



## A strong European Neighbourhood Policy

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## Different neighbours, different relations

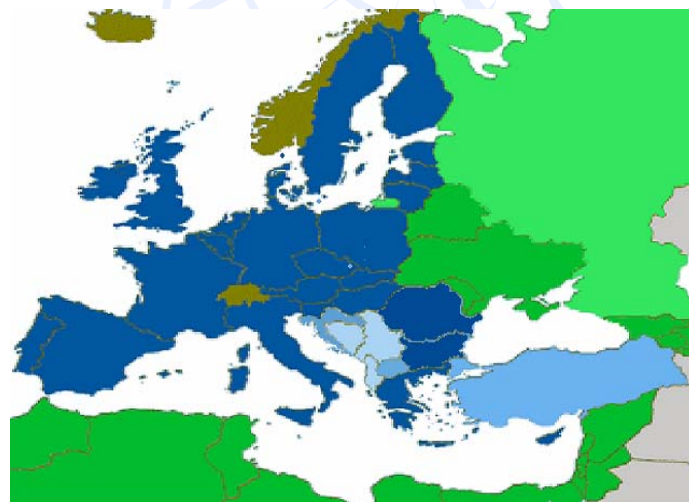
- **EFTA/EEA:** Iceland, Liechtenstein, Norway, Switzerland – *multi- and bilateral accords*
- **Candidate Countries:** Croatia, former Yugoslav Republic of Macedonia, Turkey – *the Accession Process*
- **“Potential candidates”:** Albania, Montenegro, Bosnia and Herzegovina, Serbia – *the Stabilisation and Association process*
- European **Neighbourhood Policy (ENP)**



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## The EU and its neighbours



## Our ENP partners

The **immediate** neighbours of the enlarged EU ...  
... but not candidate countries or "potential candidates"

- **Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia, Ukraine, Armenia, Azerbaijan, Georgia, Lebanon** (*ENP Action Plans in force since January 2007*) and **Egypt** (*since March 2007*)
- **Algeria** (*only Association Agreement in force since 2005*)
- **Belarus, Libya, Syria** (*no Agreements in force*)

Not **Russian Federation** -Strategic Partnership

## Russian Federation

Not included in the European Neighbourhood Policy. Instead, a **Strategic Partnership** based on 4 "common spaces" on which Road Maps were agreed in May 2005:

- **economic** (including environment and energy)  
- promote integration via market opening, regulatory convergence, trade facilitation, infrastructure
- **freedom, security and justice** – JHA, human rights and fundamental freedoms
- **external security** - partnership on security issues and crisis management
- **research and education** (incl. culture) capitalise on strong intellectual and cultural heritage



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## Aims and principles of ENP

- Key EU **foreign policy priority**
- **Partnership-for-reform**: supports partner's own **reform and modernisation** processes (*inter alia* by projecting internal EU policies) as a contribution to mutual prosperity, stability and security (**aim: "ring of well-governed countries"**)
- Responds to partners' situations and ambitions to intensify relations with the EU (**differentiation**)
- **Joint ownership** (*agreed* objectives and measures) and **working together**

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## Fundamentals (1)

Good governance,  
based on:

- **Rule of law, human rights, democratic process**
- **Sound macro-economic management**, market economy and sustainable development
- **Sectoral reforms, institutional capacity**
- **Joint response to common challenges** e.g. prosperity gaps, migration, crime, environment, public health, terrorism ...



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## Fundamentals (2)

- **A comprehensive policy** – across three pillars (Community and Union competencies); support of all EU Institutions
- **Distinct from EU enlargement** (but, does not prejudice further development of relations with the EU in either way)
- **Rewards progress** (positive and inherent conditionality as well as targeted support under Governance Facility)
- **Convergence of EU Member States'** orientation towards a common **neighbourhood** (policy of EU-27)
- **Civil society / academia** taking keen interest in ENP



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## Development of the ENP

2002-03	« Wider Europe » - thinking « beyond » 2004 enlargement: « new neighbourhood », « ring of friends » - East & South
2003-04	Commission Communications and Council Conclusions establish ENP as an EU policy
2004	Strategy Paper « European Neighbourhood Policy » adopted by European Council: ENP Country Reports on first 7 partners
2005	Adoption and beginning of implementation of first 7 ENP Action Plans; 5 more Country Reports
2006	Adoption of next 3 ENP Action Plans First Progress Report and Commission proposals on « Strengthening the ENP »
2007	2 more ENP Action plans adopted. First ever ENP Conference. Adoption of new Communication. Implementation ...

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## How does it work?

- Building upon and strengthening **existing** relations
- Using relevant EU **experience in** how to support transition and sequence reforms e.g. “twinning” officials ...
- Gradual **approximation** with the *acquis communautaire* in selected relevant areas
- Socialisation model, (European “**soft power**”), long-haul policy

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## ENP Action Plans

- The key **operational** instruments
- Country-specific, **tailor-made** political documents
- **Jointly defined agenda** on political & economic reforms
- Short & medium-term priorities (**3-5 years** horizon)
- **Political** documents
- **Guidance** for assistance programming



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## Scope of ENP Action Plans

- ✓ **Political** dialogue and reform
- ✓ **Sound macro-economic management**, economic and social cooperation and development
- ✓ **Trade** related issues, market and regulatory reform
- ✓ Co-operation on **Justice, Freedom and Security**
- ✓ **Sector-policies**: Transport, energy, information society, environment, research and development
- ✓ **Human dimension**: People-to-people contacts, civil society, education, public health

Same six chapters in all Action Plans  
but content **specific to each partner**



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## Building on existing frameworks

- ✓ Builds on **existing legal and institutional agreements** (Association Agreements, Partnership and Co-operation Agreements, Euro-Mediterranean Partnership)
- ✓ Uses **established instruments** (Association and Co-operation Councils, Committees, **sub-Committees**) to promote and monitor implementation of Action Plans

Bringing **lessons learned** e.g. prioritisation & sequencing



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## ENP & the Euro-Mediterranean Partnership

- ✓ Same general objectives. ENP **complements** the EuroMed Partnership, which **continues** to be the key multilateral element of EU relations with our Mediterranean neighbours
- ✓ ENP offers **additional bilateral** incentives and opportunities
- ✓ **Differentiated** rather than multilateral, new tools and methods (precise reform goals and steps, regulatory harmonisation)
- ✓ Example: EuroMed envisages **trade integration**, focusing on tariff issues, ENP goes beyond to offer **economic integration**, inclusion in networks, regulatory alignment etc
- ✓ ENP helps to realise the **potential** of EuroMed Partnership



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## ENP & Regional Cooperation

- Reinforcing existing **regional / sub-regional cooperation** and providing framework for its development
- Developing **cross-border cooperation** (ENPI CBC programmes) involving local and regional authorities (and e.g. Euroregions), as well as non-governmental actors
- Regional organisations *can* bring **added value** by transferring experience and know-how, helping with capacity-building and contacts, supporting cooperation among grass-roots organisations on wide range of issues
- Ensure **complementarity, coherence, coordination**



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## Regional Cooperation

- South: **Euro-Mediterranean Partnership**
- East: **Black Sea Synergy**
- North: **Northern Dimension**



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## EC financial support

Until 2007...

- ✓ 2000-06: € 8.3 billion  
(**MEDA** €5.5 bn, **TACIS** €2.3 bn, Other € 0.5 bn)
- ✓ Plus **EIB lending** (€6.5bn Mediterranean, €600m Eastern Europe)
- ✓ **Cross-border cooperation** 2004-6  
by "Neighbourhood Programmes"



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## New EC financial support

... 2007-2013

**European Neighbourhood & Partnership Instrument (ENPI):**

- ✓ Almost **€12bn** (**+32% increase** in "real terms")
- ✓ *Much* more flexible, policy-driven instrument
- ✓ Supporting priorities agreed in the ENP **Action Plans**
- ✓ Simplified approach for **cross-border co-operation**
- ✓ Technical assistance: **institutional capacity-building**

Plus increased **EIB** lending mandate: **€12.4 bn**  
(€8.7 bn for Mediterranean & €3.7 billion for Eastern Europe / Southern Caucasus / Russia)



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## Added value of ENP

- ✓ **Special focus** on EU's neighbourhood
- ✓ **Increased scope and intensity** of relations, covering and combining **all policy fields** and instruments
- ✓ **Supporting / encouraging** partners' own reforms and development (economic, political, social, institutional)
- ✓ **Support not offered to other third countries**  
e.g. new forms of financial and technical assistance, participation in programmes and agencies etc.



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## Economic effects ?

Still early to quantify but, properly implemented, should contribute, directly & indirectly, to **sustainable growth** in partner countries:

- Incentives and support for economic and social reforms → better **macroeconomic environment**, long-term anchor for stability
- Facilitating **poverty reduction** and modernisation of public services
- Facilitating structural reforms, policy dialogue, improved regulatory framework, institutional modernisation, sub-regional connections and integration → conducive to investment & **growth**



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## Progress Reports

December 2006 – by countries and sectors

**ENP is working**

**Visible progress:**

- ✓ Energy
- ✓ Visa facilitation and readmission
- ✓ Ukraine / market economy status
- ✓ Jordan / food safety *acquis*
- ✓ Environment up the agenda

... as well as less visible progress

*Next set of Progress Reports in Spring 2008*



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## Strengthening the ENP

- **Economic and trade** integration
- **Mobility**
- Regional Conflicts and **Political** Dialogue
- **Sectoral** Reform and Modernisation
- Increase **political** cooperation
- **Regional** cooperation
- Participation in Community programmes and Agencies



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## ... time to do more

- **When listening** to ENP partners:  
They need more incentives now:  
reform is costly !



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## “A strong European Neighbourhood Policy”

- **Aim : IMPLEMENTATION**
  - ✓ Actions to be taken by the Commission and Member States
  - ✓ Assessment of progress by partners in spring 2008



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## “A strong European Neighbourhood Policy”

- **Conceptual Issues**
- ✓ **Differentiation**
- ✓ **Ownership**
- ✓ **Regional processes**



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## Economic & trade integration

- ✓ Economic **integration** *beyond* free trade in goods and services
- ✓ Enhanced trade relations – working towards “**deep and comprehensive**” free trade agreements (**DFTAs**)
- ✓ Support for **related reforms**



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## Mobility

- Visa **facilitation** for:
  - ✓ Students, researchers
  - ✓ Business people, government officials
  - ✓ NGOs, journalists ...
- **Mobility Partnerships**



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## Increased political cooperation

- More active role in **conflict-settlement**
- **Alignment** with CFSP Declarations
- **Coordination** in international fora
- Parliamentary **cooperation**



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## Strengthening the thematic dimension

Bilateral /multilateral dialogue & cooperation on **key sectors such as:**

- ✓ Energy
- ✓ Environment
- ✓ Climate change
- ✓ Transport
- ✓ Research
- ✓ Information
- ✓ Education & human capital
- ✓ Employment & Social Development

Participation in EC Programmes & Agencies



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## Operational Issues

- ✓ **Roll-over of the Action Plan:**  
Ukraine, Moldova and Israel
- ✓ **Sub-committee structure**
- ✓ **Countries without Action Plan:**  
Algeria, Syria, Libya and Belarus



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## Role of Civil Society

- **ENP is not a matter of public officials, alone; meetings with civil society groups** in the course of ENP Action Plan preparations
- Actual ENP Action Plan consultations between officials (EU – partner Government)
- Contact with civil society for **feedback** (particularly on human rights, business climate, consumer and environmental rights etc.) to promote and monitor implementation of the ENP Action Plans
- **Information material** available (Commission website, brochures, etc.)



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## Leveraging more funding

**2007-2013**

- **Neighbourhood Investment Facility:**  
€700 from ENPI + contributions from MS
- **Leveraging loan** resources from European Development Banks (*x 4-5 times*)
- Also €300 million for **Governance Facility**



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## ENP Website

<http://ec.europa.eu/comm/world/enp>

**Contact us:** [enp-info@ec.europa.eu](mailto:enp-info@ec.europa.eu)



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