

The European Neighbourhood Policy

Fiches on Sectors

These fiches, which describe the objectives and successes of the European Neighbourhood Policy in supporting partners' reform processes, in certain key sectors, were prepared for internal purposes but made publicly available on the occasion of the September 2007 "Strengthening the ENP" Conference.

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Improving mutual understanding: Culture, Education, Youth, Research

Contacts between people enhance mutual understanding of each other's cultures, history, attitudes and values. These can help to develop a sense of solidarity and eliminate misperceptions.

The ENP Action Plans agreed with partner countries address issues such as:

- **Human Resources** development is key to tackling poverty and boosting economic development, through life-long learning and boosting knowledge-based competitiveness, social cohesion and active citizenship.
- **Reform of higher education through dialogue and the Tempus programme** focusing on improvements in curricula and management, using European experience e.g. the "Bologna Process", which aims to make higher education systems in Europe converge to foster mutual recognition of academic results and greater student mobility.
- Ensuring access for all to good-quality **basic education**. In some partner countries this still means eradicating illiteracy, while education systems in all need modernisation.
- Reforming **vocational education and training** in particular by improving the link with the labour markets and moving towards life-long learning.
- **Increasing student mobility** through Erasmus Mundus (a Community-financed scholarship scheme)
- **Boosting youth exchanges** through the YOUTH programme, as well as building the capacity of youth NGOs and promoting **intercultural dialogue**.
- Approximation to EU rules on audiovisual policy –International cooperation in this field is increasingly important to the EU's audiovisual policy, as well as an integral part of its presence in the world scene.

Progress to date

- The Eastern European ENP countries and Russia (except Belarus) are now all members of the **Bologna Process** and are restructuring their higher education system on this basis. The Southern Mediterranean countries are also using European experiences as the basis for their reforms of higher education.
- Education, from primary to higher, is becoming a **key component of our cooperation** with the Southern Mediterranean countries (Egypt, Jordan, Morocco and Tunisia).
- The **European Training Foundation** (ETF) is extending its scope from vocational education and training to human resource development and life-long learning
- A **new scholarship scheme** for undergraduates, post-graduates and doctoral students and university teachers has been launched in 2007 under the Erasmus Mundus umbrella ("Neighbourhood Scholarships"). The Tempus programme is being redesigned so as to give a greater role for partner states and partner country universities.

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Improving lives: Public Health

Through ENP, we work together to face common public health challenges

- Work on public health improves and extends the life of individual citizens, reduces poverty and contributes to socio-economic development.
- Joint work on other sectors such as the environment, food safety, RTD and road safety also contributes to better health.
- Public health risks, particularly those related to contagious illnesses (such as HIV/AIDS), represent potential dangers for the citizens and the economy of the EU and our neighbourhood
- **Exchanging information and expertise:** ENP Action Plans include provisions on increased health dialogue, sector reform, progressive involvement in EU related health activities and networks such as increased participation in health networks, cross-border challenges such as communicable diseases etc.

Progress to date:

- Partners pursued health reform and will continue to do so in the next years
- The EU is financing a major health sector reform project in Egypt and activities in Ukraine combating HIV/AIDS and tuberculosis, support for primary health care in Moldova, and macroeconomic support for health insurance reform in Tunisia and Morocco.
- Ukraine started to participate in the Commission's HIV/AIDS Think Tank.

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Working together on justice, freedoms and security

The aim of the ENP is to share values of freedom, security and justice with neighbouring countries

- The EU and its neighbours have a joint interest in the effective functioning of public institutions. This is one of the cornerstones of our shared values of democracy, fundamental rights and the rule of law. High standards of judicial and administrative efficiency and impartiality, as well as effective law enforcement, are important to all citizens.
- Together, the EU and its neighbours face similar and increasing challenges in the fields of justice and home affairs e.g. migration pressure from third countries, drug-trafficking, trafficking in human beings and other illegal activities.
- The ENP Action Plans cover issues such as **mobility, migration, asylum and border management**, and the **fight against organised crime** (including **trafficking in human beings, drugs, money laundering, financial and economic crime**) and **corruption** as well as the **fight against terrorism**. In all these cases, better law enforcement and closer **police and judicial co-operation** remain the best way to curb criminal activities. Strengthening institutions is also essential as well as an efficient and competent **judiciary**. Working together with our partners through exchanging information and best practices and providing technical and financial assistance, is therefore in our common interest towards maintaining security and stability in our neighbourhood.
- The ENP Action Plans are tailored to the particular priorities of the individual partner countries, as well as their stage of development in each field. Each Action Plan contains commitments ranging from **ratification of relevant international instruments** to adoption of domestic **legislation or national strategies**, to establishment, re-organisation or enhancement (through training or equipment) of administrative structures and law enforcement agencies. There are also commitments to explore **new topics for co-operation** and dialogue, such as document security and cybercrime.
- The EU's experience over the last 15 years, in providing practical support and technical advice to countries in transition, is invaluable to those of our partner countries who are undergoing comprehensive legislative and institutional reforms.

Progress to date:

- Visible developments in mobility and migration issues include the signing of the EC-**Ukraine** visa facilitation and readmission agreements in the margins of the EU-Ukraine Cooperation Council in June 2007, as well as the initialling of the EC-**Moldova** visa facilitation and readmission agreements in April 2007.
- The EU Border Assistance Mission has reinforced security along the Moldova-Ukraine borderline. More effective border management procedures contribute to curbing smuggling and other illegal activities particularly from Transnistria. For its part, Europol has concluded negotiations on cooperation agreements with both countries, which further enhances the fight against organised crime.

- In addition, Ukraine and Moldova were selected as pilot countries for a Regional Protection Programme, which aims at enhancing protection offered to refugees.
- A twinning arrangement is about to be launched with **Morocco** on long-term advice and assistance on combating money laundering and the financing of terrorism. Negotiations with Morocco on a readmission agreement are almost concluded.
- Seminars are being held with **Israel** on trafficking in human beings as well as on combating racism, xenophobia and anti-semitism.
- Efforts are underway in **Jordan** to earmark assistance for establishing a Financial Intelligence Unit, which would increase Jordan's capacity to combat money laundering and the financing of terrorism, including its efforts to combat terrorism.
- Efforts are also underway to reinforce the capacity of the police and the judiciary in **Lebanon** to deal with all types of crime with €7m worth of technical assistance and material.

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Working together on preventing and solving conflicts

There are various frozen conflicts throughout the EU's neighbourhood – from Western Sahara to the Middle East conflict, Abkhazia and South Ossetia (Georgia), Nagorno-Karabakh (Armenia /Azerbaijan) and Transnistria (Moldova). Although not primarily about conflict prevention/ resolution, the ENP can contribute to improvements in the political and economic situation, thus promoting a better climate for conflicts to be settled. The EU's contribution is threefold:

- First, the **deepening of our relations** with the ENP countries includes an intensified political dialogue. Special EU Representatives have been appointed to assist with conflict-resolution processes in the Middle East, Southern Caucasus and Transnistria.
- Second, as regards conflicts in Eastern Europe, supporting these countries' *own* political, economic & social **transition** processes will result in higher living standards and better protection of collective and individual rights. This should create an incentive for breakaway regions to seek lasting settlement and disincentive for future possible secessionist trends.
- Thirdly, as the **major donor**. Already in support of their reform processes and peace settlements (as part of an organised donor coordination exercise e.g. recent EC €2m pledge at South Ossetia donors' conference). The EC is also ready to support post-settlement consolidation on the basis of clear needs assessments.

We and our neighbours have a mutual interest in fostering **prosperity, stability and security** *inter alia* through addressing some of the root causes of the continuing conflicts, such as bad governance, poverty, corruption, lack of economic development, insecurity, environmental threats and shortage of natural resources, and lack of regional cooperation. We do not seek to impose reform from the outside but rather to support and encourage home-grown solutions.

Given our **own history** & development, we attach great importance to **regional cooperation**, confidence-building measures and **people-to-people** contacts and exchanges. We bring experts from countries together to work on **practical issues of mutual interest** e.g. energy, transport and environment in the S Caucasus.

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Working together on Energy

To overcome the challenges of energy security, the EU needs, for the wellbeing of its citizens and its economy, to ensure competitive, sustainable and secure energy in close cooperation with neighbouring countries, energy consumers, transit and producer countries.

The EU is increasingly dependent on external energy sources. **Our neighbours (and their neighbours) play a vital role in our energy supply** – either as **suppliers** (Algeria, Egypt, Libya, Azerbaijan and Russia) or **transit countries** (Morocco, Tunisia, Southern Caucasus, Ukraine and Belarus). Enhancing our strategic energy partnerships with neighbouring countries is therefore an important **contribution to EU energy security**.

Building on existing regional or bilateral initiatives such as INOGATE (the TACIS-funded oil and gas pipeline programme for the Caspian basin) and ongoing Euro-Mediterranean energy cooperation (e.g. the creation of a Euro-Maghreb electricity market; increased gas cooperation in the Mashreq region), ENP contributes to enhanced energy cooperation through:

- More **energy dialogue**
- Progressive **convergence of energy policies** and legal/regulatory frameworks
- **Improving energy network connections** in which we all have strong mutual interests related to energy security
- Promoting **energy efficiency** and the use of **renewable energy** sources
- Possible participation in EU energy **programmes** and events

Enhanced energy cooperation is of **mutual benefit**, providing joint business opportunities as well as contributing to socio-economic development and environmental improvement.

Progress to date

- Energy **cooperation** has been significantly enhanced. A Memorandum of Understanding on Energy was signed with Ukraine and Azerbaijan and is being developed with other partners (e.g. Algeria and Egypt). Bilateral dialogue has been increased e.g. with Moldova and Morocco, as well as regional cooperation (Euro-Mediterranean Energy Forum, Baku energy initiative).
- Progress is being made on **network** projects which will, when finalised, contribute to the EU's energy security e.g. Ukraine's intention to use the Odessa-Brody pipeline, construction of the Arab gas pipeline from Egypt through Jordan to Syria and further to the EU, Tunisia's expansion of the gas pipeline to Italy, Morocco's increase in electricity interconnections with Spain, development of a Black Sea – Caspian Sea energy corridor in the East and the Mediterranean gas and electricity rings in the South.
- The move to gas **market prices** by eastern partners was accelerated by a gas-price dispute with the Russian supply company.
- Many partners have taken modest steps towards **market opening** but more efforts are required to achieve the objective of an integrated EU-ENP energy market. The European Commission is launching a feasibility study to examine which legal

arrangements would be necessary to facilitate this process with the objective to enhance the energy security in the wider EU_ENP area.

- Enhancing **energy efficiency** and promoting the use of **renewable energy** sources has become a priority of energy strategies in the EU and with neighbourhood partners but more efforts are required to implement concrete projects. The European Commission is particularly committed to developing specific bilateral and regional initiatives to encourage progress in this area.
- Continued improvement of **nuclear safety** is important for both public safety and security of energy supply. Considerable improvements have been made in Ukraine to the safety of nuclear installations (including the Chernobyl site) and the safety culture. Contributions have also been made to urgently needed safety improvements of the Medzamor nuclear power plant in Armenia, while waiting its shut down.

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Forging closer links: Transport

Improving our transport links means closer relations and improved market access

To generate more trade and tourism within our neighbourhood, we need efficient multimodal and sustainable transport systems – road, rail, maritime and air.

Cooperation to improve and develop transport links is important to us all. Through the ENP Action Plans, the EU works with its neighbours to

- **improve efficiency** of regional transport networks by addressing structural issues (e.g. competition in port services and air transport, modernising regulatory frameworks, promoting inter-modality);
- reinforce national and regional infrastructure and networks, ensuring their **interconnection** and **interoperability** with the Trans-European Transport Network, through identifying priority networks and, given how costly transport networks are, coordinating closely in drawing up investment plans for these networks;
- enhance the **safety** of these systems - even accidents (oil spills) can have wide regional and international repercussions. Through the ENP, we can improve the implementation of strict technical standards for the transport of dangerous goods, improvements in air traffic and maritime control and safety standards, promote participation in regional projects e.g. on maritime safety;
- enhance the **security** of these systems – networks and services are vulnerable to terrorist attacks. Through the ENP Action Plans, we can strengthen cooperation in fighting terrorism.

Progress to date:

- Good progress has been made in that most countries have adopted long-term national transport **strategies** and have started reform processes, separating operational and commercial functions with a view to increasing the competitiveness of the various transport modes.
- Most progress has been made in the **aviation** sector, where liberalisation has begun. Stricter security standards have been introduced, ground-handling services have been liberalised and most countries have established civil aviation authorities. Morocco has proceeded the furthest in developing aviation relations with the EU.
- Road and rail sectors present an important reform challenge. Measures to increase **road** safety are starting to take effect but the sector suffers from inefficient small-scale operations and aging fleets. **Rail** restructuring is generally being addressed, but slowly in many cases.
- **Maritime** safety standards are more difficult to meet for some countries, especially where the fleet is aging, as in Ukraine. Most partner countries have, however, begun port-sector reforms, with particular progress in Israel, Morocco and Tunisia.
- The EU has also reached agreements with Israel, Morocco and Ukraine on participation in the **Galileo** programme.

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Improving our shared environment

Good environmental governance and protection is important to ensure a healthy life for citizens now and to preserve resources and biodiversity for future generations. It is also essential for addressing instability from conflicts over scarce resources (e.g. water) and for reducing man-made (e.g. industrial) or other disasters. Ongoing environmental degradation is imposing a real economic cost to the countries of the neighbourhood. While enhancing environmental protection presents an important financial challenge, the cost of non-action is also important.

Environment features in the ENP Action Plans both in **its own right as well as something to be taken into account in other policy areas** such as energy (energy efficiency and renewable energies), transport (maritime transport, sustainable transport), people-to-people contacts, statistics and research.

Through the ENP Action Plans, we and our partner countries aim to protect our shared environment, public health and scarce natural resources through:

- Sharing EU **experience in overcoming similar and shared challenges** and some resources to support partners' efforts to improve environment protection, including climate change
- Ensuring better **planning and prioritisation**, learning from past mistakes
- **Concrete steps**, in the ENP Action Plans, to promote good environmental governance through addressing most urgent problems first, taking account of resources e.g. strengthening the administrative capacity of relevant bodies, adopting national strategies and action plans, preparing environmental impact assessments, enhancing public information and participation.
- **Regional and international cooperation**, including multilateral agreements.
- Sharing information on policies and implementation

Progress to date:

- Good progress is being made in implementing international **climate change** commitments. Most partners have continued to adopt and establish the necessary procedures and structures, as well as concrete investment projects, to promote the use of the flexible mechanisms of the Kyoto Protocol.
- Progress more generally reflects the vast scale of challenges in this sector and that change can only be incremental. Stronger administrative and implementation **capacity**, coupled with enhanced resources, is needed but lacking in most cases.
- A number of partners have taken steps to review (Jordan, Ukraine) and implement (Israel, Morocco, Tunisia) their overall **environment strategies and action plans**, to promote a more strategic and targeted approach to environment protection. Jordan has also reviewed its framework legislation and Moldova has prepared an inventory of existing legislation.

- Some progress is also noted in the adoption and implementation of **issue-specific legislation** e.g. on environmental impact assessments (Tunisia) as well as on preparing specific programmes and plans, most often in the field of water (Morocco, Ukraine). Waste management is a particularly serious challenge for most partners, with national strategies being prepared in Morocco, Tunisia and Ukraine. This is important as civil society can have a role to support the development and implementation of environment policy.
- Steps have been taken to enhance **public access** to environmental information, as well as to promote participation in environment decision-making – in particular in Israel, Moldova, Morocco and Ukraine.
- Partners have ratified many **international and regional environmental conventions** and protocols and participate in various regional initiatives. Implementation of commitments, however, remains a major challenge for most.

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Facilitating trade throughout the neighbourhood

ENP Action Plans ensure that both the EU and its partners take full advantage of the trade provisions in existing bilateral agreements by ensuring their full implementation and taking account of regional initiatives.

Through the ENP Action Plans:

Main Objectives:

- Greater **market opening** in line with **WTO** principles, deeper liberalisation and regional integration. This should include sectors of most importance to ENP partners.
- Remove non- tariff barriers to trade through convergence of legislative and regulatory frameworks in crucial sectors such as customs, intellectual property rights, veterinary/phytosanitary, industrial goods.
- Improving the **investment climate**, by ensuring transparency, predictability, and simplification of ENP countries' rules

Achievements to date:

- Negotiations have begun on liberalising agricultural, processed agricultural and fishery products with Mediterranean partners, as well as work towards a free trade area for goods and towards a free trade agreement on liberalising services and establishment.
- Preparatory work began for the negotiation of a deep Free Trade Agreement in the framework of the Enhanced Agreement with Ukraine and the granting of autonomous trade preferences (ATPs) to Moldova.
- The EU and all partners have agreed on priority areas for **legislative and regulatory approximation**.
- Progress in modernising and streamlining **customs rules and services**, to increase trade through less cumbersome procedures, reduced costs and delays. The twinning projects with Morocco, Tunisia and Jordan, as well as the EUBAM activities at the Moldova-Ukraine border are a good examples in this area.
- The EU and all partners agreed on priority areas for **legislative and regulatory approximation**, particularly where this will stimulate trade and economic integration.
- Progress on approximation of legislation on industrial products, designed to facilitate industrial goods entering our market without any additional testing. All southern partners and Ukraine are willing to negotiate such agreements.
- Most countries have launched (or are continuing) reform of their tax laws and tax administration in line with EU and international standards in order to **increase transparency**.

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Veterinary and phytosanitary standards: facilitating trade and improving food safety

Working together on veterinary and phytosanitary issues will lead to a better control of animal and plant diseases and thus to improved food safety and sanitary conditions, benefiting consumers and agricultural production. Ensuring adequate veterinary and phytosanitary standards will facilitate trade in agricultural products, between ENP partners and the EU

Key messages

- Action Plans cover a range of actions to further approximate rules of third countries with those of the EU in the area of veterinary and phytosanitary standards, **food safety control**, hygiene, traceability, animal diseases etc. In view of the high costs involved partner countries will need adequate time to achieve sustainable results (e.g. improving inspections and laboratories, introduction of a traceability system in the food chain).
- It should be underlined that the Action Plans do not prejudge at all current strict EU veterinary and phytosanitary import requirements for third countries, which remain valid. This ensures a **continuous high level of food safety within the Union**.

Progress

During the last two years, modest progress has been made on these issues by most ENP partners e.g.

- Jordan took the decision to converge with the relevant EC *acquis* over the medium-term.
- An overall assessment visit by the EC Food and Veterinary Office to Ukraine was the first to an ENP country and resulted in a country profile which will be the basis for further cooperation in this area
- Two twinning projects are ongoing in Jordan.
- Moldova and Tunisia have made efforts towards an animal identification and traceability system
- Partners also enhanced their preparedness in the context of the avian influenza crisis.

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Looking together to the future: Information society, research and innovation

Research and development are key to 21st century economic development. The ENP therefore promotes policy reform in the field of information society, the separation of regulatory and operational functions, the establishment of independent regulatory authorities and integration into the European research area.

Through implementing the ENP Action Plans:

- Scientific communities can be **integrated** into the European Research Area. Scientists from partner countries can also participate in high-level scientific exchanges (e.g. international Marie Curie scholarships).
- Cooperation can be promoted through the conclusion or enhanced implementation of **Science and Technology Agreements**, mutual information systems can be created or enhanced; research results can be disseminated.
- Reforms identified e.g. **value-added services**, important for the development of an Information Society, should be liberalised e.g. Markets for fixed telephony and advanced services (e.g. internet) and tenders for additional GSM licences
- The Action Plans identify steps to **promote new technologies** and electronic communication services for the use of business, public bodies and citizens.
- Action Plans foresee a number of measures to build up the **capacity of research structures** in neighbouring countries (in particular by supporting structural and institutional capacity building activities).

Progress to date:

- Several partner countries have adopted national **strategies** promoting the use of information society applications and have decided to prepare related legal frameworks.
- All partner countries (except Israel) have set up **independent regulatory agencies**, although their efficiency usually needs to be increased by providing training as well as additional human and financial resources.
- All partner countries have liberalised their **mobile telephony** markets, with even fixed telephony markets being opened to competition in Israel, Jordan and Morocco. First licences for third-generation (3G) mobile communications have also been awarded.
- A number of partners have reviewed their **research and innovation** policies and restructured their research systems. Moldova and Tunisia have set up special Agencies to promote the transfer of knowledge between public research organisations and industry and have increased their research budgets. Partners are seeking to increase their participation in the EC's R&D Framework Program.
- Enhanced regional cooperation (in particular in the Black Sea context but also with Mediterranean countries): achievements through research projects and development of mutually beneficial international relations in knowledge-intensive areas through collaborative research and policy dialogue on science, technology and innovation.