



Procedure file

Basic information		
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6.40.15 European neighbourhood policy		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AFET Foreign Affairs		17/04/2007
		PPE-DE TANNOCK Timothy Charles Ayrton	17/04/2007
		PSE OBIOLS Raimon	
	Committee for opinion	Rapporteur for opinion	Appointed
	INTA International Trade	The committee decided not to give an opinion.	
	REGI Regional Development		12/04/2007
		PPE-DE KELAM Tunne	
	LIBE Civil Liberties, Justice and Home Affairs		21/05/2007
		ALDE VĂLEAN Adina	
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	2809	18/06/2007
European Commission	Commission DG	Commissioner	
	External Relations	FERRERO-WALDNER Benita	

Key events			
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26/04/2007	Committee referral announced in Parliament		
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26/10/2007	Committee report tabled for plenary	A6-0414/2007	
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Non-legislative basic document		COM(2006)0726	04/12/2006	EC	Summary
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Document attached to the procedure		SEC(2006)1510	04/12/2006	EC	Summary
Document attached to the procedure		SEC(2006)1511	04/12/2006	EC	Summary
Document attached to the procedure		SEC(2006)1512	04/12/2006	EC	Summary
Committee opinion	REGI	PE390.538	31/07/2007	EP	
Committee draft report		PE392.281	31/07/2007	EP	
Amendments tabled in committee		PE393.945	26/09/2007	EP	
Committee opinion	LIBE	PE392.280	05/10/2007	EP	
Committee report tabled for plenary, single reading		A6-0414/2007	26/10/2007	EP	
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Commission response to text adopted in plenary		SP(2007)6527	18/12/2007	EC	
Commission response to text adopted in plenary		SP(2008)0412	05/02/2008	EC	

This Commission working document accompanies the Commission's communication on strengthening the European Neighbourhood Policy (ENP). This document reports on overall progress made on the implementation of the EU-Ukraine Action Plan. As such, it concentrates primarily on the development of EU-Ukraine bilateral relations and on issues involved in implementing the Action Plan.

Overall, the report states that with the preparation and conduct of overall free and fair parliamentary elections in March 2006, Ukraine consolidated the breakthrough in conducting a democratic election process that began with the Orange Revolution and which is also a key element of the Action Plan.

Considerable steps have been taken towards consolidating respect for human rights and the rule of law (e.g. removing pressure on the media and civil society, reform of the customs service) and a wide range of legislative reforms have been introduced. But progress is being hindered by endemic corruption, which is the main challenge to the development and economic growth of Ukraine, and by the lack of a truly independent judiciary.

Other areas of progress include:

- initial steps have been taken in the fight against corruption and on the reform of the judiciary, which are particular challenges;
- there has been good co-operation between the EU and Ukraine on foreign policy, with Ukraine aligning with EU positions on many issues;
- good progress has been made on Ukraine-Moldova border management;
- agreements on visa facilitation and readmission have been successfully negotiated and initialled;
- progress has been made in various trade and trade-related areas, including last steps in the WTO accession process, but further reforms are needed to improve the business climate;
- while progress is needed on nuclear safety issues, much progress has been achieved on energy cooperation.

Strengthening the European neighbourhood policy

OVERALL ASSESSMENT OF PROGRESS MADE IN THE IMPLEMENTATION OF THE EUROPEAN NEIGHBOURHOOD POLICY

The present Communication on the European Neighbourhood Policy (ENP) is the first general review of the implementation of this policy since its inception. In addition to the Communication proper, country-specific progress reports on the implementation of the first 7 Action Plans are being published, together with this overall assessment and a more detailed technical assessment on sectoral issues. These reports document the progress which has been made, and provide a basis for the suggested enhancements to the ENP which are put forward in the Communication.

1) Progress by partners in Action Plan implementation: ENP partners are very diverse politically, economically, socially and culturally. It is therefore rather difficult to produce an overall cross-country analysis of the implementation of the ENP. There are however certain overall trends that can be identified, and certain general conclusions to be drawn. Within each Action Plan, the governance field is perhaps the most difficult in which to achieve and measure progress. With different cultures and challenges, and different levels of commitment, each partner has addressed these issues in its own way. The enhanced dialogue on human rights that has taken place with southern partners deserves special mention. There has also been progress by several partners in the reform of electoral systems, in judicial reform and in public-sector governance. The picture is more mixed as regards respect for fundamental rights, however, with less progress by certain partners in addressing issues such as restrictions on press freedom, intimidation of NGOs, political prisoners, ill-treatment in police custody, and extra-judicial killings.

Political dialogue and cooperation with ENP partners has been significantly enhanced in most cases, with enhanced dialogue in sub-committees in certain cases, and greater cooperation with certain partners on CFSP issues. ENP partners have had a mixed macro-economic experience in the last two years. Some have experienced moderate to strong growth throughout the period, while others have recovered in 2006 after a sharp decline in growth in 2005. Certain countries have been hard hit by rising energy prices and in one case by the blockage of some traditional markets. The drastic decline in all economic indicators in the Palestinian Territories remains a case apart and a major cause for concern.

Progress has likewise been mixed in fighting poverty. Some ENP partner countries have made significant progress in strengthening social and human-resource development policies, though further sustained effort is required by all. At the other extreme, the situation in the Palestinian Territories causes grave concern. Education and health are being given increased attention in all partner countries. Most partners have national sustainable development strategies in place or are in the process of reviewing them. National inter-ministerial structures exist in most cases, but they hold regular meetings only in a limited number of countries. A key challenge is therefore for most countries to activate the existing structures, in order to ensure a truly cross-sectoral approach to sustainable development.

Negotiations on trade are progressing with all Mediterranean partners (agriculture and services). Work on conformity agreements shows a promising start, while in the fields of customs or the economic regulatory framework, the ENP has made progress. The ENP has been particularly useful with certain partners in addressing the shared challenge of migration. An agreement on readmission and visa facilitation was initialled with one partner in October 2006, and negotiations are being prepared with two others. Cooperation on combating organised crime, terrorism and drugs has also advanced in a number of cases. Reform and modernisation in transport, energy, public finance management, the information society, and the environment is a challenging task, but has been pursued actively by most partners. Detailed technical dialogue, building on Action Plan priorities, has proved its worth.

With the support of the Tempus programme, partner countries have pursued their reform and modernisation efforts in the area of higher education.

2) Progress by the EU in supporting Action Plan implementation: the EU has also been addressing its own commitments in supporting our neighbours in their reform efforts.

In the political, trade and Justice Liberties and Securities fields, and in sectors such as transport, energy, the environment and research, much of the core work has been carried forward through enhanced dialogue, or through negotiations on new trade or readmission agreements. EC

technical and financial support has had a significant impact here, for example through technical assistance and twinning in relation to trade and market reform, to migration issues, or to energy or transport policy.

Assistance, per se, is not at the core of the ENP – the funding available is not there to ‘buy reform’, but to support a reform process already agreed upon.

Nevertheless, the Commission has made every effort, working together with ENP partners, to focus current assistance on the core priorities set out in the ENP Action Plans. This has included the adjustment of existing programmes to address Action Plan priorities, and the introduction of new tools (TAIEX and Twinning) responding directly to the need for specific reform-related advice and assistance. The existing TAIEX programme has been extended to cover ENP countries, with more than 20 activities requested or being implemented, while more than one hundred twinning programmes are already under preparation or in the early stages of implementation with ENP partners. Financial assistance has also been increased, working in particular through the EIB and EBRD.

The Commission has also made every effort to ensure that our future assistance responds fully to ENP policy requirements, and is truly ‘policy-driven’. The new European Neighbourhood and Partnership Instrument (ENPI) will be available from January 2007, providing an increase in total funding for ENP partners (a 32% increase in real terms), and considerably increased flexibility in the type of assistance which we can provide. New possibilities for cross-border cooperation will be available, and a dedicated scholarship programme is being developed. Detailed programming for the period 2007-10 is being finalised, fully reflecting of the priorities set out in the respective ENP Action Plans. Proposals for a substantial increase in the EIB lending mandate are before the Council. It will be important also for Member States, in their own bilateral cooperation programmes, to reflect on how these can best reflect ENP priorities.

Strengthening the European neighbourhood policy

MOLDOVA – EUROPEAN NEIGHBOURHOOD POLICY – STATE OF PLAY

This Commission working document accompanies the Commission’s communication on strengthening the European Neighbourhood Policy (ENP). This document reports on overall progress made on the implementation of the EU-Moldova Action Plan. As such, it concentrates primarily on the development of EU-Moldova bilateral relations and on issues involved in implementing the Action Plan.

The report highlights that Moldova is faced with a difficult internal and external situation, implementation of the Action Plan in Moldova is well underway.

The Action Plan has become the central point of reference in the domestic reform process. Good progress has been made on:

- trade-related issues;
- co-operation with international financial institutions (IFIs);
- poverty reduction.

But more needs to be done on the investment and business climate.

Good progress has also been made on Moldova-Ukraine border management, which has positive implications for the Transnistria issue.

Democratic reforms are underway and some progress is being made on governance issues, with first steps being taken also on the reform of the judiciary, the fight against corruption and organised crime, which are particular challenges.

Overall, Moldova is showing commitment, but the implementation of reforms requires greater attention, including in areas with good legislative progress.

Strengthening the European neighbourhood policy

PALESTINIAN AUTHORITY – EUROPEAN NEIGHBOURHOOD POLICY – STATE OF PLAY

This Commission working document accompanies the Commission’s communication on strengthening the European Neighbourhood Policy (ENP). The ENP Action Plan (AP) between the EU and the Palestinian Authority (PA) was adopted on 4 May 2005. The Action Plan was inspired by the Palestinian Reform Programme, which aimed at building the institutions of an independent, democratic and viable Palestinian state.

However, after the victory of Hamas in the January 2006 legislative elections, the EU suspended political contacts and cooperation with the Government of PA, pending its acceptance of the Quartet principles. This led dialogue to become mostly confined to President Abbas and his office aside from some other contacts with the Palestinian Legislative Council, the judiciary and some autonomous PA agencies. In parallel, in response to the electoral results, Israel stopped transferring tax and customs revenue collected on behalf of the PA, while some commercial banks refused to transfer money to the PA in fear of legal repercussions under US anti-terrorist legislation. Most international donors, including the EU, decided to suspend their direct support to or through the Government. As a result, resource flows to the PA nearly dried up, throwing it into the most severe financial crisis since its establishment.

To deal with this situation, EU dialogue with the Office of the President focussed on how to alleviate the humanitarian crisis in the territories, especially related to setting up of the Temporary International Mechanism (TIM), managed by the European Commission, which was able to provide substantial amounts of humanitarian and emergency aid to the most affected segments of the Palestinian population, without any funds transiting through the PA.

The Action Plan is designed to provide support to Palestinian reforms and institution building in the context of preparing for a future Palestinian state. Some initially encouraging steps towards reform were realised between 2005 and early 2006, for example on public financial management.

The report notes that the EU would be ready to resume co-operation and further work on the Action Plan as soon as a government is formed with a programme reflecting the Quartet principles.

Strengthening the European neighbourhood policy

MOROCCO? EUROPEAN NEIGHBOURHOOD POLICY ? STATE OF PLAY

This Commission working document accompanies the Commission's communication on strengthening the European Neighbourhood Policy (ENP). This document reports on overall progress made on the implementation of the EU-Morocco Action Plan.

The EU-Morocco Action Plan was adopted in July 2005 for a period of five years. Over the past two years relations between the EU and Morocco have been significantly strengthened across the board, mainly because Morocco has shown real interest in the European Neighbourhood Policy (ENP), in which it sees the way forward to the 'advanced status' it has always called for. For the Moroccan authorities, securing the country to Europe is a strategic choice and the Action Plan constitutes an anchorage point for the reforms.

The King has launched numerous initiatives aimed at the modernisation of the state, democratisation and national reconciliation ? in particular via the Fairness and Reconciliation Commission, the law on political parties, the law on the liberalisation of the audiovisual sector, the law against torture - and the promotion of economic and social development, in particular the national human development initiative, the status of women, and the fight against poverty. These initiatives are already reflected as tangible commitments in the Action Plan and place Morocco firmly on the path to reform. Many of these political reforms and the reforms aimed at improving the transparency of the economic environment are positive steps towards better governance in Morocco.

In bilateral political relations, the enhanced political dialogue has become a forum for increasingly open political debate. Cooperation in the area of migration has also grown steadily closer. The culmination of cooperation in this area would be the speedy finalisation of the negotiations on a readmission agreement based on a balanced and integrated approach. In 2006 Morocco dismantled a significant terrorist cell on its territory.

In the economic field, real progress has been made in achieving many of the objectives of the Action Plan. Morocco has clearly shown its readiness to bring about in-depth reforms in order to create an impetus for development and poverty alleviation, improve competitiveness and attract foreign investment. Morocco has also finalised a number of cooperation agreements with the EU, in particular on the Galileo satellite navigation system and in the area of air services. Negotiations aimed at liberalising trade in services and the right of establishment, and liberalising agricultural products, processed products and fisheries were also launched in 2006.

However, more efforts are needed in the areas of agricultural reform, facilitation of external trade, trade law, corporate governance, economic diversification and youth unemployment.

In short, Morocco implemented numerous reforms in all the main chapters of the Action Plan; the Government is pushing ahead with its political, economic and social modernisation effort which should enable it to meet its objectives, together with the European Union, in the Action Plan.

Strengthening the European neighbourhood policy

SECTORIAL PROGRESS REPORT ? IMPLEMENTATION OF THE EUROPEAN NEIGHBOURHOOD POLICY

This Commission working document accompanies the Commission's communication on strengthening the European Neighbourhood Policy. It deals in particular with progress made in the following areas:

- transport;
- energy;
- the information society;
- the environment and research.

The detailed work of reform, modernisation and transition, whether in the field of trade, customs or the economic regulatory framework, or in sectors such as transport, energy and the environment, is at the very core of building a modern and well-governed economy. Yet this detailed work is easily lost to sight, by virtue of its often technical character. In addition to the short overview provided in the Overall Assessment , it appears useful to present a more comprehensive view of the range of work carried out in

these different areas by ENP partners during the last eighteen months.

Strengthening the European neighbourhood policy

JORDAN? EUROPEAN NEIGHBOURHOOD POLICY ? STATE OF PLAY

This Commission working document accompanies the Commission's communication on strengthening the European Neighbourhood Policy (ENP). This document reports on overall progress made on the implementation of the EU-Jordan Action Plan. As such, it concentrates primarily on the development of EU-Jordan bilateral relations and on issues involved in implementing the Action Plan. It aims to stimulate political dialogue and reform and facilitate Jordan's sustainable economic development and social cohesion, as well as progressively increase its economic integration with the EU.

Jordan's reform priorities are laid down in its National Agenda, a long term reform-oriented programme published in November 2005, complemented by the initiative "we are all Jordan" which aims to ensure wider support from the Jordanian population.

The Jordanian reform programme formed the basis of the ENP Action Plan through which the Commission supports the national efforts. Overall, Jordan has shown a real commitment to working towards a number of political and economic reforms. Results have been achieved in the fields of:

- anti-corruption;

- public finance management;
- protection of human rights.

Others are currently debated, such as reform of the electoral system. In addition, Jordan decided to converge with relevant EU acquis on standards for industrial products, sanitary and phyto-sanitary matters.

The EU and Jordan have also increased co-operation on trade, with negotiations on liberalisation of trade in agriculture products (concluded) as well as on services (on-going).

However, more needs to be done in the next four years to translate commitments into concrete progress.

Strengthening the European neighbourhood policy

TUNISIA? EUROPEAN NEIGHBOURHOOD POLICY ? STATE OF PLAY

This Commission working document accompanies the Commission's communication on strengthening the European Neighbourhood Policy (ENP). This document reports on overall progress made on the implementation of the EU-Tunisia Action Plan.

The Action Plan, which was adopted in July 2005 and became operational in 2006, is now a coherent framework for dialogue between the European Union (EU) and Tunisia. It has enabled an in-depth dialogue to be launched on economic and business matters and on various sectoral policy issues. Five subcommittees met during the first seven months of 2006 (economic dialogue, agriculture and fisheries, transport, environment and energy, research and innovation, customs cooperation).

Improving living standards remained a constant priority of government policy, in line with the ENP objective of creating an area of shared prosperity.

Good progress has been made on most of the economic and social reforms and the sector-specific measures indicated in the Action Plan, including in the transport, energy and scientific research fields.

On a more general note, there is a high degree of cohesion between the Action Plan and Tunisia's own priorities. These priorities focus on creating productive employment by making the Tunisian economy a knowledge-based economy, and hence more competitive. This objective is all the more relevant in view of the challenge that high growth in unemployment among young graduates, and the social unrest and migration which it generates, presents to Tunisia and Europe.

There has been less progress on the political front in recent months, however, particularly as regards cooperation and dialogue on political and security issues. Preparations by the Subcommittee on Human Rights and Democracy are still focused on its rules of procedure. A start should be made on implementing the modernisation programme for the justice system, which was signed at the end of December 2005. Civil society projects with the EU have so far proved problematic, especially as regards implementation of the Tunisian League of Human Rights projects.

As regards aid, there is a high degree of cohesion between cooperation programmes for 2007-2010 and the Action Plan's economic and social priorities. This is reflected in the large number of twinning programmes and the institutional reforms linked to budget aid.

Strengthening the European neighbourhood policy

ISRAEL? EUROPEAN NEIGHBOURHOOD POLICY ? STATE OF PLAY

This Commission working document accompanies the Commission's communication on strengthening the European Neighbourhood Policy (ENP). This document reports on overall progress made on the implementation of the EU-Israel Action Plan. As such, it concentrates primarily on the development of EU-Israel bilateral relations and on issues involved in implementing the Action Plan.

The EU-Israel ENP Action Plan was adopted on 11 April 2005 in the context of the conclusion of an Association Agreement, and developed relations further in the context of the Euro-Mediterranean Partnership. It sets out a three year programme of specific activities to which both sides are committed.

This document reports on progress made on the implementation of the priorities addressed in the first year. As such, it concentrates primarily on the development of EU-Israel bilateral relations, and on technical issues involved in implementing the Action Plan. It is not a general review of the political and economic situation in Israel. Nevertheless, it remains true that bilateral EU-Israel relations in the context of the ENP Action Plan cannot be thoroughly reported without reflecting the overall political situation in the Middle East. The period covered by this review witnessed a serious escalation of the conflict, involving military action in Lebanon, with a significant impact on the daily lives of the population in Lebanon, the Palestinian Territories, and Israel.

Overall, the report highlights that implementing the Action Plan has begun to help better define the path and framework of EU-Israel relations while enabling the deepening and strengthening of co-operation in a wide spectrum of areas. In the course of implementing the Action Plan, EU-Israel cooperation has developed in the area of political dialogue; promoting trade and investment; justice and security; science and technology including space cooperation, as well as higher education.

Furthermore, technical workshops on a large number of specific subjects relating, for example, to:

- preventing terrorist financing;
- promoting judicial and police cooperation;
- protecting the environment;
- combating racism/xenophobia/anti-semitism have been organised

Despite this progress, differences remain on important questions relating to respect for international law and human rights in the context of the conflict, difficulties in respecting the principles of the Roadmap, and a number of issues affecting the potential to reach a final status agreement between Israel and the Palestinians. These issues are the subject of continuing dialogue, including in the context of the Action Plan.

Strengthening the European neighbourhood policy

PURPOSE: to set out fresh Community Actions Plans seeking to strengthen the European Neighbourhood Policy (ENP).

CONTENT: this Commission Communication sets out a comprehensive account of the European Neighbourhood Policy (ENP's) success in the first eighteen months of its implementation but gives warning that there is room for improvement.

The European Neighbourhood Policy was set up in order to generate economic development, stability and better governance in the EU's neighbouring countries. The ENP, it should be noted, remains distinct from the process of EU enlargement. The Commission notes that most ENP countries have made considerable political and economic progress. Indeed, some partner countries have made the Action Plans the centrepiece of their domestic reform agendas and some international financial institutions (IFIs) are also aligning their policies with the EU Action Plans set up under the ENP.

Nevertheless, poverty, unemployment, mixed economic performance, corruption and weak governance remain major challenges. The problems of 'frozen conflict' and border tensions make peaceful co-existence amongst the neighbouring community harder to establish. This is not only a problem for the neighbouring but countries but for the EU's as well. Security tensions in the neighbouring countries risks spill-overs such as illegal immigration, unreliable energy supplies, environmental degradation and terrorism. In view of this the Commission recommends that the ENP be strengthened. A number of ENP strengths and weaknesses are described in the report.

Strengths: The ENP's strengths lie in its ability to promote integration (e.g. the active promotion of freedom, security and justice and the rule of law); joint ownership (e.g. the ENP Action Plans are not imposed by either side but are an agreed agenda for common work); concreteness (e.g. the ENP Action Plans are very detailed making them easier to discuss, agree upon and implement); and lastly the better use of funds (e.g. the new 'European Neighbourhood and Partnership Instrument' or ENPI, will offer more explicit, policy driven, forms of Community/partner co-operation).

Weaknesses: A number of areas have been identified where progress can be made. They refer, in particular, to trade and economic integration; mobility and migration, and regional conflicts.

Based on the assessment outlined above the Commission is proposing that the ENP be strengthened along the following lines:

Enhancing the economic and trade component: Deeper economic integration with the ENP partners is central to the success and credibility of the policy. The Action Points set out under this heading include a deeper and more comprehensive approach to Free Trade Agreements; enhanced support for reforms and a greater effort to improve the trade and economic environment.

Facilitating mobility and managing migration: Mobility is vital to promoting internal trade and investment, in building mutual awareness and encouraging economic, social and cultural contacts. The proposed Action Plans include visa facilitation, well-managed mobility and migration plans, illegal immigration and a more efficient border management scheme.

Promoting people to people exchanges: Under this heading the EU is seeking to offer a more 'human face' of the EU to ENP countries by delivering a better understanding of each others' cultures. People, and not just officials, should be able to see the impact of a stronger bond between the EU and its neighbours. As such the Action Points related to this heading will encourage people to people exchanges in the field of education, culture, research, civil society exchanges, exchanges between regional and local authorities; regulatory training, business to business contacts and the visibility of information activities.

Building a thematic dimension to the ENP: The purpose here is to promote cross-cutting themes. Themes that affect both Southern and Eastern ENP countries – such as energy, transport, the environment, rural development, information society, research co-operation, public health, financial services, border management, migration and maritime affairs. The Action Points will focus specifically on encouraging multilateral and bilateral dialogue with ENP partners; additional multilateral agreements in the energy and transport sector; extending EU transport and energy networks to neighbouring countries; and the participation of ENP partners on related Community agencies and programmes.

Strengthening political co-operation: Conflict threatens the EU's own security. The ENP can provide the means for a strengthened dialogue that is accompanied by concrete support for reform and development. The main points of for Action include a more active EU role in regional or multilateral conflict-resolution efforts; informal high-level ENP meetings in 2007; intensified Parliamentary co-operation; and the strengthening of EU diplomatic presence in all ENP partner countries.

Enhancing regional co-operation: The Action Points under this heading include more regional co-operation in the form of the 'Black Sea Synergy' initiative; the full implementation of the Euro-Mediterranean Work Programme; and strengthened co-operation with 'the neighbours of our neighbours' on matter that concern energy, transport, the fight against illegal immigration.

Strengthening financial co-operation: As from 2007 funding under the ENP stems from the newly approved 'European Neighbourhood and Partnership Instrument' (ENPI), together with a new lending mandate of the European Investment Bank. In order to reward progress the Commission intends to leverage its financial assistance by setting aside EUR 300 million, or EUR 43 million per year, for a 'Governance Facility', the purpose of which is to provide additional support, on top of the normal country allocation, to those countries that have made the most progress toward reform. It also intends to set aside EUR 700 million, or EUR 100 million per year on average, for a 'Neighbourhood Investment Fund', to be used to support the IFI in lending in the ENP countries.

To conclude, in the two years since its inception, ENP progress confirms the potential of this long-term policy. In order to support the EU's neighbours with costly and demanding reform agendas, the Commission proposes that the EU present a more attractive offer to the partner countries. To that end the Member States will be expected to play their part. The proposed strengthening of the ENP will require a full political as well as a commensurate economic and financial commitment. As the Progress Reports, which accompany this Communicate, highlight the EU's partner countries are committed to the ambitious ENP Action Plans. It is now up to the EU to support them in their reform process. The proposals outlined above will represent a robust offer to the ENP partners.

Strengthening the European neighbourhood policy

The Council held an exchange of views and adopted the following conclusions on the European Neighbourhood Policy:

- Firstly, it welcomed the significant progress that has been made in strengthening the European Neighbourhood Policy (ENP), a core priority within the EU's external action, under the mandate agreed by the European Council of December 2006. It endorsed the Presidency's Progress Report which takes stock of the substantial accomplishments to date and looks forward to the future development of the strengthened ENP. It reaffirmed the crucial importance of the ENP to consolidate a ring of prosperity, stability and security based on human rights, democracy and the rule of law in the EU's neighbourhood. Continuous efforts should be made so that all partner countries truly embrace a strengthened ENP.

The Council recalled the key principles of the ENP:

- ENP is a strategy based on partnership and joint ownership to promote modernisation and reform;
- ENP is a single, inclusive, balanced and coherent policy framework;
- performance-driven differentiation and tailor-made assistance remain essential for EU relations with the neighbouring countries;
- ENP remains distinct from the question of EU membership and does not prejudice any possible future developments of partner countries' relationship with the EU.

- The Council welcomed the work achieved so far in deepening the ENP's economic, financial, thematic, regional and civil society dimensions. It underlined that deeper economic integration is an essential building block of the strengthened ENP, to be achieved in particular by the progressive adoption of deep and comprehensive free trade agreements. The opening of negotiations on such agreements will be preceded by the accession of our partner countries to the WTO. It particularly welcomed the opening of negotiations on an Enhanced Agreement with Ukraine, certain aspects of which could serve as a model for other ENP partners in the future.

- The Council welcomed the Commission's ongoing work to establish a Governance Facility, with objective and transparent allocation criteria, to better encourage partners' reforms, and took note of the ongoing work to set up a Neighbourhood Investment Fund, which should be fully compatible with FEMIP. It underlined the importance of the progress made on the opening of Community agencies and programmes to partner countries.

- The Council underlined the importance of the extension of the Global Approach to Migration to the neighbouring Eastern and South-Eastern regions and considered that further initiatives could be explored to facilitate mobility for certain categories of people from ENP countries to the EU, in particular for participation in ENP-related events.

- The Council equally welcomed the decision to invite Armenia, Azerbaijan and Georgia on a case by case basis to align with EU declarations, demarches and positions on CFSP issues. A similar possibility should be pursued for the EU's Mediterranean partners.

The Council welcomed the adoption and the beginning of implementation of the Egypt and Lebanon ENP Action Plans, which will allow the strengthening of relations with these two countries.

- The Council welcomed that work on a strengthened and coherent EU engagement towards the Black Sea area has started and recalled the Council Conclusions of 14 May 2007 on the Black Sea Synergy Initiative. In developing this initiative, the EU can build on the experience gained in the context of the Barcelona Process and consider the lessons learnt in the Northern Dimension and build upon synergies with other regional cooperation processes.

- Lastly, the Council underlined that the efforts to develop the strengthened ENP as a core foreign policy should continue dynamically and invited the incoming Presidencies and the Commission to take forward this work in the relevant bodies.

Strengthening the European neighbourhood policy

The Committee on Foreign Affairs adopted the joint initiative report draft by Charles TANNOCK (EPP-ED, UK) and Raimon OBIOLS i GERMA (PES, ES) in response to the Commission's communication on strengthening the European Neighbourhood Policy (ENP). The report fully supports the principal objectives of the ENP, which is aimed at consolidating a ring of prosperity, stability and security, to develop close ties with and between neighbouring states and to commit them to pursue reforms towards democracy based on respect for human rights, the rule of law, better governance and economic and social development. MEPs underline the need for special attention to be paid to the promotion of equal rights, in particular the improvement of women's rights, but also as regards minorities and the ability of the neighbouring countries to overcome ethnic, religious or social conflicts by peaceful means.

Geographical coverage of the ENP: MEPs expressed doubt about the meaningfulness of the ENP's geographic scope, as it involves countries which geographically are European together with Mediterranean non-European countries. They note, however, that it does not currently seem realistic to fundamentally change this overarching policy framework and therefore stress the need for a greater effort to define the multilateral objectives and instruments of this policy so as to enable the EU and its neighbouring states to face shared challenges, and at the same time to respect the different conditions and specific characteristics of the regions and countries involved.

Moreover, the report notes that the conditionality enshrined in the ENP approach draws on the positive experience of enlargement. It can constitute an appropriate incentive for acceleration of reform processes in the ENP countries towards their convergence with the EU if conceived positively and differentiated according to the specific needs and capacities of the country concerned. The committee underlines that respect for universal human rights and fundamental freedoms is the core principle of EU policy and that, regardless of the degree of willingness of partner countries' governments to cooperate and to share in these values, civil society in all ENP countries must be strongly supported and its participation and core role in the reform and democratisation process encouraged. The committee therefore urges that partnership fora should be held on a periodic basis. Actions aiming to intensify people-to-people contacts are strongly supported by the MEPs, such as city and region-twinning programmes, exchange programmes (Erasmus Mundus).

Strengthening coherence: Member States are urged to align their own policies in ENP countries as much as possible with the priorities set out in the ENP's Country Strategy Papers in order to guarantee policy compatibility, coherence and complementarity. The fact that Ukraine, Moldova, Georgia and Armenia have aligned themselves with most of the EU's CFSP declarations and positions has been welcomed.

On trade issues, the committee welcomes the longer-term aim of establishing a neighbourhood-wide free trade area. It supports the negotiation of bilateral deep free trade agreements between the EU and the respective ENP countries, which should, in line with the

implementation of regulatory reforms, go beyond tariffs and encompass services and the protection of investments.

Further multilateral cooperation: cooperation should go beyond existing regional cooperation. Relations should be built in areas such as the environment, energy security, culture, transport and border and migration management. MEPs support the negotiation of legally binding sectoral agreements which facilitate the integration of common policies. They stress in particular the need to leverage investments in extending the trans-European energy and transport networks to the ENP countries. In the area of justice and home affairs, MEPs stress the need for further cooperation as regards visa facilitation and readmission agreements. Improvements are needed as regards the management of migration flows, combating illegal migration and ensuring that international human rights obligations are respected. It calls on the Member States, the EU and all ENP countries to intensify their cooperation in the fight against trans-national organised crime, terrorism, trafficking in human beings and drug trafficking. The report stresses the need to ensure that the implementation of readmission agreements fully respects the principle of non-refoulement, and to ensure access to a fair asylum procedure. It urges the Commission to organise effective monitoring of the treatment of persons returned under readmission agreements concluded with ENP countries, in particular with regard to possible 'chain refoulement'.

The report also advocates better dialogue and coordination and more joint actions between the EU and the USA in advancing common goals such as the promotion of democracy, the enhancement of energy security and the strengthening of regional security in the EU's neighbourhood.

Financing: MEPs stress the need for appropriate levels of funding and close coordination with other financial institutions in order to make the neighbourhood policy successful. They believe that advantage should be taken of the review of the 2007-2013 financial perspective planned for 2008-2009 to increase the budget of the ENPI. They call on the Commission to coordinate its financial resources and policy analysis capabilities with those of the international financial institutions (EIB, EBRD, World Bank), so as to generate synergies in conditioning and stimulating reforms along the lines of the ENP action plans. The motivating concept of the Governance Facility to provide additional financial support to best-performing countries is welcomed. This should reward real progress made in terms of objectives related to human rights and democratic governance, be based on transparent allocation criteria, and be used to further support the reform process.

Eastern European Neighbourhood: the report notes that that democratic neighbours which are clearly identifiable as European countries and which respect the rule of law may in principle apply, pursuant to Article 49 of the Treaty on European Union, for membership of the EU if they meet the Copenhagen criteria. It reiterates that the current negotiations with Ukraine should result in the conclusion of an association agreement before envisaging its accession. A corresponding approach should be taken in relation to Moldova.

As regards Belarus, on the other hand, the committee condemns the continued executions carried out in there, the only country in Europe still imposing the death penalty. It underlines that the EU should urgently provide more effective support for civil society, free media and political parties committed to democracy and that it should immediately apply a moratorium on the death penalty. The report considers that Belarus has the same European vocation and perspectives as Ukraine and Moldova, once it embraces democracy, respects fundamental human rights and freedoms and enhances the rule of law.

The committee is convinced that a motivating framework with medium-term implementation targets should be established, based on a new generation of association agreements to be negotiated with ENP countries which respect fundamental European values, are willing to integrate more closely with the EU and demonstrate objective performance in terms of ENP action plan implementation. These agreements should envisage the development of the bilateral relationship with the EU in progressive stages. It reiterates its earlier proposal to develop with those countries clearly identifiable as European the deep free trade agreements in the context of a possible 'European Economic Area Plus'.

As regards the south Caucasus, MEPs commend the conclusion of the visa facilitation and readmission agreements with Ukraine, as well as the initiation of such a process with Moldova. They stress the importance of having adequate guarantees of access to a fair asylum procedure for those in need of international protection, in particular when applying 'accelerated readmission procedures' to persons intercepted in border regions, as provided for in the readmission agreement with Ukraine and the proposal for a readmission agreement with Moldova. They believe that the gradual integration of the EU's eastern neighbours into the European Energy Community should be pursued, and urge that reforms of energy sectors be implemented as a matter of priority. The report underlines the need for a stronger involvement on the part of the EU in the resolution of so-called frozen conflicts, inter alia through confidence-building programmes, conflict management and projects on education, culture and civil society building in breakaway territories (Abkhazia and South Ossetia).

The committee calls on Turkey to establish normal diplomatic relations and to re-open its land border with its neighbour Armenia as part of the confidence-building measures necessary for lasting peace and economic integration in the region. It underlines the importance of elaborating a more sophisticated policy for the Black Sea area, complementing the ENP, and emphasises the importance of having Turkey and Russia as partners in the development of a viable strategy for that region. The committee considers it important to enhance the parliamentary dimension of the political partnership between the European Parliament and the countries involved in the eastern part of the ENP. It suggests, therefore, the setting-up of an EU-Neighbourhood-East Parliamentary Assembly (EURO-NEST), following the example of the multilateral parliamentary assemblies already established with the participation of the European Parliament, and involving the Parliaments of Ukraine, Moldova, Armenia, Georgia and Azerbaijan, as well as pro-democracy observers from Belarus. This assembly would usefully contribute to the implementation of the strengthened ENP and would bring added value to the work of bilateral interparliamentary delegations.

Southern Mediterranean Neighbourhood: emphasising the strong and long-lasting links between the EU and the southern Mediterranean countries, MEPs call on the Commission to further explore the various options for the next generation of broad-scope agreements with the Southern ENP countries including provision for arrangements to implement the human rights clause as well as the creation of a free trade area. They regret that, although, since the beginning of the Euro-Mediterranean Partnership, substantial progress has been achieved as regards democracy and human rights, this progress has not been sufficient. They urge the Commission to continue working with governments, regional and local authorities and civil society actors in these countries. They call on the Member States to reflect on possible ways of achieving deeper cooperation, including by means of increased flexibility in opening agricultural and labour markets in the future, in ways compatible with social protection and equity. The Southern ENP countries are urged to increase their efforts to open economic systems to a greater extent and to harmonise their economic regulation with the relevant parts of the EU acquis.

The report acknowledges the different circumstances, interests and priorities of each of the southern countries, which are taken into account in the negotiation and implementation of action plans. It stresses the utmost importance of an increase in regional cooperation within the Euro-Mediterranean Partnership (EMP) framework and underlines that the ENP in no way replaces or competes with the EMP, but that the two policies are complementary, making it possible to combine the multilateral approach of the Barcelona Process with the bilateral perspective.

The role of the European Parliament: the report reiterates its commitment to continue to scrutinise the implementation of the ENP, in particular by making use of its powers, including, as a last resort, its budgetary powers, and by continuing the dialogue with the Commission concerning

the application of the ENPI and the European Instrument for Democracy and Human Rights (EIDHR). The committee intends to examine regularly the ENP progress reports and undertakes to make more effective use of its delegations to interparliamentary bodies. It stresses, in this respect, the importance of the nongovernmental dimension, namely the Euro-Mediterranean civil society platform, in strengthening the political dynamic in the southern partner countries.

Strengthening the European neighbourhood policy

The European Parliament adopted a resolution based on the own-initiative report drafted by Charles TANNOCK (EPP-ED, UK) and Raimon OBIOLS i GERMA (PES, ES) in response to the Commission's communication on strengthening the European Neighbourhood Policy (ENP). It states its full support for the principal objectives of the ENP, which is aimed at consolidating a ring of prosperity, stability and security, to develop close ties with our neighbouring states and to commit them to pursue reforms towards democracy. Parliament underlines the need for special attention to be paid to the promotion of equal rights, in particular the improvement of women's rights, but also as regards minorities.

Members express doubts about the meaningfulness of the ENP's geographic scope, as it involves countries which geographically are European together with Mediterranean non-European countries. However, it does not currently seem realistic to change this overarching policy framework. Therefore, they stress the need for a greater effort to define the multilateral objectives of this policy so as to enable the EU and its neighbouring states to face shared challenges, and at the same time to respect the different conditions and specific characteristics of the countries involved. Parliament strongly advocates that the entire implementation of the policy take as much account as possible of the differing identities of all the countries covered by the ENP, in order to develop the most appropriate middle- and long-term incentives for reform and to strengthen the commitment of these societies to the process of modernisation and cooperation and integration with the EU. It notes that the conditionality enshrined in the ENP approach draws on the positive experience of enlargement, and considers that conditionality can constitute an appropriate incentive for acceleration of reform processes in the ENP countries towards their convergence with the EU if conceived positively and differentiated according to the specific needs and capacities of the country concerned. Parliament strongly underlines that respect for universal human rights is the core principle of EU policy. Regardless of the degree of willingness of partner countries' governments to cooperate and to share in these values, civil society in all ENP countries must be strongly supported. The Commission was asked to negotiate the setting-up of subcommittees on human rights with all ENP countries. Parliament urges that partnership fora should be held on a periodic basis. Actions aiming to intensify people-to-people contacts are strongly supported by MEPs, such as city and region-twinning programmes, exchange programmes (Erasmus Mundus).

Parliament advocates the deepening of regular political dialogue between the EU and the ENP countries and welcomes the fact that Ukraine, Moldova, Georgia and Armenia align themselves with most of the EU's Common Foreign and Security Policy (CFSP) declarations and positions. Such alignment with EU foreign policy should be open to all other ENP countries. It welcomes the longer-term aim of establishing a neighbourhood-wide free trade area and supports the negotiation of bilateral deep free trade agreements between the EU and the respective ENP country, which should go beyond tariffs and encompass services and the protection of investments. It regrets that the EU has not hitherto considered it possible to open up its market to products which the ENP countries are in a particularly good position to supply at competitive prices and which are of a quality that meets EU standards. It also supports the development of multilateral cooperation between the EU and its partners on sectoral themes.

On migration, Parliament advocates that visa facilitation and readmission agreements be negotiated with all ENP countries. It stresses the need to improve the capacity of ENP countries to manage migration flows, effectively combat illegal migration and ensure that international human rights obligations are respected. Member States, the EU and all ENP countries must intensify their cooperation in the fight against trans-national organised crime, terrorism, trafficking in human beings and drug trafficking. The implementation of readmission agreements must fully respect the principle of non-refoulement, and ensure access to a fair asylum procedure. The Commission is urged to organise effective monitoring of the treatment of persons returned under readmission agreements concluded with ENP countries, in particular with regard to possible 'chain refoulement'.

The report also advocates better dialogue and coordination and more joint actions between the EU and the USA in advancing common goals such as the promotion of democracy, the enhancement of energy security and the strengthening of regional security in the EU's neighbourhood.

Financing: MEPs stress the need for appropriate levels of funding and close coordination with other financial institutions in order to make the neighbourhood policy successful. They believe that advantage should be taken of the review of the 2007-2013 financial perspective planned for 2008-2009 to increase the budget of the ENPI. They strongly underline the need to maintain an overall balance between the eastern and the southern parts of the ENP, reflecting the EU's ambitions and objectives in the regions, the effectiveness of previous assistance and the size of the population concerned. They call on the Commission to coordinate its financial resources and policy analysis capabilities with those of the international financial institutions (EIB, EBRD, World Bank), so as to generate synergies in conditioning and stimulating reforms along the lines of the ENP action plans. The motivating concept of the Governance Facility to provide additional financial support to best-performing countries is welcomed. This should reward real progress made in terms of objectives related to human rights and democratic governance, be based on transparent allocation criteria, and be used to further support the reform process.

Eastern European Neighbourhood: the report notes that that democratic neighbours which are clearly identifiable as European countries and which respect the rule of law may in principle apply for membership of the EU if they meet the Copenhagen criteria. It reiterates that the current negotiations with Ukraine should result in the conclusion of an association agreement which contributes to Ukraine's prospects in Europe and initiates the corresponding process, including the possibility of EU membership. A corresponding approach should be taken in relations to Moldova.

However, with regard to Belarus, Parliament is seriously concerned by the lack of a positive response on the part of the government of Belarus to the conditional cooperation offer formulated by the Commission on 21 November 2006. It condemns the continued executions carried out in Belarus, the only country in Europe still imposing the death penalty, and other violations by Belarusian authorities of fundamental human rights and freedoms, and calls upon them to release all political prisoners and to stop any oppression of democratic forces. The EU should provide more effective support for civil society, free media and political parties committed to democracy. Parliament encourages the Commission to make more effective use of the European Instrument for Democracy and Human Rights (EIDHR), and to ensure that the means provided by the EU financial instruments cannot be misused by the Belarusian government against Belarusian citizens and civil society. Belarus has the same European vocation and perspectives as Ukraine and Moldova, once it embraces democracy, respects fundamental human rights and freedoms and enhances the rule of law.

Parliament is convinced that a motivating framework with medium-term implementation targets should be established, based on a new generation of association agreements to be negotiated with ENP countries which respect fundamental European values, are willing to integrate more closely with the EU and demonstrate objective performance in terms of ENP action plan implementation. Those agreements should envisage the development of the bilateral relationship with the EU in progressive stages, negotiating concrete conditions and timetables to be met, including binding performance benchmarks to be specified in the jointly adopted action plans, and accompanied by a regular monitoring process. Parliament reiterates its earlier proposal to develop with those countries clearly identifiable as European deep free trade agreements in the context of a possible 'European Economic Area Plus'.

It commends the conclusion of the visa facilitation and readmission agreements with Ukraine, as well as the initiation of such a process with Moldova, and urges that similar agreements be negotiated with the South Caucasus countries. The prospect of a visa-free regime should be envisaged in the long term. In the case of Georgia the progress of reforms and the unintended negative impact of the visa facilitation agreement between the EU and Russia on the settlement of conflicts in the breakaway Georgian regions of South Ossetia and Abkhazia necessitate a speedy conclusion of the visa facilitation agreement between Georgia and the EU. Members believe that the gradual integration of the EU's eastern neighbours into the European Energy Community should be pursued, and urge that reforms of energy sectors be implemented as a matter of priority. The report underlines the need for a stronger involvement on the part of the EU in frozen conflicts, inter alia through confidence-building programmes, conflict management and projects on education, culture and civil society building in breakaway territories.

Parliament calls on Turkey to establish normal diplomatic relations and to re-open its land border with its neighbour Armenia as part of the confidence-building measures necessary for lasting peace and economic integration in the region. Turkey and Armenia should commence a frank discussion on all outstanding issues. It also underlines the importance of elaborating a more sophisticated policy for the Black Sea area, complementing the ENP, and emphasises the importance of having Turkey and Russia as partners in the development of a viable strategy for that region. The report considers it important to enhance the parliamentary dimension of the political partnership between the European Parliament and the countries involved in the eastern part of the ENP and suggests, therefore, the setting-up of an EU-Neighbourhood-East Parliamentary Assembly (EURO-NEST), following the example of the multilateral parliamentary assemblies already established with the participation of the European Parliament, and involving the Parliaments of Ukraine, Moldova, Armenia, Georgia and Azerbaijan, as well as pro-democracy observers from Belarus.

Parliament stresses the need to use the strategic partnership between the EU and Russia to insist that fundamental human rights and freedoms, international law, democratic choice and the rule of law be respected as principles governing the approach of both partners to the shared neighbourhood. Parliament calls on the Russian authorities to assume their responsibility to help restore the territorial integrity of ENP countries, to comply with Russia's obligation to protect minorities in areas where it is involved in peace-keeping operations, and not to oppose possible European involvement in civilian and military peace-keeping operations in the frozen conflict areas. It regrets the use of energy resources as a tool for the realisation of political objectives, and invites Russia to enter into a constructive dialogue with the EU and our common neighbours about possibilities for deepening multilateral cooperation in the Black Sea area.

Distinctive and far-reaching cooperation should be developed between the European Union and the countries of Central Asia. Given Kazakhstan's key political, economic and energy role in this region, as well as its distinctive and successful secular multi-ethnic structures, this country could be the first example of a reinforced relationship between the countries of Central Asia and the European Union, subject however to Kazakhstan's undertaking extensive political reforms, with special attention being paid to the respecting of human rights and democratic principles.

Southern Mediterranean Neighbourhood: the European Union should actively support and encourage the reform processes in the southern ENP countries, as the potential benefits of far-reaching political, economic and social reforms amply exceed their cost. MEPs call on the Commission to further explore the various options for the next generation of broad-scope agreements with the Southern ENP countries including provision for arrangements to implement the human rights clause as well as the creation of a free trade area. Those bilateral agreements should not be at the expense of furthering multilateral cooperation in the region, and in particular the pursuit of the Barcelona Process goals, including the creation of a free trade area. Parliament calls on the Member States to reflect on possible ways of strengthening cooperation, including by means of increased flexibility in opening agricultural and labour markets in the future, in ways compatible with social protection and equity. The Southern ENP countries must redouble their efforts to open economic systems to a greater extent and to harmonise their economic rules with the relevant parts of the EU acquis. Parliament stresses the need to grant Mediterranean countries the right to control the pace at which their markets are opened up and their national economic and social development strategies. Members regret that, although, since the beginning of the Euro-Mediterranean Partnership, substantial progress has been achieved as regards democracy and human rights, this progress has not been sufficient. They urge the Commission to continue working with governments, regional and local authorities and civil society actors in these countries. The report acknowledges the different circumstances, interests and priorities of each of the southern countries, which are taken into account in the negotiation and implementation of action plans. It stresses the utmost importance of an increase in regional cooperation within the Euro-Mediterranean Partnership (EMP) framework and underlines that the ENP in no way replaces or competes with the EMP, but that the two policies are complementary, making it possible to combine the multilateral approach of the Barcelona Process with the bilateral perspective.

Lastly, Parliament reiterates the need for stronger political will on the part of the EU institutions and the Member States to engage actively in conflict resolution in the region, whilst preventing the conflicts from standing in the way of the development of the ENP. The ENP will not reach its full potential without resolving conflicts which make regional cooperation difficult or impossible.

The role of the European Parliament: Parliament reiterates its commitment to continue to scrutinise the implementation of the ENP, in particular by making use of its powers, including, as a last resort, its budgetary powers, and by continuing the dialogue with the Commission concerning the application of the ENPI and the EIDHR. It intends to examine regularly the ENP progress reports, but regrets the fact that it has not been consulted on the ENP Action Plans, the assessment of their implementation or progress in the discussions within the human rights subcommittees.