



EUROPEAN COMMISSION

HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 15.5.2012
JOIN(2012) 14 final

**JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL,
THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

Delivering on a new European Neighbourhood Policy

{SWD(2012) 110 final}
{SWD(2012) 111 final}
{SWD(2012) 112 final}
{SWD(2012) 113 final}
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{SWD(2012) 124 final}

JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Delivering on a new European Neighbourhood Policy

INTRODUCTION

Last year's changes in the Neighbourhood, in particular in the Southern Mediterranean but also in Eastern Europe, led to a rapid EU response. Within weeks, the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission issued a joint Communication on a Partnership for Democracy and Shared Prosperity setting out the immediate response to the unfolding historic events. Combined with the revision of the neighbourhood policy, this resulted in a "New Strategy for a changing European neighbourhood"¹. This sent a clear message of solidarity and support to the peoples of the Southern Mediterranean. Their struggle for democracy, dignity, prosperity and safety from persecution would be supported by Europe. Europe would also bring its experience and know how to help them address the challenges of transition from authoritarianism to democracy. This has been a top priority for the new European External Action Service (EEAS) and the European Commission. Building on the achievements of the Eastern Partnership, the new policy was also a response to the call of the EU's Eastern European partners for closer political association and deeper economic integration with the EU. The successful Eastern Partnership Summit in Warsaw and the Summit's Joint Declaration gave a further impetus to the implementation of the new approach.

The policy is based on new features, including a "**more for more**" approach, the importance of **mutual accountability** between the EU and its partners, the need for **partnerships** not only with governments but also with **civil society** (e.g. NGOs, businesses, academia, media, unions, and religious groups) and a recognition of the **special role of women** in reshaping both politics and society.

The new ENP approach also recognised the importance of **differentiation** and tailors relations to the level of ambitions of partners. It is therefore based on the respect for every partners' specificities and their own reform path. The new policy has enshrined greater flexibility and set out a framework for tailored responses, matching the specific requirements of the countries, their progress in undertaking reforms, and the nature of the partnership they seek with the EU.

A year on, this joint Communication of the High Representative and the Commission gives an assessment of the implementation of the new approach. This Communication, accompanied by a set of Joint Staff working documents², shows that the EU has been quick in laying the policy's new foundations, and that most partner countries have responded positively,

¹ COM (2011) 303 of 25.05.2011

² This joint Communication is accompanied by: twelve Country Progress Reports assessing the implementation of the ENP in 2011 in the twelve neighbouring countries with which an ENP Action Plan or an equivalent document has been agreed; two regional progress reports reviewing the progress made in 2011 in the implementation of the Eastern Partnership and the Partnership for Democracy and Shared Prosperity; and a Statistical Annex.

indicating their readiness to pursue political and economic reform with increased determination and to engage more deeply with the EU.

A number of innovations have been particularly important:

- In July 2011, the Council appointed an EU Special Representative for the Southern Mediterranean region. Working together with the Commission and the EEAS, the new EUSR has contributed to the response of the EU by enhancing the Union's effectiveness and visibility through political dialogue and economic cooperation with all parties involved in the process of democratic transformation in the region. To achieve these objectives, the Task Force is designed to work together with our partners bringing country-specific expertise and resources from the EU, its Member States, the European Investment Bank, the European Bank for Reconstruction and Development as well as other International Financial Institutions and the private sector. The EU-Tunisia and EU-Jordan Task Forces have proven to be effective instruments for democratic change, accelerating the delivery of support, and financial assistance by involving a wide range of institutions. Acting as a catalyst, the Task Force allows deepening the EU's relationship with countries in a results-oriented, tailored and differentiated way.
- The Commission has put forward "umbrella" financial programmes (SPRING for the South and EaPIC for the East) to make available more rapidly the additional funds announced in 2011, in order to support democratic transformation, institution building and further growth in the partner countries.
- In light of the challenging economic outlook in Europe, the High Representative and the Commission have taken bold steps to mobilise financial assistance for transition in the neighbourhood from outside the traditional community budget. This has included an increase in the lending ceilings of EUR 1.15 billion to partner countries³ from the European Investment Bank, and an extension of the mandate of the European Bank for Reconstruction and Development to cover the countries of the Southern and Eastern Mediterranean.
- A Civil Society Facility covering the entire neighbourhood was launched in September with an initial budget of EUR 26 million for 2011 and similar amounts planned for 2012.

While progress has not been universal, since last year, many partners have taken bold steps to accelerate their democratisation and reform processes. There have been more free and fair elections and better protection of fundamental freedoms and human rights. There is also more space given to an open public debate, thereby strengthening governments' accountability.

“More for more”

The new policy put the principle of “more for more” at its heart: only those partners willing to embark on political reforms and to respect the shared universal values of human rights, democracy and the rule of law have been offered the most rewarding aspects of the EU policy, notably economic integration (based on the establishment of Deep and Comprehensive Free Trade Areas - DCFTAs), mobility of people (mobility partnerships), as well as greater EU

³ € 1 billion for EU's Southern Neighbourhood and € 150 million for EU's Eastern Neighbourhood.

financial assistance. Equally, the EU has reacted to violations of human rights and democracy standards by curtailing its engagement.

"More for more" in practice

- Reflecting the decisive steps made in the **democratic transition process** in *Tunisia* the EU has doubled its financial assistance from EUR 80 million in 2010 to EUR 160 million in 2011 and provided technical assistance to help organise the Constituent Assembly elections.
- Negotiations for a **DCFTA** were launched with the *Republic of Moldova, Georgia*, and are about to be launched with *Armenia*. Negotiating directives for DCFTAs with *Egypt, Jordan, Morocco* and *Tunisia* were adopted by the Council. These agreements will improve economic integration of partners in the EU internal market.
- To respond to the deterioration of the situation in *Syria* the EU has decided to **suspend financial assistance** to the government and to **impose sanctions**. The High Representative and the Commission have actively supported mediation efforts by the United Nations and the Arab League, while the Commission is providing humanitarian assistance.
- The EU has recently concluded a mobility partnership with *Armenia* and plans to conclude **mobility partnerships** with *Morocco* and *Tunisia*.
- To further support partner countries reform efforts **EUR 670 million** are being made available to supplement existing country programmes. They are being channelled through two "umbrella" programmes (**SPRING** for the South and **EaPIC** for the East)⁴ and allocated to those partner countries making most progress towards sustainable democracy. Allocations have already been announced for *Algeria, Jordan, Morocco* and *Tunisia*.
- The **Association Agreement** with *Ukraine* has been initialled. Ukraine's performance, notably in relation to respect for common values and the rule of law, will be of crucial importance for the speed of its political association and economic integration with the EU, including in the context of the conclusion of the Agreement and its subsequent implementation. In this context, trials and verdicts against opposition leaders raise serious concerns about the respect for fair trial rules and the independence of the judiciary.
- The resumption of official 5+2 talks on the settlement of the **Transnistrian conflict in the Republic of Moldova** has been accompanied by intensified co-operation with the Government of the Republic of Moldova, the launch of large-scale EU confidence building measures and a step-by-step review of EU sanctions against Transnistria, while recognising the constructive attitude of its new leadership.
- To reflect the EU's grave concern about the continued lack of respect for human rights, democracy and rule of law in *Belarus*, the EU put forward a series of **restrictive measures** and redirected a major part of its assistance towards the civil society. It has also launched a European Dialogue on Modernisation with the opposition and civil society.

⁴ SPRING (*Support for Partnership, Reform and Inclusive Growth*); EaPIC (*Eastern Partnership Integration and Cooperation Programme*).

The EU is also engaged in intense co-operation with partners on a broad range of sectoral issues, based on EU norms and standards. Reforms need to be pursued with increased vigour by partners because they underpin inclusive socio-economic growth, job creation (especially for the youth), poverty reduction and increased foreign investment. Targeted financial support, institutional capacity building, enhanced sector policy dialogue and the gradual opening up of programmes and agencies allows the EU and partner countries to take full account of the complexities of this process, which requires difficult choices and accompanying measures to protect vulnerable citizens.

A partnership with Societies

The EU increasingly reached out to **civil society** in all neighbouring countries including those subject to targeted EU sanctions and where financial assistance is suspended. This engagement has generally been welcomed by partner countries as well as local and international civil society organisations. The EU intends to broaden this engagement, in particular through the engagement of civil society organisations in the preparation and monitoring of action plans or similar documents.

Concrete steps towards establishing a partnership with civil society

- A **Civil Society Facility** covering the entire neighbourhood was launched in September 2011 with an initial budget of EUR 26 million for 2011 and similar amounts planned for 2012 and 2013.
- The Eastern Partnership human rights dialogues were complemented by joint civil society seminars and the **Eastern Partnership Civil Society Forum** has become a permanent member of all four multi-lateral platforms.
- In the Southern Neighbourhood the EU has increased its support to the **Anna Lindh Foundation** in its efforts to mobilise and revitalise civil society in the region.
- The Council of Europe has stepped up its involvement in the neighbourhood region. After establishing a first facility for supporting the Council's work in the Eastern Neighbourhood, the Commission has decided on a EUR 4.8 million facility dedicated to the Council of Europe's activities with the southern Mediterranean countries.
- To promote **freedom of expression**, the EU has launched a “no disconnect strategy” to help civil society organisations and individual citizens overcome arbitrary disruptions of access to electronic communication technology.
- In December 2011, the main principles for the establishment of the **European Endowment for Democracy** were agreed by the Council. The EED will have an initial, although not exclusive, focus on the EU Neighbourhood.
- In parallel with the suspension or redirection of assistance, the EU has increased its **financial support** for civil society organisations in countries where continued human rights violations persist.
- The EU has also offered to negotiate **visa facilitation and readmission agreements** with *Belarus* to facilitate people-to-people contacts. The *Belarus* authorities have so far failed to respond to the EU's offer. The EU Member States strive to make optimal use of the

flexibilities offered by the Visa Code, to waive and reduce visa fees for certain categories of Belarusian citizens or in individual cases.

- The EU is increasing opportunities for the modernisation of **higher education** systems, academic **mobility** and **youth exchanges**. In 2012 and 2013 the funding for the participation of neighbouring countries in its higher education cooperation programmes will be doubled, new opportunities for youth exchanges and networking for youth workers will be provided. Also several regional dialogues on education, youth and culture policies have been launched or are about to be launched.

Mutual accountability

As part of an overall “more for more” approach, the EU in consultation with partner countries has been adapting its policy tools to promote mutual accountability and make policy dialogue more interactive and frank.

Tools to strengthen mutual accountability

- Increasingly frequent formal and informal contacts and dialogues at political level provide an opportunity for enhanced **political steering** of partner countries reform and the related EU support.
- From this year, the **Country Progress Reports** will become increasingly forthright in assessing progress, in particular towards deep and sustainable democracy. They will represent a tool for applying the incentive-based approach and establishing a stronger link with all relevant aspects of the EU response, including financial assistance. They will include country specific recommendations which partner countries are invited to address.
- There have been **increased contacts** at all levels from senior officials to stakeholders and civil society organizations, allowing representatives of partner countries to express their views on the implementation of the new approach and to provide a feedback on the EU's delivery on its commitments. These meetings will be made more regular.

1. DEVELOPMENTS IN NEIGHBOURING COUNTRIES

1.1 A year of rapid, if uneven, progress

After years of relative stagnation, democracy is increasingly taking root in the neighbourhood spurred by last year's democratic revolutions in North Africa. In a number of countries, meaningful elections have been held with the participation of a diversity of political parties. The general trend points towards more democracy, a more accountable form of governance and increased respect for human rights and fundamental freedoms. However, there are areas, essential to ensure the sustainability of ongoing political reforms, where progress has been more limited. In some countries progress has stalled or there are signs of regression.

Structural reform, where pursued, has helped to reduce poverty and attract foreign investment while important social challenges remain. Continued approximation to EU norms and standards has helped to contribute to strengthened trade links, notwithstanding the unfavourable economic climate. Increasingly intense sector co-operation with the EU is

helping to address transport and energy bottlenecks and tackle environmental and climate challenges.

1.2 Building sustainable democracies

A process of **constitutional reform** is underway in *Egypt*, *Jordan*, *Morocco* and *Tunisia* aimed at promoting governments' accountability to democratically elected parliaments, strengthening the independence of the judiciary and removing the other obstacles to a wider participation in political life. *Tunisia* has chosen its Constitutional Assembly with the first **democratic and credible elections** since the country's independence. Similarly *Egypt* and *Morocco* have elected their parliaments in a generally free and transparent manner.

Overall there is more respect for **freedom of expression, association and assembly** than in the past. The *Republic of Moldova* and now *Tunisia* have satisfactory legal frameworks for the protection of freedom of assembly and association. But much remains to be done across the neighbourhood to ensure that this freedom is fully guaranteed in law and in practice and to secure the necessary space for **civil society** to play its crucial role. In *Egypt*, there is some opening up of the political space, although freedom of expression, civil society activity and peaceful demonstrations have often been countered by repression. In *Azerbaijan* civil liberties continue to be severely curtailed.

Increasingly, attention is focused on the problem of **corruption**, even if bold political statements are not always followed by determined action. When this does happen, as is the case in *Georgia*, it contributes to the respect of the rule of law and helps to establish a business climate that encourages entrepreneurs and attracts foreign investments.

Throughout the neighbourhood more efforts are needed to ensure respect of the rule of law, overseen by an efficient, impartial and **independent judiciary**, with guarantees for equal access to justice and respect for due process and **fair trial** standards as well as to pursue the **reform of the security sector**. Although the process of democratic transition and constitutional reform is underway in a number of neighbouring countries, it has not yet translated into speedier, more transparent and fairer justice and a greater sense of security. In *Egypt*, civilians continue to be tried before military courts.

Building sustainable democracy also means ensuring **gender equality** and increasing the participation of women in political and economic life. In some countries, legislative provisions enacted with the aim of ensuring a more balanced composition of parliaments have encountered resistance in practice and therefore have not had the desired effect. **Local and regional authorities** have a key role to play in narrowing the gap between the population and institutions, promoting a culture of political participation at local level and ensuring that policy decisions take local needs into account.

There has been progress too in the respect for **other human rights**. *Tunisia* has ratified a number of optional protocols to key human rights conventions. *Morocco* and *Tunisia* have ratified the optional protocol to the UN Convention against Torture. There is increased respect for minority rights in *Armenia* and *Morocco*. However, torture and degrading and inhumane treatment continue to be perpetrated by security forces in a number of countries. Similarly, discrimination on grounds of religion or belief, ethnic origin and sexual orientation remains widespread and trafficking in human beings continues to be a serious problem in many countries.

The situation in *Belarus* has severely deteriorated over the last year following the December 2010 crackdown on the opposition and civil society in the wake of the presidential elections. The EU has had to re-instate and strengthen sanctions. The EU remains seriously concerned about the situation in *Belarus*, where the authorities have refused to release and rehabilitate all political prisoners and to end oppression of the opposition, media and civil society. The Belarus authorities have so far failed to respond to the EU's offer to negotiate visa facilitation and readmission agreements, thus depriving their citizens of the benefits of facilitated travel to the EU. Conditions are not in place that permit a full participation of Belarus in the ENP. It participates only in the multilateral dimension of Eastern Partnership. The EU remains determined to strengthen its partnership with the people of *Belarus* and provide increased support to civil society organisations.

Algeria has initiated a process of political reforms that has led to the adoption of several new laws at the beginning of 2012, on the electoral code, participation of women in the elected assemblies, associations, media, political parties, decentralisation and incompatibility between political mandates. A revision of the Constitution is expected to take place after the 10 May legislative elections. In the context of the new focus of the ENP on a tailored and differentiated approach, *Algeria* has decided to join the ENP, and discussions on an **ENP Action Plan** have already started.

The situation in *Libya* is gradually stabilising after the end of the civil war. The EU is supporting the transition process and regularly reviews issues related to respect for human rights with the authorities. The EU is ready to engage in negotiations with the new Libyan Administration for a contractual agreement and, in that context, discuss Libya's possible participation in the ENP, based on a shared commitment to the values of democracy, the rule of law and respect of human rights.

1.3 Conflicts

Finding peaceful settlements to protracted conflicts remains a key challenge throughout the neighbourhood. The main responsibility for this lies with the conflicting parties which must enhance their efforts to find agreements in a genuine spirit of compromise. Without that, continued international mediation efforts in established formats cannot be expected to lead to a breakthrough. The full realisation of the potential of the ENP will require more credible and sustained efforts on the part of concerned neighbouring countries to make progress towards conflict resolution. Conversely, the EU stands ready to provide necessary support for the implementation of settlements once they have been agreed.

In the case of *Syria*, the EU has strongly condemned the systematic human rights violations by the Syrian regime. The EU has called on President Assad to step aside and allow a peaceful and democratic transition. Together with EU Member States at the United Nations Security Council, the EU spared no effort to ensure that the international community speaks with one voice in full support of the UN-League of Arab States Special Envoy Kofi Annan's plan. The High Representative and EEAS participated in the Friends of Syria meetings. The High Representative convened regularly the Crisis Platform bringing together all relevant services in the EEAS and the Commission (sanctions, humanitarian assistance, development cooperation, liaison with Delegations and support to the UN). In response to the crisis, the EU suspended all types of cooperation, imposed restrictive measures and kept them under constant review. The EU has only maintained aid that benefits the Syrian population, students, human rights defenders and the opposition. The EU put forward a contribution of EUR 10 million in humanitarian aid to Syria and affected neighbouring countries. The EU has also

worked closely with Syria's neighbours and has proposed a Commission Special Measure to reserve EUR 23 million of ENPI funds to support specifically Syrian civil society as well as refugees and affected populations in neighbouring countries.

The EU Delegation in Damascus remained open to support the Syrian people and help coordinate the EU response to the crisis. The EU Delegation hosts several diplomats from Member States that decided to suspend the activity of their own Embassies.

In 2011, the EU has acted with a measure of success to reinvigorate the Quartet and has continued its efforts to encourage both *Israel* and the *Palestinian Authority* to return to the negotiating table. In its statement on 23 September, the Quartet called for the resumption of direct bilateral negotiations without delay or preconditions, the aim being to reach an agreement within a timeframe agreed by the parties but not later than the end of 2012. It also called upon the parties to refrain from provocative actions and reiterated the obligations in the Roadmap.

In the Eastern Neighbourhood, thanks to the joint efforts of the 5+2 members, including the EU, formal talks on settling the Transnistria conflict resumed in a positive atmosphere. A number of high level meetings took place and steps were taken to intensify confidence-building measures (e.g. possibility for Transnistrian companies to register in the *Republic of Moldova* and benefit from the autonomous trade preferences, registration fee waiver for visits to Transnistria, creation of a working group to discuss further confidence building measures, discussions among customs and railways authorities to facilitate export of goods. Talks between the Presidents of *Armenia* and *Azerbaijan* on Nagorno-Karabkah, supported by the OSCE Minsk Group as mediator, did not lead to a breakthrough. The Geneva International discussions on Abkhazia and South Ossetia under joint EU-UN-OSCE chairmanship were pursued, notably on the issue of the non-use of force.

1.4. Inclusive economic development and trade

Growth was steady in most of the EU's Eastern Neighbours which continued their recovery from the 2009 crisis. This allowed countries such as *Armenia*, *Azerbaijan* and the *Republic of Moldova* to make further progress on **reducing poverty** and unemployment. The *Republic of Moldova* and *Georgia* have also pursued **structural reforms** with determination while progress in *Ukraine* has stalled and the country programme with the International Monetary Fund (IMF) is off track.

In the EU's Southern Neighbourhood growth was slower particularly in those countries where democratic transition was accompanied by social unrest, strikes and political instability or that suffered from conflicts in neighbouring countries. To address growing **unemployment** and prevent further internal unrest, many countries have loosened fiscal policy, increased government spending and, as a result, the budget deficit. This trend needs to be redressed to maintain macroeconomic stability and avoid potential problems with debt financing. In *Israel*, protests highlighted widespread concerns about social justice and growing inequality in the distribution of wealth. Across the entire neighbourhood, as within the EU, the focus must be on making economic development more **inclusive** by promoting internal cohesion and addressing regional and social imbalances.

2. EU COOPERATION WITH PARTNERS

2.1 A year of delivery

Most partner countries have welcomed the new emphasis on increased differentiation and mutual accountability, indicating their readiness to pursue political and economic reform with increased determination and to engage more deeply with the EU. This is already showing results.

In the East, the Communication of last May gave additional momentum to the development of the Eastern Partnership. The Warsaw **Eastern Partnership Summit** took stock of the results achieved and confirmed the political commitments of the EU and its Eastern Neighbours to move towards deeper political association and further economic integration and acknowledged the European aspirations and the European choice of some partners. It agreed to prepare an “Eastern Partnership Roadmap” which is adopted at the same time as this communication⁵ and provides a practical guide to monitoring implementation until the next summit due to be held in autumn 2013.

Three years after its launch, the Eastern Partnership has registered substantial progress. The EU and the Eastern partners have intensified their dialogue on Human Rights. Negotiations on Association Agreements have been launched with all partners (except *Belarus*) and have been completed with *Ukraine*. Negotiations on Deep and Comprehensive Free Trade Areas (DCFTA) are progressing. The goal of achieving visa free travel in due course and the other elements of the Eastern Partnership cooperation agenda are being taken forward successfully.

In the Southern Neighbourhood, the EU has been very active in responding to the historic changes. It has engaged with regional organisations (in particular the League of Arab States) in the search of solutions to conflicts. The High Representative and the Commission have welcomed the outcome of the democratic elections and affirmed their readiness to work with the new governments. The EU has provided immediate humanitarian assistance where needed, reoriented its financial assistance, increased it for the countries most in need while cutting it in other cases. It has also offered new cooperation and dialogue on trade and mobility. It has become a recognised and trusted partner for the preparation, organisation and monitoring of elections. It has substantially increased its engagements with, and support to, civil society organisations throughout the region.

Following a proposal from the High Representative, the Council appointed a Special Representative for the Southern Mediterranean Region to develop dialogue with transition countries, step up the mobilisation and coordination of the EU and the Member States and ensure co-ordination with the International Financial Institutions and the private sector. This has already brought tangible results to the region. The first Task Force took place in *Tunisia* in September 2011 and announced a very substantial international support package, covering both grants and loans, to which the Commission contributed with EUR 400 million in grants for the period 2011-2013. The second Task Force met in *Jordan* in February 2012 to encourage and support the process of political and economic reforms in *Jordan*. Political parties and civil society organisations contributed to the Task Force. A substantial international financial package was also announced on this occasion. The Task Forces are not one-off exercises but a process that includes follow up meetings at different levels to assess

⁵ COM (2012) ... of 15.05.2012, Eastern Partnership: A Road Map to the autumn 2013 Summit”.

the progress and implementation. The joint bodies established under the Association Agreement monitor the implementation of the Task Force's recommendations. Following the Presidential elections and transfer to civilian rule, a Task Force will be organized together with *Egypt* in 2012.

2.2 Building sustainable democracies

The renewed EU emphasis on building **deep democracies**⁶ and promoting **human rights and fundamental freedoms** has been accompanied by determined action.

To support **democratic transition**, the EU has stepped up co-operation with the Council of Europe and sought synergies with the Council of Europe Parliamentary Assembly offering “Partner for Democracy Status” to Parliaments of Southern Mediterranean countries. This Status was granted to *Morocco* and the *Palestinian Authority*. The EU has also developed a programme with the Council of Europe to support the reform process in Eastern Partnership countries covering judicial reform and respect for human rights in the delivery of criminal justice, compliance with European electoral standards, fight against corruption and serious forms of cybercrime. This was later complemented by a similar programme with the EU’s Southern Neighbours, focusing on constitutional reform, judicial reform and electoral systems.

The EU has provided technical assistance to Tunisian election authorities to help them prepare for their **first democratic elections** and has supported Tunisian civil society in the run up to those elections. It has deployed a fully-fledged Election Observation Mission (EOM) in *Tunisia* and sent election experts to *Morocco*. Following the invitation by *Algeria*, it deployed a fully-fledged EOM to observe the 10 May parliamentary elections. It has provided technical assistance to the Egyptian High Electoral Commission and supported voter education and domestic observers through Civil Society Organisations. *Libya* has invited the EU to observe the forthcoming elections for a constitutional assembly.

2.3 Fostering inclusive economic development, trade and sector co-operation

Economic and social development

In a context of serious economic and financial difficulties in the Euro Area and in most of the Arab partner countries (also reflecting the effects of the Arab Spring), **macro-economic dialogues** have proved to be particularly useful for both the EU and its partners. They have allowed a frank and in-depth exchange of information and views to take place on the economic challenges faced and the policy responses being taken by the two parties, highlighting the need for structural reforms.

To promote **inclusive economic development**, the EU has acted to increase its financial assistance and the lending capacity of European Financial Institutions (see Section 2.4) and has re-launched policy dialogue on employment and social issues.

⁶ The elements that characterise a **deep and sustainable democracy** include: free and fair elections; freedom of association, expression and assembly and a free press and media; the rule of law administered by an independent judiciary and the right to a fair trial; fighting against corruption; security and law enforcement sector reform (including the police); and the establishment of democratic control over armed and security forces.

Trade

DCFTA negotiations were completed with *Ukraine* and launched with the *Republic of Moldova* and *Georgia* and are about to be launched with *Armenia*. Following a scoping exercise to be conducted in 2012 on the partners' capacity to approximate to the EU *acquis*, negotiations with *Jordan*, *Morocco* and *Tunisia* could be opened before the end of the year on the basis of the negotiating directives adopted by the Council in December. The Agricultural and Fisheries Product agreement with *Morocco* will enter into force in July and rapid progress on other ongoing negotiations, such as the equivalent agreement with *Tunisia*, is also a priority as outlined at the March European Council.

The regional Convention on **pan-Euro-Mediterranean Rules of Origin** was opened for signature in June 2011 and signed by *Jordan* and *Morocco*. The other Southern Mediterranean partners that have not yet signed the Convention should rapidly complete the procedures for the signature and the ratification. Further negotiations on **Agreements for Conformity Assessment and Acceptance of industrial products** (ACAA) should be launched in 2012 to open up markets for industrial products with *Tunisia* and later with *Egypt*, *Jordan* and *Morocco*.

Sector Co-operation

Regulatory convergence towards the EU and other markets applying EU rules is a key to facilitate trade and economic development. It is supported, in the framework of the Eastern Partnership, by **Comprehensive Institution Building** programmes and other relevant assistance measures. The preparatory process for the DCFTAs negotiations with *Armenia*, *Georgia* and the *Republic of Moldova* as well as the finalisation of such negotiations with *Ukraine*, have boosted the legislative work, particularly in the areas of sanitary and phytosanitary standards and technical regulations. This has also improved domestic food and product safety. Public finance management is one area where improvements are still needed.

Market integration with the EU and regulatory convergence are also drivers of much needed **sector reforms**. Such reforms are generally of a longer-term nature and require substantial investments. In all areas, co-operation between the EU and partner countries has intensified as the joint staff working documents accompanying this communication highlight. The EU has, for example, launched a "no disconnect strategy" to help civil society organisations and individual citizens circumvent arbitrary disruptions of access to electronic communications technologies. The EU also launched the European Neighbourhood Programme for Agriculture and Rural Development which through investment support and technical assistance permit the modernisation of the agricultural production in the partner countries, create opportunities at local level and preparing the partner country for more effective operation in the EU market.

The Commission is also keen to develop sector dialogue and cooperation in the regional frameworks of the Eastern Partnership and Union for the Mediterranean. These dialogues will help cement common understanding on sectoral priorities and will contribute to the emergence of concrete projects and initiatives.

Informal Eastern Partnership Dialogues are being put in place as another means of strengthening the link between the bilateral and multilateral processes, of boosting the sense of joint ownership of the Eastern Partnership and of fostering a regional dynamic. These biannual informal multilateral dialogues between the Foreign Ministers of the partner countries and the EU's High Representative and Commissioner for the ENP will provide the

opportunity for ministerial-level informal discussions on developments in partner countries, and progress on reform processes, and allow for monitoring the implementation of the Eastern Partnership Roadmap. This framework will also provide for informal dialogue sessions between the relevant sectoral Ministers and EU Commissioners to strengthen **multilateral sector cooperation** between the EU and the Eastern Neighbourhood partners.

In the context of the Union for the Mediterranean (UfM), and following the Council's decision to transfer the northern co-presidency to the EU, the Commission is keen to restart the sectoral dialogues at ministerial level. Discussions with partners are ongoing to agree on a number of meetings on trade, transport, energy and environment and other sectoral policies. These sectoral ministerial meetings would identify joint objectives for regional cooperation and would also help identify possible concrete projects to be carried out in the context of the UfM.

As part of its new response and renewed engagement towards its neighbourhood, the EU has further enhanced its support for the **participation of ENP partner countries in EU programmes and agencies**. The Protocols allowing the participation of the *Republic of Moldova* and *Ukraine* in EU programmes have entered into force. Following the positive vote in the European Parliament, the protocol with *Morocco* will enter into force shortly. The negotiations on a Protocol with *Jordan* have been launched. A project is being prepared to support EU Agencies' preparatory measures with a view to facilitating participation in the work of the agencies. Partner countries can use EU funding to co-finance their participation in EU programmes.

Mobility

Headway is being made towards the goal of visa liberalisation with the EU's Eastern Neighbourhood. Mobility Partnerships exist with *Armenia*, *Georgia* and the *Republic of Moldova*. The *Republic of Moldova* and *Ukraine* are implementing Visa Liberalisation Action Plans. A visa dialogue with *Georgia* could be launched before the summer. Following the successful implementation of **visa facilitation and readmission agreements** with *Georgia*, *the Republic of Moldova* and *Ukraine*, negotiations on similar agreements have been also launched with *Armenia* and *Azerbaijan*.

In the EU's Southern Neighbourhood, the EU has offered to engage in **partnership dialogues on migration, mobility and security** with *Egypt*, *Morocco* and *Tunisia*. Such dialogues cover regular and irregular migration, trafficking in human beings, readmission, visa issues, asylum and international protection. Substantial progress has been achieved with *Morocco* and *Tunisia* with which the dialogues were launched in October 2011, and joint declarations opening the way to mobility partnerships should be signed in the coming months. *Egypt* has so far declined to enter into concrete discussions. The High Representative and the Commission propose to initiate a dialogue on migration, mobility and security with *Jordan*.

2.4 Financial Support

To provide financial backing for partner countries' reform efforts, the EU has acted at two levels.

First it has sought to strengthen the link between the new policy approach and existing financial assistance programmes. In the Southern Neighbourhood this has led to the **re-**

orientation of € 600 million of existing funding towards the objectives laid down in the joint Communication "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean⁷". As a result new institution building programmes have been launched in areas such as judicial reform and the fight against corruption.

Second it has worked towards making available **additional financial resources** from the EU budget. The joint Communication "A new response to a changing Neighbourhood" of May 2011 had proposed to devote up to EUR 1.24 billion of additional resources to support the implementation of the new approach. Of this amount, **EUR one billion** is being made available to partner countries. The High Representative and the Commission regret that no consensus has yet emerged in the Council in favour of the Commission proposal to allow the re-use of EIB reflows. This will lead to a shortfall of at least EUR 240 million over the original proposal.

The largest part of these additional resources (EUR 670 million) will be channelled through two umbrella programmes SPRING in the Southern Mediterranean with a budget of EUR 540 million for 2011-13; and EaPIC in the Eastern Neighbourhood with a budget of EUR 130 million for the period 2012-13. Both programmes will focus on promoting democratic transformation and institution-building and supporting sustainable and inclusive growth. The rest of the additional funding has mostly been allocated to mobility programmes (Tempus, Erasmus Mundus, etc.) and support to civil society organisations and non state actors.

The extension of the **European Investment Bank (EIB)** mandate in October opens the way for additional loans of EUR 1.15 billion to partner countries⁸ and for up to EUR one billion in loans related to climate change. Additional voluntary contributions from Member States to the trust fund established under the Facility for Euro-Mediterranean investment and Partnership (FEMIP) will allow EIB to re-enforce risk capital operations in the Southern Neighbourhood.

The area of operations of the **European Bank for Reconstruction and Development (EBRD)** is being extended to allow activities in *Egypt, Jordan, Morocco and Tunisia*. Moreover up to EUR 100 million, partly coming from the EU budget, have been allocated to support the identification and preparation of projects. Further resources (up to EUR one billion) will be mobilised by the EBRD through its Special Funds as soon as enough shareholders have ratified the necessary amendments of the Agreement Establishing the EBRD⁹. Ongoing assistance under the European Neighbourhood and Partnership Instrument has also been reoriented to promote SME development and support job creation initiatives in *Algeria, Egypt, Jordan and Tunisia* in particular.

At the end of 2011, total **Neighbourhood Investment Facility** (NIF) allocations reached EUR 400 million (of which EUR 174 million for the East and EUR 226 million for the South), leveraging projects with a total cost of EUR 13.6 billion (of which EUR 4.2 billion for the East and EUR 9.4 billion for the South). The substantial increase in grant funding available under the NIF for the period 2011-13 (EUR 450 million) should ensure, through leveraging, that increased lending resources rapidly translate into investments in infrastructure (environment and climate change, interconnections with partner countries) and SMEs, thus helping to address unemployment throughout the neighbourhood.

⁷ COM (2011) 200 of 08.03.2011

⁸ € 1 billion for EU's Southern Neighbourhood and € 150 million for EU's Eastern Neighbourhood.

⁹ In December 2011, the Commission adopted the proposal for a decision of the European Parliament and the Council on the EU ratification of the amendments (COM (2011) 905 of 21.12.2011).

The EU aims to strengthen its support for risk capital operations in the Southern Neighbourhood through the Facility of Euro-Mediterranean Investment and Partnership (FEMIP) and is developing further options to support risk capital operations and guarantee schemes in the Eastern Neighbourhood with the EIB, the EBRD and other European financial institutions.

In December, the Commission adopted the legislative proposal for a new financial instrument, the **European Neighbourhood Instrument (ENI)** that is designed to replace the current European Neighbourhood and Partnership Instrument (ENPI) as of 2014. Compared with the current instrument the ENI will further strengthen the link between policy and assistance and provide for a higher level of differentiation in cooperation with partner countries, reflecting their commitment to universal values, progress in deep democratisation and jointly agreed objectives. It will focus co-operation activities on fewer key policy objectives thus increasing impact. It will reduce the complexity and length of the programming process and simplify implementation provisions, including those relating to cross border co-operation at the EU's external borders. Its proposed financial envelope of EUR 18.2 billion for seven years represents an increase of 22% in real terms in relation to the current financial perspective. The ENI will contribute to EU objective of increasing the climate related proportion of the Union budget to at least 20% in accordance with the intent stated in the Commission June 2011 Communication on the 2014 – 2020 Multiannual Financial Framework¹⁰.

2.5 A more joined-up approach with other EU institutions

The review of the ENP in 2011 has led to a large debate among all EU institutions and a broad consensus on the need for a stronger EU engagement in the neighbourhood. In particular, the European Parliament has adopted an important report on the ENP in December. There has been a noticeable increase in the frequency of interactions between the European Parliament, the Commission and the High Representative on the ENP in relations with individual partners.

In addition, the European Parliament has increased its contacts and cooperation with ENP partners' elected assemblies, in an effort to improve political dialogue and strengthen their capacity to hold governments accountable. The Euronest and the UfM Parliamentary Assembly have developed their activities. Also, both the European Economic and Social Committee and the Committee of the Regions (in particular through the ARLEM and CORLEAP assemblies) have increased their involvement.

2.6 A joined-up approach with other donor countries and international institutions

The EU is co-operating closely with other donor countries and international institutions to respond to humanitarian crises, to promote democratic transition and to foster economic development in partner countries.

Throughout the Libyan crisis the EU has been at the forefront of the international humanitarian response acting in close co-ordination with other donors and international organisations so as to ensure that needs were promptly identified and aid delivered rapidly and effectively.

The EU has decisively contributed to establishing the G-8 Deauville Partnership initiative which coordinates international efforts to support democratic transition in the Southern Mediterranean and it co-operates closely with the international organisations that during the

¹⁰ COM (2011) 500 final of 29.6.2011, "A budget for Europe 2020".

G8 Finance Ministers Meeting in Marseille in September have pledged support to the Deauville Partnership. Through its Macro-Financial Assistance instrument the EU also co-operates closely with the International Monetary Fund and other international organisations in helping the concerned partner countries¹¹ addressing macro-economic imbalances and pursuing growth oriented structural reform.

Countries such as Russia and Turkey have the potential to make an important contribution to regional stability. Switzerland has participated at the highest level in the meeting of the EU Tunisia Task Force.

Moreover, in the context of the Eastern Partnership, an Information and Co-ordination Group including non EU countries and interested International Financial Institutions promotes donor co-ordination and, more generally, fosters the development of the Eastern Partnership.

3. LOOKING TO THE FUTURE

The year 2011 has been one of change in the EU neighbourhood. Although the first signs are encouraging, sustained efforts are needed to consolidate this progress. Many societies in our partner countries are undergoing far-reaching change. Understanding and respecting the pace of each society's own reforms process is fundamental. It requires constant dialogue, careful attention and close monitoring by the EU. There are a number of issues on which partner countries need to step up their reform efforts and there are aspects of its offer where the EU needs to deliver more promptly.

3.1. Challenges ahead

Sustainable democracy

Democratic transformation in a number of southern neighbours is bringing new political parties to the centre of the political scene, in particular, but not exclusively, parties that have Islamic roots. The EU needs, and is open to developing its dialogue with these parties as well as with all democratically elected governments. Existing tools and also the European Endowment for Democracy, once it is established, could foster dialogue and promote the exchange of experiences with EU political parties.

Until the next Summit, Eastern European partners shall continue to implement the broad and substantive agenda of the Eastern Partnership as set out in the Roadmap. In this respect, **consolidating democracy** remains essential, with the forthcoming parliamentary elections in *Armenia, Georgia and Ukraine* as key milestones for these three countries. In the southern neighbourhood, the forthcoming elections in *Algeria, Jordan, Libya, and Tunisia* will be also be very important to anchor more deeply the democratisation process.

Freedom of **expression, association and assembly** needs to be fully guaranteed in law and in practice, and a strong culture of respect for human rights must be established across the board in particular the protection against all forms of discrimination in politics as well as day-to-day life. To that end partner countries are invited to address the specific recommendations made to them on these issues in the Country Progress Reports accompanying this Communication. This will secure a space where **civil society** can play its crucial role as an agent for

¹¹ Armenia, the Republic of Moldova, Ukraine and in future, possibly, Egypt and Georgia.

democratisation ensuring the sustainability and inclusiveness in the reform process. As the Civil Society Facility becomes fully operational the EU will be in a position to provide enhanced support. In the southern neighbourhood, the Anna Lindh Foundation should contribute to advancing the inter-cultural dialogue among Civil Society Organisations by identifying actors for change and connecting organisations which do not normally interact thus promoting a dialogue with EU organisations.

Women have been key players in the Arab Spring, and they should not lose out in the subsequent transformations. The EU will continue to step up its efforts to support women's rights across the region, ensure that gender equality is mainstreamed into all relevant co-operation activities and promote effective action against trafficking across the neighbourhood.

Throughout the neighbourhood more efforts are needed to build an efficient and **independent judiciary**, so as to ensure citizens' **right to a fair trial** ensuring legal certainty for business and investors through impartial judicial decisions. Security **sector reform** is also central to sustainable democratisation. To support their efforts the EU, using the additional resources that became available following last year's policy review, is ready to step up its technical and financial support in the context of national comprehensive strategies.

Inclusive economic development and trade

Unemployment, social exclusion, inequality and poverty are at the heart of people's concerns for the future. They are among the root causes of instability and unrest and need to be addressed to make democratisation sustainable. They require partner countries to reform and adopt an integrated approach with a mix of economic, fiscal, employment, social and education policies. The EU is ready to support such reforms through targeted measures aimed at promoting social cohesion and employment (in particular of young people).

To promote EU investments in partner countries the EU has included **investment protection** in the scope of the DCFTAs to be negotiated with *Egypt, Jordan, Morocco and Tunisia*. It intends to negotiate similar provisions gradually with other neighbouring countries either as separate agreements or in the context of future DCFTAs. In partnership with the OECD and the World Bank, the Commission will launch next June a scheme for lowering the insurance costs of large scale investment in the Southern Mediterranean region, in order to increase foreign direct investments in the region. Work has also progressed in preparing the ground for an EU wide guarantee mechanism providing coverage against political risk to investments made by EU SMEs in partner countries SMEs. This scheme, which will cover the entire neighbourhood, should be launched by the end of the year. Finally, consultations have confirmed the advisability of extending the geographical remit of the European Investment Fund (EIF) to explicitly cover neighbouring countries. The Commission intends to propose, later this year, that the EIF Board amends the EIF statute to that effect. This will, *inter alia*, facilitate the participation of partner countries in future EU programmes such as the Programme for Competitiveness, Enterprise and SMEs (COSME).

The **regulatory convergence** implied by the DCFTAs in fields as diverse as sanitary and phytosanitary issues, technical regulations, customs procedures, public procurement and competition will require very substantial efforts by the partners to reform their legislation and develop the means to implement and enforce it. The fight against corruption and fraud and strengthening public finance management are part of these efforts. The EU is committed to increasing its support for these efforts by providing further institution building assistance.

Mobility

The **mobility agenda** needs to be taken forward. For EU Eastern neighbours this means the conclusion of visa facilitation and readmission agreements with *Armenia*, *Azerbaijan* and *Belarus*, as well as the launching of visa dialogues first with *Georgia*, and then with *Armenia* and *Azerbaijan*. *Ukraine* and the *Republic of Moldova* will wish to progress towards the full implementation of their Visa Liberalisation Action Plans. *Azerbaijan* expressed an interest to negotiate a mobility partnership along the lines of those concluded with other Eastern neighbours. For EU Southern neighbours this means establishing mobility partnerships with *Morocco* and *Tunisia* and initiating mobility dialogues with *Egypt* and *Jordan*.

In order to meet the objectives in the area of education, to promote business contacts, cultural exchanges and people-to-people contacts, the High Representative and the Commission invite the EU Member States to make more systematic use of the possibilities provided by the **European Visa Code**. In particular multi-entry visas should be provided to people that would be able to justify the need of travelling regularly and in good faith to the EU for business or for family links, as well as, representatives of civil society organisations and students participating in EU funded programmes. The visa fee should be waived for young people under the age of 25 participating in seminars, conferences, sports, cultural and educational events organised by non-profit organizations, and for children under the age of 12.

Sector Co-operation

The EU's values of respect of human rights, democracy and the rule of law underpin the EU and define cooperation among its Member States; they are also reflected in the EU's laws, norms and standards. Taking over EU norms and standards through sector cooperation will respond to the partners' wish to come closer to the EU, and, crucially, it will promote such values. Sector reform and cooperation thus contributes to better political and economic governance, political and administrative transparency and accountability, socio-economic development, conflict prevention and resolution, state building, and civil society involvement.

In many sectors, notably transport and energy, the Commission is developing a special focus on the ENP region and intends to develop this approach more widely¹². In this spirit and without attempting to be comprehensive this joint Communication highlights in the following paragraphs a number of **sector issues** where the EU and partner countries could co-operate more closely with a view of achieving concrete results in the next few years.

- On **energy** the Commission will continue to support the development of the Southern Gas Corridor. It will also continue to work with the Eastern European neighbours on security of energy transit, based on transparent operation of the network. Furthermore, it will consult Southern Mediterranean partners in 2012 to establish energy partnerships as a first step towards regional electricity and renewable energy market integration, with the long-term perspective of establishing an EU-Southern Mediterranean Energy Community.
- In the area of **industrial and enterprise policy**, the Euro-Mediterranean Charter for Enterprise should be upgraded into a Euro-Mediterranean Small Business Act and EU cross-sector and sector-specific networks and action should be extended to Southern

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See in particular the Commission Communications: "The EU and its neighbouring regions: a renewed approach to transport cooperation", COM (2011) 415 of 07.07.2011 and "The EU Energy policy: Engaging with partners beyond our border", COM (2011) 539 of 07.09.2011.

Mediterranean partners. Information and best practices on sustainable tourism should be exchanged.

- In the area of air **transport**, negotiations on the conclusion of comprehensive air services agreements should be accelerated with *Ukraine*, re-launched with *Tunisia* and initiated with *Azerbaijan* in 2012.
- The EU will continue to promote modern **customs** practices and procedures towards maximum trade facilitation, including through the implementation of the Strategic Frameworks for Customs Cooperation with the Eastern partners and the ongoing and future DCFTA negotiations.
- The EU will support partner countries' capacities to tackle **environmental** degradation and promote sustainable use of natural resources, including in the areas of water, industrial pollution, hazardous pesticides, air quality, waste management, nature conservation and forest management, and to strengthen environmental information systems and governance. The EU will assist partner countries to better integrate environmental considerations into other sector policies to promote a transition to a greener economy, including through more sustainable consumption and production. The EU will also strengthen cooperation with ENP partners on the 2012 UN World Conference on Sustainable Development.
- The design and implementation of ambitious **climate policies** is a key challenge on which the EU is ready to closely co-operate with partner countries. The EU will support partners' transition towards low carbon development and climate resilience through capacity building, information sharing and investments. This will help partners to implement the Cancun and Durban agreements and in particular devise low emission development strategies, enhance their climate resilience and provide updated information on target or actions that they will implement.
- The **Information Society** policy within the ENP aims at securing a fair, modern, open and transparent market for telecommunications, an open and vibrant use of the internet for all and a diverse media environment. Ensuring the security, stability and resilience of the internet and other **electronic communication technologies** is a fundamental building block for democracy and for the creation of a dynamic and innovative business climate. In order to exploit fully the growth and productivity potential of the Information Society, the Commission will support further regulatory reforms including through regulators' networks. The Mediterranean regulators' network will be strengthened and an Eastern network will be established. The Commission will also support enhancement of the electronic communications environment in areas ranging from network interconnection to e-health. Equally, it will improve the high speed connectivity of the regional e-infrastructures for research and education. The active and democratic use of ICT and internet, as well as steps towards a transparent and efficient audiovisual and media regulatory environment will also be promoted.
- Regarding the development towards a “**Common Knowledge and Innovation Space**”, the Commission will intensify cooperation with partners and support better networking and co-ordination between partner countries and the EU in the setting and synchronisation of research priorities. With a view to promoting greater involvement of ENP research communities in the 7th Framework programme for Research and Technological Development (FP 7), the Commission will support partner countries in building up research capacity, promote the increased collaboration of between ENP and EU researchers

and research organisation and help to strengthen the FP 7 network of Contact Points. The Commission will support special information events on FP 7 opportunities. The Commission stands furthermore ready to negotiate with ENP partners memoranda of understanding for their association to the follow-up of FP 7.

- The new European Neighbourhood Programme for **Agriculture and Rural Development** (ENPARD) will help partner countries to operate more effectively in foreign markets, to benefit fully from the future DCFTAs, and to stimulate farming domestically. In that framework, the Commission will be engaging in close policy dialogues with partner countries to promote long-term agricultural and rural development strategies in close co-operation with all relevant stakeholders.
- On **statistics**, the EU will support the adoption of the European statistics code of practice, including the principle of independence of the statistics producers; the production and dissemination of high quality statistics covering key socio-economic areas, in line with EU standards and methodologies; and the use of statistics for evidence-based decision making, a key component of good governance. The EU will reinforce the peer-to-peer assistance and the regional dimension of the support to this work.
- In the area of **maritime policy**, the EU will strengthen its co-operation with its neighbours with the view to encourage the development of common targets for achieving sustainable growth and jobs from traditional and emerging maritime sectors, of pilot projects in areas of regional interest, and bring further consistency in actions financed by internal and external EU financial instruments in this regard. In the Mediterranean region specifically, the Commission, together with the EIB and IMO, will launch a joint initiative to leverage private sector investments and involvement of financing institutions in the maritime sectors, notably in the domains of infrastructure, training and maritime surveillance. It will also intensify co-operation with coastal partner countries in the context of Regional Fisheries Management Organisations so as to promote a more sustainable use of fishery resources, re-enforce fisheries monitoring and combat illegal, unreported and unregulated fishing.

The new generation of ENP Action Plans (or equivalent documents) being negotiated with many partners will provide an updated policy framework which should ensure that the EU and the Member States can better co-ordinate **financial and technical assistance**. The programming process that will start in the second half of this year under the new ENI provides a real opportunity to interested Member States to programme their assistance jointly with the EU.

Regional co-operation

The Arab Spring offers new opportunities for **regional cooperation** in the Southern Neighbourhood. Many of the challenges facing partner countries can only be taken up effectively at regional or sub-regional level. The EU took over the Northern Co-Presidency of the Union for the Mediterranean (UfM). This will enhance the complementarity of the UfM with the ENP and the effectiveness of EU support to the Southern Mediterranean countries. The EU will continue to support the Secretariat of the UfM as a catalyst for projects bringing tangible benefits for the people across the Mediterranean. The Commission is also determined to give a new impetus the sectoral dialogues under the UfM.

The EU has also developed a more structured dialogue with the League of Arab States (LAS), including regular meetings between the High Representative and the Secretary General of the LAS, and has initiated concrete cooperation, including the creation of the LAS Situation Room and the training of diplomats or election monitors.

There are already encouraging signs of an improved dialogue between *Algeria* and *Morocco*, opening the way for stronger sub-regional co-operation in the Maghreb, also in the context of the 5+5 group. The EU is ready to support this and other regional and sub-regional co-operation and integration processes, and to co-operate with the relevant regional organisations and processes. In this context, the High Representative and the Commission intend to make proposals for strengthening relations between the EU and the Maghreb in the joint Communication to be prepared in coming months, provided that the Maghreb partner countries demonstrate clear signs of progress in their regional cooperation effort.

In response to the March European Council call for a roadmap to define and guide the implementation of the EU policy vis-à-vis our Southern Mediterranean partners, the report on the implementation of the *Partnership for Democracy and Shared Prosperity* accompanying this joint Communication outlines the objectives to be pursued, the instruments to be deployed and the actions to be implemented until the end of 2013.

In the Eastern Neighbourhood, there has been increased regional cooperation on border management, in the context of the EU Border Assistance Mission to the *Republic of Moldova* and *Ukraine* (EUBAM) and the Southern Caucasus Integrated Border Management (SCIBM) project. The joint Communication on the Eastern Partnership Roadmap gives greater details on activities envisaged in the EaP framework.

CONCLUSIONS

Last May the EU completed a major overhaul of its European Neighbourhood Policy. It did so in response to multiple challenges: the need to support the process of democratisation that is sweeping across the entire EU Southern Neighbourhood; the European aspirations of some of our Eastern European Partners and the need to deepen the Eastern Partnership; and the new opportunities offered by the entry into force of the Lisbon Treaty. One year on, this assessment provides a promising picture. In many respects the EU's neighbourhood is today more democratic and more open to change than a year ago. The EU's new policy approach is firmly established. Most partner countries have welcomed it and a number of them are ready to pursue political and economic reform with increased determination and to engage more deeply with the EU.

However, this is a time of transition. Countries are engaged in drawing up new constitutions, establishing new institutions, building internal consensus in support of democratic transformation and electing new leaders. This will be a challenging and in some cases even a fraught process. Understandably, some countries will need to advance these internal processes further before fully resuming dialogue with the EU on reforms and negotiations that could open the door to stronger trade ties, deeper economic and sector integration, and easier mobility.

In this situation, it is important for the EU to deliver on its commitments to the Southern Neighbourhood and to increase its engagement in the Eastern Neighbourhood. This will also contribute to the EU's own security and prosperity. The EU's credibility as a global player will depend to a great extent on its capacity to act decisively in its neighbourhood. For this

reason, and in spite of its economic difficulties, the EU must remain open and outward looking, strengthen neighbourly relations even further and firmly support its partners' efforts to make their countries more democratic, more prosperous and hence, more stable.