

ANNEX



**EUROPEAN NEIGHBOURHOOD AND PARTNERSHIP  
INSTRUMENT**

**ENPI  
INTER-REGIONAL  
PROGRAMME**

**REVISED STRATEGY PAPER  
2007-2013**

**&**

**INDICATIVE PROGRAMME  
2011-2013**

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## **EXECUTIVE SUMMARY**

The revised Inter-Regional Strategy Paper reaffirms the strategic framework for inter-regional cooperation between the EU and its ENP neighbours and the Russian Federation under ENPI. It sets out the Commission's response while taking full account of changes in policy context and lessons learned. The indicative amount is €757.7 million.

### *Inter-Regional Objectives*

The ENPI Interregional Programme (IRP) will provide effective support for ENP and the Strategic Partnership with Russia through activities best organised and implemented at inter-regional level. It will support initiatives which by their nature or size cannot be effectively supported through bi-lateral, regional or thematic programmes while enabling specific commitments towards particular areas of policy interest. All its actions will be fully complementary to country and regional indicative programmes.

### *Inter-Regional Developments*

IRP priorities remain valid for 2011-13 as support for investment, higher education and regulatory reforms are still medium term objectives. However, the launch of the Union for the Mediterranean and the Eastern Partnership in 2008, the experience of implementation of the Black Sea Synergy and the Northern Dimension; a re-assessment of bi-lateral co-operation with Russia alongside developing relations with Libya require re-examination of certain objectives to take account of developments. Other significant initiatives notably in the area of culture and cooperation between ENP partners and EC Agencies require due consideration.

In May 2007, the Commission proposed a role for culture within EU external relations. Subsequently, the Council called for enhanced financial support for training and culture capacity development third countries. Council endorsement of ENP partner countries' participation in the work of EU agencies in March 2007, allows for sector-specific cooperation between the latter and ENP partners. A second phase of Erasmus Mundus, adopted in December 2008 further promotes European cooperation on student mobility. The development of an 'external dimension' to the Bologna Process in April 2009 underlines the importance of investment in modernizing higher education. The EU and Russia continue working on implementation of the Four Common Spaces agreed in St Petersburg in 2003. The June 2008 Summit launched negotiations for a new EU-Russia Agreement to replace the 1997 Partnership and Cooperation Agreement. The Commission received a mandate to negotiate a new framework agreement with Libya in July 2008 indicating future cooperation on i.a., higher education and civil society

### *Overview of Co-operation*

In the period 2007-10, TAIEX and SIGMA were enthusiastically taken up by ENP partner countries as effective means to approximate laws and technical norms to EU standards. Partner countries participated very actively in Tempus underlining the relevance of inter-regional cooperation on higher education modernization. A large number of students and academics benefited from mobility actions under Erasmus Mundus External Cooperation Window. CIUDAD, promoting cooperation between local and regional governments, was launched in 2009 resulting in a broad selection of projects. The Neighbourhood Investment Facility (NIF) became fully operational in 2008 providing grant support to lending operations in energy and transport infrastructure, the environment and SME support of EIB, EBRD and

other multilateral or bilateral public development agencies owned by the Member States. NIF proved an adequate platform for donor coordination and funds were swiftly channelled maintaining balanced geographical coverage. Given slow progress with dialogue on financial cooperation, limited results and Russia's keenness to develop its independent donor capacity, the earlier need to provide significant assistance no longer prevails. Bilateral cooperation with Russia will end. A change of approach is required focusing on Tempus and Erasmus Mundus. Required resources will be reserved.

### *Response Strategy*

#### **Promoting reform through European advice and expertise**

Support for reform processes in partner countries is a key factor in ENP and Common Space Road Maps with Russia. Experience with TAIEX and SIGMA shows that targeted, demand-driven, European expertise is very effective in advancing sector reforms as well as approximation to EU technical rules. Greater recourse to peer review and technical assessments will further enhance reforms.

#### **Promoting higher education reform and student mobility**

Actions in support of higher education reform and student mobility are important for partner country development but equally important in promoting mutual understanding and dissemination of experience. Support to Tempus IV and student/academic mobility under Erasmus Mundus Action 2 yielded significant benefits for higher education reforms and greater institutional links between universities. Continuing support for Tempus IV and Erasmus Mundus/Action 2 will underpin policy dialogue and enhanced contacts under the Bologna Process.

#### **Promoting cooperation between local actors in the EU and in the partner countries**

Promoting mutual understanding and cooperation between local actors is a fundamental aim of ENP and of the Road Maps with Russia. As a complement to investment in cross-border cooperation and to strengthen cooperation in governance and sustainable development between regional and local authorities, support will be provided for a second CIUDAD. It will focus on activities in energy, environment, economic and social cohesion and urban planning, targeting civil society.

#### **Promoting investment projects in partner countries (Neighbourhood Investment Facility)**

Large-scale investment in energy and transport infrastructure, environment and SME development will be crucial to recovery from the financial crisis and promoting balanced development. It will also advance regional co-operation under Black Sea Synergy, Eastern Partnership, Northern Dimension and the Union for the Mediterranean. On the basis of NIF experience in 2007-10, proportionate support for its continuation will be provided for 2011-13. The EU must remain committed to underpinning region-wide plans for large-scale investment in energy and transport infrastructure as well as climate-change mitigation programmes in cooperation with relevant financial institutions. Investments will provide positive 'spin-offs' for economic development and employment creation to counter the impact of the financial crisis.

#### **Promoting cooperation between ENP partners and EU agencies**

To facilitate enhanced sector cooperation between interested ENP partners and relevant EC agencies, specific tailor-made support will be provided, aligned to individual case requirements, taking into account progress in the implementation of sector reforms. The relevant international aspects of EU policies on food safety, disease prevention, drugs and environmental protection will be actively considered.

### **Promoting Inter-Regional Cultural Action**

To respond to political guidance on culture in external relations and to complement relevant national and regional actions, support will be provided for an inter-regional (East-South) action focusing on the independent cultural sector and contacts between people. This allows for improved civic participation in reform processes while achieving a critical mass to transform the cultural sector.

#### *Indicative programme*

For 2011-13, the indicative amount is €757.7 million, allocated as follows:

<i>Priority Area 1: Promoting reform through European advice and expertise</i>	30
<i>Priority Area 2: Promoting higher education modernization and student mobility</i>	249
<i>Priority Area 3: Promoting cooperation between local actors in the EU and in the partner countries</i>	15
<i>Priority Area 4: Promoting Investment projects in partner countries (NIF)</i>	450
<i>Priority Area 5: Promoting cooperation between ENP partners and EU agencies</i>	3.7
<i>Priority Area 6: Promoting Inter-Regional Cultural Action</i>	10

## 1. EU/EC POLICY OBJECTIVES

The overall objective of the **European Neighbourhood Policy** (ENP), as defined by the Strategy Paper<sup>1</sup>, is to contribute to prosperity, stability and good governance in the EU's immediate vicinity: Eastern Europe, the Southern Caucasus and the Southern Mediterranean. In the case of Russia, the **EU-Russia Strategic Partnership**, with its four Common Spaces and associated Road-maps<sup>2</sup>, provides the basis for cooperation.

The relevant **legal frameworks** for EU relations with the countries covered by the European Neighbourhood and Partnership Instrument (ENPI<sup>3</sup>) are Partnership and Cooperation Agreements with the EU's eastern neighbours and Association Agreements with EU's southern neighbours<sup>4</sup>. Individual, jointly agreed ENP Action Plans<sup>5</sup> set out a detailed reform agenda. These tailor-made partnerships for reform identify priorities across a broad range of issues such as democratisation and rule of law, market-oriented economic reforms and reinforced people-to-people contacts. How far and how fast each partner progresses in its relationship with the EU depends on its political will and capacity.

For the countries of the Southern Mediterranean, the ENP is supplemented by the **Union for the Mediterranean** launched at the Paris Summit in July 2008<sup>6</sup> with a renewed focus on regional and trans-national project cooperation while the **Eastern Partnership**<sup>7</sup> of May 2009 provides a framework for advancing political relations and economic integration with interested EU eastern neighbours. In February 2008, the **Black Sea Synergy** was established as a sea basin regional cooperation initiative to address issues requiring region-wide action. It involves five of the Eastern Neighbours as well as the Russian Federation and Turkey. Since 2006, the revised **Northern Dimension** has become a common policy of the EU, Russia, Norway and Iceland providing an important framework for cooperation with the Russian Federation and Belarus. Both the Black Sea Synergy<sup>8</sup> and the Northern Dimension operate primarily through partnerships. For African countries included in the ENP, the strategy remains coherent with the **Joint EU-Africa Strategy** (JAES). As an overarching political framework guiding the strategic relationships between the continents, JAES is composed of 8

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<sup>1</sup> European Neighbourhood Policy Strategy Paper COM (2004) 373 final, 12 May 2004

<sup>2</sup> The EU and Russia agreed at the St Petersburg Summit in May 2003 to establish four Common Spaces (a common economic space; a common space of freedom, security and justice; a space of co-operation in the field of external security; and a space of research and education, including cultural aspects)

<sup>3</sup> The countries covered by the ENPI are Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, the occupied Palestinian territory, , Russia, Syria, Tunisia and Ukraine

<sup>4</sup> In this region, the EU currently has Partnership and Cooperation Agreements (PCAs) in force with Armenia, Azerbaijan, Georgia, the Republic of Moldova, Russia, and Ukraine (a PCA has been signed but not yet ratified with Belarus), and Association Agreements (AAs) with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the occupied Palestinian territory and Tunisia (an AA has been agreed but not yet signed with Syria)

<sup>5</sup> ENP Action Plans have already been adopted with Armenia, Azerbaijan, Egypt, Georgia, Israel, Jordan, Lebanon, Moldova, Morocco, the Palestinian Authority, Tunisia and Ukraine

<sup>6</sup> Joint Declaration of the Paris Summit for the Mediterranean (reference to be added later)

<sup>7</sup> Joint Declaration of the Prague Eastern Partnership Summit, European Council, 7 May 2009 8435/09 (Presse 78)

<sup>8</sup> On the basis of a proposal from the European Commission, COM (2007) 160, 11.4.2007 and COM (2008) 823 final, 3.12.2008

partnerships in key areas of cooperation. Partnerships in trade, regional integration, infrastructure and MDGs also contribute to promoting economic and social reforms that are needed for integration in the Euro-Mediterranean area.

The specific policy objectives which the Union and the Community pursue in relation to each of these countries are set out in detail in the relevant country and regional cooperation strategy papers, and will not be repeated here, nor will the detailed analysis of the countries and regions in the respective CSPs and RSPs. The objective for the **ENPI Inter-regional Programme** (IRP) is to provide effective and efficient support for the achievement of the objectives of the ENP and the Strategic Partnership with Russia, in particular at inter-regional level. In this respect, all of its actions will be fully complementary to those proposed in the relevant country and regional indicative programmes.

## 2. INTER-REGIONAL DIAGNOSIS/DEVELOPMENTS

The strategic priorities for IRP established in 2007 remain largely valid for the period 2011-13 as support for investment, higher education and regulatory reforms still figure prominently as medium term ENP policy objectives. Moreover, the policy framework still prevails as it aims to provide effective and efficient support for the implementation of specific activities which, by their nature, are best implemented at an inter-regional level (East and South). In addition, the framework still remains valid with regard to the strengthening of dialogue and cooperation between the EU and the whole ENPI region and in particular between Eastern and Southern neighbours.

However, the experience of implementation of the **Black Sea Synergy**<sup>9</sup> and the **Northern Dimension**, the launch of the **Union for the Mediterranean** and the **Eastern Partnership**<sup>10</sup>, a re-assessment of EC bi-lateral co-operation with **Russia** alongside developing relations with **Libya** require a re-examination of certain strategic objectives in order to take account of these developments as well as consideration of other significant policy initiatives which have emerged since 2006, notably in the area of **culture** and the new possibility of cooperation between ENP partners and **EU Agencies**.

In May 2007, the Commission proposed a role for **cultural cooperation** as an integral part of EU external relations<sup>11</sup>. Subsequent Ministerial and senior official meetings underlined its importance in addressing political processes and challenges within the ENP based on dialogue with civil society and in fostering contacts between people, job creation and sustainable development<sup>12</sup>. Further EU deliberations resulted in Council conclusions in November 2008

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<sup>9</sup> COM (2008) 391 final 19.6.2008 Report on the first year of implementation of the Black Sea Synergy

<sup>10</sup> The Eastern Partnership includes a Comprehensive Institution Building programme (CIB) to help partners through advice and training to meet their commitments stemming from proposed Association Agreements and to prepare for negotiation of Deep and Comprehensive Free Trade Agreements (DCFTA)

<sup>11</sup> COM (2007) 242 of 19.5.2007 'A European Agenda for Culture in a Globalizing World'

<sup>12</sup> 3rd Euro-Mediterranean Meeting of Cultural Ministers, Athens, May 2008; Slovenian Presidency Conference 'New Paradigms, New Models – Culture in the EU External Relations', Ljubljana 13-14 May, 2008; Council Conclusions of June 2008 on the Ljubljana Conference; Presidency Conclusions, Brussels European Council 19-20 June 2008

calling for enhanced financial support for the training and mobility of cultural professionals and artists as well as capacity development of the cultural sector in third countries<sup>13</sup>.

A Communication of December 2006<sup>14</sup> proposed the participation of ENP partner countries in Community agencies programmes and based upon the latter's merits and where the legal basis so allows. With the endorsement of the Council in March 2007<sup>15</sup>, this approach allowed for the establishment of sector-specific cooperation between **EU agencies** and ENP partners in light of the former's policy mandate and the latter's progress in the implementation of sector reforms and convergence with EU technical requirements and standards. The inclusion of specific references to co-operation with two EU agencies in the "*statut avancé*" with Morocco<sup>16</sup> underlines the growing importance and future potential of this aspect of external cooperation.

A second phase of **Erasmus Mundus**, adopted in December 2008<sup>17</sup> aims to promote European higher education and improve and enhance the future career and employment prospects of students. In addition, it acts to promote intercultural understanding through cooperation with third countries and to increase mobility flows between the former and the EU. The incorporation of joint doctoral programmes and the integration of the former Erasmus Mundus External Cooperation Window (EMECW) directly into the programme as its new Action 2, are the main relevant innovations of Erasmus Mundus II. The importance of mobility in the context of higher education links was emphasised with regard to regional cooperation under the Black Sea Synergy which includes the Russian Federation<sup>18</sup>.

In the context of their strategic partnership, the EU and the **Russian Federation** are working on the implementation of the Four Common Spaces agreed at the St Petersburg Summit in 2003. The June 2008 summit saw the launch of negotiations for a new EU-Russia Agreement to replace the 1997 Partnership and Cooperation Agreement.

The Commission received a mandate to negotiate a new framework agreement with **Libya** in July 2008 which foresees future cooperation in relevant EC programmes in the area of higher education, culture and civil society.

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<sup>13</sup> Council Conclusions of 20 November 2008 on the Promotion of Cultural Diversity and inter-cultural dialogue in the external relations of the Union and its Member States

<sup>14</sup> COM (2006) 724 final 4.12.2006

<sup>15</sup> GAERC Conclusions of 5 March 2007, 6755/07 (Press 38)

<sup>16</sup> Document conjoint UE-Maroc sur le renforcement des relations bi-latérales/statut avancé, European Council, 13.10.2008, 13653/08 specifically mentions the European Aviation Safety Agency (EASA) and European Monitoring Centre for Drugs and Drug Addiction (EMCDDA). Specific requests for cooperation with other EC agencies – EFSA, EASA, ECDC, EEA – may emerge from policy dialogue with other ENP partners in the period 2011-13

<sup>17</sup> The decision establishing the second phase of the Erasmus Mundus Programme was adopted by the European Parliament and Council on 16.12.2008 (Decision No 1298/2008/EC). OJ 340, 19.12.2008, p. 83

<sup>18</sup> Declaration of the Ministers of Foreign Affairs of the Member States of the Organization of the Black Sea Economic Cooperation on a BSEC-EU Enhanced Relationship - Kyiv Declaration of the Black Sea Synergy, 14 February 2008

### 3. OVERVIEW OF COOPERATION AND LESSONS LEARNT

The implementation of the IRP has proceeded well in relation to its priority objectives, testifying to their relevance to inter-regional cooperation needs as well as to their adequacy in supporting the implementation of the agreed Action Plans and annual priorities.

The **Technical Assistance and Information Exchange (TAIEX) Programme** has been enthusiastically taken up by ENP partner countries as an effective instrument in promoting the approximation of their laws and technical norms to EU standards. Results achieved are encouraging, with an average of 40 requests for expertise per month in 2009<sup>19</sup> and half of all requests concentrated in four sectors: Internal Market and Social Affairs; Trade and Industry; Agriculture and Environment and Justice, Liberty and Security testifying to the facility's relevance to policy convergence and socio-economic reforms.

A joint EC and OECD initiative, **SIGMA** has been well received by the partner countries targeted<sup>20</sup> in its initial phase as it focuses on horizontal areas related to public management functions and governance such as public procurement, administrative law and justice, civil service reform and regulatory management. There are expectations that it will be extensively used in advancing governance reforms in support of bi-lateral and regional cooperation. As compared to other donors, the EC retains a distinct comparative advantage in provision of technical assistance to support sector reforms as funding similar to **TAIEX** and **SIGMA** is not provided by any other donor at inter-regional level<sup>21</sup>. Actions funded by Member States, the World Bank or USAid in the area of governance complement the latter facilities in the context of pre-agreed donor coordination in specific countries.

Partner countries from both the East and South participated very actively in the **Tempus** programme proving the attraction and relevance of inter-regional cooperation in support of higher education reform and modernization. A very high number of eligible proposals were received under the 1st Call for Proposals for Tempus IV with over a quarter of all project consortia led by partner countries. An increased and more balanced participation of partner countries and EU Member States was recorded with a very high interest in multi-country projects extending beyond previous cooperation networks, leading to almost 100% use of allocated funds<sup>22</sup>. Moreover, the academic quality of projects from ENPI South testifies to the qualitative success of earlier interventions as well as to continued policy interest in the programme. Tempus III achieved clear results in terms of supporting closer correspondence in higher education practice between EU member states and ENPI partner countries as well as encouraging policy alignment with Bologna Process. Preliminary evaluation results show that it strengthened regional cooperation, national higher education reforms as well as improved

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<sup>19</sup> See also, Sectoral Progress Report SEC (2009) 522 accompanying ENP Progress Report 2008, COM (2009) 188, 23 April 2009

<sup>20</sup> In February 2008, SIGMA was extended to 10 ENPI partner countries : Armenia, Azerbaijan, Georgia, Egypt, Jordan, the Republic of Moldova, Morocco, the Russian Federation, Tunisia and Ukraine

<sup>21</sup> The average number of monthly TAIEX requests increased from 20.2 in 2007 to 27.7 in 2008 and to 40 in the 3<sup>rd</sup> Quarter of 2009. However, as it is a demand driven facility, 7 ENP partners account for more than three-quarters of requests (in decreasing order): Ukraine, the Republic of Moldova, Israel, Egypt, , Morocco, and Jordan. 80% of requests originate from ENP countries while the balance is initiated by EC services

<sup>22</sup> Under the two Cfp, a total of 76 projects were funded, involving 736 higher education institutions from ENPI partner countries and 403 from EU Member States. Figures do not refer to individual higher education institutions but to the number of time they participate in selected projects as coordinators or partners.

linkages between higher education institutions and the labour market. While it remains highly relevant, there is room for more demand- and reform-oriented projects in the years ahead<sup>23</sup>.

A large number of students and academics benefited from mobility actions under the **Erasmus Mundus External Cooperation Window (EMECW)**, the dedicated comprehensive EC student mobility programme for ENPI countries established for the period 2007-10. Total mobility flows exceeded predictions in its first two years<sup>24</sup> with some 3000 students and academics having benefitted from funded mobility during the academic years 2007-8 and 2008-9 involving over 270 higher education institutions from the EU and ENPI partner countries. These figures testify to the relevance of Erasmus Mundus<sup>25</sup> as a support to higher education reform and international mobility while the programme's institutional focus facilitates the academic recognition of study periods abroad predicated on the European Credit Transfer System (ECTS) and the issuing of visas. Access to mobility opportunities in higher education, moreover enhances the overall image of the European Union. Greater attention should be given to developing mechanisms to combat 'brain drain' and ensure equitable access to international mobility for female students and vulnerable groups.

The EU remains the principal actor with regard to the promotion of higher education modernisation and academic mobility. Member States do provide targeted support for student and academic exchanges in relation to some ENPI partner countries but their breadth of coverage is not as comprehensive as that of external cooperation programmes funded by the Union budget. In terms of division of labour, Member State actions fully complement that of the Union. The inter-governmental Bologna Process<sup>26</sup> continue to act as a point of reference for higher education reform for most ENP partner countries and the Russian Federation with increasing interest in aligning national reforms with its priorities and policy framework.

The first CfP for the new **CIUDAD** programme (Cooperation in Inter Urban Development and Dialogue) promoting cooperation between local and regional governments in capacity building for improved governance in sustainable urban development and planning was launched in early 2009. While no specific lessons have been learned from implementation, consideration could be given to additional measures to promote its inter-regional (East-South) focus regarding thematic cooperation on energy and the environment; social cohesion; good governance and urban planning. CIUDAD complements the **CBC** programme as its aims to strengthen capacity of local and regional authorities in sustainable and effective development with particular emphasis on transfer of knowledge and experience in good governance and accountability mechanisms. It enables local authorities and regions to reach beyond partnerships facilitated through CBC country- and Sea Basin programmes by linking up with experienced inter-urban networks in key areas of policy interest: energy efficiency, waste management, urban economic development and cohesion; public participation and civic dialogue. By improving capacity in these areas, CIUDAD is expected to indirectly contribute to mitigating the negative impact of the financial crisis in the coming years.

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<sup>23</sup> The final results of the ex post evaluation of the Tempus III programme will be published in January 2010.

<sup>24</sup> The total realised figure was 1496 as opposed to the estimated figure of 1160 for ENP and the Russian Federation

<sup>25</sup> As of the academic year 2009-10, EMECW was integrated into Erasmus Mundus II as Action 2 – Partnerships

<sup>26</sup> The Bologna Declaration of June 1999 was renewed for a further ten years in Louvain-la Neuve in 2009 adding employability and access, lifelong learning and international cooperation as new priorities [http://www.ond.vlaanderen.be/hogeronderwijs/bologna/conference/documents/Leuven\\_Louvain-la-Neuve\\_Communique\\_April\\_2009.pdf](http://www.ond.vlaanderen.be/hogeronderwijs/bologna/conference/documents/Leuven_Louvain-la-Neuve_Communique_April_2009.pdf)

The **Neighbourhood Investment Facility** (NIF) became fully operational in 2008 providing grant support to lending operations of EIB, EBRD and other European public finance institutions in the areas of energy and transport infrastructure, the environment, including climate change, and support for small and medium size enterprise and the social sector. The EC grant contribution of €185 M in 2007-9<sup>27</sup> was complemented by Member States' grant funding contributions to the 'NIF Trust Fund' of approximately €47 million for the period 2008-2010, testifying to its viability as a source of complementary development funding. Through the financing of these large projects<sup>28</sup>, the NIF supports the agreed reform priorities of ENP partner countries and contributes to the investments necessary to promote integration with the EU and among the partners, particularly for the financing of transport and energy interconnections. NIF has proven to be an adequate platform for donor coordination, division of labour and harmonisation of procedures in line with the Paris Declaration and the Accra Agenda for Action. Funds have been swiftly channelled and a balanced geographical coverage was maintained. In the future, emphasis will be put on strategic priorities like interconnections and environment including climate change. Attention will continue to be paid to issues of additionality and leverage.

**Culture** has been underplayed and insufficiently articulated in terms of its capacity to promote activities in support of reforms, democracy and good governance in cooperation with civil society. The work of the **Anna Lindh Foundation** and the **Euromed Heritage Programme** (Phases II-III) while valuable respectively in establishing dialogue networks and promoting heritage conservation, remained too institutionally-focused and did not target other potential cultural actors within partner countries<sup>29</sup>. Culture featured as a priority cooperation theme with the Russian Federation under the Common Spaces framework<sup>30</sup> and the **EU-Russia Cultural Cooperation Initiative** strengthened civil society cultural capacity through support for partnerships with European organizations. An absence of capacity may account also for low participation rates of interested cultural organizations from eastern ENP partners and the Russian Federation in the cultural strand of the **Investing in People** programme. The **Eastern Partnership Culture Programme** (2009) promotes regional cooperation between civil society cultural organizations contributing to sustainable development while also supporting cultural policy reform through capacity building for public authorities and the professionalization of cultural operators. A similar capacity-building approach is taken by the Culture Programme's ENP Special Action 2009-10<sup>31</sup>. The Council of Europe (Kyiv Initiative,

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<sup>27</sup> For the 2007-2013 period, the European Commission has earmarked a total amount of €700 million for the NIF.

<sup>28</sup> In its first two years of operations, 25 projects were approved for financing to the value of €170 million (€89 million in grants and €81 M in Technical Assistance), leveraging loans from European Finance Institutions of close to €4 billion.

<sup>29</sup> The recently launched Euromed Heritage IV is centered on the appropriation of cultural heritage by the wider public providing expectation of greater engagement with civil society and access to education and knowledge of cultural heritage.

<sup>30</sup> An EU-Russia Joint Working Group on Cultural Cooperation and an EU-Russia Permanent Partnership on Culture were established in 2007.

<sup>31</sup> Under the Culture Programme 2007-2013 managed by DG Education and Culture (EAC), a Special Action (strand 1.3) will be used in 2009 and 2010 to support a limited number of cultural cooperation projects between cultural operators from the EU and from those ENP countries which have ratified the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and have signed an Association or Partnership and Cooperation Agreement with the EU (Armenia, Belarus, Egypt, Georgia, Jordan, the Republic of Moldova, the occupied Palestinian territory and Tunisia – 2009 list) With a limited budget (€4.5 million for the two years), this action allows for cooperation to effectively extend to some ENP partners while also underpinning the EU position on the UNESCO Convention

supported by the Commission) and OSI principally funds culture actions in the ENP East<sup>32</sup> while the work of the Anna Lindh Foundation has to some degree created a sense of complementary action between Member States in the Mediterranean. Member States have traditionally acted as the main actors on cultural cooperation but their respective efforts focus on bi-lateral cultural projects and actions are not necessarily sufficiently coordinated. No sense of donor coordination exists in relation to the ENPI as a whole.

Cooperation between ENP partners and **EU agencies** is only at a preliminary stage and their capacity to respond to cooperation requests from the former is hindered by lack of a specific allocation of resources in the medium-term. In this respect, TAIEX and Twinning are inadequate instruments to stimulate enhanced sector co-operation.

Dialogue with the **Russian Federation** on ENPI financial cooperation has progressed slowly. A key issue was Russia's request for a reciprocal framework for financial cooperation, including the possibility for the EC to guarantee that Russia could implement projects in EU Member States on similar terms. Given the limited results and implementation difficulties, bilateral cooperation with Russia under ENPI for the period 2011-2013 will be ended. This calls for a change in approach by focusing on EC programmes fostering higher education reform (Tempus) and student and academic mobility (Erasmus Mundus).

#### **4. EU RESPONSE STRATEGY FOR THE INTERREGIONAL PROGRAMME**

The objective of the IRP is to provide effective and efficient support for the ENP and the Strategic Partnership with Russia through activities that are best organised at the interregional level. As such, it provides the framework for supporting initiatives which by their nature cannot be effectively supported through bi-lateral and regional co-operation or thematic programmes while enabling the EC to fulfil specific commitments in relation to particular areas of policy interest. In addition, it aims to gradually strengthen cooperation, dialogue and exchanges between stakeholders in the EU and in the countries covered by the ENPI. IRP will need to continue responding to a large number of demands at varying levels in a timely, effective and efficient way; this requires retention of a wide-ranging and flexible set of tools. Particular attention needs to be paid to the capacity to respond quickly to requests and to provide for cooperation with a wide range of stakeholders in the partner countries. The arguments made in this respect under the 2007-10 Strategy still hold.

There is continuing need to provide targeted technical assistance in support of sector reforms linked to Action Plans to underpin bi-lateral and regional cooperation particularly in the context of the Union for the Mediterranean and the Eastern Partnership. The importance of modernizing higher education and facilitating contacts and mobility between higher education institutions will be crucial in the context of the development of an 'external dimension' to the Bologna Process following the convening of the first Bologna Policy Forum with third countries in April 2009 which included four ENP partner countries; Egypt, Israel, Morocco

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<sup>32</sup> In ENP East, UNESCO, through the World Heritage Centre, the World Bank, EBRD, and UNDP have worked on culture and tourism but only at country level as have French, Italian and British Council cooperation and USAID. In ENP South, the Euromed Heritage programme (Phases II & III) provided valuable support for institution-based regional cooperation

and Tunisia<sup>33</sup>. For this reason, resources for higher education cooperation through Tempus and Erasmus Mundus need to be significantly increased in relation to 2007-10.

Support for facilitating contacts between local and regional authorities and civil society actors remains equally apparent. Similarly, the EU must remain committed through NIF to underpinning region-wide plans for large-scale investment in energy and transport infrastructure, including sub-regional interconnections as well as climate-change mitigation programmes in cooperation with relevant European financial institutions. Investments of this nature will provide positive ‘spin-offs’ for economic development and employment creation as an additional measure to counter the impact of the financial crisis. The Commission will continue coordinating NIF operations with FEMIP support funds operations in order to avoid any overlapping, while maximum synergies with EBRD and EIB operations will be targeted.

As Russia is keen on developing its institutional capacity as an independent donor, the earlier need to provide significant amounts technical assistance through bi-lateral cooperation no longer prevails. A change in approach is called for whereby ENPI support will henceforth be provided primarily under the IRP covering university cooperation, student and academic mobility as well as limited actions in support of implementation of the roadmaps for the Four Common Spaces. Allocations for the former will need to be clearly earmarked, in order to guarantee the continuation of a European contribution to the modernization of Russian higher education. The NIF will provide a vehicle to support investment initiatives under the Northern Dimension, as well as under the Black Sea Synergy Initiative, and in the South under the Union for Mediterranean. On the other hand, Libyan participation in inter-regional activities in higher education and civil society co-operation must be appropriately supported to complement actions planned under bi-lateral co-operation.

The prominence given to culture as an integral part of EU external relations needs to be properly reflected by supporting Neighbourhood-wide (inter-regional) cooperation between interested cultural operators as an additional and complementary means to realise long-term policy goals: better governance, democracy and the promotion of sustainable reforms. Support for the training and mobility of cultural professionals and artists in ENP partner countries and Russia will provide further opportunity to carry forward the messages of the 2008 European Year of Inter-Cultural Dialogue and the Euro-Mediterranean Year of Dialogue between Cultures with regard to respecting diversity and improving civic participation in reform processes.

Experience of cooperation between EU agencies and candidate and potential candidate countries in the Western Balkans and Turkey has indicated that real progress in implementing this additional reform incentive is critically influenced by the availability of specific cooperation support..

The IRP must be seen in the context of the other ENPI-financed programmes: national, regional and cross-border for the forthcoming period 2011-13 to which its actions will be fully complementary and mutually reinforcing. Support for meeting trans-boundary challenges, such as environment, health threats, illegal migration, can often best be channelled through regional or thematic cooperation programmes. In this respect, contribution to efforts in the area of energy, climate change, drugs, aid for trade and rising food prices will be

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<sup>33</sup> Statement by the Bologna Policy Forum Louvain-la-Neuve, 29 April 2009 [http://ec.europa.eu/education/higher-education/doc/bolognastatement09\\_en.pdf](http://ec.europa.eu/education/higher-education/doc/bolognastatement09_en.pdf). A second Bologna Policy Forum will be convened in Vienna in March 2010.

pragmatically advanced in the context of the relevant priorities as explained below taking into full account other available funding opportunities in the relevant bi-lateral and thematic co-operation programmes.

Given the rapidly evolving nature of the ENP and the Strategic Partnership with Russia and the likelihood of new challenges that are best met at this level, the IRP must remain flexible. The novelty of several activities also reinforces the indicative nature of the attached IP.

### **Priority areas**

Based on these general concerns and priorities, the revised IRP will focus on the following themes:

#### **Promoting reform through European advice and expertise**

Support for the reform processes in the partner countries is at the core of the ENP and a key factor in the Common Space Road Maps agreed with Russia. The experience of the use of TAIEX and SIGMA shows that targeted, demand-driven, short-term European expert advice can be very effective in advancing sector reforms in partner countries as well as approximation to EU technical rules. Greater recourse to peer review and technical assessment missions will enhance reform efforts further. TAIEX and SIGMA are both specific implementation mechanisms, which is why their financing will be pursued through IRP.

#### **Promoting higher education reform and student mobility**

Actions in support of higher education reform, institutional cooperation and mobility of students and teaching staff are important as contributions to the development of the partner countries, but are equally important in promoting mutual understanding, contacts and dissemination of values and experiences. Support to Tempus IV and to mobility of students and academics under Erasmus Mundus External Cooperation Window (now replaced by Erasmus Mundus Action 2) have yielded significant benefits in terms of support to higher education reforms across ENPI and greater institutional links between universities, student and academic staff. Continuing support to Tempus IV and to partnerships under Erasmus Mundus/Action 2 will underpin policy dialogue and enhanced contacts in the context of the future development of the Bologna Process.

#### **Promoting cooperation between local actors in the EU and in the partner countries**

Promoting mutual understanding and cooperation between local actors in the EU and in the partner countries is a fundamental aim of the ENP. Exchange of experience and expertise is also a key part of the Road Maps for the four Common Spaces with Russia. As a complement to investment in cross-border cooperation and to strengthen cooperation in governance and sustainable development between regional and local authorities on an inter-regional basis, support will be provided for a second phase of CIUDAD.

#### **Promoting investment projects in ENP partner countries**

Large-scale investment in energy and transport infrastructure, the environment, social sectors and small and medium enterprise development will be crucial to enable ENP partner countries to recover from the financial crisis, sustain job creation and promote equitable socio-economic development. It will also be an essential tool to advance regional co-operation in

the context of the Black Sea Synergy, the Eastern Partnership, the Northern Dimension and the Union for the Mediterranean. On the basis of the positive experience with the NIF in 2007-10, proportionate and adequate support for its continuation will be provided in the period 2011-13.

### **Promoting cooperation between ENP partners and EU agencies**

In order to facilitate enhanced sector cooperation between interested ENP partners and relevant EC agencies, specific tailor-made support will need to be provided, aligned to individual case requirements. The relevant international aspects of EU policies in the areas of food safety, disease prevention, drugs<sup>34</sup> and environmental protection<sup>35</sup> will also need to be actively considered in this regard.

### **Promoting Inter-Regional Cultural Action (*People to People*)**

To respond to political guidance on the role of culture in external relations and to complement relevant national and regional actions, support will be provided for the development of an inter-regional (East-South) action with a particular focus on the independent cultural sector and the promotion of contacts between people. This would allow for improved civic participation in reform processes while achieving a critical mass to transform the cultural sector across the ENPI region.

## **5. INDICATIVE PROGRAMME 2011-2013**

### **5.1. Introduction**

The European Neighbourhood Policy (ENP) and the Strategic Partnership with Russia are key EU external relations priorities. The objective for the Interregional Programme is to provide effective and efficient support for achieving the objectives of these policies, in particular implementing the ENP Action Plans and the four Common Space Road Maps agreed with Russia, through activities that are best financed at the interregional level for reasons of impact, effectiveness, efficiency or visibility.

This Indicative Programme 2011-2013 sets out objectives, expected results, indicators and describes briefly the activities to be financed from this programme.

### **5.2. Main priorities and goals**

Assistance provided under this Indicative Programme will focus on six priority areas:

*Priority Area 1: Promoting reform through European advice and expertise*

Sub-priority 1: TAIEX

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<sup>34</sup> EU Drugs Strategy 2005-12, Council of the European Union, 22 November 2004, 15074/04; COM (2008) 567/4 of 18.9.2008 on an EU Drugs Action Plan 2009-12; SEC (2008) 2456 of 18.9.2008, Final Evaluation of the EU Drugs Action Plan 2005-2008

<sup>35</sup> At the 2002 World Summit for Sustainable Development in Johannesburg, the EU launched a Water Initiative to contribute to the achievement of MDGs and WSSD targets for drinking water and sanitation. It convenes regional working groups on the Mediterranean and Eastern Europe, the Caucasus and Central Asia: [www.euwi.net](http://www.euwi.net)

Sub-priority 2: SIGMA

*Priority Area 2: Promoting higher education modernization and student mobility*

Sub-priority 1: Promoting modernization in higher education – TEMPUS

Sub-priority 2: Promoting student and academic mobility – Erasmus Mundus, Action 2

*Priority Area 3: Promoting cooperation between local actors in the EU and in the partner countries – CIUDAD II*

*Priority Area 4: Promoting investment projects in ENP partner countries – NIF*

*Priority Area 5: Promoting cooperation between ENP partners and EU agencies*

*Priority Area 6: Promoting Inter-Regional Cultural Action*

### **5.3. Indicative budget**

Funding for the Indicative Programme for 2011-2013 will amount to 757.6 €million, with the following indicative breakdown:

*Priority Area 1: Promoting reform through European advice and expertise* 30

*Priority Area 2: Promoting higher education modernization and student mobility* 249

*Priority Area 3: Promoting cooperation between local actors in the EU and in the partner countries* 15

*Priority Area 4: Promoting Investment project in ENP partner countries – NIF* 450

*Priority Area 5: Promoting cooperation between ENP partners and EC agencies* 3.6

*Priority Area 6: Promoting Inter-Regional Cultural Action* 10

#### **5.3.1. Priority area 1: Promoting reform through European advice and expertise**

The implementation of ENP Action Plans and the Common Space Road Maps agreed with Russia must be supported by effective assistance. Building on the experiences of 2007-10, two mechanisms will be used again to strengthen other forms of assistance such as twinning and sector reform programmes financed through national programmes (except Russia).

#### **A. Technical Assistance and Information Exchange Programme (TAIEX)**

##### ***Objective***

Contribute to implementation of ENP Action Plans, Association/Cooperation Agreements and Roadmaps in particular the pursuit of regulatory convergence and legislative approximation with ENP partner countries and with Russia through the provision of targeted advice based on European experience.

##### ***Expected results***

- Timely and relevant advice to partner countries in support of their reform efforts;
- Greater knowledge and awareness by partner countries of EU legislation and policies in key areas related to Action Plans/Roadmaps;
- Dissemination of updated information on EU technical standards and norms amongst beneficiary officials;
- Improved regulatory convergence and legislative approximation towards higher standards.

### ***Indicators***

- Progress in the implementation of the APs/Roadmaps noted in relevant ENP subcommittee reports;
- Country and thematic distribution of actions (as evidenced in ENP Sector Reports);
- Positive results from surveys and other feedback from stakeholders and beneficiaries in the partner countries as well as in the Commission;
- Relevance of these activities to issues identified in ENP APs and Roadmaps.

### ***Conditionality***

TAIEX is demand driven, designed to serve the assistance needs of all partner countries, particularly those implementing ENP Action Plans or Common Space Road Maps. TAIEX will provide advice and support in sectors where other forms of Community assistance, in particular twinning operations are also active, provided that overlap and needless competition are avoided. It will also intervene in support of relevant actions under the Union for the Mediterranean and the Eastern Partnership, where required.

### ***Description of Programme***

TAIEX was set up in 1996 to provide short-term, targeted technical assistance to the Central and Eastern European candidate countries to promote understanding, drafting and implementation of EU-related legislation and was introduced to ENPI region in 2006. TAIEX provides four main services: expert advice to beneficiary countries *in situ*, technical workshops/seminars; study visits to Member States and assessment missions. TAIEX expertise is provided from the public sector, principally EU Member States' public administration. While it is demand-driven, a reasonable geographic spread should be sought. If demand proves to be very uneven or outstripping supply, balancing action will be taken.

## **B. Support for Improvement in Governance & Management (SIGMA)**

### ***Objective***

Support the reform of public governance in the context of implementation of the ENP and the Common Space Road Maps with Russia in order to enhance economic integration and underpin greater respect for the rule of law.

### ***Expected results***

- Increased ability in partner countries to identify problem areas in public governance reform and effectively implement solutions;
- Delivery of technical assistance, consultancy services and training in support of efforts to modernise public governance systems, public administrations and regulatory frameworks, mainly in areas prioritised in or relevant to Action Plans or Road Maps;
- Significant improvements in the legal and regulatory framework and in implementation of these frameworks in the areas of external audit and financial control, public expenditure management and procurement, anti-corruption, administrative law and policy development and co-ordination.

### *Indicators*

- Number of governance related activities carried out under this programme, relevance of activities to issues identified in ENP Action Plans and the four Common Space Road Maps with Russia;
- Legal and administrative measures taken by governments to improve transparency, accountability and governance;
- Progress on governance issues noted in relevant ENP subcommittee reports.

### *Conditionality*

SIGMA is demand-driven and operations are managed by the Twinning National Contact Points. Due attention will need to be paid to ensuring a geographical balance between the two geographical sub-regions of ENPI in terms of utilization of available funds as well as coherence of individual projects with other forms of support (TAIEX, Twinning, C.I.B).

### *Brief description of the programme*

The programme will focus on institutional support for sustaining future economic development with particular reference to priority areas for governance reforms identified in the ENP Action Plans and Common Space Road Maps with Russia. It will use short/medium-term advice, technical assistance and peer-based diagnostic studies. This activity will be implemented through the continuation of the SIGMA programme, a joint initiative of the OECD and the European Commission, originally established in 1992 to support the transformation process in post-communist countries but extended since 2008 to cover ENPI partner countries. SIGMA provides support to partner countries in their efforts to modernise public governance systems, assists in the process of institution building and the establishment of corresponding legal frameworks. Priorities will cover inter alia external audit and financial control, public expenditure management and procurement, anti-corruption, administrative law and policy development.

*The indicative allocation for priority area 1 will be 30 million for the period 2011-2013.*

#### **5.3.2. Priority area 2: Promoting higher education modernization and student mobility**

Higher education has a key role in the development of any country. Higher education modernization and in particular, support for student and academic mobility also contributes to greater contacts between people and improved mutual cultural understanding.

## **A. Promoting modernization of higher education (Tempus IV)**

### ***Overarching objective***

Modernize higher education in the partner countries through cooperation with EU higher education institutions.

### ***Specific objectives***

- Promote policy convergence on higher education with reference to the Bologna Process and the EU Lisbon Agenda;
- Enhance the quality of higher education provision in partner countries in terms of curriculum development, teaching methods and human resource development;
- Promote quality assurance in higher education and university governance reform in partner countries;
- Increase use of credit transfer between EU and partner countries' higher education institutions;
- Improve inter-regional cooperation between universities and higher education institutions in the EU and in the partner countries.

### ***Expected results***

- Convergence of partner countries' higher education policy with Bologna process objectives;
- Improved higher education provision in terms of modernized curricula, teaching methods and staff development in partner countries;
- Improved systems of university governance and quality assurance;
- Improved credit transfers between higher education institutions;
- Establishment of sustainable multi-country partnerships between universities and higher education institutions in the EU and in the partner countries.

### ***Indicators***

- Progress in convergence with the Bologna process objectives (as evidenced by Bologna Scoreboards and ENP Progress Reports);
- Number and thematic spread of Tempus activities (using 2008-9 results as a baseline);
- Utilization of European higher education quality tools by partner countries (ESG);
- Number of credit transfer agreements between partner institutions using ECTS;
- Number of supported multi-country partnerships, in particular inter-regional (East-South).

### ***Brief description of the programme***

Tempus IV promotes cooperation between higher education institutions in the EU and in the partner countries thereby encouraging the transfer of know-how with a view to stimulating national higher education reforms and modernization in line with the principles of the Bologna Process and the Lisbon Agenda. The programme supports academic and curricula development, the introduction of quality assurance measures as well as the acquisition of management skills by academic and administrative staff thus underpinning growing university autonomy and governance reforms.

It also aims to open-up institutions to international cooperation (including greater regional cooperation) as well as to enhance the participation of civil society in higher education development. To achieve these objectives, the programme will support two types of projects: Joint Projects, in areas such as curriculum development, university management and institution building and Structural Measures contributing to the development and reform of higher education institutions and systems, increasing their convergence with EU developments and practices. Support for the National Tempus Offices in the partner countries will continue and dialogue with the Ministries responsible for higher education will be enhanced. Management of implementation of Tempus IV will be secured by the Executive Agency for Education, Audiovisual and Culture (EACEA) under the supervision of the Authorising Officer (AIDCO). Of the indicative allocation for Priority 2, € 141 million is proposed for the sub-priority covering Tempus IV of which, €27 million will be reserved for Russia.

### **B. Promoting student and academic mobility (Erasmus Mundus II/Action 2)**

Enhancing mutual contacts and understanding through people-to-people exchanges is a key objective of the ENP as well as the Common Space of Research, Education and Culture with Russia.

#### ***Objective***

To achieve better understanding between the EU and partner countries through the exchange of students and academics, knowledge and skills at the level of higher education,.

#### ***Specific objectives***

- Develop higher education teaching and learning capacity in partner countries;
- Enhance staff capacity for international cooperation in partner countries;
- Enable talented students from partner countries, especially vulnerable groups to benefit from academic study in the EU and to promote EU values;
- Improve the recognition of academic studies and qualifications received abroad.

#### ***Expected results***

- Multilateral exchange of students and academics between the EU and ENP countries as well as Russia;

- Improved student and graduate employability upon return to their home region as well as greater understanding of Europe;
- A pool of internationally experienced professionals capable of sustaining enhanced cooperation with European universities and higher education institutions;
- Improved provision for male and female student exchanges, particularly from identified vulnerable groups within ENP countries and Russia;
- Improved application of credit transfer agreements between EU universities and those in partner countries.

### ***Indicators***

- Enlargement of the scope of universities and higher education institutions participating in exchanges (baseline 2009);
- A minimum of 1200 mobility grants (students and academic staff) per year for the ENPI region from 2011;
- Number of academic staff mobility grants provided annually;
- Number of mobility grants provided annually to male and female students and to students from identified vulnerable groups (baseline 2009);
- Increased academic use of credit transfer agreements between partner institutions.

### ***Brief description of the programme***

The programme (formerly known as Erasmus Mundus External Cooperation Window) will be implemented as Erasmus Mundus II – Action 2 Partnerships. It will be a demand driven mobility programme open to undergraduate, postgraduate, doctoral and post-doctoral students as well as academic staff from ENP countries (including Libya) and Russia for studying, teaching, training and research. Partnerships will need to demonstrate transparent and objective selection criteria taking into account academic merit, gender balance and socio-economic situation with particular attention to the participation of vulnerable groups. Higher education institutions' capacity and experience in hosting and managing student mobility will be important as well as measures taken to encourage return to the students' home country, thereby combating 'brain-drain' from ENPI countries. An annual Call for Proposals will be organised divided into geographical lots stipulating that selected partnerships must cover all types of mobility with at least 70% coming from ENP partner countries and Russia. Of the indicative allocation for Priority 2, €108 million is proposed for the sub-priority covering Erasmus Mundus II – Action 2 of which, €18 million will be reserved for Russia.

***The indicative allocation for priority area 2 will be 249 million for the period 2011-2013.***

### ***5.3.3. Priority Area 3: Promoting cooperation between local actors in the EU and in the partner countries***

#### ***Background***

Dialogue and cooperation between the EU and the partner countries is a fundamental aim of the ENP and the Strategic Partnership with Russia. Continued development of partnerships between local and regional authorities in governance and urban planning will be an important complement to similar initiatives within national, regional and cross-border programmes.

### ***Objective***

Promote mutual understanding, dialogue and cooperation between local actors in the EU and in the partner countries through the provision of capacity building for the modernization and strengthening of local and regional government.

### ***Specific objectives***

- Create and sustain lasting partnerships between local and regional authorities in the EU and in ENPI countries;
- Improve capacity for sustainable, integrated long term urban development planning within local and regional governments in ENPI countries;
- Improve local and regional government capacity in the use of principles of good governance;
- Increase dissemination of good practice on urban development planning and governance at regional and inter-regional levels (East-South).

### ***Expected results***

- Strengthened partnerships and new ties between local and regional authorities, including at regional and inter-regional levels (East-South);
- Increased capacity of local/regional authorities in the ENPI region, with regard to the design, development and implementation of sustainable urban strategic plans, urban policies and projects;
- Transfer of knowledge and experience in governance from EU local and regional authorities to their partners including participative planning and dialogue with civil society;
- Increased access to and availability of good practice on integrated urban planning and governance for ENPI local and regional authorities at regional and inter-regional levels (East-South).

### ***Indicators***

- Number and geographic spread of inter-regional partnerships between local and regional authorities (using the relevant results of Ciudad I as a baseline);
- Number of trained professional staff and implemented urban strategic plans;
- Measures taken by local and regional authorities to improve transparency, accountability and democratic governance;

- Utilisation of dissemination networks and attendance at related events.

### ***Brief description of the programme***

The programme will continue as a second phase of the CIUDAD programme and will aim to create and further enhance partnerships between local and regional authorities, supported in 2007-10 particularly those extending beyond traditional regional geographic networks. Thematic priorities will most likely focus on energy and the environment; economic and social cohesion and urban planning and governance. Activities should be aimed at transferring knowledge and experience, with special reference to engagement with civil society in planning and their inclusion in decision making processes to enhance public accountability. CIUDAD II will be open to regional and local authorities and their local cooperation partners, including civil society across all ENPI countries. Participation by a minimum of two partner countries and one EU country will be sought through a Call for Proposals including a co-financing requirement. Emphasis on the dissemination of results to other local and regional ENPI authorities will be retained. Where possible, viable and suitably appraised, CIUDAD projects will be prepared for the NIF pipeline in co-operation with European IFIs.

***The indicative allocation for priority area 3 will be 15 million for the period 2011-2013.***

#### ***5.3.4. Priority Area 4: Promoting investment project in ENP partner countries (Neighbourhood Investment Facility)***

##### ***Background***

One of the aims of the ENP is to extend EU policy initiatives to neighbouring countries. This extension requires funding inter alia to strengthen infrastructure interconnection between the EU and its neighbours in the areas of transport and energy, to address common environmental concerns and to support other socio-economic development. Needs in these areas are considerable.

For **Transport**, the Communication of January 2007 on Guidelines for transport in Europe and neighbouring regions outlined the first steps of a comprehensive policy for closer integration of the EU transport system with the neighbouring countries. By extending the trans-European transport networks to the neighbouring countries through five main transport axes, proposed by the High Level Group in 2005, the policy will address bottlenecks affecting international and long-distance traffic, facilitate trade and exchanges and have positive effects on economic development. A list of indicative investment projects was also identified. This list is currently being reviewed and updated under different regional cooperation structures. The revised list will seek to extend the transnational axes to all neighbouring countries and reflect recent developments in transport.

Concerning **Energy**, the Commission has already done some identification work on projects of European interest both with neighbouring countries and inside the EU, for example in the context of TEN- E (Guidelines for trans-European energy networks) and the 'Priority Interconnection Plan' which identifies projects of common and European interest for gas and electricity interconnections including between the EU and neighbouring countries. In December 2007, the Euro-Mediterranean energy ministers adopted a priority action plan for 2008-2013, which includes a list of priority infrastructure projects of common interest in the region. In the context of the "Baku initiative" for EU-Black Sea/Caspian energy, in November 2006 Ministers agreed on an energy road map which includes developing infrastructures. Update of the existing energy interconnections and development of new infrastructure where

necessary, will continue to feature as a key priority of the European strategy for enhancing the EU's energy security through diversification of sources and routes, with due attention to energy produced from renewable energy sources. In this regard, a second 'Strategic Energy Review' was adopted by the Commission on 12 November 2008.

On **Environment**, relevant projects have been identified in the context of the Euromed Horizon 2020 Initiative to de-pollute the Mediterranean Sea and the Danube Black Sea (DABLAS) Task Force. Needs are great for priority environment investments, which are often neglected by the private sector. This is particularly the case in areas such as water and waste management as well as reduction of air, water and soil pollution. ENP partners are seriously affected by the prospect of **climate change**. The EU and partner countries need to work together to limit its impact. In this respect, particular attention should be paid to mitigation and adaptation measures.

In addition, important investment needs also exist in the **social Sector** and capital is required to enable the growth of the private sector and in particular **SMEs**. The eastern partnership Prague declaration calls on EIB and EBRD to establish an SME funding facility. Support for addressing infrastructure needs in the areas of transport, energy and environment as well as SMEs capital requirements will also advance regional co-operation in the context of the Black Sea Synergy, the Eastern Partnership, the Northern Dimension and the Union for the Mediterranean

### *Objective*

Mobilize additional investment to support the establishment of an area of prosperity and good neighbourliness involving the EU and neighbouring countries.

### *Specific objectives*

- Leverage loan funding from European Development Finance Institutions in support of infrastructure, environment projects and socio-economic development in ENP countries;
- Establish and enhance energy and transport infrastructure interconnections between the EU and ENP partners and between ENP partners themselves;
- Address threats to our common environment including climate change;
- Promote equitable socio-economic development and job creation through the support for small and medium size enterprise and the social sector.

### *Expected results*

- Better transport infrastructure, notably interconnections;
- Faster transit of people and goods on the main transport corridors linking EU and its neighbours;
- Better energy infrastructure, notably interconnections;
- More efficient use of energy and increased use renewable energy sources;

- Cleaner environment and reduced environmental impact of population growth and economic development;
- Multi-donor funds to support partnerships in areas such as transport, environment and/or energy in the context of the Black Sea Synergy and the Northern Dimension established with EU contribution;
- SME facility under the Eastern Partnership operational;
- Growth of the SME sector in partner countries;
- Selected social aspects of development addressed.

### *Indicators*

- Amount of loans leveraged from European Development Finance Institutions;
- Progress in the implementation of the relevant APs commitments in the transport, energy, environment sectors by ENP partners (as evidenced in particular by ENP Progress Reports);
- Progress in the implementation of the ENP related thematic policies on transport, energy, and the environment (as evidenced in particular by ENP Sector Reports);
- Level of extension to ENP partners of key energy infrastructures increasing the level of security of supply and transport axes speeding up journey times;
- Progress in the implementation of the SME and other flagship initiatives under the Eastern Partnership;
- Progress in the implementation of the regional initiatives in the area of transport, energy, environment and climate change under the Union for the Mediterranean;
- Progress in the implementation of regional partnerships in the context of the Black Sea Synergy and the Northern Dimension in areas such as transport, environment and/or energy;
- Number of projects addressing common environmental concerns;
- Reduction in pollution levels of common marine spaces and freshwater basins;
- Establishment and functioning of SME financing schemes and number of SMEs benefiting from such schemes;
- Impact of the operations in the Social Sector.

### *Brief Description of the programme*

#### *Neighbourhood Investment Facility*

This priority will be pursued through the Neighbourhood Investment Facility (NIF) which started operations in 2008 and is open to contributions from EU Member States in addition to

Community assistance<sup>36</sup>. NIF provides grant support for lending operations by EIB, EBRD and other European multilateral development finance institutions and the bilateral development-finance institutions of contributing Member States. Its lending operations focus on the priorities stemming from the ENP Action Plans and on related thematic policy priorities covering the energy, transport and environment sectors. They will also seek to advance regional co-operation in the context of the Black Sea Synergy, the Eastern Partnership, the Northern Dimension and the Union for the Mediterranean.

Projects will address pressing bottlenecks stemming from congestion, poor quality infrastructure, which hamper international exchanges and trade as well as environmental considerations linked to achievement of related MDGs in ENP partner countries. Support will also be provided for SME development and social projects. Preference will be given to funding projects of common interest and cross-border nature identified in the context of the EU/EC policies and regional initiatives, particularly priority trans-national axes extending EU TEN transport corridors to neighbouring countries and infrastructure projects of a similar nature in the energy and environment domains.

Geographically NIF operations will concentrate on those countries with an ENP Action Plan in force except for Israel, where, in view of its level of economic development there is no need for donors' grants promoting lending. In case of operations of cross border or regional nature to which the Union attaches particular interest, such as those contributing to the objectives of the Black Sea Synergy, Eastern Partnership, Northern Dimension and Union for the Mediterranean, eligibility can be extended to other countries covered by the ENPI<sup>37</sup>.

The NIF can use a broad range of measures encompassing co-financing through direct grants, loan guarantees, risk capital operations, interest rate subsidies, and technical assistance for project preparation and supervision and will be complementary to corresponding regional, national and local strategies and fully consistent with Community principles on the environment, public procurement and state aid.

The NIF is fully compatible with FEMIP Support Fund's operations under which "dedicated" Community grant funding supports EIB operations inter alia in the countries of the Southern Mediterranean in the context of the external lending mandates. FEMIP has the objective to enhance the supply of foreign and domestic financing mainly for private investments in the region, whereas NIF operations mainly focus on big infrastructure public sector projects in the energy and transport sectors aimed in particular at connecting the Neighbourhood as well as on projects of common and strategic interest in the environmental sector. The ECOFIN Council has encouraged FEMIP to focus more on the private sector.

The Commission will closely monitor spending with a view to ensuring a balanced distribution of funding between the regions and the three key sectors of transport, energy and environment. To achieve this goal, it may prove necessary, in dialogue with the Financial Institutions concerned, to deploy NIF resources to support the development of projects in a given geographical area or addressing one particular objective.

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<sup>36</sup> As of 31/12/2009 the Community contribution to the NIF amounted to €185 million while Member States had contributed €47 million to the NIF Trust Fund. In total Member States had provided 20% of NIF resources. The Commission expects further contributions from Member States to match the increase in Community resources.

<sup>37</sup> NIF supported projects of cross border or regional nature may also include activities in non ENPI countries when this is necessary for the attainment of the objectives of the Facility

### *Contributions to partnerships and initiatives*

In order to promote investment in the context of *partnership and initiatives* established under the Black Sea Synergy, the Northern Dimension, the NIF will also directly contribute to multi-donor funds established by finance institutions in the context of partnerships (i.e. the Northern Dimension Environmental Partnership, the Northern Dimension Partnership on Transport and Logistics, the Black Sea Synergy Environmental Partnership).

***The indicative allocation for priority area 4 will be € 450 million of which € 20 million is earmarked for contributions to partnerships in the context of the Northern Dimension and the Black Sea Synergy.***

### **5.3.5. Priority Area 5: Promoting cooperation between ENP partners and EU agencies**

#### ***Background***

In March 2007, the Council agreed on the participation of ENP partner countries in the work of EU agencies based upon the former's merits and where the legal basis so allows. In order to extend the reach of ENP, sector-specific cooperation between EU agencies and ENP partners requires particular support in light of the former's policy mandate and the latter's progress in the implementation of sector reforms.

#### ***Objective***

To facilitate enhanced sector cooperation between interested ENP partners and relevant EU agencies in areas such as inter alia food safety, drugs, disease prevention, aviation, environmental protection and maritime safety.

#### ***Specific objectives***

- Establish technical cooperation between relevant EU agencies and interested ENP partner countries aligned to individual-case and sector requirements;
- Establish a pool of technical experts in interested ENP partner countries familiar with EU technical requirements and standards in the relevant sectors;
- Promote technical convergence with EU requirements and standards in the relevant sectors in interested ENP partner countries;
- Cooperate on issues related to common challenges and threats (pandemics, animal health).

#### ***Expected results***

- Extension of technical cooperation between relevant EU agencies and interested ENP partner countries in the context of implementation of ENP APs;
- Pool of technical expertise familiar with EU technical requirements and standards in the relevant sectors in interested ENP partner countries;

- Extension of reach of EU technical requirements and standards in interested ENP partner countries;
- Agreed approaches on protecting human and animal health.

### ***Indicators***

- Number of technical cooperation agreements between relevant EU agencies and interested ENP partner countries;
- Number of trained technical experts in relevant sectors in interested ENP partner countries and dissemination of knowledge within local administrations and agencies;
- Application of EU technical requirements and standards in identified sectors in interested ENP partner countries (as evidenced by ENP Progress Reports);
- Improved epidemiological and veterinary surveillance (as evidenced by ENP Progress Reports).

### ***Brief Description of the programme***

The programme aims to give effect to Commission's Communication of December 2006 on the participation of ENP partner countries in EC agencies and programmes by facilitating the development of sector and technical cooperation between relevant EU agencies and interested ENP partners. In line with the Council's conclusions of March 2007, cooperation will be supported in cases where there is mutual agreement to proceed between the relevant EU agency and the interested ENP partner country and where the latter's progress so merits as evidenced by the implementation of sector reforms and convergence with EU technical requirements and standards. Progress on sector dialogue as part of annual reporting on AP implementation and the technical assessment of the relevant EU agency will be critical in this regard. In each case, a final decision on cooperation with interested ENP partners rests with relevant agency's Governing Board in line with their respective establishing Regulations. The inclusion of specific references to cooperation with two EC agencies (EMCDDA and EASA) in the "*statut avancé*" with Morocco<sup>38</sup> underlines the growing importance and future potential of this aspect of external cooperation. Experience of cooperation between EU agencies and candidate and potential candidate countries in the Western Balkans and Turkey under Enlargement has clearly shown that real progress in implementing this additional reform incentive is critically influenced by the availability of specific additional external cooperation resources.

***The indicative allocation for priority area 5 will be €3.7 million***

### ***5.3.6. Priority Area 6: Promoting Inter-Regional Cultural Action***

#### ***Background***

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<sup>38</sup> Document conjoint UE-Maroc sur le renforcement des relations bi-latérales/statut avancé, European Council, 13.10.2008, 13653/08

In May 2007, the Commission proposed a role for cultural cooperation as an integral part of EU external relations<sup>39</sup>. Subsequent Ministerial and senior official meetings underlined its importance in addressing political processes and challenges within the ENP based on dialogue with civil society and in fostering contacts between people, job creation and sustainable development. In November 2008, the Council called, amongst others, for enhanced financial support for the training and mobility of cultural professionals and artists as well as capacity development of the cultural sector in third countries<sup>40</sup>.

### ***Objective***

Support the development of inter-regional (East-South) cooperation on culture with a particular focus on civil society (including the independent cultural sector) and the promotion of civic participation in reform processes.

### ***Specific objectives***

- Promote Neighbourhood-wide (inter-regional) cultural cooperation involving public, civil society and independent cultural actors;
- Promote the capacity building of artists and cultural professionals for example through training and fostering mobility;
- Contribute to economic exchanges and trade in cultural products and services;
- Improve civic engagement in processes of public governance;
- Promote the ratification by ENPI partner countries of the 2005 UNESCO Convention on the Promotion and Protection of the Diversity of Cultural Expressions.

### ***Expected results***

- Increased partnerships, including inter-regional, between interested public, civil society and independent cultural actors;
- Strengthened capacity of cultural professionals and artists familiar with the benefits of inter-regional cooperation;
- Increased flow of cultural goods at regional and inter-regional levels;
- Improved civic participation in reform processes in ENPI partner countries;
- Alignment of ENPI partner countries to the EU position on the 2005 UNESCO Convention on the Promotion and Protection of the Diversity of Cultural Expressions.

### ***Indicators***

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<sup>39</sup> COM (2007) 242 of 19.5.2007 'A European Agenda for Culture in a Globalizing World'

<sup>40</sup> Council Conclusions of 20 November 2008 on the Promotion of Cultural Diversity and inter-cultural dialogue in the external relations of the Union and its Member States

- Number, scope and mix of cultural partnerships including inter-regional partnerships;
- Number of artists and cultural professionals with strengthened capacity familiar with the benefits of inter-regional cooperation;
- Number of cultural advocacy initiatives on key issues of public concern such as anti-corruption, tolerance/non-violence, dialogue and conciliation;
- Status of ratification of the 2005 UNESCO Convention on the Promotion and Protection of the Diversity of Cultural Expressions by ENPI partner countries.

***Brief Description of the programme***

The programme should aim at promoting and facilitating cultural cooperation between interested cultural actors at regional and inter-regional levels with a particular focus on enhancing the role of the independent cultural sector, improving contacts between people and promoting civic participation. It should be open to all interested parties including public and civil society organizations as well as community-based (linked to municipalities and local authorities) and independent cultural actors. Through its activities, it should aim, amongst others, to contribute to the development of a critically informed citizenship and to encouraging civic dialogue between citizens and their elected political leaders as a necessary support to the consolidation and development of reforms in ENPI countries. It should also aim to strengthen the capacity of cultural professionals and artists for example through training and enhanced mobility thereby contributing to greater economic exchanges and trade in cultural goods and services across the ENPI region. Moreover, its actions should aim to provide greater visibility and public legitimacy of the EU and its long term goals with regard to its ENP partners and Russia.

***The indicative allocation for priority area 6 will be 10 million***

**ANNEX I**  
**List of abbreviations and acronyms**

AP	Action Plan
CBC	Cross-Border Cooperation
CIB	Comprehensive Institution Building as part of Eastern Partnership
CSP	Country Strategy Paper
EU	European Union
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
ESG	European Standards and Guidelines for Quality Assurance in Higher Education
EU	European Union
IFI	International Finance Institutions
IP	Indicative Programme
IRP	Interregional Programme
MDG	Millennium Development Goals
RSP	Regional Strategy Paper
SIGMA	Support for Improvement in Governance & Management; EC/OECD capacity building programme
SP	Strategy Paper
TAIEX	Technical Assistance Information Exchange

**ANNEX II**  
**Inter-Regional Programme ENPI 2011-13**

<b><i>Priority Area 1: Promoting reform through European advice and expertise</i></b>	<b>30</b>
<i>Sub priority 1: TAIEX</i>	20
<i>Sub priority 2: SIGMA</i>	10
<b><i>Priority Area 2: Promoting higher education modernization and student mobility</i></b>	<b>249</b>
<i>Sub priority 1: TEMPUS</i>	141
<i>Sub priority 2 : ERASMUS MUNDUS –Action 2</i>	108
<b><i>Priority Area 3: Promoting cooperation between local actors in the EU and in the partner countries</i></b>	<b>15</b>
<b><i>Priority Area 4: Promoting Investment projects in partner countries - NIF</i></b>	<b>450</b>
<b><i>Priority Area 5: Promoting cooperation between ENP partners and EU agencies</i></b>	<b>3.7</b>
<b><i>Priority Area 6: Promoting Inter-Regional Cultural Action</i></b>	<b>10</b>
<b><i>TOTAL</i></b>	<b>757.7</b>

## ANNEX III

### 1. Preparation of ENPI Mid Term Review (in-house)

In line with the Guidelines for Programmers for the Mid-Term Review of the Strategy Papers and Indicative Programmes under the ENPI, a review of the ENPI Country Strategy Paper/Inter-Regional Programme 2007-10 took place in November/December 2008 resulting in a consultation on a first draft of the MTR Document (Checklist) with AIDCO on 15 December 2008. Following receipt of comments, a revised Checklist was circulated to other interested services (EAC, REGIO) for initial response and comments in early 2009. On the invitation of the Secretariat General, an information meeting was held on 24 March 2009 with all concerned line-DGs on potential cooperation between ENP partner countries and EU agencies in the period 2011-13 including funding requirements. A Concept Note for a revised CSP/IRP 2011-13 was subsequently circulated in early April for comment to individual colleagues in the following services: AIDCO, EAC, TREN, SANCO, JLS, ENV, ELARG, INFSO and SG.

An Inter-Service Meeting was convened on 24 April 2009, leading to an agreement on priorities for a revised SP/IRP for 2001-13. A revised Concept Note was finalized on 28 April and following a period of public consultation (see below), the revised SP/IRP was prepared and finalized including proposed financial allocations.

### 2. Consultations with stakeholders including EU Member States

A Concept Note for a revised SP/IRP was published on the ENP website on 28 April with a three-week deadline for response from all interested parties (20 May 2009). EU Member States were alerted through regular channels while civil society organizations were also notified. No comments were received by the due deadline.

Alongside ELARG, RELEX D2 participated in the 3rd informal meeting of EU agencies on network building hosted by EFSA in Parma in October 2008. Operational contacts were established with EU agencies' external relations coordinators, enabling an appreciation of the context and constraints of potential cooperation between EU agencies and interested ENP partners. Discussions took place on how best to facilitate such cooperation based upon ELARG experiences with the Western Balkans and Turkey taking into account the terms of Council guidance on this matter in its conclusions of 5 March 2007. It was clearly understood that cooperation with ENP partners will proceed on the basis of the latter's progress in the implementation of sector reforms and convergence with EU technical standards and requirements as well as on an assessment of mutual interest.