

Brussels, 23 April 2009

EU reinforces ties with its neighbours and continues to support their reforms

In its annual Progress Reports, the European Commission takes stock of the concrete reform achievements made by countries within the European Neighbourhood Policy (ENP) in 2008 and identifies the areas where further efforts are needed. In a policy paper on the implementation of the ENP presented today, the Commission provides an overview of developments in 12 ENP countries. It also highlights the impact of the financial crisis on them and proposes a number of ways the EU could contribute to their recovery process. Despite a difficult context in 2008, marked by political and economic challenges and an overall slowdown of reform momentum notably in the field of governance, many achievements have been registered by the partner countries in key areas of cooperation such as much closer political contacts, increased trade, deeper cooperation on research and innovation, more youth mobility, etc. Ties were also substantially strengthened through two new regional frameworks which complement the differentiated bilateral relations: the Union for the Mediterranean and the Eastern Partnership. Individual country reports for each country with an ENP Action Plan¹ and a sectoral report accompany the policy paper.

"The year 2008 has clearly demonstrated the strategic importance of the European Neighbourhood Policy. The economic and financial crisis, violent conflicts in our neighbourhood and political instability all impact on the security and prosperity of EU citizens. Therefore, it remains crucial for the EU to provide tangible, targeted and credible support to our neighbours to create mutual security and prosperity dividends" said Benita Ferrero-Waldner, Commissioner for External Relations and European Neighbourhood Policy.

Despite a generally difficult context (global economic and financial crisis, conflict between Russia and Georgia in August 2008, Israel's intervention in Gaza in December 2008/January 2009), the EU's relations with its neighbours have further intensified in 2008. Europe's partners have shown progress in reforming their economies and providing better opportunities for their societies through modernisation efforts.

Benita Ferrero-Waldner added: "Despite the difficult international context in 2008, the ENP has continued to yield results and was further deepened by two new initiatives: the Union for the Mediterranean and the Eastern Partnership. Our partners have made considerable progress in key areas, such as trade, taxation and a better business environment, but need to do significantly more especially on political reforms, good governance and human rights. The ENP will therefore continue to serve as the EU's instrument to encourage reforms in its immediate neighbourhood."

¹ Armenia, Azerbaijan, Egypt, Georgia, Israel, Jordan, Lebanon, Morocco, Moldova, the occupied Palestinian territory, Tunisia and Ukraine.

Political cooperation was strengthened

- Armenia, Azerbaijan, Georgia, Moldova and Ukraine aligned themselves with the vast majority of the Common Foreign and Security Policy declarations with which they were invited to align, speaking with the EU in one voice in the international arena.
- The European Commission co-chaired a donor conference for the Palestinians (with a pledge of €440 million in 2008) and supports political stabilization and national reconciliation (electoral reform) in Lebanon.
- The EU played a crucial role in agreeing a cease-fire in Georgia during the armed conflict with Russia, supported its territorial integrity, rapidly sent EU observers on the ground, provided immediate humanitarian aid for internally displaced persons and sponsored the Geneva talks for resolution of the conflict. The EC co-chaired an international donor conference for Georgia, and pledged up to €500 million for the period 2008-2010).

Economic integration and trade exchanges were boosted

- Ukraine joined the World Trade Organisation and is negotiating with the EU a deep and comprehensive Free Trade Agreement within the context of the new Association Agreement (the first of this kind with the Eastern neighbours).
- Studies exploring the possibility of future deep and comprehensive free trade agreements with Georgia and Armenia have been concluded.
- Trade negotiations on agricultural and fisheries products were concluded with Egypt, Israel and are ongoing with Morocco and Tunisia. Negotiations on the liberalisation of services and establishment started with Egypt, Morocco and Tunisia.
- For the ENP countries the EU is the main trading partner. In 2008 exports to the EU rose by double digits in the cases of Egypt, Jordan, Lebanon and Ukraine.

Visa facilitation and fight against illegal migration

- Visa facilitation and readmission agreements with Ukraine and Moldova entered into force on 1 January 2008.
- In October 2008 a visa dialogue with Ukraine was launched with the aim of establishing a visa free regime as a long term perspective. A dialogue with Georgia was strengthened with a view to conclude visa facilitation and readmission agreements and launching a Mobility Partnership to facilitate legal migration while combating illegal migration. Such a Mobility Partnership was launched with Moldova in mid-2008.
- Political dialogue and security co-operation on fight against illegal migration was deepened with Morocco.
- Tunisia upgraded its equipment and infrastructure to strengthen border control and adopted new biometric passports, nevertheless illegal immigration of Tunisian origin increased significantly in 2008.

Cooperation on justice

- The conditions for training of Palestinian judges and prosecutors were improved by the establishment of the EC-funded Palestinian Judicial Training Institute. Specialized training for judges, lawyers and clerks is being prepared in Lebanon.
- The Commission supplied vehicles to the Palestinian Civil Police enhancing significantly its effectiveness.
- Georgia registered significant progress in the fight against corruption, improved detention conditions and the combat of torture and ill-treatment.
- New legislation in Armenia on refugees and asylum aims at the approximation to EU and international standards.

Energy cooperation entered into new phase

- Negotiations were launched on accession of Moldova and Ukraine to the Energy Community Treaty, which includes commitments for gradual convergence with EU internal energy market rules.
- The EU's financing is crucial for Ukraine's nuclear energy security by upgrading soviet-type reactors. The EC continues to assist Armenia financially in ensuring minimum safety standards in Medzamor nuclear power plant.
- The EU signed a Memorandum of Understanding on energy cooperation with Egypt - an important energy producer. Azerbaijan is a strategic partner for the EU on Caspian oil and gas resources both as a producer and a transit country.
- Israel, the Palestinian Authority and the European Commission re-launched trilateral energy co-operation "Solar for Peace" while the Palestinian Authority developed plans for a solar plant in Jericho.
- The Union for the Mediterranean Summit in 13 July 2008 endorsed the Mediterranean Solar Plan as a priority initiative for the Union for the Mediterranean: Barcelona Process.

Transport links are strengthened

- The air transport agreement with Morocco since 2007 has led to an increase of the traffic by 17% so far with creation of 52 new connection lines and entry on the market of 12 new air companies. It reduces fares and improves choice for tourists, while helping to build tourist industry and provide employment. Negotiations on a similar agreement were launched with Ukraine and are planned with Georgia.
- Horizontal air transport agreements were signed with Armenia, Israel and Jordan and negotiations on Euro-Mediterranean aviation agreements with the last two countries were launched.
- In South Caucasus rehabilitation of the Yerevan-Tbilisi (Armenia-Georgia) railway line was launched.
- Financial contributions from the Neighbourhood Investment Facility support projects as: a tramway in Rabat and construction of rural roads in Morocco, modernization of Chisinau airport and road rehabilitation in Moldova.

And more ...

- EC supports financially NGO's and local authorities in Egypt, Georgia, Jordan, the occupied Palestinian territory, Tunisia and Ukraine.
- Financial support for the reform of the educational system in Morocco aims at reducing illiteracy (reaching 38% of the population, in majority women).
- The situation of women and protection of their rights was further improved in Jordan, Tunisia and Egypt.
- The EU's support allowed the instauration of the obligatory health insurance in Morocco and is a crucial factor in the reform of the health sector in Moldova.
- Improvement of water distribution in Jordan financed by the EU addresses the needs of Iraqi refugees in Zarqa region.
- The Community Civil Protection Mechanism was mobilised in 2008 to help Georgia following war with Russia and to help Ukraine and Moldova to cope with tragic floods.
- Israel (as an associated member), Egypt, Jordan and Morocco, in particular, have been successful participants in the first calls under 7th Framework Research Programme.
- There was a significant increase in the number of young people from ENP countries in voluntary services actions under the EU Youth in Action (+87.5%) as well as marked increase in exchanges for young people and youth workers (+23%).

Building on the Barcelona Process, the **Union for the Mediterranean** has given renewed vigour to Europe's relationship with its Southern neighbours. The European Commission has also proposed an ambitious **Eastern Partnership** with Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, offering a wide and ambitious agenda for deepening the EU's ties to these countries.

The EU assistance to ENP partners has also increased in 2008: €1.71 billion was committed in comparison to €1.67 billion committed in 2007.

Documents available:

The *Communication from the Commission to the European Parliament and the Council on the Implementation of the European Neighbourhood Policy in 2008*, (Brussels 23 April 2009) and individual country reports for *Armenia, Azerbaijan, Egypt, Georgia, Israel, Jordan, Lebanon, Morocco, Moldova, the occupied Palestinian territory, Tunisia* and *Ukraine* and the *Sectoral Progress Report* can be found at

http://ec.europa.eu/world/enp/documents_en.htm

Memos summarising the situation of each country are available at

Armenia	MEMO/09/182
Azerbaijan	MEMO/09/183
Egypt	MEMO/09/179
Georgia	MEMO/09/184
Israel	MEMO/09/185
Jordan	MEMO/09/186
Lebanon	MEMO/09/187
Morocco	MEMO/09/188
Moldova	MEMO/09/180
The occupied Palestinian territory	MEMO/09/181
Tunisia	MEMO/09/178
Ukraine	MEMO/09/189

For more on the ENP : http://ec.europa.eu/world/enp/index_en.htm