



A New Response to a Changing Neighbourhood

A review of European Neighbourhood Policy

Joint Communication by the High Representative of The Union For Foreign Affairs And Security Policy and the European Commission

Brussels, 25 May 2011



Credits:

The EU flag is flown in Benghazi, Libya, ahead of the opening of the EU office there © EC

Azerbaijani students at their graduation ceremony: more and more young Azerbaijanis pursue a European education, with about 2,000 currently at European universities Photo: Shahin Abbasov (© ENPI Info Centre)

Kyiv: the EU's SKPI project is technical and legal adviser to countries including Ukraine on climate change. Photo: Iryna Tuz (© ENPI Info Centre)



EUROPEAN COMMISSION

HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
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**JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL,
THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE
COMMITTEE OF THE REGIONS**

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JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

A new response to a changing Neighbourhood

To the East and South of the European Union (EU) lie sixteen countries¹ whose hopes and futures make a direct and significant difference to us. Recent events have brought this into sharper relief, highlighting the challenges we face together. The overthrow of long-standing repressive regimes in Egypt and Tunisia; the ongoing military conflict in Libya, the recent violent crackdown in Syria, continued repression in Belarus and the lingering protracted conflicts in the region, including in the Middle East, require us to look afresh at the EU's relationship with our neighbours. The encouraging progress made by other neighbours, for example by Republic of Moldova in its reform efforts, Ukraine in the negotiations of the Association Agreement or Morocco and Jordan in their announcement of constitutional reform, need also to be supported. The Lisbon Treaty has allowed the EU to strengthen the delivery of its foreign policy: co-operation with neighbouring countries can now be broadened to cover the full range of issues in an integrated and more effective manner. This was a key driver for initiating a review, in consultation with partner countries and other stakeholders, of the European Neighbourhood Policy (ENP) in summer 2010. Recent events throughout the Southern Mediterranean have made the case for this review even more compelling. The EU needs to rise to the historical challenges in our neighbourhood.

Since its inception in 2004, the ENP has promoted a variety of important initiatives, particularly on the trade and economic front, which have allowed the EU and its neighbours to develop stronger relationships in virtually all policy fields, from energy to education, from transport to research. These are now the subject of exchanges and co-operation between the EU and its neighbours. EU assistance has increased and is better targeted. But there is room for improvement on all sides of the relationship. Recent events and the results of the review have shown that EU support to political reforms in neighbouring countries has met with limited results. There is for example a need for greater flexibility and more tailored responses in dealing with rapidly evolving partners and reform needs – whether they are experiencing fast regime change or a prolonged process of reform and democratic consolidation. Co-ordination between the EU, its Member States and main international partners is essential and can be improved.

A new approach is needed to strengthen the partnership between the EU and the countries and societies of the neighbourhood: to build and consolidate healthy democracies, pursue sustainable economic growth and manage cross-border links.

The ENP should be a policy of the Union with the Member States aligning their own bilateral efforts in support of its overall political objectives. Equally, the European Parliament has a central role to play in helping to deliver some of its central objectives. And beyond that, the ENP should serve as a catalyst

¹ The European Neighbourhood includes Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, the Occupied Palestinian Territories, Syria, Tunisia and Ukraine.

for the wider international community to support democratic change and economic and social development in the region.

This partnership with our neighbours is mutually beneficial. The EU is the main trading partner for most of its neighbours. Sustainable economic development and job creation in partner countries benefits the EU as well. Likewise, managed movement of people is positive for the entire neighbourhood, facilitating the mobility of students, workers and tourists, while discouraging irregular migration and human trafficking. Active engagement between the EU and its neighbours in areas such as education, strengthening and modernising social protection systems and advancing women's rights will do much to support our shared objectives of inclusive growth and job creation.

The new approach must be based on mutual accountability and a shared commitment to the universal values of human rights, democracy and the rule of law. It will involve a much higher level of differentiation allowing each partner country to develop its links with the EU as far as its own aspirations, needs and capacities allow. For those southern and eastern neighbours able and willing to take part, this vision includes closer economic integration and stronger political co-operation on governance reforms, security, conflict-resolution matters, including joint initiatives in international fora on issues of common interest. In the context of the southern Mediterranean, the Commission and the High Representative have already laid out their proposal for a Partnership for Democracy and Shared Prosperity² with such partners.

The new approach, as described above, aims to:

- (1) provide greater support to partners engaged in building deep democracy – the kind that lasts because the right to vote is accompanied by rights to exercise free speech, form competing political parties, receive impartial justice from independent judges, security from accountable police and army forces, access to a competent and non-corrupt civil service — and other civil and human rights that many Europeans take for granted, such as the freedom of thought, conscience and religion;
- (2) support inclusive economic development – so that EU neighbours can trade, invest and grow in a sustainable way, reducing social and regional inequalities, creating jobs for their workers and higher standards of living for their people;
- (3) strengthen the two regional dimensions of the European Neighbourhood Policy, covering respectively the Eastern Partnership and the Southern Mediterranean, so that we can work out consistent regional initiatives in areas such as trade, energy, transport or migration and mobility complementing and strengthening our bilateral co-operation;
- (4) provide the mechanisms and instruments fit to deliver these objectives.

The partnership will develop with each neighbour on the basis of its needs, capacities and reform objectives. Some partners may want to move further in their integration effort, which will entail a greater degree of alignment with EU policies and rules leading progressively to economic integration in the EU Internal Market. The EU does not seek to impose a model or a ready-made recipe for political reform, but it will insist that each partner country's reform process reflect a clear commitment to

² COM (2011) 200 of 8.03.2011.

universal values that form the basis of our renewed approach. The initiative lies with the partner and EU support will be tailored accordingly.

Increased EU support to its neighbours is conditional. It will depend on progress in building and consolidating democracy and respect for the rule of law. The more and the faster a country progresses in its internal reforms, the more support it will get from the EU. This enhanced support will come in various forms, including increased funding for social and economic development, larger programmes for comprehensive institution-building (CIB), greater market access, increased EIB financing in support of investments; and greater facilitation of mobility. These preferential commitments will be tailored to the needs of each country and to the regional context. They will recognise that meaningful reform comes with significant upfront costs. It will take the reform track record of partners during the 2010-12 period (based on the annual progress reports) into account when deciding on country financial allocations for 2014 and beyond. For countries where reform has not taken place, the EU will reconsider or even reduce funding.

The EU will uphold its policy of curtailing relations with governments engaged in violations of human rights and democracy standards, including by making use of targeted sanctions and other policy measures. Where it takes such measures, it will not only uphold but strengthen further its support to civil society. In applying this more differentiated approach, the EU will keep channels of dialogue open with governments, civil society and other stakeholders. At the same time and in line with the principle of mutual accountability, the EU will ensure that its resources are used in support of the central objectives of the ENP.

The resources that the EU and its international partners are mobilising in support of the democratic transitions in the neighbourhood must cover both the immediate and urgent needs as well as the medium- and longer-term requirements.

1. TO SUPPORT PROGRESS TOWARDS DEEP DEMOCRACY

We shall:

- adapt levels of EU support to partners according to progress on political reforms and building deep democracy

1.1. Supporting “deep democracy”

A functioning democracy, respect for human rights and the rule of law are fundamental pillars of the EU partnership with its neighbours. There is no set model or a ready-made recipe for political reform. While reforms take place differently from one country to another, several elements are common to building **deep and sustainable democracy** and require a strong and lasting commitment on the part of governments. They include:

- free and fair elections;
- freedom of association, expression and assembly and a free press and media;
- the rule of law administered by an independent judiciary and right to a fair trial;
- fighting against corruption;
- security and law enforcement sector reform (including the police) and the establishment of democratic control over armed and security forces.

Reform based on these elements will not only strengthen democracy but help to create the conditions for sustainable and inclusive economic growth, stimulating trade and investment. They are the main benchmarks against which the EU will assess progress and adapt levels of support.

1.2. A partnership with societies

We shall:

- establish partnerships in each neighbouring country and make EU support more accessible to civil society organisations through a dedicated Civil Society Facility
- support the establishment of a European Endowment for Democracy to help political parties, non-registered NGOs and trade unions and other social partners
- promote media freedom by supporting civil society organisations' (CSOs) unhindered access to the internet and the use of electronic communications technologies
- reinforce human rights dialogues

A thriving civil society empowers citizens to express their concerns, contribute to policy-making and hold governments to account. It can also help ensure that economic growth becomes more inclusive. Key to making any of this happen is the guarantee of the freedoms of expression, association and assembly. Another challenge is to facilitate the emergence of democratic political parties that represent the broad spectrum of the views and approaches present in society so that they can compete for power and popular support. This challenge of fostering civil society and pluralism is felt throughout the neighbourhood but is particularly acute for countries engaged in fast political change or where repressive political regimes continue to stifle pluralism and diversity.

In order to address this situation and support political actors striving for democratic change in their countries (especially political parties and non-registered NGOs or trade unions and other social partners), the High Representative and the Commission support the establishment of a **European Endowment for Democracy**³. This Endowment will seek to bring greater influence and consistency to the efforts of the EU, its Member States and several of the large European political foundations that are already active in this field.

Civil society plays a pivotal role in advancing women's rights, greater social justice and respect for minorities as well as environmental protection and resource efficiency. The EU will support this greater political role for non-state actors through a partnership with societies, helping CSOs to develop their advocacy capacity, their ability to monitor reform and their role in implementing and evaluating EU programmes. In-country EU Delegations will seek to bring partner countries' governments and civil society together in a structured dialogue on key areas of our co-operation. EU funding for such actions could be delivered through the establishment of a dedicated **Civil Society Facility** for the neighbourhood.

³ While the objectives and financial and managerial modalities of this Endowment will be different from the other democratisation tools, they shall be applied with a view to reinforce synergies and coherence.

Media freedom and free access to information are key elements of functioning democracies. Social networks and new technologies play a significant role in promoting democratic change. EU support is already available through the European Instrument for Democracy and Human Rights (EIDHR). Additional tools may be developed to allow the EU, in appropriate cases, to assist civil society organisations or individual citizens to have unhindered access to the internet and other forms of electronic communications technologies, as well as independent media in print, radio and television.

Commitment to **human rights and fundamental freedoms** through multilateral treaties and bilateral agreements is essential. But these commitments are not always matched by action. Ratification of all the relevant international and regional instruments and full compliance with their provisions, should underpin our partnership. This includes a strong commitment to promoting gender equality, in line with the major role once again played by women in recent events in the South, fighting against all forms of discrimination, respecting freedom of religion and protecting the rights of refugees and beneficiaries of international protection. Reinforced **human rights dialogues** will allow monitoring of commitments in this area, including addressing cases of human rights violations. Boosting cooperation with the Council of Europe could also help in promoting compliance.

Parliaments can build links between our societies. The EuroNest Parliamentary Assembly (the joint Assembly of the European Parliament and counterparts from Eastern Partnership countries), the Euro-Mediterranean Parliamentary Assembly and Joint Parliamentary Committees between the European Parliament and partner countries' Parliaments constitute an essential forum for dialogue and increased mutual understanding between decision-makers. Parliamentarians can also bring a meaningful contribution to enhancing reform efforts and monitoring commitments in each country's ENP Action Plan, including on major political and human rights issues.

1.3. Intensifying our political and security co-operation

We shall:

- enhance EU involvement in solving protracted conflicts
- make joined-up use of the Common Foreign and Security Policy and other EU instruments
- promote joint action with European Neighbourhood Policy partners in international fora on key security issues

The Lisbon Treaty provides the EU with a unique opportunity to become a more effective actor. Nowhere is this more relevant than in our neighbourhood. But rising to the challenge requires that EU and Member States policies be much more closely aligned than in the past, in order to deliver the common message and the coherence that will make our actions effective. EU instruments and policies will be effective only if properly backed by Member States policies. Business as usual is no longer an option if we want to make our neighbourhood a safer place and protect our interests.

The persistence of protracted conflicts affecting a number of partner countries is a serious security challenge to the whole region. EU geopolitical, economic and security interests are directly affected by continuing instability. The Israeli-Palestinian conflict and other conflicts in the Middle East, the South Caucasus, the Republic of Moldova and Western Sahara continue to affect sizeable populations, feed radicalisation, drain considerable local and international resources, and act as powerful impediments to reform.

The EU is already active in seeking to resolve several of these conflicts. The EU is part of the Quartet on the Middle East. It co-chairs the Geneva talks directed at peace and security in Georgia. It participates as an observer in the “5+2” talks on the Transnistrian conflict in the Republic of Moldova. It would be ready to step up its involvement in formats where it is not yet represented, e.g. the OSCE Minsk Group on the Nagorno-Karabakh conflict. The EU intends to enhance its support for confidence-building and outreach to breakaway territories, for international efforts and structures related to the conflicts, and, once that stage is reached, for the implementation of settlements. It will also continue to oppose border changes brought about through use of military force. Many of the instruments we use everywhere in the neighbourhood to promote economic integration and sectoral co-operation could also be mobilised to support confidence-building and conflict-resolution objectives. The EU is also ready to develop, together with the relevant international organisations and key partners, post-conflict reconstruction scenarios which could act as a further incentive in the resolution of conflicts by showing the tangible benefits of peaceful settlements.

Where the EU is already engaged operationally on the ground, e.g. with the EU Monitoring Mission in Georgia, the EU Border Assistance Mission in Republic of Moldova/Ukraine, or the EU Police Mission and the EU Border Assistance Mission Rafah in the occupied Palestinian territories, further steps will be taken to exploit the synergies between this operational presence and the efforts to promote reforms. In particular, wherever it is appropriate, the EU will offer to back partner countries’ efforts to reform their justice and security sector reforms with rule of law missions or other Common Foreign and Security Policy (CFSP) instruments that they will consider useful.

Looking beyond conflict resolution, the EU will make full use of the Lisbon Treaty's provisions in addressing other security concerns and specific common interests, e.g. energy and resource security, climate change, non-proliferation, combating international terrorism and trans-border organised crime, and the fight against drugs. It will engage with ENP partner countries to undertake joint actions in international fora (e.g. UN, international conferences) on CFSP issues, as well as other global issues.

2. TO SUPPORT SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT

We shall:

- support partner countries' adoption of policies conducive to stronger, sustainable and more inclusive growth, to the development of micro, small and medium-sized companies and to job creation
- strengthen industrial cooperation and support improvements to the business environment
- help to organise events to promote investment
- promote direct investment from EU SMEs and micro-credit
- build on the pilot regional development programmes to tackle economic disparities between regions
- launch pilot programmes to support agricultural and rural development
- enhance the macro-economic policy dialogue with partners making the most

advanced economic reforms

- improve the effectiveness of Macro-Financial Assistance by streamlining its decision-making process
- enhance dialogue on employment and social policies

2.1. Sustainable economic growth and job creation

Economic and social challenges in our neighbourhood are immense. Poverty is rife, life expectancy is often low, youth unemployment is high and the participation of women in political and economic life is low in several countries of the region. Natural capital is being eroded and the rising food and energy prices have severe effects across the neighbourhood. Most partner countries have weak and poorly diversified economies that remain vulnerable to external economic shocks. The immediate objectives are therefore creating jobs, boosting growth, improving social protection and revitalising sectors affected by recent crises (such as tourism). Tackling these challenges is crucial to ensure the sustainability of political reforms and can also contribute to reaching the Millennium Development Goals. Feeble growth, rising unemployment and an increased gap between rich and poor are likely to fuel instability.

The ENP will continue encouraging partner countries' adoption of policies conducive to stronger and more inclusive growth. This includes support for efforts to improve the business environment such as simplifying procedures and catering to small and medium-sized businesses and to promote employability. Partner countries' efforts to strengthen respect for the rule of law and to fight corruption will also have a positive impact on the business environment, facilitating increased foreign direct investment and technology transfer which in turn stimulate innovation and job creation. The EU will pay particular attention to the challenge faced by countries emerging from political change – helping to organise initiatives such as **investors' conferences** to clarify national investment priorities and seek to build investors' confidence. A powerful signal for investors and traders would also be an **enhanced investment protection scheme**. The Commission will explore options to provide legal security to investors in neighbouring countries.

To provide additional support for SMEs the Commission will also discuss with the EIB and other stakeholders the possible role for the **European Investment Fund**⁴ in partner countries and will examine measures, including **guarantees** to promote direct investment from EU SMEs and micro-credits.

The Commission can also contribute to addressing high unemployment and poverty through **pilot programmes supporting agricultural and rural development**, as well as pilot regional development programmes, drawing on the EU's extensive experience in these fields.⁵

⁴ The EIF has specific experience as a provider of risk financing to small and medium-sized enterprises (SME) in EU and enlargement countries and an extensive network of business contacts. It is therefore ideally placed to promote investments of EU SMEs in partner countries.

⁵ The scope of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) included in the Communication "Partnership for Democracy and Shared Prosperity with the southern Mediterranean" - COM(2011) 200 - will be expanded to also cover the eastern neighbourhood.

The regional development programmes can contribute to addressing economic imbalances and disparities between regions that undermine the capacity of a country's economy as a whole. The current pilot programmes will help members of the Eastern Partnership identify appropriate structures and activities to address these challenges, within their territories and if appropriate cross-border with their neighbours in the region. A similar approach will be explored for the southern neighbourhood.

Policy dialogue will continue on macro-economic governance and budgetary sustainability. This **macro-economic dialogue** will be enhanced with those partners that go furthest in their economic integration with the EU and be based on a review of macro-economic policies and key structural reforms. This will be accompanied by an enhanced dialogue on **employment and social policies**.

The **Macro-Financial Assistance** (MFA) instrument may be mobilised to assist partner countries to address short-term balance-of-payments difficulties. In the short term this is most relevant to those dealing with the immediate economic and social impact of the recent political changes. The Commission will propose a Framework Regulation in order to make the decision-making process of MFA allocation more efficient, provide a more transparent legal basis for this instrument and refine some of its criteria.

2.2. Strengthening trade ties

We shall:

- negotiate Deep and Comprehensive Free Trade Areas with willing and able partners
- further develop trade concessions, especially in those sectors most likely to offer an immediate boost to partners' economies

Most of our neighbours rely on the EU as their main export market and import source. Trade in goods and services is a powerful instrument to stimulate economic growth, enhance competitiveness and support economic recovery. It is therefore essential that we establish with each of them mutually beneficial and ambitious trade arrangements matching their needs and their economic capacities.

The main and most effective vehicle for developing closer trade ties is the **Deep and Comprehensive Free Trade Area** (DCFTA). DCFTAs provide for the gradual dismantling of trade barriers and aim for regulatory convergence in areas that have an impact on trade, in particular sanitary and phytosanitary rules (SPS), animal welfare, customs and border procedures, competition and public procurement. They are designed to be dynamic in order to keep pace with regulatory developments in the EU's Internal Market. For the most advanced partners, a DCFTA can lead to a progressive economic integration with the EU Internal Market. Through progressive approximation of EU rules and practices, DCFTAs require a high degree of commitment to complex and broad-ranging reforms. This requires strong institutional capacity. The reforms can be politically challenging and require the involvement of the business community as well as other interested parties. To embark on negotiations, partner countries must be WTO members and address key recommendations enabling them to comply with the resulting commitments. They must also have made sufficient progress towards common values and principles.

Trade mostly relies on a bilateral approach between the EU and each partner. This allows the most advanced countries to move faster and is consistent with the differentiation principle. The principle is

also consistent with the long-term vision of an economic community emerging between the EU and its ENP partners.⁶ Regional economic integration is important to boost trade between partners and develop wider economic networks. In the longer term, such a community would be based on a common regulatory framework and improved market access for goods and services among ENP partners and the EU. Such an approach would consider allowing partners that have a fully functioning independent judiciary, an efficient public administration and have made significant progress towards eradicating corruption, into the **non-regulated area of the Internal Market for goods**. This could only happen once participating countries have reached a sufficient level of administrative and legal reliability.

In the shorter term, for those partners not ready or willing to embark on DCFTA negotiations, other measures can be taken to boost and facilitate trade. Taking into account the circumstances and level of ambition of each partner country, the EU will seek to extend **trade concessions** in existing agreements or ongoing negotiations, notably in those sectors best positioned to provide an immediate boost to partners' economies including asymmetry in the pace of liberalisation to take into account the circumstances of each partner country. Greater market access for goods can be achieved through **Agreements on Conformity Assessment and Acceptance of industrial products** (ACAAs), which will allow free movement of industrial products in specific sectors through mutual acceptance of conformity certificates. The ACAAs aim to cover all sectors where the legislation is harmonised at EU level. A partner having reached that stage would in fact become part of a free trade area for industrial products between the EU, the EEA and Turkey. Close cooperation with European bodies and organisations in the areas of standardisation, conformity assessment, and metrology can facilitate ACAAs' implementation. In order to speed the preparation of ACAAs, the Commission is ready to enhance the technical support given to our partners. ACAAs are likely to be signed with Tunisia and Egypt already in 2011.

Further progress could also be made to encourage trade flows between partner countries as well as with the EU. The rapid implementation of the new Convention on pan-Euro-Mediterranean preferential rules of origin will be one important element for the partners in the South. The Commission will examine how the Convention can be extended to other ENP partners and will make appropriate proposals.

The EU will continue to support reforms to help partners build their capacities, through providing public sector expertise, including through Comprehensive Institution-Building programmes or other mechanisms such as twinning and TAIEX⁷. This will help partners meet standards for food safety, animal and plant health and animal welfare and hence enhance their export potential. Likewise, in order to assist the agricultural sectors to modernise, the EU will offer rural development programmes so as to assist inter alia in improving agricultural and food product quality.

2.3. Enhancing sector cooperation

We shall:

- enhance sector co-operation, with a particular focus on knowledge and innovation,

⁶ See COM(2006) 726, 4.12.2006, Strengthening the European Neighbourhood Policy.

⁷ TAIEX is the Technical Assistance and Information Exchange instrument managed by Commission services. TAIEX supports partner countries with regard to the approximation, application and enforcement of EU legislation. It is largely demand-driven and facilitates the delivery of appropriate tailor-made expertise to address issues at short notice; http://ec.europa.eu/enlargement/taix/what-is-taix/index_en.htm

climate change and the environment, energy, transport and technology

- facilitate partner countries' participation in the work of selected EU agencies and programmes

Enhanced cooperation can take place in all sectors relevant to the Internal Market, ranging from social policy and public health to consumer protection, statistics, company law, research and technological development, maritime policy, tourism, space and many others. Co-operation and exchange will be stepped up significantly, in line with the more-for-more approach, in the following areas:

- The EU will propose to neighbouring partners to work towards the development of a **Common Knowledge and Innovation Space**. This would pull together several existing strands of cooperation: policy dialogue, national and regional capacity-building, co-operation in research and innovation, and increased mobility opportunities for students, researchers and academics. In parallel co-operation in the area of **higher education** will be expanded through increased support for **student and academic staff mobility** within university partnerships (under Erasmus Mundus) and structured cooperation for university modernisation (through Tempus).
- The EU will join up efforts with its neighbours on **climate change** by enhanced co-operation to address low-carbon development and improve resilience to climate impacts (adaptation), with a view to implementing the Cancun agreement and moving towards a comprehensive global climate regime. The EU and partner countries should also pursue a higher level of **environment protection**⁸ aimed at enforcing higher standards of air and water quality, improved environmental governance, higher resource efficiency, protection of biodiversity and ecosystems and supporting the necessary infrastructure investments.
- **Energy** co-operation will be stepped up through increased energy policy dialogue aiming at further market integration, improved energy security based on converging regulatory frameworks, including on safety and environmental standards, the development of new partnerships on renewable energy sources and energy efficiency, and nuclear safety. In the medium term this could lead to extending the Energy Community Treaty to neighbours not yet party to it or, building on its experience, establishing a complementary “EU-Southern Mediterranean Energy Community”.
- The Commission will propose a new framework for **transport** co-operation, aiming at closer market integration in the transport sector, notably extending trans-European transport networks (TEN-Ts) to partner countries, addressing administrative bottlenecks with a focus on safety and security issues (including issues such as air and rail traffic management and maritime transport), and enhancing co-operation with various EU transport agencies.
- The Commission also supports a more strategic approach and cooperation on **maritime affairs**, aiming at enhancing cooperation across maritime sectors and allowing for sustainable economic development.

⁸ In its Communication on the EU 2020 Initiative “Resource efficient Europe” COM(2011)21, the Commission highlighted the need to cooperate closely with key partners including those in neighbourhood.

- Recent developments in the South Mediterranean countries have shown the importance of **information and communication technologies** as tools for political and social change. Cooperation with partner countries will therefore be stepped up to support the development of a digital economy, using ICT to tackle national and global challenges.

Finally, the EU will further facilitate partner countries' participation in the work of **EU agencies** and the **EU programmes** which are open to them⁹. This has been on offer for some years and has led to some co-operation in areas such as drugs monitoring or aviation safety. The Commission will put together a list of programmes in which partners may participate as a matter of priority, with a focus on those offering opportunities for youth and people-to-people contacts. It will also support partner countries in fulfilling the legislative pre-requisites for participating in EU agencies and provide support for covering some of the associated costs of participation.

2.4. Migration and mobility

We shall:

- pursue the process of visa facilitation for selected ENP partners and visa liberalisation for those most advanced
- develop existing Mobility Partnerships and establish new ones
- support the full use by Member States of opportunities offered by the EU Visa Code

Mobility and people-to-people contacts are fundamental to promoting mutual understanding and economic development. They are indispensable for trade, especially in services, as well as for exchanging ideas, spreading innovation, tackling employment and social issues, establishing strong relationships between companies, universities and civil society organisations.

Labour mobility is an area where the EU and its neighbours can complement each other. The EU's workforce is ageing and labour shortages will develop in specific areas. Our neighbourhood has well-educated, young and talented workers who can fill these gaps. In attracting this talent, the EU is conscious of the risks of brain drain, which could require additional mitigating support measures.

Partner countries are also important countries of origin and transit for irregular migrants. Cooperation on fighting irregular migration is essential to reduce the human suffering and diminished security that is generated. Such cooperation will be one of the conditions on which Mobility partnerships will be based.

The ENP aims to develop a mutually beneficial approach where economic development in partner countries and in the EU, well-managed legal migration, capacity-building on border management, asylum and effective law-enforcement co-operation go hand in hand. This approach is in line with the three pillars of the EU Global Approach and the recently adopted Communication on migration¹⁰: better organising legal migration, maximising the positive impact of migration on development, enhancing capacity-building in border and migration management. The promotion and respect of migrants' rights are also an integral part of the approach.

⁹ COM(2006) 724, 4.12.2006

¹⁰ COM(2011) 248 final, 4.5.2011

Mobility Partnerships provide the comprehensive frameworks to ensure that the movement of persons between the EU and a third country is well-managed. These partnerships bring together all the measures which ensure that mobility is mutually beneficial. They provide for better access to legal migration channels and to strengthen capacities for border management and handle irregular migration. They can include initiatives to assist partner countries to establish or improve labour migration management, including recruitment, vocational and language training, development and recognition of skills, and return and reintegration of migrants.¹¹ With a view to enhancing the mobility of citizens between partner countries and the EU, in particular for students, researchers and businesspeople, the Commission calls on Member States to make full use of the opportunities offered by the **EU Visa Code**. It will examine ways to support them in this process and to monitor implementation. In this context the possibilities to waive the visa fee and to issue multi-entry visa to the categories of visa applicants referred to should be underlined.

So far amongst our neighbours, Mobility Partnerships have been established with the Republic of Moldova and Georgia. The Commission believes that various countries in our neighbourhood would be good candidates for such partnerships. The Commission will seek to conclude negotiations with Armenia and prepare for the launch of negotiations with e.g. Morocco, Tunisia and Egypt¹².

The EU will continue to assist Ukraine and Republic of Moldova in their efforts to implement visa liberalisation action plans. Along with the visa facilitation and readmission agreements in force or under elaboration with Eastern Partnership countries, the EU should also seek to conclude visa facilitation agreements, simultaneously with readmission agreements, with partner countries in the South. All such agreements will require co-operation with the EU on migration, mobility and security. Specific measures will need to be taken to prevent irregular migration, manage their borders effectively, ensure document security and fight organised crime, including trafficking in human beings and smuggling of migrants. In the long-term, gradual steps towards visa liberalisation should be considered on a case-by-case basis, where conditions for well-managed and secure mobility are in place.

Concerning **asylum**, the EU will contribute to strengthening international protection in the region by continuing the implementation of the Regional Protection Programme for Belarus, Republic of Moldova and Ukraine. Circumstances allowing, it will also start implementing the Regional Protection Programme for Egypt, Libya and Tunisia. Other initiatives by individual ENP partners in this area will also be supported. Resettlement of refugees in the EU must be an integral part of the EU's efforts to support neighbouring countries confronted with significant refugee flows.

3. TO BUILD EFFECTIVE REGIONAL PARTNERSHIPS WITHIN THE EUROPEAN NEIGHBOURHOOD POLICY

While fully recognising their diversity, the EU offers partnership to each individual neighbour through a single policy, based on mutual accountability. The eastern and southern dimensions of the ENP seek to complement that single policy by fostering regional cooperation and developing regional synergies and responses to the specific geographic, economic and social challenges of each region. They build on

¹¹ The Commission will finance capacity-building under the European Neighbourhood and Partnership Instrument (ENPI).

¹² In line with the Communication on a Dialogue for migration, mobility and security with the southern Mediterranean countries - COM(2011)292/3

the different historical legacies of past EU policies towards the regions. In the South, fifteen years of Euro-Mediterranean cooperation across all areas of the relationship have been complemented recently by the Union for the Mediterranean. The Eastern Partnership has significantly boosted relations between the EU and its eastern neighbours over the past two years.

3.1. Strengthening the Eastern Partnership

We shall:

- move to conclude and implement Association Agreements including DCFTAs
- pursue democratisation
- pursue the visa facilitation and liberalisation process
- enhance sectoral cooperation, notably in the area of rural development
- promote benefits of the Eastern Partnership to citizens
- increase work with civil society and social partners.

The establishment of the Eastern Partnership (EaP) has strengthened mutual relations with partner countries in Eastern Europe and the Southern Caucasus. It has helped to initiate and consolidate a difficult process of change. The region has seen general progress towards democracy over the past decade, including situations of regime change. The region continues to face major economic challenges – it is poor, with significant differences between individual countries, and susceptible to external factors and influences.

The degree to which the partners have addressed key elements of the Eastern Partnership varies (for example respect for universal values of democracy, human rights and the rule of law; continuous efforts to reform; and a strengthened focus on the resolution of protracted conflicts). While some are clearly committed to reaching its full potential, others have only made piecemeal progress. The EU will ensure that partners most advanced and committed to the democratic reforms that underpin the Eastern Partnership benefit the most from it. At the same time, Eastern Partnership instruments need to be better tailored to the situations of individual countries, based on experience following this first phase of implementation – notably by identifying tools to bridge the long period required to negotiate far-reaching and complex Association Agreements.

Association Agreements (AAs), most of which include DCFTAs, offer each Eastern Partnership country the opportunity to choose the level of ambition it wishes to pursue in driving forward integration and reform. With sustained commitment and support by the EU, partner countries can use the Agreement for regulatory and institutional convergence. They include alignment with EU laws, norms and standards leading progressively to economic integration in the internal market.

Association Agreement negotiations have started with five partner countries and provide a sound political basis for advancing relations. DCFTA negotiations within the framework of the AA have started with Ukraine and will start with other partners as relevant conditions are met. In spite of their relatively small size, and therefore the limited trade exchanges between Eastern Partnership countries and the EU, DCFTAs are of high priority for the EU as efficient tools to reinforce the political and economic links between the EU and its Eastern neighbours. In order to help partner countries develop

the administrative capacity required for in-depth reforms, the Eastern Partnership also provides for Comprehensive Institution-Building (CIB) programmes. To complement this, Pilot Regional Development Programmes are the newest EU instrument to assist partners in addressing economic, social and regional imbalances. They will help partners to establish appropriate structures and activities to address regional challenges.

Some EaP countries attach great importance to their European identity and the development of closer relations with the EU enjoys strong public support. The values on which the European Union is built – namely freedom, democracy, respect for human rights and fundamental freedoms, and the rule of law – are also at the heart of the process of political association and economic integration which the Eastern Partnership offers. These are the same values that are enshrined in article 2 of the European Union Treaty and on which articles 8 and 49 are based.

People-to-people contacts are an important part of the partnership. The EU will continue to assist Ukraine and the Republic of Moldova in their efforts to implement **visa liberalisation** action plans. These Plans could become models for other Eastern Partnership countries. In the meantime, Eastern Partnership countries should fully exploit opportunities offered by visa facilitation.

Eastern partners have benefited from five **flagship initiatives**¹³ in the areas of border management, SME development, energy cooperation, civil protection and environmental governance. These programmes will now be adapted to better support bilateral partnership objectives. For example, work under the Integrated Border Management flagship initiative is increasingly geared towards supporting partners in fulfilling the conditions for visa facilitation and liberalisation. Boosting the visibility of the Eastern Partnership's bilateral and multilateral activities is important to explain their benefits to the general public. To help increase regional solidarity, the EU should develop its support for sub-regional cooperation that concentrates on specific subjects involving fewer partners. The multilateral framework has to be used more strategically to advance bilateral relations between our partners, including in the area of conflict resolution.

In line with the aim of the renewed ENP to focus on links between societies, the EU will promote more intensive engagement with stakeholders, including parliaments in the framework of EURONEST, established by the European Parliament; regional actors in cooperation with the Committee of the Regions; business leaders, in the frame of an Eastern Partnership Business Forum; and civil society and social partners building on the Eastern Partnership Civil Society Forum and its national platforms.

Co-operation under the Eastern Partnership will continue with policy dialogue in areas such as:

- education, youth and culture: expanding participation in programmes such as Erasmus Mundus, Tempus, Youth in Action and eTwinning; opening of future new EU programmes such as Lifelong Learning to Eastern Partnership countries; follow-up of the Special Action Culture Programme 2009-10 and of the Eastern Partnership Culture Programme;
- transport: connecting infrastructure networks of the EU and its Eastern partners;

¹³ These are: Integrated Border Management; Small and Medium Enterprises; Regional Electricity Markets, Energy Efficiency and Renewable Energy Sources; Prevention, Preparedness and Response to Natural and Man-made Disasters; Environmental Governance.

- energy, environment, climate change: intensified dialogue, following the establishment of the Eastern Europe Energy Efficiency and Environment Partnership (E5P), and accession to the European Energy Community Treaty by Ukraine and Republic of Moldova in order to strengthen co-operation on energy security;
- knowledge sharing, research and information society: full integration of the research and education communities in the region within the e-infrastructure (e.g. the GÉANT pan-European data network for networking, and the European Grid Infrastructure for grids and distributed computing).
- customs and law enforcement issues on the basis of Strategic Frameworks for Customs Cooperation with Ukraine, Republic of Moldova and Belarus as well as co-operation in the area of fight against smuggling;
- rural development measures (in line with the European Neighbourhood Programme for Agriculture and Rural Development);
- employment and social policies;
- justice, freedom and security on the basis of the Justice and Home Affairs Eastern Partnership Action Plan to be presented later this year under the Stockholm Programme¹⁴, including mobility partnerships;
- Common Security and Defence Policy (CSDP).

EU Member States, third countries and International Financial Institutions (IFIs) have shown interest in furthering the goals of the Eastern Partnership and supporting projects of strategic importance. Additional resources are being mobilised from the Neighbourhood Investment Facility (NIF), bilateral partners and IFIs, in particular the EIB, the EBRD and the World Bank. Such co-operation should be pursued dynamically, building on the establishment of the SME Facility, the EIB's Eastern Partners Facility and its Eastern Partnership Technical Assistance Trust Fund to which the EU and Member States are invited to contribute.

The Eastern Partnership Information and Co-ordination Group gathers IFIs and third countries interested in donor coordination and more generally in the development of Eastern Partnership, including Canada, Japan, Norway, Russia, Switzerland, Turkey and the USA. This informal co-operation will be intensified in line with the interests of Eastern Partnership partners.

The **second Eastern Partnership Summit** will take place in September 2011 in Warsaw. The European Commission and the High Representative will subsequently put forward a roadmap to guide the future implementation of the Eastern Partnership, drawing on the results of the Summit.

¹⁴ Action Plan Implementing the Stockholm Programme - COM(2010) 171:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0171:FIN:EN:PDF>.

3.2. Building the Partnership for Democracy and Shared Prosperity in the Southern Mediterranean

We shall:

- undertake Comprehensive Institution-Building programmes similar to those implemented with the eastern partners
- launch a dialogue on migration, mobility and security with Tunisia, Morocco and Egypt (as a first step towards a Mobility Partnership)
- strengthen Euro-Mediterranean industrial cooperation
- launch pilot programmes to support agricultural and rural development
- focus the Union for the Mediterranean on concrete projects with clear benefits to populations of the Mediterranean region
- advance sub-regional cooperation
- enhance dialogue on employment and social policies

The ENP must provide an ambitious response to the momentous changes currently ongoing in the Southern Mediterranean region. The joint Communication on a *Partnership for Democracy and Shared Prosperity in the Southern Mediterranean*¹⁵, issued on 8 March outlined first elements of the EU's offer of a new partnership with partners engaged in building democracies and extensive reforms. The three main directions along which the EU intends to further develop its relations with its Mediterranean partners are carried over into this communication: democratic transformation and institution-building; a stronger partnership with the people; and sustainable and inclusive economic development. Through its different policies and instruments, the partnership will be comprehensive and wide, but will be more clearly differentiated according to the specific needs as well as the level of ambition of each partner. The EU is already engaged in a process of strengthening relations with a number of partners, notably through granting "advanced status"¹⁶.

Those partners that want to establish a Partnership for Democracy and Shared Prosperity with the EU are expected to make progress on the key elements highlighted in section 1.1. The long-term vision for our most advanced Mediterranean partners is close political association with the EU and economic integration into the Internal Market. In the short term, the following options will be available to partners making progress on reforms.

To support democratic transformation, **Comprehensive Institution-Building programmes** similar to those implemented with its Eastern neighbours will be set up: they will provide substantial expertise

¹⁵ COM(2011) 200.

¹⁶ The advanced status, based on the good implementation of the ENP Action Plan, was granted to Morocco in 2008 and to Jordan in 2010. It could be extended to other ENP Southern countries making progress in reforms. Depending on the country it may entail the strengthening of political and security cooperation, trade concessions and greater integration in the EU Internal Market and additional financial support for reforms. It is based on a new and more comprehensive Action Plan.

and financial support to build the capacity of key administrative bodies (customs, enforcement agencies, justice) and will be targeted in priority towards those institutions most needed to sustain democratisation.

To build a **stronger partnership with people**, the Commission will launch a dialogue on migration, mobility and security with e.g. Tunisia, Morocco and Egypt (as a first step towards a Mobility Partnership). These proposals are further detailed in the Communication on migration, mobility and security in the southern neighbourhood¹⁷. School co-operation (eTwinning), student and academic staff mobility within university partnerships (Erasmus Mundus), structured cooperation for university modernisation (Tempus), and mobility of Young People (Youth in Action) will also be expanded to provide a better support to the youth. New initiatives may also be promoted in the field of culture.

In the short term, to build **sustainable and inclusive economic development**, the EU will step up efforts to enhance the trade provisions of the existing Association Agreements by concluding the ongoing negotiations on agriculture and those on services and the right of establishment. Selected southern neighbours will also be given the opportunity to enter into preparations for future DCFTA negotiations. To accompany the structural adjustments linked to market opening and promote inclusive growth, the Commission will finance pilot programmes for agricultural and rural development and, drawing on the experience of the Eastern Partnership, pilot regional development programmes.

The Commission will promote industrial cooperation at Euro-Mediterranean level by continuing to implement the Euro-Mediterranean Charter for Enterprise, by adapting the Charter to the needs of SMEs in line with the EU's Small Business Act and by sharing good practices and opening activities and networks in priority sectors (textiles, tourism, raw materials). It will enhance dialogue on employment and social policy and encourage effective social dialogue including through the Euro-Mediterranean Social Dialogue Forum. Regulatory cooperation on a regional level could facilitate trade exchanges and improve the investment climate. The development of an efficient, safe, secure and sustainable multi-modal Trans-Mediterranean Transport Network will also contribute to sustainable and inclusive economic development. The Commission is already working with the EIB and the International Maritime Organisation to identify pilot actions to improve cooperation between maritime sectors in the Mediterranean.

The **Union for the Mediterranean (UfM)** which complements the bilateral relations between EU and partners should enhance its potential to organise effective and result-oriented regional cooperation. It further ensures the inclusive character of regional cooperation in the Mediterranean by including actors such as Turkey and the Western Balkan countries. The High Representative and the Commission are ready to play a bigger role in the UfM in line with the Lisbon Treaty. Revitalising the UfM requires a switch to a more pragmatic and project-based approach. The UfM Secretariat must operate as a catalyst to bring states, the EIB, International Financial Institutions and the private sector together around concrete economic projects of strategic importance and generating jobs, innovation and growth throughout the region. Partner countries' participation in these projects could follow the principle of variable geometry depending on their needs and interests. Co-financing for specific infrastructure projects from the EU budget could be provided through the Neighbourhood Investment Facility. In the current economic and political context, flagship projects identified at the Paris Summit remain fully relevant, notably the Mediterranean Solar Plan, the de-pollution of the Mediterranean or the development of Motorways of the Sea and land highways, the Mediterranean Business Development

¹⁷ COM (2011) 292/3

Initiative. To support sustainable development, implementation of existing regional agreements such as the Barcelona Convention for the Protection of the Marine Environment and Coastal Region of the Mediterranean should be given greater priority.

Finally, **sub-regional co-operation** involving fewer neighbours and concentrating on specific subjects can bring benefits and can create greater solidarity. Sub-regional cooperation in the Maghreb could be advanced, for example through supporting greater physical interconnection. The EU will put forward specific proposals in the near future, including on ways to support the possible opening of borders in the region.

4. A SIMPLIFIED AND COHERENT POLICY AND PROGRAMME FRAMEWORK

4.1. Clearer priorities through stronger political steering

We shall:

- Focus ENP Action Plans and EU assistance on a smaller number of priorities, backed with more precise benchmarks;

Bilateral relations between the EU and each of its neighbours have become stronger in recent years. Close and intensive dialogue has developed not only on general political matters but on all specific areas of our co-operation. These very close relationships and a higher level of commitment call for much stronger political dialogue and co-operation. The Lisbon Treaty provides the means for the European Union to deliver coherent and consistent policies and programmes by bringing together strands of EU foreign and assistance policy that were previously run by different institutions.

There is a consensus among partner countries and Member States that more substantive Association Councils would allow for more in-depth discussion at political level. But political dialogue need not be reduced to a yearly discussion in the Association Council: more frequent and more ad hoc opportunities should be envisaged when conditions so require. A more continuous and more intimate political dialogue is key to establish the confidence and trust required to tackle our common challenges. In addition, the Commission intends to enhance dialogue on sectoral policies (such as energy, education, youth, migration and transport) with their Ministerial counterparts in partner countries.

While **ENP Action Plans** remain the framework for our general cooperation, the EU will suggest to partners that they focus on a limited number of short and medium-term priorities, incorporating more precise benchmarks and a clearer sequencing of actions. The EU will adapt the priorities for its financial assistance accordingly. This list of priorities will set the political pace and help both the EU and each neighbour to produce key deliverables, within a mutually agreed timeframe. This will also allow better linking of policy objectives and assistance programming. Building on that basis programming documents can be simplified and focus on identifying Action Plan priorities requiring particular EU assistance.

Further simplification of provision of financial assistance will also be sought in drafting the new European Neighbourhood Instrument (ENI) regulation in the context of the next multi-annual financial framework, in order to translate the need for a more flexible and more focused delivery of financial assistance into practice.

In parallel, the EU will continue to report on an annual basis on progress in line with the Action Plans. Reports will put greater focus on democracy and a stronger link between the outcomes measured in these reports, assistance and levels of financial support will be developed over time.

4.2. Funding

We shall:

- re-focus and target foreseen and programmed funds in the ENPI as well as other relevant external policy instruments in the light of this new approach
- provide additional resources of over EUR 1 billion until 2013 to address the urgent needs of our neighbourhood
- mobilize budgetary reinforcement from various sources
- swiftly proceed with submitting concurring budget proposals to the Budget Authority (transfers for 2011, Amending Letter for 2012, re-programming for 2013).

Implementing the new approach of the neighbourhood policy based on mutual accountability and a shared commitment to the universal values of human rights, democracy and the rule of law requires **additional resources of up to EUR 1242 million until 2013**. These resources are in addition to the EUR 5700 million provided under the European Neighbourhood and Partnership Instrument for 2011-2013. In the event of new emergencies, funding of actions targeted at the region under thematic instruments and crisis intervention mechanisms in the EU budget constitute fresh resources. Financial support will be provided to further reinforce the partnership with people across the region, support sustainable and inclusive growth, cover the additional needs stemming from the democratic transformation of partner countries, advance the achievement of Millennium Development Goals and fund the new initiatives stemming from this review, notably in the areas of partnership with societies, rural and regional development (*see sections 3.1 and 3.2 above*). This includes an amount of up to EUR 250 million stemming from reflows from older loan and risk-capital operations to be made available to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) to promote growth and employment by financing new operations and to support the long-term financing needs of SMEs. To that effect, the Council should adopt the Commission proposal to amend Article 23 of the ENPI regulation.

These additional resources will be provided through reallocations from within Heading 4 of the 2007-2013 multi-annual financial framework, and by making use of the unallocated margin under the expenditure ceiling in 2012 and - to the extent necessary - through the Flexibility Instrument. The Commission will submit an Amending Letter to Draft Budget 2012 shortly.

The Commission is currently reflecting on how best to integrate the overall country situation regarding democracy, accountability, the rule of law and sound financial management into its decisions on budget support arrangements, and will outline its approach in the upcoming Communication on budget support. This should also provide the necessary flexibility to tailor levels and types of support to each partner's reform track record.

4.3. Involving the EIB and EBRD

We shall:

- secure additional loan possibilities by the EIB and the EBRD, including an extension of the latter's mandate to selected Southern partners

To support large infrastructure projects that can help connect the EU with its neighbourhood, boost development and address key energy, environment and transport challenges, it is important to ensure that the European Investment Bank and other regional development banks such as the European Bank for Reconstruction and Development have sufficient financial resources. The Commission supports the increase in the external mandate of the EIB for both eastern and southern neighbours as well as the extension of the EBRD mandate to selected southern Mediterranean countries. The EIB and EBRD can deliver on EU policy objectives together by maximising their comparative advantages. EBRD operations in the Southern Mediterranean countries should support EU policy objectives and should not lead to a transfer of resources from operations in the EU Eastern Neighbourhood.

The adoption of the revised EIB external mandate would provide for increased EIB lending under EU guarantee across the EU Neighbourhood. In particular, if the Council approves the additional lending envelope of EUR 1 billion proposed by the European Parliament, the EIB could provide almost EUR 6 billion to the Mediterranean countries over 2011-2013. The necessary funds up to 90 million will be mobilised to provide the budgetary guarantees needed to match the increase in EIB loans towards the Mediterranean region.

4.4. Planning for 2013 and beyond

We shall:

- promote more flexible and simpler aid delivery under the post-2013 successor to the present ENPI;
- step up efforts of co-ordination between the EU, its Member States and other key IFIs and bilateral donors.

In its July 2010 conclusions on the ENP the Council acknowledged “the need to accompany market opening, economic integration and regulatory convergence as well as the process of strengthening bilateral relations, throughout the neighbourhood, with appropriate financial support, technical assistance and capacity building” and indicated that it “will return to the issue of financial support in the context of discussions on the next multi-annual financial framework”. The Commission will reflect the renewed ENP vision and medium term objectives in its proposals for the post-2013 EU Multi-annual Financial Framework¹⁸. The key source of funding, the new European Neighbourhood Instrument (ENI), will provide the bulk of financial support to partner countries, essentially through bilateral, regional and cross border co-operation programmes. Its level of funding will need to reflect the ambitions of the revised ENP. It should be increasingly policy-driven and provide for increased differentiation, more flexibility, stricter conditionality and incentives for best performers, reflecting the ambition of each partnership (e.g. DCFTA negotiations). EU assistance could also be increasingly

¹⁸ The Commission's proposals will be tabled later this year.

implemented by devolving it to partner countries provided that the financial rules of the Union are respected and EU financial interests protected.

To maximise external support for the reform agenda agreed in the context of ENP the EU will step up efforts of co-ordination with EU Member States, other bilateral donors, the EIB, the EBRD and the international finance institutions. This can take the form of joint programming, joint co-operation initiatives and co-financing programmes and projects. To improve EU assistance co-ordination, the EEAS and Commission services will consider the possibility of launching pilot joint programming exercises with interested Member States in the countries of the southern neighbourhood undergoing democratic transition.

CONCLUSIONS

Our neighbourhood offers great opportunities for mutually beneficial integration and co-operation, for example large and well-educated working populations, sizeable markets still to be developed, and win-win solutions in energy security. Cooperation with our neighbours is the only means to take on the challenges and threats that do not respect borders — such as terrorism, irregular migration, pollution of our common seas and rivers. It allows us to tackle sources of instability and conflict in the region.

Several neighbours in the East and in the South have embarked on an ambitious path of transition during the last decade. They need support to consolidate these processes. Others have joined the process only recently. They also need our urgent assistance and they can benefit from the lessons learnt by other partners. It is in the EU's own interest to support these transformation processes, working together with our neighbours to anchor the essential values and principles of human rights, democracy and the rule of law, a market economy and inclusive, sustainable development in their political and economic fabric.

The new approach to the ENP set out in this Communication is a step in this direction. The Commission and the High Representative call on the Council and the European Parliament to endorse both its overall thrust and the concrete proposals it puts forward. We now intend to pursue our consultations with our neighbours on the best way to translate this new approach into each individual partnership.

The challenges are many, and fully meeting them may take time. What we are aiming for together is a democratic, prosperous and stable region where more than 800 million people can live, work and shape their own country's future, confident that their freedom, their dignity and their rights will be respected.