



HIGH REPRESENTATIVE OF THE  
EUROPEAN UNION FOR  
FOREIGN AFFAIRS AND  
SECURITY POLICY

Brussels, 27.3.2014  
SWD(2014) 100 final

**JOINT STAFF WORKING DOCUMENT**

**Implementation of the European Neighbourhood Policy in 2013  
Regional report : A Partnership for Democracy and Shared Prosperity  
with the Southern Mediterranean Partners**

*Accompanying the document*

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

**Neighbourhood at the Crossroads:  
Implementation of the European Neighbourhood Policy in 2013**

{JOIN(2014) 12 final}  
{SWD(2014) 69 final}  
{SWD(2014) 70 final}  
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## 1. INTRODUCTION

This staff working document reviews regional cooperation between the EU and the Southern Mediterranean countries in 2013, including developments related to the *Roadmap to guide the implementation of EU policy vis-à-vis Southern Mediterranean Partners*<sup>1</sup> adopted in 2012.

Reacting to events in the Arab world in 2011, the EU offered its Mediterranean partners a '*partnership for democracy and shared prosperity*'<sup>2</sup> founded on an incentive-based approach supporting partners committed to reforms. It focuses on democratic transformation, a partnership with people and civil society, and sustainable and inclusive growth. In support of these three elements, the EU has improved consistency between its external relations instruments, in particular development assistance, trade, mobility, and sectoral cooperation. The Roadmap adopted in 2012 set out objectives to be pursued under the Partnership. Further work should entail:

### **a) strengthening regional political cooperation**

The EU should enhance its leverage and further develop cooperation with regional organisations like the LAS, OIC and the 5+5 Dialogue, and should continue to support the activities of the UfM. Concrete EU Maghreb Cooperation should be implemented.

### **b) strengthening the role of human rights and cooperation with civil society**

Regional cooperation on the development of civil society should be boosted in order to strengthen these organisations, which promote human rights and fundamental values. A structured dialogue between and with civil society organisations has the potential to contribute to these goals and the rising number of meetings and new fora for discussion with civil society organisations indicate the direction of this cooperation. The EU will remain committed to this goal.

### **c) economic cooperation**

The EU should support partner governments in better defining their economic policies and taking more decisive action on sustainable economic and social reforms. The region's trade and business/investment climate must be improved. Progress in DCFTA negotiations (already launched with Morocco) or preparations for launching them (advanced with Jordan and Tunisia) is indispensable.

### **d) cooperation on migration and mobility issues**

Dialogues on migration and mobility, and negotiations on mobility partnerships must be continued. Partners have high expectations of easier access to the EU. The signing of mobility partnerships with Morocco and with Tunisia paves the way for future action. The December European Council called for a more comprehensive, long-term initiative to address the safety of migrants, to include greater dialogue and cooperation with

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<sup>1</sup> See the communication *Partnership for Democracy and Shared Prosperity: Report on activities in 2011 and Roadmap for future action*, accompanying the Commission communication *Delivering on a new European Neighbourhood Policy*, JOIN(2012) 114 final, 15.05.2012.

<sup>2</sup> *A partnership for democracy and shared prosperity with the Southern Mediterranean*, COM(2011) 200 8.03.2011, and *A new response to a changing Neighbourhood*, COM(2011) 303, 25.05.2011.

Southern Mediterranean partners.

**e) sector cooperation**

Sector policy cooperation should be pursued further in order to meet the Roadmap's objectives. A good vehicle for this would be the UfM and its sector ministerial meetings followed by development and implementation of concrete cooperation projects and initiatives. Special attention should be devoted to the link between research and innovation, to cooperation by public authorities and to the enhanced participation of partners in the newly launched Horizon 2020 research and innovation programme.

**f) funding**

EU financial assistance for the region should be maintained and well-coordinated among all donors.

These topics will be discussed in 2014 inter alia through dialogues with countries of the region, through contacts with regional organisations (e.g. the ministerial meeting with LAS in June), and via UfM ministerial meetings.

## **2. RELATIONS WITH THE REGION**

Implementation of the bilateral agreements and of the multilateral Roadmap has been heavily influenced by rapidly changing and divergent situations in a number of Southern Mediterranean partners in 2013. The overall situation in the region is complex and challenging, with considerable social and religious polarisation.

The EU has aimed to play an important and positive role in supporting the transformation process in the region as a whole. It has pursued a policy of renewed engagement, bilaterally and at regional level, while recognising that ownership of the transition lies with its partners. While the overall cooperation with the region in 2013 was heavily influenced by its political developments, in some sectors joint work continued in the best possible way.

### **Bilateral cooperation**

Negotiations on the ENP Action Plan with Algeria, launched in 2012, accelerated towards the end of 2013, though it was not possible to discuss all topics at that stage and in some areas of cooperation important divisions continued. A memorandum of understanding on energy cooperation was signed.

Limited progress was made in bilateral relations with Egypt. Discussion on the new ENP Action Plan and organisation of the relevant subcommittees were postponed due to the events leading to Mr Morsi's ousting on 3 July 2013.

Cooperation and bilateral dialogue with Israel continued. Regular meetings of the bilateral subcommittees took place. An EU-Israel Comprehensive Aviation Agreement was signed in June. Israel was also the first non-EU country to negotiate and initial an agreement of association to the EU's 'Horizon 2020' programme on research and innovation.

Jordan was confronted with difficulties relating to the Syrian crisis. Progress on reform

was limited. The Association Committee met in October and various subcommittees met in the course of the year. The first Joint Committee meeting on the EU-Jordan Euro-Mediterranean aviation agreement took place in January 2013.

The Association Committee with Morocco met in June and the Association Council in December, along with several subcommittees. The Mobility Partnership (MP) was signed in June and Deep and Comprehensive Free Trade Area (DCFTA) negotiations started in April. The second ENP Action Plan was adopted in December.

ENP dialogue with Lebanon continued with two meetings of the Association Committee and five subcommittee meetings. Lebanon and the EU agreed to start implementing the second ENP Action Plan from the beginning of 2013 while awaiting the completion of legal procedures. Various political challenges, including some stemming from the Syrian crisis, have hindered the implementation of a number of reforms.

The EU continued its assistance to Libya, focusing on security, economic recovery, public administration and migratory matters. Exploratory talks aiming at re-launching the Framework Agreement negotiations were held. Since May, the EU Border Assistance Mission (EUBAM Libya) has been assisting the Libyan authorities with developing capacity to improve border security and devise a broader Integrated Border Management strategy.

The new ENP Action Plan with the Palestinian Authority (PA) entered into force. It sets out the Palestinian Authority's commitment to building institutions based on the rule of law, democracy and respect for human rights as a basis for the establishment of a Palestinian state. Regular dialogue continued at the same pace, with all six ENP subcommittees meeting in 2013.

The ongoing military conflict in Syria precluded any bilateral cooperation with the Syrian regime.

Further work on the implementation of the new ENP Action Plan with Tunisia continued and – after four years - the first meeting of the Association Committee was held in June. Progress was made in negotiations on the Mobility Partnership, which was signed on 3 March 2014. Tunisian authorities achieved an important milestone in their democratic transition with the adoption of the new Constitution, on 26 January 2014.

### **Multilateral cooperation**

In 2013, the EU and Southern Mediterranean partners stepped up relations, with new avenues for dialogue and cooperation on a number of areas of mutual interest.

Reviving the activities of the **Union for the Mediterranean (UfM)**<sup>3</sup>, which the EU has co-chaired since 2012, was important in making regional cooperation more dynamic. After a lapse of several years, UfM **ministerial meetings** resumed. Three were held in autumn (on strengthening the role of women in society in September, transport in November, and energy in December). Regular meetings of senior officials allowed them to develop political dialogue and broad cooperation between various institutions from

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<sup>3</sup> The UfM is a forum for dialogue among 43 EU and Mediterranean partners (Syria's participation is currently suspended) which complements bilateral relations between the EU and its southern neighbours.

both sides.

The UfM has endorsed a number of **projects**, including, ‘de-pollution of the Mediterranean’, ‘maritime and land highways’, and the ‘Mediterranean business development initiative’. In 2013, three new projects were launched: ‘Young women as job creators’, ‘Governance & financing for the Mediterranean water sector’ and ‘LOGISMED training activities’<sup>4</sup>. Two other projects were given the ‘UfM’ label in October: ‘Generation entrepreneur’ and the ‘Integrated programme for the protection of Lake Bizerte against pollution’. All these projects have been developed in close coordination with the EU and complement other EU regional programmes in the region. The prospects for further practical collaboration seem good.

Another important factor which enhanced cooperation with Mediterranean partners is **sub-regional cooperation in the Maghreb**.

Foreign ministers of the Western Mediterranean Forum<sup>5</sup> (commonly known as the **5+5 Dialogue**) met in Nouakchott, Mauritania, in April 2013. The first meeting of the 5+5 Economic Forum, bringing together foreign ministers and business representatives, took place in Barcelona in October. Foreign ministers underlined the importance of the economic dimension being added to the 5+5 Dialogue and the involvement of civil society, in particular entrepreneurs’ and employers’ associations. The links between security and development were recognised by all.

In the course of 2013, the **joint communication** *Supporting closer cooperation and regional integration in the Maghreb: Algeria, Libya, Mauritania, Morocco and Tunisia*, adopted in December 2012<sup>6</sup>, was discussed by the Maghreb countries and a list of areas for reinforced cooperation was established. Commissioner Štefan Füle and the Maghreb foreign ministers endorsed a number of priorities and agreed on the way ahead during their meeting in September.

### **Security cooperation**

The EU’s **counter-terrorism** engagement with the region is largely set out in the Maghreb communication adopted in December 2012<sup>7</sup>. A first project was launched in October 2013: ‘Supporting rule-of-law-compliant investigations and prosecutions in the Maghreb region’, focusing on the criminal justice chain in relation to counter-terrorism. The project involves experts from EU Member States and EU agencies. In addition to the regional workshops, Morocco, Tunisia, Algeria and Libya will receive tailor-made assistance as from 2014.

The EU was politically active in counter-terrorism across the region, exchanging analysis and best practice and encouraging reform, including through capacity-building assistance. Relevant action plans are under development with Morocco and Algeria.

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<sup>4</sup> The project aims to increase the range of national education and improve the qualifications of logistics platform operators.

<sup>5</sup> A sub-regional forum of countries situated on the western rim of the Euro-Mediterranean littoral, comprising of 5 EU states: France, Italy, Malta, Portugal and Spain and 5 non EU countries: Algeria, Libya, Mauritania, Morocco and Tunisia.

<sup>6</sup> JOIN(2012) 36

<sup>7</sup> Please see the reference above.

The EU also participated in the UNCTED (UN Counter-Terrorism Executive Directorate) visit to Morocco in March. Counter-terrorism and prevention of radicalisation were included among the focal areas for EU programming in Libya. The EU also focused on countering terrorism financing. Finally, outreach to the Mediterranean countries on foreign fighters – mostly related to the conflict in Syria - was another priority for the EU.

In July 2013 the Council decided to designate the Hezbollah military wing as a terrorist group and placed it under the EU sanctions combatting terrorism.

A **Regional Ministerial Conference on Border Security** was held in **Rabat in November** with the participation of Maghreb countries (together with Sahel countries and Sudan), EU member states (France, Spain, Italy, Malta, Portugal, and the United Kingdom), the EU, Egypt, Turkey and the United States. International organisations such as the UN, the Arab Maghreb Union, the League of Arab States, the North Atlantic Treaty Organisation, the Organisation of Islamic Cooperation and the Economic Community of West African States were also present. The resulting Rabat Declaration proposes setting up a special secretariat to oversee the implementation of the ‘Tripoli Action Plan’ for border security and the opening of a regional training centre. It was agreed that the EUBAM Libya mission should help Tripoli to put into practice the concepts discussed at the Conference.

Three EU **common security and defence policy** missions are being conducted in the region:

(1) EUBAM Libya

In May 2013, the Council decided to launch EUBAM Libya to support the Libyan authorities in developing border management and security at the country’s land, sea and air borders.

(2) EUPOL COPPS

Based in and operating in the West Bank, this EU police mission (running since 2005) is part of the EU’s wider efforts to support Palestinian state building with a view to a comprehensive peace based on a two-state solution.

(3) EUBAM Rafah

Despite the suspension of operations at the Rafah crossing point in 2007, this EU Border Assistance Mission has maintained its capacity to rapidly redeploy once political and security conditions allow.

The EU is also ready to support **security sector reform** (SSR) in the framework of national reforms fostering democratic governance. At the demand of the Tunisian Ministry of the Interior, a peer review was conducted by the EU in the summer to assess the need for reforms in the security sector. In Lebanon, a EUR 8 million programme to support SSR was launched in July.

There is a good deal of informal cooperation with Southern Mediterranean partners, for example in the fight against piracy. The EU is in the early stages of launching discussions on negotiating a framework agreement with Morocco on participation in CSDP missions, according to the mandate given by the Council in 2010. Other countries in the region are invited to contribute to CSDP missions in different ad hoc calls for contributions.

The ongoing programmes under the EuroMed brand continued as well, including the organisation of the first training seminar on 'Resolution of cross-border family conflicts:

international, EU and national legislation' under the EuroMed Justice III Project, which took place in Rome in October.

The new EUR 5 million programme targeting **civil protection** ('PPRD South II') started in September to bring the Mediterranean partners closer to the EU Civil Protection Mechanism.

### **The way ahead**

At regional level, preventing further spill-over of conflicts, particular those in Syria and the Sahel, and the consolidation of peace and stability represent major challenges. It is therefore important that the EU increase its leverage and further strengthen its cooperation bilaterally and with regional organisations.

## **3. IMPLEMENTATION OF THE ROADMAP VIS-À-VIS SOUTHERN MEDITERRANEAN PARTNERS**

### **3.1. Building sustainable democracy**

#### **Human rights and democracy**

The transition process and the human rights situation continue to differ from country to country. In the field of democracy and human rights, the remaining challenges associated with transition processes are constitutional and institutional reforms, transitional justice, strengthening the role of civil society and securing human rights. They also involve security issues and include pressing needs for more transparent, accountable and democratically controlled security sectors.

In 2013, the EU held bilateral subcommittee meetings on human rights with Algeria, Jordan, Lebanon and Palestine and an informal working group meeting with Israel.

The EU places considerable emphasis on improved **democratic governance**, which would smooth the way for sustainable development, crucial for the Southern Mediterranean region and its societies. New generation ENP Action Plans agreed in recent years include detailed provisions on democracy, human rights and good governance, setting concrete benchmarks for freedom of expression, the media, association and assembly, religion and belief, and for women's rights, transparent elections; and the independence of the judiciary.

In 2013, the unstable political situation and growing social unrest based on peoples' demands for dignity, democracy, respect for human rights and inclusive economic growth strongly affected the performance of the Southern Mediterranean governments in implementing reforms. Complex domestic and international challenges constrained the implementation of the agreed road maps and achievement of the set objectives. The continuing change in 2013 revealed even greater differences between the transition

trajectories of individual countries in the region.

Concerning the **electoral and constitutional processes: Jordanian elections** were held in January 2013 and Egypt and Tunisia adopted their new Constitutions, on 14/15 January 2014 and 26 January 2014 respectively.

While progress continued to be made in some countries on building and strengthening the institutional basis for deep and sustainable democracy and **human rights**, in others this process has all but stalled or even gone into reverse as a result of political polarisation and conflict.

The EU remains deeply concerned about the **deteriorating human rights situation in Syria**. In 2013, widespread and systematic violations and abuses of human rights and international humanitarian law were perpetrated in Syria. The EU reiterated its call on the UN Security Council to address this situation, possibly by referral to the International Criminal Court as requested in Switzerland's letter to the UN in January 2013. It has pointed out that those responsible for crimes against humanity and war crimes must be held accountable. It has reaffirmed its support for the Independent International Commission of Inquiry for Syria set up by the UN Human Rights Council.

Gender equality, the **rights of women** and violence against women are significant challenges across the region, albeit with differences between individual countries. The UfM held a regional ministerial conference in Paris on Strengthening the Role of Women in Society to address this issue. In the resulting declaration, the ministers reaffirmed their obligations and committed themselves to taking concrete measures to improve the situation and the role of women. A follow-up mechanism including regular stocktaking on progress in implementing these measures was also agreed. The Ministers also decided to support projects set up to underpin implementation and to practise cooperation on strengthening the role of women. Special mention should be made of 'Spring forward for women', an ongoing EUR 7 million regional programme funded by the EU and implemented by UN Women, supporting women's political empowerment and advocating with the League of Arab States to work towards improving protection of women's rights in the region.

Very limited progress on **judicial reform** can be reported in the Southern Neighbourhood, even though judiciary remains a key element of all ENP Action Plans and related programming.

Public pledges to enhance the **fight against corruption** were made. The revised EU approach to the use of budget support includes new eligibility criteria on transparency and oversight of public finances. The fight against corruption is also tackled through projects under the European Neighbourhood and Partnership Instrument (ENPI) and the European Instrument for Democracy and Human Rights (EIDHR).

In order to support political actors striving for democratic change in their countries, the **European Endowment for Democracy (EED)** was launched at the end of 2012, becoming fully operational in the course of 2013. The European Commission contribution of EUR 6 million was granted to support the start-up and functioning of the EED over the period 2013-2015. In its first year, the EED has already provided support to Syrian and Egyptian organisations and held a number of conferences and events in support of democracy in the region.

The EU continues to provide support to the **Council of Europe (CoE)** through a



EUR 4.8 million programme, ‘Strengthening democratic reform in the Southern Mediterranean’. This programme is already delivering results in the main beneficiary countries with which the CoE has partnership agreements (Tunisia and Morocco) in the areas of court performance, the independence and transparency of the judicial system, good governance and the fight against corruption. Morocco indicated its willingness to accede to over 50 CoE conventions and the Moroccan Ministry of Justice requested the assistance of the CoE on the finalisation of two draft organic laws (on the High Council of Judicial Power and the terms of employment of judges). In addition, the programme allowed the EU to swiftly react to ad hoc demands from Egypt and Libya in reviewing a number of draft laws or in supporting the electoral process. In Tunisia, the Venice Commission was an important counterpart in the work on the new Constitution. Interest in cooperating more closely with the Venice Commission was also expressed by Egypt, Libya and Algeria. There are CoE offices in Tunis and Rabat.

### **A partnership with societies**

The increasingly vocal and empowered civil society and increased media freedom in the region are positive trends worth highlighting.

The role of civil society organisations (CSOs) and networks, as well as of social partners, has increased in the region, especially in Tunisia, Jordan, Egypt, Lebanon and Morocco. The EU welcomed this development and aimed to strengthen its direct engagement with CSOs and social partners. The voice of **civil society** is also more and more listened to by southern ENP countries’ governments.

In the wake of events in the region, the architecture of local CSOs continued to change. Not only has their number risen, but with the emergence of new, often less hierarchic and less formal organisations, their architecture became more complex and includes a wide spectrum of different organisations and actors.

At the same time, the conditions under which CSOs can operate independently vary significantly throughout the region as change in the legal and political regulatory frameworks in individual countries has been uneven. Concerns that the space for civil society is shrinking have been expressed in some countries in the region. In addition to restrictive legislation and practice, some governments have created their own, government-controlled ‘CSOs’.

The EU continued to put its policy framework into practice and funds a broad range of CSO activities. At bilateral level, the EU Delegations have begun to draft road maps to guide them in their efforts to further empower civil society.

The EU is supporting the efforts of the Anna Lindh Foundation to ensure a joint inter-institutional approach to enhanced dialogue and partnership with civil society in the Mediterranean region. The Foundation continued its capacity-building work among 3 500 civil society member organisations in all 43 member countries of the UfM. Work is being carried out under the three-year programme 2012-2014 with a budget of EUR 15.35 million. As part of this work, dialogue sessions on partnership with civil society and intercultural dialogue with a wide range of civil society representatives were held at the Foundation’s Forum in Marseille in April, which attracted more than 1 000 participants, the majority of them women.

On the EU side, CSO mapping studies are being developed to better understand CSOs’ needs and the areas in which they operate. Against this background, the EU channelled

additional support to civil society in the region through the **Civil Society Facility (CSF)**, which provided EUR 34 million over the period 2011-2013, with the objective of strengthening and promoting the role of civil society in reform and democratic change. For example, at national level, the CSF financed a resource centre for civil society in Algeria; and in Tunisia, it funded technical assistance to provide legal support for CSOs and to centralise and facilitate access to relevant information.

These actions complement the support for civil society already provided under other EU instruments targeting CSOs (such as the ‘Non-state actors and local authorities’ programme and the EIDHR).

In 2013, the **Instrument for Stability (IfS)** contributed to crisis stabilisation, peace-building and mediation and support for civil society’s role in transition processes. On crisis stabilisation, the IfS helped communities in **Syria** that no longer received services from central government to maintain basic services, while also helping authorities and host communities in neighbouring countries (mainly Lebanon and Jordan) to better cope with the growing influx of refugees. Its activities were designed to reduce tensions and, in the case of Lebanon, also focused on conflict issues pre-dating the Syria crisis. The IfS supported efforts to mitigate local conflicts by working with tribal **Libyan** leaders and by improving local CSOs’ capacity to address issues such as the protection of vulnerable groups and de-mining. In Tunisia, the IfS supported inclusive engagement and dialogue between political parties and CSOs, including the Tunisian League for the Defence of Human Rights, as well as enabled training journalists. In Egypt, CSOs were helped to respond better to the tumultuous political transition by improving their lobbying capacity and engagement in public policy debates.

### **The way ahead**

Cooperation and support to further constitutional and institutional reform, transitional justice, strengthened role of civil society and securing human rights, as well as security reform will remain fundamental to the sustainable development of the southern neighbourhood countries.

Concerning civil society participation, cooperation with the League of Arab States should be stepped up to make it better able to promote these values among its members. At regional level, too, structured dialogue among and with CSOs, and improved information flows could contribute to these goals.

### **3.2. Inclusive, smart and sustainable economic development, trade and investment**

Democracy cannot take root unless accompanied by **inclusive, smart and sustainable economic development with opportunities for all**.

#### **Economic trends<sup>8</sup>**

Almost three years after the revolutionary developments in the Arab world, the economic reform processes of the EU’s southern neighbours still face daunting challenges and uncertainties. Macroeconomic indicators show the situation is still fragile, with significant downside risks, primarily as a result of the Syrian conflict and its

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<sup>8</sup> The data used are based on the International Monetary Fund (IMF), the World Bank (WB), the Economist Intelligence Unit, Eurostat and the Commission estimates.

regional spillover effects, tense situations in Egypt and Tunisia, and the significantly worsening state of internal affairs in Libya.

In 2013, economic growth in the Southern Mediterranean countries recovered only partially. Average GDP growth in the region remained subdued and below 2005-2010 averages. Algeria, Egypt, Lebanon, Palestine and Tunisia all saw a slowdown in their GDP growth in comparison to 2012. Israel, Jordan and Morocco saw a slight increase; whilst no figures were available for Syria. Economic activity in Libya contracted due to extended blockages of the oil fields by armed groups.

Fiscal positions deteriorated even further in 2013 (with the average deficit<sup>9</sup> increasing from 4.3%<sup>10</sup> in 2012 to 8.1%<sup>11</sup> in 2013) and the balance of payments situation remains weak. Subsidies were one of the largest common factors weighing on the fiscal deficits, with only Jordan, and to some extent Morocco, taking meaningful steps towards subsidy reform.

Current account balances were positive only in Algeria and in Israel, and Jordan's deficit decreased significantly from 17.3% of GDP in 2012 to 11.1% in 2013. Foreign Direct Investment (FDI) inflows are still well below pre-2011 levels (with the exception of Libya, Morocco and Tunisia) and official reserves experienced further declines in Jordan, Libya and Tunisia. The adverse economic and political environment continued to weigh on employment creation.

In addition to domestic and regional factors, economic recovery is further hindered by weak external demand, notably from the EU, the region's most important trade partner. Relatively high international food and energy prices continued to weigh on Arab countries in transition, since most of them are their net importers.

The intensification of the Syrian conflict significantly affects the Mashrek region, generating a serious source of regional economic and political instability. Jordan and Lebanon have been significantly affected by the refugee crisis. Despite this, Jordan is working hard towards structural economic reforms that aim at fiscal consolidation.

Egypt, the largest economy in the region, remains vulnerable economically. A number of difficulties and uncertainties surrounding the country's political transition left Egypt in a weak balance-of-payments and fiscal position — in spite of significant financial assistance from the Gulf Cooperation Council countries, which provided some 'breathing space'.

Libya's positive economic developments were reversed in 2013 as oil production and exports plummeted, resulting in fiscal and external deficits. On the other hand, the Moroccan and Algerian economies continued to show resilience despite their unfavourable regional environment and fragile domestic situation. Algeria continued to mitigate the possible economic impact of social tensions by mobilising its fiscal resources, with an ensuing increase in government expenditure (civil service wages, price subsidies and social transfers).

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<sup>9</sup> Simple average of: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco and Tunisia. Data are not available for Palestine and Syria.

<sup>10</sup> 7.7% of GDP excluding Libya.

<sup>11</sup> 8.5% of GDP excluding Libya.

Job creation and support for small and medium-sized enterprises (SMEs)

The regulatory environment for business in the Southern Neighbourhood continued to slowly improve in 2013. However, entrepreneurs across the region still face weak investor and intellectual property rights protection, in addition to restricted access to credit. New ENP Action Plans include substantial sections on improving the investment climate and regulatory convergence with the EU *acquis*. The EU put forward multiple initiatives to support the promotion of SMEs and job creation and around EUR 850 million of bilateral assistance has been devoted to these objectives since 2011.

The Commission, the Organisation for Economic Cooperation and Development (OECD), the European Training Foundation (ETF) and the European Investment Bank (EIB) continued to cooperate with Mediterranean neighbours to evaluate their SME environment. In Tunisia, an EU-Tunisia Council for Entrepreneurship was launched, aiming to enable business to advise the government on ways of improving the business climate. Implementation of the ‘**Euromed Innovative Entrepreneurs For Change**’ programme continued in Morocco, Tunisia, Egypt and Lebanon.

In April, with the EIB and International Maritime Organisation (IMO), the European Commission co-organised the twelfth **FEMIP** (Facility for Euro-Mediterranean Investment and Partnership) Conference with a view to increasing marine and maritime cooperation among Mediterranean countries and to supporting economic growth and job creation in the region.

**SANAD**, the fund supporting SMEs in the region, and the European Bank for Reconstruction and Development (EBRD), with its **Enterprise Growth Programme** and **Business Advisory Services** (supporting the private sector) continued to be active.

Three regional programmes worth a total of EUR 12 million were contracted at the end of 2013 to contribute to the improvement of the business environment for SMEs. The EU/OECD ‘Investment Security in the Mediterranean’ (**ISMED**) support programme, with a budget of EUR 1.5 million, provided technical assistance and advisory services to reduce the legal risk of infrastructure investment projects. The EU also financed the ISMED ‘Risk and cost sharing toolkit’ under the Neighbourhood Investment Facility (NIF).

Most of these initiatives were backed by the NIF.

### **Lending from EIB, EBRD and other institutions**

Scope for lending by the EIB, EBRD and other European financial institutions to small and medium-sized businesses in the Southern Mediterranean increased.

In 2011, the financing ceiling for **EIB** operations in the Mediterranean countries had been increased by an additional EUR 1 billion, bringing it to a total of EUR 9.7 billion for the budget period 2007-2013. As of November 2013, EUR 8.5 billion in loans had been signed with a further EUR 1.6 billion already approved and awaiting signature. However, as part of restrictive measures against Syria, the EU prohibited EIB disbursements for this country and Syria was removed from the list of countries eligible for the EIB external mandate.

The process of extending the **EBRD’s** geographical mandate to the southern partners (Egypt, Jordan, Morocco and Tunisia) was completed by all shareholders in

September 2013.<sup>12</sup> A quick-start mechanism was set up in the form of a Cooperation Fund to finance technical cooperation, project identification and preparation. EUR 1 billion from the EBRD's own resources was allocated to the Investment Special Fund. By the end of 2013, the EBRD signed operations worth around EUR 650 million of which more than 80 % was dedicated to private sector and complemented by additional technical assistance. Provisional EBRD offices were set up in Casablanca, Tunis, Amman and Cairo. 'Host-country agreements' for permanent EBRD Resident Offices were signed with Tunisia and Jordan. Libya has also requested to become an EBRD country of operations.

### **Macro-financial assistance (MFA)**

The Southern Neighbourhood countries are in principle eligible for MFA from the EU — if they have a programme agreed with the IMF. Jordan has a USD 2 billion three-year Stand-By Arrangement with the IMF approved in 2012. At Jordan's request, the EU is also preparing an MFA programme for this country worth EUR 180 million. Tunisia also has a programme with the IMF of up to USD 1.75 billion, approved by the IMF in June 2013. Subsequently, it requested MFA from the EU and the Commission adopted a proposal for EUR 250 million in December 2013.<sup>13</sup>

### **Macroeconomic dialogues**

The EU continued to strengthen the macroeconomic dialogues with its southern neighbours. In 2013, dialogues were held with Tunisia (February), Algeria (June), Israel (October), Palestine, Morocco and Lebanon (November). The dialogues with Jordan and Egypt were postponed to 2014; no economic dialogues are held or are planned with Libya or Syria.

### **Trade**

Preliminary data for 2013 indicates that overall **bilateral trade flows** between the EU and the Southern Mediterranean partners are increasing.<sup>14</sup>

The main EU medium- to long-term objective with southern partners is to upgrade and strengthen trade and investment relations and pursue their economic integration with the EU internal market, in particular through the establishment of **DCFTAs** as soon as necessary conditions are met. Following the adoption by the Council in 2011 of the negotiating directives for DCFTA agreements with Egypt, Jordan, Morocco and Tunisia, relevant talks with Morocco were launched in March 2013 and led to two negotiating rounds in April and June. With the other three countries the Commission continued preparatory work, assessing each partner's commitment to implementing such agreements and identifying priorities for regulatory approximation. Good progress was made with Jordan while the process slowed down in Tunisia in 2013. The Commission launched an exploratory dialogue on the DCFTA with Egypt in June 2013, but there has been no progress in the preparatory process since then due to the political events in this

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<sup>12</sup> Tunisia, Jordan and Morocco were formally approved as countries of operations by the EBRD Governors on 1 November 2013.

<sup>13</sup> The Council and the European Parliament, which are approving such proposals, may consider increasing this amount.

<sup>14</sup> Using 2012 figures, a 3% rise was noted, reaching EUR 289 billion, a roughly 40% increase in the four years-time since 2009.

country.

Free-standing negotiations on **trade in services and investment** were launched with Israel, Egypt, Morocco and Tunisia as early as 2008, but all of them stalled. In June 2013, it was agreed to incorporate the negotiations on trade in services with Morocco into the DCFTA discussions.

Preparations for negotiations on **ACAAs** (Agreements on Conformity Assessment and Acceptance of industrial products) are ongoing with all southern ENP partners. The ACAA with Israel entered into force in January 2013.

Following the signature of the single **regional Convention on pan-Euro-Mediterranean (PEM)** preferential rules of origin in 2011, the EU must ensure their proper revision and modernisation. Relevant discussions on the revision of these rules took place in the PEM Working Group in May and October 2013 and are expected to be finalised in 2014. In 2013 Egypt, Israel, Palestine and Tunisia signed the PEM Convention and Jordan ratified it.

Work on the priorities agreed at the **UfM Trade Ministerial Conference** in 2010 continued through 2013. An international conference on the role of trade in economic development in Palestine took place in Istanbul in October 2013.

**Regional south-south integration** is also a major objective that the EU pursues with southern partners. Palestine is in the process of acceding to the Agadir Agreement<sup>15</sup> and Lebanon has expressed interest in joining. For its part, the EU renewed its support for the Agadir Technical Unit for the period 2013-2016.

In summary, although progress has been varied, overall significant and positive steps forward were made with partners who are ready to engage in trade cooperation.

### **Social policy and employment**

Effective social dialogue and activity of independent social partners are part of modern governance; crucial for the success of reforms. High unemployment rates, especially among the young population, remain one of the main regional problems, alongside with a low level of participation by women, poverty and social inclusion. These challenges were discussed by the second EU organised UfM-Euro-Mediterranean Social Dialogue Forum in November 2013 in Barcelona. In order to better coordinate donor activities with a view to promoting projects on employment and social dimension, in 2013 the UfM Secretariat launched also the 'Mediterranean Initiative for Jobs'.

### **The way ahead**

If the political situation in the partner countries stabilises, partner governments could better define their economic policies and take more decisive action on economic and social reforms, as well as engage in consultation with the social partners. Implementing reforms is the best way of confirming that they are interested in taking up the EU's offer of political association and economic integration. However, it will require more resolute administrative support for negotiations and cooperation with the EU. In this context, the EU will have to further pursue its work of explaining the concrete benefits of its initiatives on trade and trade-related matters, notably for improving the business and

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<sup>15</sup> Free trade agreement, initially signed between Egypt, Jordan, Morocco and Tunisia.

investment climate. It will also need to give the matter the necessary attention and resources to ensure that the negotiations are conducted swiftly and that the agreements can enter into force as soon as feasible. Progress in the DCFTA negotiations or in preparations to launch them is an encouraging sign.

### **3.3. Migration and Mobility**

Cooperation on home affairs matters was significantly strengthened in the course of 2013 through dialogues on migration, mobility and security and negotiations on **Mobility Partnerships**.

Negotiations on draft political declarations for MPs with **Tunisia** and **Morocco** started already in 2012. The Mobility Partnership with **Morocco** was signed on 7 June 2013. The EU has allocated EUR 10 million from the SPRING programme to this project, so far the largest funding package to support the implementation of a Mobility Partnership. Furthermore, a list of more than 50 initiatives to be implemented in the framework of the Partnership has been agreed upon. The negotiations on the Mobility Partnership with **Tunisia** were finalised by end of 2013 and the agreement was signed on 3 March 2014.

With **Morocco** the EU and its Member States commended the new migration and asylum policy announced by Rabat in September to ensure that migration is dealt with in a humane and fair manner, fully upholding human rights. In October, the Commission put forward a draft mandate to the Council for negotiations between the EU and Morocco on an agreement to facilitate procedures for issuing short-stay **visas**. The Council granted its mandate in December 2013 and the negotiations on both readmission and visa facilitation are ready to be launched in the first semester of 2014.

An EU-funded review on border management in **Tunisia** made recommendations on reforms in a report approved by the Tunisian Ministry of Interior.

Dialogue on migration, mobility and security started with **Jordan** in 2012. Two visits by EU experts took place in February and July 2013 and discussions on a draft text of the Mobility Partnership with Jordan started in December.

To support the dialogues and implementation of the Mobility Partnerships, the European Asylum Support Office (EASO) and Frontex decided to propose a joint project to promote participation by Morocco, Tunisia and Jordan in their work from 2014.

During 2013, progress was also made in preparatory discussions on social security provisions contained in the Association Agreements with partners. The technical discussions with Morocco and Israel were completed. Discussions with Algeria and Tunisia are on-going.

Following the tragic sinking of a migrant vessel off the coasts of Lampedusa on 3 October 2013 and the consequent loss of life, the Council agreed to set up a multi-institutional **Mediterranean Task Force** to prevent such incidents in the future and discuss the ways to address the issue of irregular migration across the Mediterranean. On the basis of its mandate and discussions, the Task Force concluded that a comprehensive and holistic range of measures is required. A Commission Communication on the work of the Task Force<sup>16</sup> was adopted in December. **The December European Council**

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<sup>16</sup> *Communication on the work of the Task Force Mediterranean* (COM(2013) 869 final) of 04.12.2013.

**endorsed the work of the Task Force** and its proposed action and noted that increased engagement in this area should be a priority. A wider debate on migration and asylum issues is scheduled for the June 2014 European Council.

### **The way ahead**

Partners continue to have strong expectations of easier mobility to the EU and many of them have taken steps to establish national asylum systems as well as improved systems to prevent and combat trafficking in human beings and protect its victims. The EU is now considering launching dialogues on migration, mobility and security with more Southern Mediterranean countries, depending on their willingness and capacity to collaborate closer with the EU, as well as their legal and administrative frameworks.

### **3.4. Sector cooperation**

The new generation of ENP Action Plans includes substantial components on sector policy cooperation.

In 2013, dialogue with partner countries continued to identify their interest in **participation in EU programmes and agencies**. In October a protocol enabling Jordan to participate in EU programmes open to ENP countries entered into force. Discussions on similar protocols were held with Algeria and Lebanon. The European Aviation Safety Agency (EASA) concluded a working arrangement with Lebanon in June. The European Environmental Agency (EEA) continued to implement the ENPI ‘Shared environment information system’ project with the overall objective of promoting the protection of environment in the countries of the European Neighbourhood — nine Southern Mediterranean countries take part in this project. In December 2013, the EU organised an information seminar on a new generation of EU programmes for the period 2014-2020, with a view to clarifying their objectives, implementation modalities and conditions for participation.

**Research and innovation.** Important steps were taken in the development of a ‘**Common knowledge and innovation space**’. Participation by Southern Mediterranean partners in the Seventh Framework Programme (FP7) increased. By January 2014, private and public entities in the Southern Mediterranean had participated in nearly 400 FP7 grant agreements, supported by an EU contribution of more than EUR 650 million, of which the EU set aside a contribution of around 10% for the participation of southern partners<sup>17</sup>. Several new projects specifically targeting the Southern Mediterranean through regional actions were launched under the FP7 Work Programme. In February, an INCO-Net<sup>18</sup> project: the Mediterranean Science, Policy, Research and Innovation Gateway (MEDSPRING) was launched, aiming at promoting a better dialogue between the EU and the Southern Mediterranean in research and innovation, focusing on three crucial issues for the region: water, food, and energy. In November 2013, the ERA-Net<sup>19</sup> project ERANETMED was launched, aiming at

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<sup>17</sup> These figures are based on the signed grant agreements. As many more projects are mainlisted, the figures should still increase.

<sup>18</sup> So-called INCO-NET projects are platforms bringing together policy makers and stakeholders to facilitate international research collaboration in the Science and Technology sector.

<sup>19</sup> ERA-NET (European Research Area Network) is a scheme stepping up cooperation and coordination of research activities carried out in the EU Member States and EU-associated countries.



reducing the fragmentation of scientific programming in the Mediterranean. Under MEDUSA project, several regional workshops took place to support the Southern Mediterranean countries in the introduction of EGNOS<sup>20</sup> services for civil aviation.

Two new bilateral projects with Egypt and Tunisia were launched in September 2013 to support institutional dialogue under the existing bilateral science and technology (S&T) agreements between the EU and these countries. Targeted 'Research to innovation' projects started in November. In addition, the FP7 thematic programmes launched some collaborative research projects specifically targeting the Southern Mediterranean in the fields of i.a. energy, health, environment, food and biotechnologies, research infrastructures, transport and social sciences and humanities.

Algeria ratified the S&T cooperation agreement with the EU in June 2013 and the first Joint Science and Technology Cooperation Committee (JSTCC) meeting took place in March 2014 in Brussels. A meeting of the Euro-Mediterranean Group of Senior Officials for Research and Innovation took place in December in Brussels focusing on ongoing and future initiatives in the region.

A meeting on e-communications and the **information society** of senior officials from the Commission and the regulatory authorities and ministries of telecoms from the Southern Mediterranean region took place in November in Athens. A Joint Statement was adopted, which included calls for closer involvement of the UfM and the cooperation with the EBRD. At regional level, a first workshop on 'e-Signatures' took place in Amman in November 2013. A concluding regional workshop on e-signature contribution to building trust in the use of e-business took place in January 2014. Three information and communication technology research projects were launched under the 7FP. "Twinning" projects took place as well with Israel and Jordan.

A new regional strategy for Euro-Mediterranean cooperation in statistics was adopted, establishing relevant governance structures and working groups in priority sectors. Progress was noted in key areas, such as developing national strategies for improving agriculture statistics or the preparation of national surveys on migration.

**Higher education.** For the third consecutive year, the **Erasmus Mundus** programme was allocated extra funding for Southern Mediterranean countries. An extra EUR 5 million allowed 159 more Erasmus Mundus masters scholarships. In addition, the 2013 call for proposals selected nine partnerships involving Southern Mediterranean universities with a total budget of almost EUR 30 million. These partnerships will fund even more scholarships and exchanges. On top of this, a specific budget of EUR 4 million was allocated to Tunisia, which led to the selection of two partnerships organising at least 170 scholarships for Tunisians and 50 for EU citizens.

Another call for proposals worth EUR 41.7 Million was published under the **Tempus programme** supporting institutional cooperation between the EU and Southern Neighbours on modernising higher education systems. 53 projects involving Southern Mediterranean universities were selected; of these 17 southern universities became project coordinators.

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<sup>20</sup> EGNOS - the European Geostationary Navigation Overlay Service, is the EU's venture into satellite navigation, improving the open public service offered so far by the USA's Global Positioning System (GPS).

**Vocational education and training (VET).** The EU continued to provide methodological support for Southern Mediterranean countries mainly through the activities of the European Training Foundation (ETF). In addition to supporting the specific needs of national authorities, the EU launched a regional project, ‘Governance for employability in the Mediterranean’ (GEMM), implemented by the ETF, it aims to enhance the quality and relevance of vocational education and training systems. The Foundation also organised a Forum in Marseille on public management of education, training and employment policies in the Arab Mediterranean states.

In 2013, the EU adopted the following **Education**-sector related initiatives:

- Jordan (EUR 30 million): 'Support to second phase of education reform', with specific focus on education in the camps and the in communities hosting Syrian refugees. Also a second project was adopted to provide support for education, mentoring and skills development to displaced Syrians (EUR 10 million);

- Morocco (EUR 89.9 million): 'Support of the education strategy', with focus on increasing access for girls and children from impoverished families to elementary and secondary education;

- Palestine (EUR 5 million): 'Erasmus Mundus - special window Syria', designed to help mitigate the impact of the on-going crisis in Syria by creating additional scholarships specifically for Syrians;

- Tunisia - additional EUR 10 million for 'Specific Tunisia window under Erasmus Mundus and Tempus'. In addition, Tunisia joined the pilot extension of the eTwinning action (‘**eTwinning Plus**’), which provides for virtual cooperation between schools and teachers. The first Tunisian schools and teachers registered and an information campaign was run to make this tool better known.

**Youth.** Some 2012 young people and youth workers from the Southern Mediterranean participated in the ‘Youth in action’ programme and 415 projects involving Southern Mediterranean countries were selected in 2013. Nearly 300 persons participated in the ‘Euro-Med youth’ programme, through its 86 approved projects. The EU finalised the design of a **preparatory action on youth employment** (EUR 1.5 million) aimed at promoting mobility among young professionals through internships in SMEs on both sides of the Sea. A new EUR 8.8 million regional programme targeting youth and youth organisations - ‘**NET-MED youth**’, was adopted at the end of 2013.

The EU is funding regional **culture** programmes in the Southern Mediterranean (the EUROMED Heritage and EUROMED Audiovisual programmes, totalling EUR 28 million). In addition, a new EUR 17 million regional programme reinforcing the role of the media and culture as vectors for democratisation and economic and social development was launched in 2013.

**Regional energy policy** cooperation culminated in the holding of an UfM ministerial meeting on energy in December 2013. Forty-three UfM partners took stock of the work done on the Mediterranean Solar Plan. The discussions focused on further strengthening regional energy cooperation to ensure the secure, affordable and sustainable supply of energy and enhanced energy efficiency in the Mediterranean Basin.

In support of the Mediterranean Solar Plan objectives, the EU continued to fund a number of regional projects, such as the ‘Paving the way for the Mediterranean Solar Plan’ which assisted partner countries in creating conditions conducive to greater use of

renewable energy in general and solar energy in particular; MEDREG — an association of energy regulators to support the development of a modern and efficient energy regulatory framework in the Mediterranean partner countries and to strengthen their cooperation with EU energy regulators; MED-ENEC, which encourages energy efficiency through capacity building, fiscal and economic instruments and pilot projects; and ‘Cleaner energy-saving Mediterranean cities’, which supports the efforts of local authorities in the southern ENP countries to respond more actively to energy policy challenges.

The EU also intensified its cooperation with Med-TSO (the association of Mediterranean transport system operators) with the objective of facilitating the integration of electricity systems in the area.

In this framework, the NIF financed key infrastructure projects in the energy sector. A renewable energy efficiency project preparation initiative was launched in support of the Mediterranean Solar Plan to provide technical assistance to renewable energy projects. A technical assistance programme was also initiated in support of the Mediterranean Urban Projects Finance Initiative to develop several sustainable and innovative urban projects. The Facility also participated in the funding of an energy efficiency global loan for Lebanon and of a reinforcement of the high voltage transmission network in Morocco and the second stage of the Ouarzazate concentrated solar power plant in Morocco.

In regional **transport cooperation**, the Mediterranean partners evaluated the implementation of regulatory reform and convergence process under all relevant sectors (maritime, aviation, and land transport) of the Regional Transport Action Plan for the Mediterranean for 2007-2013 with a view of establishing an integrated multimodal Euro-Mediterranean transport network. The successful UfM Ministerial Transport Conference held in November in Brussels endorsed the evaluation report and the priority guidelines for the next Plan for 2014-2020. Ministers also agreed to work towards the establishment of a mutually agreed indicative map of the Trans-Mediterranean transport network and its connection with the Trans-European Transport Networks (TEN-T). In December 2013, the EU and the EIB signed a NIF backed programme providing advisory services and technical assistance to the preparation and implementation of transport infrastructure projects supporting the region.

The setting-up of the **Euro-Mediterranean aviation area** continued, with the negotiation of comprehensive aviation agreements with interested partners. Israel signed one in June, joining Morocco and Jordan. Negotiations with Tunisia were also launched. Israel, Jordan, Lebanon, Morocco and Tunisia actively participated in the Mediterranean Aviation Safety Cell (MASC), coordinated by the European Aviation Safety Agency (EASA), in the field of regulatory convergence and integration in the EU aviation safety system. EU technical support is pursued in this regard at regional level within the EuroMed II aviation project.

In the **maritime** sector, the European Maritime Safety Agency (EMSA) continued implementing the next phase of the SAFEMED<sup>21</sup> project. Further concrete areas of

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<sup>21</sup> The SafeMed Project (currently SAFEMED III – 2013-2015) is the EU funded project developing Euro-Mediterranean co-operation in maritime safety and security and prevention of pollution from ships by providing technical advice and support to the non-EU Mediterranean countries.

cooperation with EMSA were envisaged, which extended the geographical scope of EMSA activities to the Mediterranean Partners. Work progressed on an EU proposal for regional exchange of Automatic Identification System data. In order to better respond to discharges from ships and to locate and identify polluters, all Mediterranean countries were invited to participate in the CleanSeaNet satellite service information session. The FEMIP Conference in Athens also explored options for greater cooperation between the EU, the EIB and the International Maritime Organisation (IMO) on the development of the Mediterranean's 'blue economy'. An **Integrated Maritime Policy** technical assistance project has enabled the specific technical assistance needs to be identified for each country. Partners benefited from technical assistance provided by the project team on cross-sectoral marine and maritime issues and participated in regional meetings and workshops held in Athens, Valletta and Brussels, as well as in works of the related thematic Working Group in Brussels. Cooperation between maritime authorities in all Mediterranean countries was supported by a third Mediterranean Coastguard Functions Forum, organised in Palma de Mallorca.

Partners made some efforts to strengthen their governance on **environment** issues, including administrative capacity. The relevant projects include 'Sustainable water integrated management', SWITCH-Med<sup>22</sup> aiming at helping southern neighbours to switch to green economies, and the Horizon 2020 depollution initiative. Under the Horizon 2020 initiative, the Mediterranean hot-spots identification programme (MeHSIP) advanced four key pollution reduction projects in Egypt, Lebanon, Tunisia and Jordan to enable them to access EIB loans. A MeHSIP priority project aiming at integrated management of Lake Bizerte in Tunisia was given the 'UfM' label. ENPI-financed regional projects are progressing at a good pace with a very active participation from all partner countries, including Libya, which in 2013 became involved in various initiatives. Israel, Palestine, Jordan and Morocco were admitted to start an enhanced cooperation with the European Environment Agency (EEA). In December 2013, Israel, Jordan and Palestine signed an agreement on producing and sharing desalinated water in Aqaba while providing water to Amman from Lake Kinneret and exploring effects of mixing Red Sea brine with Dead Sea water.

The Mediterranean region has been recognised as a **climate change** hotspot, facing challenges and vulnerabilities including water scarcity, extreme weather events, desertification, impacting on region's sustainable development and economic growth. To support individual countries' efforts and go beyond the current initiatives (especially targeting the energy sector), a regional technical assistance project, 'CLIMA South', was launched at the beginning of 2013. The project is active at both national and regional level. In October, senior officials agreed to hold an **UfM ministerial meeting on environment and climate change** in Athens in May 2014 in order to intensify the regional cooperation.

Technical cooperation continues on **health** and sanitary and phyto-sanitary measures. An EU-supported 'Mediterranean programme for intervention epidemiology training' (MediPIET) began with the aim of building capacity for surveillance and response to cross-border health threats by supporting training facilities and creating a regional network of epidemiologists. Partners attended a workshop on EU rules on prevention and

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<sup>22</sup> 'Switching towards more sustainable consumption and production patterns in the Mediterranean'.

control of communicable diseases. The EU-supported 'Episouth plus' project, on preparedness for common health threats and biosecurity risks, held its final meeting. Further, the EU supported projects improving animal health in the region, including the activities of REMESA<sup>23</sup>.

In **regional policy**, the pilot regional development programmes promoting economic, social and territorial cohesion with partners continued to be implemented. Officials from Morocco and Tunisia visited regions in Belgium and France. At the same time, the Mediterranean ENPI cross-border cooperation programme was progressing well (with three calls for proposals held; altogether of the total programme budget of EUR 200 million, EUR 182 million had been awarded).

The EU has continued to engage with the Southern partners in the European Neighbourhood Programme for **Agriculture and Rural Development** (ENPARD). The process, which started with Tunisia, Morocco, Egypt and Jordan, was extended to Algeria and Lebanon. Programmes adopted so far total EUR 63 million. In Lebanon, a comprehensive work plan for policy support activities has been agreed upon with the government. The EU has also responded to partners' requests for more experience sharing with a series of regional seminars. The first took place in Brussels in January 2014.

The EU continues to support actions to improve the General Fisheries Commission for the Mediterranean (GFCM) framework for **fisheries** data collection and - on the basis of GFCM guidelines - implements the multiannual fisheries management plans. The Commission also continues to support capacity-building in fisheries monitoring.

### **The way ahead**

Sector policy cooperation should be pursued further in order to meet the Roadmap objectives. If the political situation in the partner countries stabilises, their governments should take advantage of what the EU has to offer and boost their participation in regional cooperation. The EU should continue to explain the rationale for its initiatives, including through UfM sectoral ministerial meetings.

### **3.5. Cooperation with regional organisations**

Cooperation with the League of Arab States (LAS)

The EU and the LAS cooperated closely, both in the political field and in implementing the joint work programme agreed in 2012.

High-level dialogue between the High Representative for Foreign Affairs and Security Policy/Vice President of the Commission and the LAS Secretary-General was conducted regularly. Regular contacts between senior officials became more frequent and diverse,

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<sup>23</sup> REMESA: Mediterranean Animal Health Network (Réseau Méditerranéen de Santé Animale) - a partnership of veterinary authorities from ten Mediterranean countries.

with meetings held in January, May and November. Contacts were also stepped up with several high level visits.<sup>24</sup>

With regard to high-level dialogue, the next meeting of EU and LAS Foreign Ministers is planned for mid-2014.

Practical cooperation on the basis of the joint work programme is also progressing:

- following the inauguration of the LAS Situation Room, the EU continued to help the LAS to develop its own crisis response architecture and capabilities through a series of workshops/seminars;
- diplomatic training and exchanges took place: a special MoU on these was signed between the EU and LAS in November 2013;
- training on electoral observation continued, with direct cooperation with the newly established LAS department of electoral observation and assistance;
- an EU-LAS civil society seminar took place in Malta in June 2013. A study visit by the LAS Charter Committee to Brussels took place in December 2013.

Cooperation with the Organisation of Islamic Cooperation (OIC)

The EU also continues to build relations with the OIC. Engagement has proven to be a good path to better mutual understanding and has helped to foster greater joint efforts to promote more tolerance and respect in the world. The intensification of contacts was shown by the inauguration of the OIC Permanent Observer Mission in Brussels, opened during an official visit by the OIC Secretary-General in June.

#### **4. FUNDING**

The EU has continued to mobilise its range of financial instruments to support the process of transformation and reform in southern partner countries. While important contributions were made in 2013 under the humanitarian assistance instruments (Syria), the IfS, the EIDHR, and the thematic programme on migration, the bulk of the funding was provided by the ENPI. The total funds newly committed to the Mediterranean partners under the ENPI amounted to EUR 1.535 billion.

##### **Incentive-based approach: the SPRING programme**

In response to the Arab Spring events, the Support for Partnership, Reform and Inclusive Growth (SPRING) programme was set up, supporting those partners demonstrating clear progress in democratic transformation, based on the 'more for more' principle.

In 2013, an additional EUR 150 million from the programme was allocated to the southern ENP countries, based on an assessment of the efforts they had made and taking into account their specific situations, including the impact of the Syrian crisis. The funds were divided as follows:

- Jordan: EUR 21 million to support democracy-related reforms (justice, electoral

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<sup>24</sup> A visit to Brussels by the LAS Secretary-General's advisor, a study visit by the Head of the Arab Parliament to the European Parliament in May, a visit by the EU's Political and Security Committee ambassadors to Cairo in September and a re-visit to Brussels by the Arab ambassadors to the LAS in November.

- process), employment and social services in communities hosting Syrian refugees;
- Lebanon: EUR 21 million to fund communities hosting Syrian refugees;
  - Libya: EUR 5 million for specific support for the media and the constitutional process;
  - Morocco: EUR 48 million: divided into support to inclusive economic development, democratic reform and the implementation of the Mobility Partnership;
  - Tunisia: EUR 55 million: EUR 45 million to support democratic transformation and EUR 10 million for inclusive economic development.

In 2011-2013, overall EUR 540 million have been allocated to SPRING.

### **Funding for the Syrian crisis**

Since the beginning of 2013<sup>25</sup> EUR 315 million from the ENPI was used to address the **consequences of the Syrian crisis** (in Syria and in the neighbouring countries). In addition, EUR 350 million in humanitarian aid from the EU budget was allocated to the Syrian crisis. This brings total Commission funding since the start of the Syrian conflict to over EUR 1.1 billion, including EUR 615 million in life-saving humanitarian aid alone.

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<sup>25</sup> The provided figures include the pledges from the Second Pledging Coherence of 15 January 2014 in Kuwait.