Azerbaijan, a separate strategic partnership with the EU is the only foreseeable outcome and would hamper the overall aims of the EaP agenda.

The Russian Federation is certain to be a factor of instability because of its continued attempts to divide and isolate countries using energy and climate change agendas. Continued reliance on fossil fuel, bespoke infrastructure and long-term contracts go against the greater need for flexibility, de-carbonisation and renewable energy sources propagated by other actors. In the next decade, the Russian Federation will offer competing projects to the EU, thereby seeking to undermine efforts at interconnection between the EaP countries and links with the EU's energy market. Moreover, it will continue to sponsor climate change deniers in an attempt to sow societal division. Armenia's and Belarus' continued dependence on Russia for energy needs, while Ukraine reduces its dependence, are examples of how differentiation will put pressure on the strategic and security outlook of each country in the region.

Finally, the picture will be complicated by the likely occurrence of serious energy price fluctuations and volatility the result of changes in the energy mix. Similar to the impact and consequences of environmental hazards, such events could bring about civil unrest within countries and see regional repercussions.



[visegradinsight.eu/eap2030/](http://visegradinsight.eu/eap2030/)

EASTERN PARTNERSHIP 2030 PROJECT IS ORGANISED BY

---

**VISEGRAD** / **INSIGHT**

**G | M | F** The German Marshall Fund  
of the United States  
STRENGTHENING TRANSATLANTIC COOPERATION

PARTNERS

---



CO-FUNDED BY

---



Rzeczpospolita Polska  
Ministerstwo  
Spraw Zagranicznych