The European Neighbourhood Policy
Fiches on Partners

These fiches, which describe the objectives and successes of the European Neighbourhood Policy in supporting partners' reform processes, were prepared for internal purposes but made publicly available on the occasion of the launch of the December 2006 "Strengthening the ENP" Communication.

Supporting reforms in Morocco

EU - Morocco relations: basic facts

- The EU-Morocco Association Agreement entered into force in March2000 replacing an earlier 1976 Cooperation Agreement. A bilateral political dialogue framework has also met in 2004 and 2005.
- The **ENP Action Plan** was adopted in July 2005 and the relevant sub-Committees (which monitor and guide implementation) meet regularly. These committees deal with internal market issues, industry, trade and services, transport, environment and energy, research and innovation, agriculture and fisheries, customs, justice and security, migration and social affairs, as well as macroeconomic issues. On 16 November 2006, the EU and Morocco held the first meeting of the newly established Human rights, democracy and governance sub-committee.
- In 2005-2006, € 275 m in EC assistance was allocated for Morocco and a further € 162 m is planned for 2007, to focus on the reform priorities agreed in the ENP Action Plan
- Morocco plays a role in the EU's security of energy supply by transiting Algerian gas to Europe.

How does the EU support reforms in Morocco?

The priorities of the EU-Morocco ENP Action Plan are the development and implementation of policies and measures designed to promote economic growth, employment and social cohesion, reduce poverty and protect the environment. Implementation of the Action Plan takes account of the necessary balance between accelerating the process of opening and modernising the Moroccan economy and the long term goal of achieving sustainable socioeconomic development.

Examples of how the EU is supporting the reform process in Morocco include:

- **Aviation agreement**: will allow EU or Moroccan companies to fly to the other's territory. This will boost competition, reduce fares and improve choice for consumers, while helping Morocco to build its tourist industry and provide employment for its people
- **Fisheries agreement**: This agreement will give EU fishing vessels opportunities for fishing in Moroccan waters, with the EU in return providing technical and financial assistance for the modernisation of the sector in Morocco;
- Twinning programme in border management: This programme provides the best EU practice and experience for training Moroccan border forces so as to control better illegal immigration flows that pass through Morocco.
- **Helping with reform of the tax system**: a comprehensive reform programme that aims to simplify the Moroccan tax system, reduce tax exemptions, and

- modernise the VAT system. The EU is providing direct budget support to the government for implementation of agreed policy measures.
- Negotiations with Morocco on a readmission agreement have reached the final stage;
- Helping with reform of the road and port transport system: this programme
 will allow more private operators in port operations, therefore increasing the choice
 for companies, reducing handling costs for traders and facilitating trade between
 Morocco and the rest of the world, including the EU; upgrade the road vehicle fleet
 and improve road safety.
- Support for the national action plan on Human Rights: the EU is providing financial and technical support to institutions involved in the preparation of a national action plan for strengthening human rights in Morocco.

European Neighbourhood Policy Supporting reforms in Tunisia

EU - Tunisia relations: basic facts

- Tunisia was the first Euromed-Partner to conclude an Association Agreement. It entered into force in March 1998, with the goal of cooperation on a wide range of issues including strengthened political dialogue, trade, economic, social and cultural issues. The goal is the establishment of an EU-Tunisia free trade area by 2010 Tunisia is the most advanced Mediterranean partner, having started dismantling tariffs already in 1996.
- The ENP Action Plan was adopted in July 2005 and in 2006 the sub-Committees, dealing with Economic dialogue, Agriculture and Fisheries, Research and Innovation, Transport, Energy and Environment, Customs Cooperation Committee have met.
- In 2006, €72m in **EC assistance** was allocated for Tunisia and a similar amount is planned for 2007, to focus on the reform priorities agreed in the ENP Action Plan

How does the EU support reforms in Tunisia?

The EU-Tunisia ENP Action Plan covers political, economic, commercial, justice, security and cultural cooperation. Tunisia has made less progress on political issues, as evidenced by slow preparations for a subcommittee on human rights and democracy, slow progress on freedom of association and expression, and on implementing the programme for modernizing the justice system.

Examples of how the EU is supporting the reform process in Tunisia include:

- Through support to improving **social progress**. The EC is heavily involved in improving the **education system**, from primary to university. In these areas, the EC supports the introduction of new teaching methods, the training of teachers, the development of universities and vocational training centres, allowing Tunisian students to study in the EU, etc...Another important area is that of support to the reform of the **sickness insurance** system in order to expand its coverage of the population, especially the least well off, as well as improvements in the quality of public and private **health care** provision.
- Through various programmes supporting the **restructuring and modernisation of Tunisian economy**, the EC helps Tunisia to give job opportunities for its citizens and take advantages of trade possibilities with Europe. Both EU and local expertise was provided to over 10% of Tunisian companies to help them to align with European practices and standards e.g. in terms of innovation, competitiveness and quality standards, and also to improve the capacity of Chambers of Commerce and employers' organisations. Programmes are helping existing businesses to develop as well as to create new ones. This resulted in better products for Tunisian citizens, higher exports and jobs, etc.
- Involvement in modernising the ports sector, supporting measures to improve the functioning of the Tunis port and create new freight and passenger terminals, notably for cruise ships touring the western Mediterranean. This will

- improve the quality of terminals for the increasing number of visitors discovering the cultural heritage of Tunisia. Tunisia plays a role in the EU's security of energy supply by transiting Algerian gas to Europe.
- Through support for rural development, tackling rural poverty and protection of natural resources, for instance by helping the development of local cooperatives and associations managing water supplies, including the improvement or construction of rural dams. This gives poor local population the opportunity to develop a stable source of income, improve the environment through a better utilisation of water and limits migration to towns.

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 post-graduate 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.

- 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 will be launched in 2007. The Tempus programme is being redesigned so as to give a greater role for partner states and partner country universities.

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.

- 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.

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, drugtrafficking, 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.

- 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 Summit in October 2006, as well as the ongoing preparations for the EC-Moldova visa facilitation and readmission negotiations.
- 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 will be 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.

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 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.

The European Neighbourhood Policy Working together on Energy

The EU needs, for the wellbeing of its citizens and its economy, secure energy supplies and thus strategic energy partnerships with neighbouring 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 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.

- 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). Bilateral dialogue has been increased e.g. with Moldova, 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, Jordan's construction of the Arab gas pipeline, Tunisia's expansion of the
 gas pipeline to Italy, Morocco's increase in electricity interconnections with Spain.
- The move to gas **market prices** by eastern partners was accelerated by a gasprice dispute with the Russian supply company.
- Many partners have taken modest steps towards market opening, enhancing energy efficiency and promoting the use of renewable energy sources, but more efforts are required.
- Continued improvement of **nuclear safety**, including implementation by Ukraine of the Chernobyl shelter project, is also important
- With the Commission's support, a financing agreement was signed in December 2005
 to implement a three-year Israeli-Palestinian Energy Cooperation Programme
 including the establishment of a joint energy office. Implementation of this initiative
 has been suspended in the light of the current situation in the region.

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.

- 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.

Improving our shared environment

Good environmental governance and protection is **important both in its own right** as well as in reducing instability risks about scarce resources (e.g. water) or addressing man-made (e.g. industrial) or other disasters.

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 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 has been limited, reflecting 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.
- Good progress is, however, 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.
- 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.
- 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.

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 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 Moldova-Ukraine customs agreement is a good example.
- 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.

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 mediumterm.
- 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.

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).

- 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-general (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.