

## 3<sup>rd</sup> Eastern Partnership Business Forum COOPERATION ACROSS BORDERS: EASTERN PARTNERSHIP AND BEYOND

### RECOMMENDATIONS

Riga, 21 May 2015

On the eve of the Eastern Partnership Summit, the **3RD EASTERN PARTNERSHIP BUSINESS FORUM**, brought together in Riga organised business society, banking and political leaders under the umbrella theme of “Cooperation across borders: Eastern Partnership and beyond”.

More than 600 participants debated how to enhance business links between the EU and the six Eastern European partner countries and other countries interested in the region. Participants emphasised the role of employers' and business organisations and the importance of public-private dialogue in finding ways to promote a favourable investment and business environment in EU Member States and Eastern European partner countries to support trade and business opportunities, cooperation in the fields of energy, transport and digital economy and how to improve access to finance for entrepreneurship activities in the region.

Emphasising the need for political leaders to continue at all possible levels to promote pragmatic and sustainable relations with third countries in the framework of the EU and bilateral relations, based on commitments undertaken, in particular, the rule of law, market economy, sustainable development and good governance,

Supporting the need to engage further within the framework of the Eastern Partnership with a wide range of actors, including government, international organisations, business and other members of the civil society in the framework of social and civil dialogue, in order to promote consensus building and ensure legitimacy of decisions taken in the face of increased political, economic and social challenges,

Appreciating the general framework of the Eastern Partnership providing the foundation for Association Agreements between the EU and those partner countries who are willing and able to comply with the resulting commitments, implement structural reforms and take over best practices from EU Member States,

**Recognising that the progress of Eastern Partnership cooperation so far has not reached its full potential in promotion of entrepreneurship activities and trade in the region,**

The **BUSINESS FORUM**:

1. Expressed its satisfaction that the Business Forum has become a regular event, organised in parallel with the Eastern Partnership Summit.
2. Emphasised the importance of the Eastern Partnership as a strong and inclusive framework for cooperation between the EU and the six partner countries: Armenia,

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Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine, in promoting democracy, good governance practices and social dialogue, encouraging structural reforms and supporting sustainable and inclusive growth and development.

3. Welcomed the successful start of the provisional application of the Deep and Comprehensive Free Trade Areas (DCFTAs) with the Republic of Moldova and Georgia that has resulted in increased trade opportunities between these countries and the EU. The participants are looking forward to the provisional application of the Deep and Comprehensive Free Trade Area (DCFTA) with Ukraine starting on 1 January 2016.
4. Emphasised that DCFTAs are a good practice and stimulate much broader progress in economics. However, having just nominal access to the EU market is not enough to improve business competitiveness. There should be additional instruments supporting business transformation and adjustment to higher standards to bring about the real benefits of DCFTA and strong support from the business and political leaders of the Eastern European partner countries.
5. Encourages Armenia, Azerbaijan, and Belarus to explore further cooperation opportunities with the EU and other Eastern European partner countries provided by the Eastern Partnership cooperation framework, such as mutual approximation of legislation and regulations, exchange of good governance practices in order to promote business cooperation, investments and trade, also in the context of cooperation with other countries interested in the region.
6. Recognised the valuable contribution of financial institutions, notably the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), in developing financial instruments that support the modernisation and interconnectivity of infrastructures and networks with the potential to lead to more growth and jobs in Eastern European partner countries and the EU.
7. Welcomed the launch of the EU DCFTA Facility for SMEs, as dedicated support to SMEs from Georgia, Republic of Moldova and Ukraine, to help them seize new trade opportunities arising from the DCFTAs and reaching higher quality standards in line with the EU best practices. The DCFTA Facility allocates EUR 200 million of EU grants for SMEs, which will leverage more than EUR 2 billion new investments for the SMEs in the three countries, largely coming from loans from the EBRD and the EIB.
8. Identified access to finance as key instrument to unlock the entrepreneurial potential in Eastern European partner countries and stressed the importance of good coordination and complementarity among existing instruments, to facilitate more rapid and effective access to finance, in particular for small and medium-sized enterprises (SMEs). In this context it welcomed the EU SME Flagship strategy and the Eastern Partnership SME Panel that allows for enhanced dialogue and coordination among main stakeholders. Encouraged financial institutions to

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- step-up technical assistance efforts vis-à-vis the private sector in Eastern Partnership countries and raise awareness among stakeholders on the opportunities provided.
9. Underlined the value of open and transparent public-private dialogue in Eastern European partner countries and the role of strong and independent employers' and business organisations in promoting reforms that would foster a favourable business environment and attract long-term, sustainable investments. Employers' and business organisations from the Eastern Partnership countries must be recognised as equal participants in civil and social dialogue emerging throughout negotiations with the EU. In this regard, the participants urged employers' and business organisations in the EU and Eastern European partner countries to enhance bilateral cooperation in order to effectively benefit from the opportunities offered by Eastern Partnership projects and mechanisms, sharing best practices and stimulating partnerships.
  10. Stressed the benefits of the East Invest project to support the development of business organisations and SMEs in Eastern European partner countries and to promote trade opportunities between companies in the EU and the six partner countries, through capacity building in areas such as trade including with regard to DCFTAs, as well as internationalisation and advocacy, with special attention to SME development.
  11. Recognised that secure and stable access to energy resources at market prices is an indispensable factor for reinforcing the competitiveness of businesses and for attracting new investments to Eastern European partner countries. In this respect, the participants urged the EU to intensify its efforts to secure reliable and long-term contractual arrangements with existing suppliers while at the same time work towards supply and route diversification by developing relations with new suppliers and transit countries. Just as important is further cooperation for increasing energy efficiency and the use of renewable energy to help partners on their way to low-carbon economies, thus generating new business opportunities and contributing to climate change prevention.
  12. Stressed the importance of modernising transport and logistics infrastructure that would enhance trade and exchanges between the EU, Eastern European partner countries and beyond. In this framework, encouraged full use of existing instruments and networks, including TEN-T, as well as the development of new routes.
  13. Underlined the importance of the Digital Economy for social and economic development and for creation of growth and jobs. Called for coordinated action for the harmonisation and better integration of the digital markets between the Eastern European partner countries and with the EU, in order to reap the benefits of digitalisation, including improved competitiveness for businesses and better quality of life for consumers and citizens as a result of business transforming their operations and developing better products and services. Participants looked forward to the First Eastern Partnership Ministerial meeting on Digital Economy in

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June 2015, further advancing Digital Economy cooperation in the Eastern Partnership and the development of the joint initiative of Belarus, Lithuania and Latvia for establishment of the future Flagship on Harmonising Digital Markets in the Eastern Partnership.

14. Emphasised the need for the EU and the six Eastern European partner countries to actively promote further economic cooperation, investment and trade across borders in the neighbourhood and with other regions in order to benefit in the context of the international trading system and prospective trade agreements.
15. Highlighted the best practices of functioning Business Cooperation Councils at bilateral level between employers' and business organisations in individual countries and their role in the promotion of a favourable business environment and investment climate and called upon establishing an Eastern Partnership Business Cooperation Council at European scale.

Finally, the **BUSINESS FORUM**:

1. Should remain a regular business driven event, aimed at addressing the real needs of the business community and ensuring continuous contacts and collaboration among the partners.
2. Recognised the importance of coordinated action within the Eastern Partnership, and in the face of increased political, economic and social challenges, the need to further strengthen collaboration, emphasising the formal dialogue between business and the political leadership and other stakeholders, including by supporting social dialogue framework and promoting the work of strong and independent social partner organisations to promote further cooperation and trade.
3. Invites political leaders to give substantial support to the creation and functioning of an Eastern Partnership Business Cooperation Council to promote business networking and new opportunities for business links between the EU and the six Eastern European partner countries – Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine, as well as cooperation with other countries interested in the region.
4. Announced the interest to create a Business Cooperation Council for coordination of employers' activities in priority areas with the European Union within the framework of European Eastern Partnership. The employers' organisations of Armenia, Belarus, Georgia, Ukraine and the Republic of Moldova have signed a Memorandum of Understanding asking the EU Eastern Partnership programme and the European Investment Bank to provide necessary support for effective functioning of the Business Cooperation Council.

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