External remedy for a pandemic: Supporting the Eastern Partnership

While the EU still grapples with the effects of the pandemic, its immediate neighborhood faces even more challenging times. The countries with less developed economies are facing hybrid challenges such as disinformation coupled with social tensions, border conflicts and integration issues. The remnants of the past are still looming in the form of the political landscape in Belarus and Nagorno-Karabakh, the issues of Abkhazia and South Ossetia, the situation in Transnistria or the ongoing war in the Donbass region with the illegal annexation of Crimea. As post-independence conflicts weigh in on the Eastern Partnership countries, the coronavirus crisis further challenges the socio-economic resilience of these countries. How can the EU's response help its direct neighborhood?

A horizontal outlook towards the Eastern Partnership

The EU's financial efforts to counter the economic fallback due to the global spread of the coronavirus (COVID-19) has not only been part of the internal dimension of policy action, but also shows the need to act externally supporting different countries and regions. While the EU is the largest donor of international aid in the world¹, its efforts go beyond supporting grand projects. Beyond a global outreach, supporting micro- and macro regions along with local communities constitutes one of its main strengths. So far, the Eastern Partnership received €80 million for immediate needs and up to €883 million to support social and economic recovery. On a regional level €30 million is directed towards the healthcare sector procuring important supplies of masks, ventilators and testing kits, while vulnerable groups can apply for grants of up to €11.3 million. Going deeper to the macro and micro community level the Eastern Partnership Solidarity Program extends its scope to target the most vulnerable social groups². Out of all countries Ukraine receives the highest amount of funds, (€190 million) due to the fact that it is still involved in hybrid warfare with Russia, countering disinformation together with the EU's EastStratcom Task Force and considering it is the largest country in the group³. While Armenia, Azerbaijan Belarus and Georgia tested for cases by the end of February, Ukraine and Moldova was one week late in identifying its first cases, however Ukraine enacted very strict measures after it identified its first cases⁴. Nevertheless, the Cabinet of Ministers of Ukraine set up an informative English website with information on restrictions, stating that tests have been introduced in all of its administrative regions⁵.

Regional support for more resilient communities

On the 30th of March Commissioner for Neighborhood and Enlargement Várhelyi issued a statement in which he addressed both short- and long-term support for the six countries, with a

¹ European Commission, (2019). *Recipients and results of EU aid.* https://ec.europa.eu/info/aid-development-cooperation-fundamental-rights/recipients-and-results-eu-aid en.

² European Commission, (2020). *The EU's response to the coronavirus pandemic in the Eastern Partnership*. https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/coronavirus support eap.pdf

Worldometers. (2020). Ukraine is considered to be in the top 50 countries for area size. https://www.worldometers.info/geography/largest-countries-in-the-world/

⁴ New Eastern Europe. (2020). *Coronavirus in the Eastern Partnership states*. https://neweasterneurope.eu/2020/03/16/coronavirus-in-the-eastern-partnership-states/

⁵ Cabinet of Ministers of Ukraine. (2020). Coronavirus in Ukraine. https://covid19.gov.ua/en

special focus on vulnerable groups⁶. Next to the ongoing macro financial assistance, the European Fund for Sustainable Development (EFSD) moves €500 million in liquidity for financing trade, capital investment as well as moratoria on debt. Furthermore, the EU's Technical Assistance and Information Exchange (TAIEX) remains an important tool for public administrations. This allows EU member states to provide on-site expertise, assessing emergency preparedness response and sharing best practices with their Eastern partners. These instruments only have meaning where trust is built between state actors involving nongovernmental organizations and civil society. When fake news and disinformation is being spread more rapidly than the novel coronavirus, which creates not only a permanent feeling of mistrust and fear, but also hinders tangible help, where it is needed the most. Therefore, the European External Action Service is constantly monitoring the cyberspace to counter the diverse disinformation strategies.⁷ The EU has long-time experience in providing support for the member states through its initiatives. The European Commission's new proposal the Coronavirus Response Investment Initiative (CRII) and its extended version (CRII+) have been established⁸. Governments can reach out to regional and local authorities to assess their needs in a joint effort in using targeted assistance. While the internal dimension of intergovernmental coordination is not perfect -since all member states work in different environments- it has decades of experience to learn from. Nonetheless, the external dimension of intergovernmental cooperation involves more uncertainty. The EU's assistance is similar, to what it can offer its Eastern Partnership members in addressing extreme flexibility in cohesion spending, supporting healthcare and short-time work schemes as well as boosting capital funds for SMEs. For example, within the CRII+ EU co-financing rates can go up to 100% for relevant operational programs and investments.

While the final numbers for the Multiannual Financial Framework (MFF) have not been set into stone, the current situation can enable EU legislators and member states to create a <u>bigger budget</u> as the Budget for an Ambitious Europe Group⁹¹⁰ or the European Parliament have proposed overall increasing much needed competitiveness. A new financial policy will affect not only member states spending, but also create <u>new opportunities</u> for the EU's neighborhood through the Neighborhood, Development and International Cooperation Instrument (NDICI)¹¹.

Financial opportunities and complex challenges

While there is financial willingness to provide extended support for the Eastern Partnership countries, the coronavirus is additional to existing challenges they need to face. Giving the example of Ukraine which is still involved in a "frozen" conflict with Russia on its eastern front. Providing humanitarian assistance in an area of conflict which was already difficult, becomes much harder as restrictive measures are put in place by countries around the world.

_

⁶ European Commission. (2020). *Press corner. Coronavirus: The European Union stands by its Eastern partners.* https://ec.europa.eu/commission/presscorner/detail/en/IP_20_562

⁷ EU vs DISINFORMATION. (2020). *EEAS SPECIAL REPORT: Disinformation on the coronavirus – short assessment of the information environment.* https://euvsdisinfo.eu/eeas-special-report-disinformation-on-the-coronavirus-short-assessment-of-the-information-environment/

⁸ European Commission. (2020). *Coronavirus Response Investment Initiative*. https://ec.europa.eu/regional_policy/en/newsroom/coronavirus-response/

⁹ Previously named Friends of Cohesion

Hungarian Government. (2020). *An amibitious Europe needs an ambitious budget.* https://www.kormany.hu/en/the-prime-minister/news/an-ambitious-europe-needs-an-ambitious-budget

European Commission. (2018). *EU budget for the future*. https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-neighbourhood-development-cooperation_en.pdf

As the six eastern partners grapple with *conflicts of the past* weighing upon them, the coronavirus changes the dynamic relations between countries. Focus is now directed towards an invisible and unknown enemy, which should increase interest towards creating resilient financing opportunities to strengthen economies and local entrepreneurship. The main question will be, how the current crisis will shape the EU's need for strategic autonomy with increasing global interdependence vis-à-vis its neighborhood and the wider world. Europe and other continents are currently involved in a learning-by-doing process, from which hopefully the EU will take account of its strengths and weaknesses and redefine its relations in a sustainable way. This also means providing increased expertise and flexible financial support for its neighborhood. These new, challenging times show increased responsibility for one another, but also offer unprecedented opportunities for flexibility for social transformation, which the EU must use for the benefit of itself and its surrounding partners, otherwise it will not be able to compete with other more aspiring powers.

01-05-2020 - Aron James Miszlivetz