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Implementation of the European Neighbourhood Policy in 2008

Sectoral Progress Report

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Introduction

The common agenda of the EU and its sixteen partners under the European Neighbourhood Policy (ENP¹) includes a wide range of political, socio-economic and ‘people to people’ areas of cooperation. This report summarises the common implementation of this deep and fruitful agenda, in 2008, on a series of sectoral subject matters. It also provides a snapshot of selected operational issues under the European Neighbourhood and Partnership Instrument (ENPI) (Neighbourhood Investment Facility, TAIEX, twinning, SIGMA). Bilateral financial cooperation is dealt with in the country progress reports. Furthermore, it describes the state of play regarding the preparation of the participation by ENP partners in Community programmes and agencies. Annexes on these issues, governance and economic indicators and mobility complete the document.

Sectoral policy dialogue remains one of the tools in supporting ENP partners in their reform. Progress on sector reform is one of the political instruments towards better governance in our neighbourhood and brings citizens a better socio-economic environment. In 2008, as in previous years, the ongoing sectoral policy dialogue provided excellent opportunities for peer contacts between the EU and ENP partners in areas such as social reform, trade, migration and visa issues, transport, environment, climate change, energy, student mobility, education, culture, health and statistical methodologies and standards. This enabled a significant transfer of reform know-how. The ENP partners showed, although to varying degrees, some increased interest, in line with the ambitions of the ENP Action Plans, in a gradual approximation with EU standards and rules. Sectoral dialogues continued to be held, *inter alia*, in the numerous sectoral subcommittees and working groups established under the bilateral agreements with the ENP partners. In addition, informal dialogue contributed to strengthening sectoral relations with the ENP partners.

Social reform and policy

In the field of **employment and social policy** much remains to be done. All ENP partners continue to consider the fight against poverty and the promotion of employment as priorities. The first Euro-Mediterranean Employment and Labour Ministers Conference took place in Morocco in November 2008. It addressed various aspects related to human development, and adopted an ambitious framework for action to promote employment creation, the modernisation of labour markets, and decent work. Most partners are still faced with a number of challenges such as high unemployment, which particularly affects young people and women, the prevalence of an informal economy, leaving workers without social rights and social protection, as well as the mismatch between education and labour-market needs. Most countries lack an integrated approach combining economic, employment and social objectives. They also suffer from poor administrative capacity in this area. Significant efforts are needed to implement effective labour-market policies and to promote decent work,

¹ The ENP covers Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Republic of Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine. Bilateral Action Plans have been adopted with twelve of the partners, namely all but Algeria, Belarus, Libya and Syria.

and aimed at productive employment, rights at work, social protection, social dialogue and equal opportunities for men and women. The social and employment impact of the global economic crisis is increasing these challenges.

Several countries took steps to strengthen bipartite and tripartite **social dialogue** (*Egypt and the Republic of Moldova* (hereinafter, including in the tables, *Moldova*). However, further efforts are needed to effectively establish a fully fledged social dialogue and ensure that the relevant International Labour Organisation (ILO) fundamental conventions on freedom of association and collective bargaining are ratified by all partners (*Jordan, Lebanon and Morocco*). *Armenia* and *Azerbaijan* qualified for the special incentive arrangement for sustainable development and good governance, the GSP+ scheme, for 2009-2011. The scheme was also renewed for *Georgia* which needs to fully demonstrate on the ground its commitment to develop and respect social dialogue in line with the respective ILO core labour standards.

Overall, **social protection** coverage remains poor. Most countries are still in the early process of developing social protection and pension schemes but a few (*Morocco* and *Moldova*) have started reforms. The measures undertaken over the reporting period have not yet fully yielded their fruits and the impact of the financial crisis is expected to enhance the challenges for social protection. The social inclusion of vulnerable groups needs to be further addressed.

Participation of **women** in social, political and economic life still has to be strengthened in varying degrees. Discrimination against women and/or domestic violence remains widespread. Further criminalisation of offences against women is needed. While substantial barriers remain, many countries have taken measures to further promote gender equality. Significant efforts are needed in order to increase women's participation in the labour market.

The ENP partners continued to make limited progress with regard to implementing **sustainable development**. Most partners have in the meantime established sustainable development strategies and related inter-ministerial structures. However, under the particular circumstances of the areas in question, those structures are very slow in delivering. Therefore, continued attention is needed in most cases to ensure proper functioning of such structures towards more concrete implementation of sustainable development strategies. In view of the current global economic situation, a particular effort will be required in order to reconcile the ongoing structural adjustment process with sustainable development requirements, based on a recognition of how sustainable development can support long-term poverty reduction.

Trade, market and regulatory reform

Considerable progress was made in 2008 in the area of **trade and economic integration**, a central plank of the intensified ENP. Negotiations on the Deep and Comprehensive Free Trade Agreement (DCFTA) with *Ukraine* were formally launched in February 2008 after the conclusion of Ukraine's WTO accession process. The European Commission Autonomous Trade Preferences (ATPs) for *Moldova* entered into force on 1 March 2008. Negotiations for further liberalisation of trade in agricultural, processed agricultural, fish and fishery products were concluded with *Israel and Egypt*. Negotiations with *Morocco* and *Tunisia* are still ongoing. Feasibility

studies exploring the possibility of free trade agreements with *Georgia* and *Armenia* were concluded in May 2008 and subsequently a preparatory process for possible future negotiations of a DCFTA with each of two countries was launched. In this framework, the European Commission in particular carried out a fact-finding mission to *Georgia* in October 2008 and a similar mission to *Armenia* took place after the reporting period, in February 2009. A similar feasibility study for *Moldova* was launched in December 2008. Bilateral negotiations were launched with several Mediterranean ENP partners on the liberalisation of services and the right of establishment (*Egypt, Israel, Morocco, and Tunisia*). Technical discussions with Mediterranean ENP partners (*Algeria, Egypt, Israel, Jordan and occupied Palestinian territory*) on dispute-settlement mechanisms also continued in 2008; negotiations on a bilateral protocol had been concluded with *Tunisia*. Negotiations on a free trade agreement were launched with *Libya* in November 2008. The Association Agreement with *Syria* was initialled. A roadmap with *Algeria* including actions in the area of trade, internal market and regulatory reform was adopted in September 2008; it is aimed at re-launching bilateral relations with that country. The Euro-Mediterranean Senior Officials' Working Group continued its preparations for a Euro-Mediterranean Trade Roadmap till 2010 and beyond. Despite some small progress, the results from implementation of the Agadir Agreement appear to be modest, and trade between the four countries (*Jordan, Egypt, Morocco and Tunisia*) remains limited also due to the existence of non-tariff barriers. The four countries in the Agadir framework implement the Pan-Euro-Med system of cumulation of origin.

The **customs** administrations of most of the partner countries, and particularly those of *Egypt, Georgia, Moldova, Morocco and Tunisia* continued their reform in order to facilitate trade and strengthen the security of the supply chain. This included strengthening the use of IT systems combined with increased use of risk-based customs controls. Work on introducing the concept of a single window for all international trade-related documentation and control is ongoing in some of the partner countries (*Jordan, Moldova, Morocco, Ukraine and Tunisia*). *Armenia, Georgia* and *Ukraine* will have to ensure that their customs administration acquires the necessary capacity for certification and verification of origin. *Armenia* started a customs modernisation reform aimed at fighting corruption and introducing the principles of trade facilitation, self-declaration and cooperation with private operators. The European Commission started a dialogue at technical level with the State Customs Committee of *Belarus* on issues of common interest. The new roadmap with *Algeria* includes several commitments in the customs area.

On **standards, technical regulations and conformity assessment**, all ENP partners made progress in the preparatory work towards negotiation of bilateral agreements on Conformity Assessment and Acceptance of Industrial Products (ACAA). They continued progressive alignment towards relevant EU legislation in selected sectors and upgrading of the necessary infrastructure. Challenges remain with regard to setting up the appropriate quality infrastructure, and with regard to legal and technical capacity to manage and enforce the legislation. In December 2008, ACAA negotiations were launched with *Israel* in the sector of Pharmaceutical Good Manufacturing Practice (GMP). Further sectors are under preparation. *Tunisia* progressed well in its ACAA preparations.

Regarding **sanitary and phyto-sanitary** (SPS), the ENP partners made some progress. There is a need to sustain efforts in the coming years. *Armenia* strengthened institutions and laboratories and prepared a draft veterinary law. *Egypt* further reinforced controls on potato exports and for the first time, during the 2007/2008 season, no interceptions took place in the EU. The country adopted legislation introducing at some establishments high hygiene standards based on the hazard analysis critical control point system (HACCP). It continues to take measures to combat avian influenza, after the 2006 outbreak which caused human fatalities. *Georgia*, *Morocco* and *Tunisia* prepared their future participation in the EU's rapid alert system for food and feed (RASFF). *Israel* adopted, in February 2009, a phyto-sanitary law governing the import of plants and plant products. *Jordan* issued legislation regarding a national identification and farm registration system. *Lebanon* prepared a draft Law on animal quarantine. In *Moldova*, the Law on veterinary activity entered into force and a law on protection of plants was adopted. In October, the Government established the Sanitary-Veterinary Agency for Safety of Animal Origin Products. *Morocco* submitted to Parliament key legislation on food safety and the establishment of a food safety agency. It started to participate in TRACES, the Community electronic network for export certificates on animals and animal products. *Tunisia* continued work on a food safety law. *Ukraine's* Government submitted to Parliament a plan for monitoring residues and contaminants in live animals and animal products 2008-2013. It also introduced hygiene rules based on the hazard analysis critical control point system (HACCP) in further establishments. In 2008, the EU added Ukraine to the list of countries with approved residue monitoring plans for poultry (including geese), aquaculture finfish and equidae. Ukraine is already listed for milk, honey and eggs.

In 2008, the European Commission's Food and Veterinary Office carried out several inspection visits to ENP countries (*Egypt*, *Israel*, *Moldova* and *Ukraine*). The ENP partners continued cooperation with the EU in training seminars under the Commission's 'Better Training for Safer food' programme. Cooperation on SPS was also sustained through SPS-related (twinning) projects (e.g. *Azerbaijan*, *Jordan*, *Lebanon*, *Morocco*, *Tunisia* and *Ukraine*). Projects are envisaged in additional countries. In November, *Belarus* and *Ukraine* participated, together with the Russian Federation, in a European Commission Task Force meeting in Riga on rabies eradication. In December the European Commission and *Belarus* enhanced dialogue through an experts' meeting on agriculture and SPS.

As regards **business climate, establishment and company law**, a number of ENP countries (*Egypt*, *Jordan*, *Morocco*, *Tunisia*) conducted reforms aimed at improving the business environment and facilitating enterprise development, bringing their policies closer to those of the EU. Administrative requirements and control of companies still exist in a number of countries. Further efforts are needed to strengthen and instil corporate governance in the ENP region and to complete the ongoing legislative revisions in order to ensure a predictable business environment.

In the area of **taxation**, some partner countries further amended their legislation and in some cases continued reforms to modernise and simplify the tax system (*Armenia*, *Moldova*, *Morocco* and *Tunisia*). This process included strengthening the IT capacity of the tax administrations (*Armenia*, *Jordan* and *the occupied Palestinian territory*) as well as the creation of large tax payers' directorates or units (*Armenia*, *Jordan*). The

number of bilateral treaties on the avoidance of double taxation with EU Member States increased during the reporting period. *Moldova* and *Ukraine* took measures to tackle the issue of VAT refunds. However, a more systematic change is needed in *Ukraine*.

On **competition policy**, some ENP countries made progress in strengthening the competition authority and in enacting modern competition laws. Dialogue continued with most ENP partners on the question of state aid. *Morocco* made progress in activating its Competition Council and is issuing an annual report on all public aid. *Armenia* has a legal and institutional framework in place for competition policy.

Most ENP countries continued to upgrade their legislation in the field of **intellectual property rights** (IPR) but deterrent enforcement of the legislation, including at judicial level, as well as effectively fighting piracy remain a common challenge. The first joint seminar on IPR issues took place in October 2008 between the ENP partners (including *Algeria*, *Belarus* and *Syria*), the European Commission and the European Patent Office.

On **financial services**, most ENP partners implemented financial sector reforms in line with international best practices. In particular, they upgraded the regulatory and supervisory framework and worked to establish independent supervisory authorities. In *Georgia*, a unified Financial Supervision Agency replaced previous separate institutions for supervision of the financial, insurance and securities sectors. *Egypt*, *Israel*, *Jordan* and *Morocco* continued their reforms in the financial sector.

Approximation and full implementation of EU standards in the field of **public procurement** still require a substantial amount of efforts in our partner countries. *Moldova* and *Morocco* started implementing revised legislation, but further work is needed to ensure transparency of procedures.

Further liberalisation took place with regard to **movement of capital and payments** (*Tunisia*, *Ukraine*).

Most ENP partners, including the *Palestinian Authority*, benefited from EU assistance in the field of **statistics**. The aim is to ensure production of reliable data necessary for informed policy making and good governance. As stated last year, *Georgia's* Department of Statistics continues to suffer from a lack of administrative capacity. In the Mediterranean ENP countries, progress was seen in the adoption of EU and international standards and methodologies for statistics in the field of agriculture, energy, environment, migration, national accounts, social affairs, tourism, trade and transport. Memoranda of Understanding on data exchange were signed between *Israel* and *Morocco* and the EC (Eurostat).

The ENP partner countries involved in developing **consumer protection** (*Israel*, *Lebanon*, *Moldova*, *Morocco*, *Tunisia*) continued to take initial steps to better protect the interest of consumers and empower them.

As regards co-operation in the field of **public internal financial control** (PIFC) in the framework of public finance management, *Moldova* and *Ukraine* continued reform efforts in establishing and implementing control systems and internal audit in

accordance with internationally agreed standards. No significant developments were noted in *Armenia*, *Azerbaijan* and *Georgia* while reforms advanced modestly in *Jordan*, *the occupied Palestinian territory* and *Morocco* but lacked pace in *Egypt*, *Lebanon* and *Tunisia*. Public internal financial control, which is based on advanced principles such as managerial accountability and operationally independent and decentralised internal audit, can only successfully develop under the principle of transparency inherent in a democratic state order.

Regarding **enterprise policy**, the Mediterranean partners continued to implement the Euro-Mediterranean Charter for Enterprise. The countries' progress in implementing the Charter was assessed in detail through a study coordinated by the European Commission in cooperation with the OECD, the European Training Foundation and the European Investment Bank.

Most ENP partner countries continued to upgrade their **audit and accounting** systems.

Cooperation on justice, freedom and security

Enhanced mobility remains a litmus test for the credibility of the ENP. On **migration** and **visa facilitation**, the visa facilitation and readmission agreements with *Ukraine* and *Moldova* entered into force on 1 January 2008. *Moldova* worked actively to prepare the protocols to be signed with the EU Member States under the readmission agreement and established a readmission fund. *Ukraine* also smoothly implemented its readmission agreement. The meetings at technical level and the latest session of negotiations with *Morocco* on a readmission agreement have not achieved as much progress as expected.

The EU and *Moldova* also signed a pilot Mobility Partnership in June 2008, under which a Cooperation Platform was organised in November 2008. The pilot Mobility Partnership aims to facilitate legal migration while at the same time combating illegal migration. In June 2008, the Council invited the Commission to open a dialogue with *Georgia* with a view to launching a Mobility Partnership.

In May 2008, the Euromed Migration II Programme formally started with a conference in Brussels. The programme will strengthen EU cooperation with its Mediterranean partners on migration issues and reinforce partners' capabilities. All four working groups set up under the programme met twice in 2008.

No progress was reported with regard to improving **document security**.

Limited progress was made with regard to legislation on and protection of **refugees** and **asylum seekers**.

The ENP partners continued to enhance their **border management** capacities to fight against cross-border and organised crime and to gradually approximate the border and law-enforcement authorities' standards to those of the EU. Capacity building to ensure effective border controls and surveillance as well as risk assessment techniques and analysis remain critical in this regard. As was the case in 2007, closer cooperation and communication between national authorities at regional level is required for ENP partner countries whose borders need to be demarcated and delimited.

Regarding **the fight against organised crime**, all ENP partners with an ENP Action Plan have signed the UN Convention against Trans-national Organised Crime. Only *Jordan* has not ratified it. Its First Protocol to Prevent, Suppress and Punish the Trafficking of Persons, especially Women and Children has been signed and ratified by all partners except *Jordan* and *Morocco*. The Second Protocol against the Smuggling of Migrants by Land, Sea and Air has been signed and ratified by all partners except *Israel*, *Jordan* and *Morocco*. The Third Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their parts and Components and Ammunition remains to be signed and ratified by *Armenia*, *Egypt*, *Georgia*, *Israel*, *Jordan*, *Morocco* and *Ukraine*. Progress was made in establishing national plans and strategies. As was the case in 2007, ongoing attention needs to be given to full and effective implementation of established national plans and strategies against all forms of organised crime, particularly in the context of regional cooperation.

Most ENP partners have adopted national action plans **to fight trafficking in human beings**, including victims-support measures aimed at recovery, social re-integration and inclusion. In 2008, *Armenia*, *Georgia* and *Moldova* ratified the Council of Europe 2005 Convention on Action against Trafficking in Human Beings. It was not signed nor ratified by *Azerbaijan* or *Ukraine*.

Most ENP partners have adopted strategies to combat **money laundering and the financing of terrorism**, incorporating the 40 + 9 Financial Action Task Force (FATF) recommendations. *Armenia*, *Azerbaijan*, *Georgia*, *Moldova*, *Ukraine* and *Israel* take part in MoneyVal co-operation, the latter only as an observer. *Belarus* is a member of the EurAsian Group on Combating Money Laundering and the Financing of Terrorism (EAG) while *Armenia*, *Georgia* and *Ukraine* are observers. As was the case in 2007, the development of human and technical resources on money laundering remains a critical concern.

Regarding the fight against **drugs**, all partner countries continued to implement their obligations under the 1988 UN Convention against Illicit Traffic in Narcotic and Psychotropic Substances and other international instruments. Capacity building within designated national authorities and other law enforcement agencies to deal with the drugs phenomenon in terms of both repressive and preventive measures needs ongoing attention, particularly in the context of regional cooperation. Sharing of intelligence among ENP partners and other geographical neighbours on drugs production as well as on trafficking supply routes is equally important. Moreover, further work on dialogue and cooperation with civil society on developing effective harm-reduction and rehabilitation programmes as well as additional investment in public health and curative facilities is required in all partner countries. In the period October-December 2008, the Regional Near East Dublin Group (EU Member States locally represented, Australia, Canada, Japan, Norway and the United States) prepared updated narcotics situation reports in cooperation with the relevant authorities of *Israel*, *Jordan*, *Lebanon*, *Syria* and the *occupied Palestinian territory*.

On **police and judicial cooperation**, relevant ENP partners made no progress in 2008 on ratifying the 2001 Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters. In 2008, *Armenia* and *Moldova* ratified the Council of Europe's Convention on the Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism. It has yet to be ratified

by *Ukraine* while it has not been signed nor ratified by *Azerbaijan* and *Georgia*. In the area of **criminal law** cooperation, *Azerbaijan* and *Georgia* signed the Council of Europe Convention on Cybercrime in 2008 while *Moldova* has yet to ratify it. *Armenia* and *Ukraine* completed ratification in previous years (respectively 2007 and 2006). The 1997 Additional Protocol to the Convention on the Transfer of Sentenced Persons has yet to be ratified by *Armenia* while *Azerbaijan* has yet to sign. As was the case in 2007, further attention and resources are therefore required where relevant, to ensure ratification and effective implementation of these Conventions.

With regard to cooperation on **civil law**, *Belarus*, *Egypt*, *Georgia*, *Israel*, *Jordan* and *Ukraine* are members of the Hague Conference on Private International Law working on international protection of children, family and property relations, legal cooperation and commercial and finance law. In this context and in order to improve international legal assistance and cooperation, all ENP partners are encouraged, if they have not already done so, to accede to the 1980 Hague Convention on Civil Aspects of International Child Abduction; the 1996 Hague Convention on Parental Responsibility and the Protection of Children; the 1965 Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters and the 1970 Convention on Taking of Evidence Abroad in Civil or Commercial Matters.

With the assistance of the Hague Conference, *Algeria*, *Egypt*, *Lebanon*, *Morocco* and *Tunisia* participate in the Judicial Conference on Cross-Frontier Family Law Issues (the 'Malta Process'), which aims to promote expert dialogue on international child protection and **family law** issues. In addition, all non-Council of Europe ENP partners are encouraged, where possible, to accede to the 1983 Council of Europe Convention on the Transfer of Sentenced Persons and its two Additional Protocols as well as the Council of Europe Convention on Cybercrime.

Armenia and *Belarus* are signatories to the 1993 CIS Minsk Convention on Legal Assistance and Legal Relations in Civil, Family and Criminal Matters while *Azerbaijan* and *Georgia* cooperate within its framework.

Moldova ratified the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data in June 2008 while it has yet to be ratified by *Ukraine* and signed by *Armenia* and *Azerbaijan*. Ratification of that Convention, as well as of its Additional Protocol regarding supervisory authorities and transborder data flows, is essential in particular in terms of developing further judicial and police cooperation as well as exchange of personal data with EUROJUST and Europol.

Regarding **judicial reform**, work continued, as in 2007, on adoption of new legislation to enhance the capacity and efficiency of the judiciary. Efforts to secure greater judicial independence, effectiveness and impartiality faltered in several partner countries (*Armenia*, *Azerbaijan*, *Georgia*, *Moldova* and *Ukraine*) and the situation did not substantially change in other ENP partner countries. National programmes for the continuing training of judges, prosecutors and court staff were implemented in several partner countries (*Egypt*, *Jordan*, *Morocco*) alongside the simplification of court administrative procedures including E-Justice (*Egypt*, *Morocco*, *Ukraine*) and

improving access to justice through provision of legal aid (*Egypt, Georgia*). No tangible progress has been made in the area of judicial reform in *Lebanon*.

In the area of **penitentiary reform**, progress remained slow in *Armenia, Azerbaijan, Georgia, Egypt, Moldova, Morocco, Ukraine* and *Tunisia* albeit with some improvements to detention conditions in prisons and pre-trial detention centres, staff training and health care provision for prisoners. However, overcrowding of prisons, particularly for remand prisoners, recourse to ill treatment and torture and lack of access by human rights and international observers to penitentiary facilities are all issues which remain significantly unaddressed. The use of parole and other alternatives to detention and long-term incarceration need to be explored.

In the area of **juvenile justice**, dialogue took place with *Georgia, Morocco* and *Ukraine* on development of appropriate protection policies for child and young offenders when they come into contact with law enforcement agencies. There is an urgent need to develop education and rehabilitation activities in pre-detention centres for young offenders where applicable and to define appropriate prevention and probation policies to offset the long-standing judicial tendency to resort to incarceration. A lack of data on the treatment of child and juvenile offenders hampers attempts to develop alternative policy responses in cooperation with national authorities. The application of international standards and norms on juvenile justice, particularly the 1985 UN Standard Minimum Rules for the Administration of Juvenile Justice (Beijing Rules) and the 1990 UN Guidelines for the Prevention of Juvenile Delinquency (Riyadh Guidelines) serve as one of the main reference points for future policy dialogue in this respect.

All partner countries except *Lebanon* and *Ukraine* signed and completed ratification of the UN Convention against **Corruption**. All ENP partners that are signatories to the latter undertook to complete the Self-Assessment Checklist as set out in Resolution 1-2 of the First Conference of State Parties in Amman of December 2006 and to submit it to UNODC in time for the Third Conference of State Parties in Qatar in November 2009. It is hoped that the respective results will be made public in line with the Convention's spirit and intent.

As a complement to their international obligations under the above Convention, *Algeria* and *Libya* ratified the 2003 African Union Convention on Preventing and Combating Corruption while *Egypt* and *Tunisia* have yet to sign it. Cooperation with civil society in the implementation of national anti-corruption plans remains critical in all partner countries in order to fight corruption in both the public and private sectors. In 2008, *Belarus* (as a non-Council-of-Europe member) and *Georgia* ratified the Council of Europe's Criminal Law Convention on Corruption. It was not ratified by *Ukraine*. By contrast, the 2003 Additional Protocol to the latter, aiming to protect arbitrators in civil and commercial matters as well as jurors from corruption was not signed by *Azerbaijan* and *Georgia* and not ratified by *Ukraine*. In all partner countries, further efforts are needed in order to transpose the relevant legal provisions into national legislation and to establish effective instruments to prevent and fight corruption.

With regard to civil service and **public administration reform**, efforts to build a professional and accountable civil service did not substantially advance beyond the

drafting and adoption of respective national strategies in *Armenia, Azerbaijan, Egypt, Georgia, Lebanon, the occupied Palestinian territory and Ukraine*. Important strategic issues such as future capacity building, management of resources and training and retraining of staff cannot be sufficiently addressed in all cases in the absence of the adoption of specific reform legislation. During the last quarter of 2008, SIGMA funded preparatory activities for future civil service reform in *Georgia, Moldova and Ukraine* focusing on training networks, recruitment and conflict of interest respectively.

A second phase of the Euro-Mediterranean Justice Programme, with the participation of all Mediterranean ENP partners, including *Algeria* and *Syria* was launched in 2008 covering the themes of access to justice and legal aid; resolution of cross-border family conflicts and criminal and prison law. The programme aims to establish two regional networks of judges and other legal professionals and judicial schools. All the Mediterranean partners, including *Algeria* and *Syria*, participated actively in the Euromed Police II programme covering joint cooperation activities and seminars for senior officers on specialised topics of practical police cooperation in all fields of organised crime, terrorism, drug and weapons trafficking. In addition, Europol in cooperation with UNODC implemented an EC-financed project to foster the ratification and implementation of the Second Protocol to the UN Convention against Organised Crime on the Smuggling of Migrants in *Algeria, Egypt, Libya, Morocco and Tunisia* through legal advice, seminars and training for public officials, law enforcement officers, prosecutors and judges.

Transport, energy, climate change, environment, civil protection, research and innovation, information society

Regarding **transport**, the partner countries continued to implement sector reforms increasing the efficiency, safety and security of transport operations.

In the aviation sector, negotiations on more comprehensive Euro-Mediterranean aviation agreements were launched with *Israel, Jordan and Lebanon*. Negotiations on a Common Aviation Area agreement with *Ukraine* have been slow and need to be accelerated and finalised in 2009, in particular given the importance of the safety aspects. Negotiations with *Algeria, Georgia and Tunisia* should start soon, while all other neighbouring countries remain eligible candidates for such neighbourhood aviation agreements. *Azerbaijan* needs to finally sign the horizontal air transport agreement negotiated with the European Commission in 2004. Most countries continued to implement a policy of gradually introducing EU standards. However, the strong need to strengthen civil aviation administrations and in particular safety oversight and performance of carriers remains.

In the road sector, the drawing-up and implementation of road safety action plans remains a main focus of transport policy, in particular in *Azerbaijan, Egypt, Israel, Morocco, Tunisia and Ukraine*.

Reform of the rail sector is ongoing; in some countries very comprehensive railway restructuring plans started (*Egypt*) or are nearly completed (*Tunisia*), while in other countries (*Moldova or Armenia*), rail policy concentrates on upgrading or construction of new railway infrastructure.

Certain partner countries need to step up efforts to implement maritime safety standards, especially *Georgia*, which is still considered a high risk flag and remains on the black list of the Paris Memorandum of Understanding on port state control. *Egypt* and *Lebanon* also remained on the black list, while *Ukraine* rejoined the black list from the grey list. However, the commitment by *Morocco* to bring its maritime transport closer to international and European standards (including the transposition, enforcement and implementation of EU maritime legislation) has had the positive result of removing *Morocco* from the black list of the Paris Memorandum of Understanding on port state control. As regards port reforms, some countries (*Syria* and *Ukraine*) intensified efforts to render their ports more efficient.

At regional/multilateral level the Mediterranean partners committed, at the July Summit of the Union for the Mediterranean, to developing motorways of the sea, including the connection of ports, throughout the entire Mediterranean basin, as well as to creating coastal motorways and modernising the trans-Maghreb train. The partners will also pay particular attention to cooperation in the field of maritime security and safety. The Euro-Mediterranean Transport Forum met in Brussels in December and agreed on further steps to implement the Regional Transport Action Plan for the Mediterranean for the period 2007-2013 (RTAP). Furthermore, the Transport Forum endorsed the list of priority projects drawn up by its Infrastructure Working group that will be sent to the next 2009 Euromed Transport Ministerial Conference. The working group on infrastructure and regulatory issues is the main Euro-Mediterranean forum for discussing the Mediterranean transport axes and is also in charge of the review and monitoring of trans-national axes under the umbrella of the Regional Transport Action Plan. Motorways of the Seas issues are discussed under the maritime transport working group, which is also preparing several pilot projects that will benefit from technical assistance. EC-funded technical support is ongoing and manifold: Euro-Mediterranean Regional Transport II, Safemed, Motorways of the Sea-MEDAMOS, GNSS and the Euro-Mediterranean Aviation Project as well as technical assistance and twinning programmes at bilateral level. Extension of the major axes of the Trans-European Transport Networks progressed in relation to Eastern European neighbours. The negotiations on an enhanced agreement with *Ukraine* focus on implementation of the Central Axis, the TRACECA Corridor and deeper approximation with EU legislation. Negotiations were held with *Belarus* in order to integrate the country into the technical work to be carried out on the Northern Axis.

Moldova, *Morocco*, *Tunisia* and *Ukraine* benefited from allocations of the Neighbourhood Investment Facility (under the European Neighbourhood and Partnership Instrument) in the area of road infrastructure, public transport and airport modernisation.

The January 2009 gas crisis, leading to reduced Russian supplies to, *inter alia*, the EU, *Moldova* and *Ukraine*, reminded the EU and ENP partners sharply of their shared interest in enhancing **energy** security. Thus, there is an urgency to implement the European Commission's energy security proposals. The European Commission highlighted energy security also in its second strategic energy review², the 'EU

² An EU Energy Security and Solidarity Action Plan – COM (2008) 744 of 13 November 2008.

Energy Security and Solidarity Action Plan' presented in November 2008 in which it gives a roadmap for reinforcing internal and external energy security. This policy paper, broadly endorsed by the European Council on 19 and 20 March 2009, calls, *inter alia*, for stepping up relations with ENP partners as important energy producers and transit countries. The cooperation in energy yielded substantial results, also in 2008.

Bilaterally, the EU and *Egypt* concluded, in November, a Memorandum of Understanding (MoU) on a strategic energy partnership. In September the EU-Ukraine Summit endorsed the third progress report under the EU-Ukraine Energy MoU. *Azerbaijan* and the EU further implemented the 2006 MoU on a strategic energy partnership. The European Commission and *Moldova* strengthened cooperation in the context of implementation of the country's 2007 energy strategy. With *Jordan* and *Morocco* relations were enhanced, including on the basis of the 2007 joint energy declarations. The European Commission held two technical energy meetings and a TAIEX workshop on electricity market reform with *Belarus*. Contacts with *Libya* were enhanced, particularly in the context of the negotiations for an EU-Libya Framework agreement. The finalisation of an Energy MoU with *Algeria* is pending.

At regional/multilateral level, the EU and the Eastern partners continued implementation of the 2006 energy roadmap agreed by ministers of the 'Baku initiative' for EU-Black Sea/Caspian energy cooperation. The Mediterranean partners committed themselves, at the July Summit of the Union for the Mediterranean, to developing a Mediterranean Solar Plan. They advanced implementation of the priority action plan 2008-2013, decided in 2007 by Euro-Mediterranean energy ministers. In April, Mediterranean partners participated in an EU-Mashreq Ministerial meeting which promoted energy cooperation in the Mashreq and the completion of the Arab Gas Pipeline beyond Syria. *Egypt, Jordan, Lebanon* and *Syria (with Turkey and Iraq as observers)* supported by the European Commission, continued work towards creating a Euro-Mashraq natural gas market. This process was facilitated by the Euro-Mashraq gas centre located in Damascus. In June 2008, the European Commission organised, together with the Energy Charter Secretariat, a regional Hydrocarbon Production and Transportation Seminar in Damascus. *Algeria, Morocco* and *Tunisia* pursued work, with EC support, towards a Maghreb electricity market. Euro-Mediterranean partners also cooperated on, *inter alia*, energy efficiency and the development of energy statistics and regulatory issues. In 2008, the European Commission, *Israel* and the *Palestinian Authority* resumed trilateral energy dialogue on the Israeli-Palestinian 'Solar for Peace' initiative and the establishment of a joint energy office.

In 2008, ENP partners adopted new energy strategies (*Morocco and the Palestinian Authority*) or advanced in preparing a new one (*Egypt*). Partners explored further possibilities to enhance the use of domestic resources including hydrocarbons, renewable energy sources and, in the case of *Egypt and Jordan*, uranium and oil shale.

The partners pursued the development and upgrading of energy networks. The Baku-Tbilisi-Erzurum (Turkey) gas pipeline and the Baku-Tbilisi-Ceyhan (Turkey) oil pipeline, which are increasingly important for the EU's energy security, continued exporting Caspian resources. The European Commission and the involved Eastern

ENP partners completed an EC-funded study for a Trans-Caspian/Black Sea energy corridor. In 2008, *Azerbaijan, Georgia, Lithuania, Poland and Ukraine* launched a new study on the extension of the Odessa-Brody oil pipeline to Gdansk in Poland. Parties to the Arab gas pipeline confirmed they would work towards connecting the pipe to the Union. The pipeline now reaches *Syria*. The gas pipeline between *Egypt* and *Israel* was completed and gas exports to Israel started. *Italy* and *Tunisia* advanced on expanding a gas pipeline between them. *Tunisia* developed plans for an additional gas interconnection with *Algeria* and a new one with *Libya*. *Algeria* started construction of a new gas interconnection with Spain (Medgaz) and further prepared a link with Italy. The Trans-Saharan gas pipeline project, connecting Nigerian sources to the Mediterranean region and the EU, continues to be on the EU agenda.

Regarding electricity, *Moldova* and *Ukraine* further worked towards interconnecting their networks with the UCTE networks (interconnected electricity networks of continental Europe). *Moldova* constructed an interconnection with Romania. *Azerbaijan* and *Georgia* are building additional electricity interconnections between them and plan to strengthen links with *Turkey*. The *Armenia-Georgia* interconnection project progressed. Mediterranean partners further worked towards the longer-term objective of establishing a Mediterranean electricity ring. In October, the Palestinian Authority joined the Arab electricity interconnection project alongside *Egypt, Jordan, Lebanon, Libya, Syria, Iraq* and *Turkey*. The Jordan-Jericho (*occupied Palestinian territory*) electricity interconnection was completed. *Morocco* and Spain decided to construct a third link between the countries.

ENP partners took some steps towards longer-term convergence with the internal energy market rules. In 2008, *Moldova, Ukraine* and the European Commission launched negotiations on the two countries' membership of the Energy Community Treaty. *Georgia*, as observer, participated in meetings of this Community. ENP partners continued restructuring of the gas and electricity sectors, prepared legislation and worked on the progressive elimination of price distortions. They strengthened regulators or prepared for their establishment.

ENP partners somewhat improved energy efficiency and started the process of promoting the use of clean energy notably renewable energy. The Cairo-based Regional Centre for Renewable Energy and Energy Efficiency for Middle East and North Africa countries was established with support from the EC, Denmark and Germany. Wind energy is being developed, notably in *Egypt* and *Morocco*. *Tunisia* adopted a strategy to enhance energy efficiency.

Armenia and *Ukraine* upgraded the safety of nuclear power plants (NPP) and strengthened the nuclear regulatory authorities. *Armenia* started to prepare a detailed decommissioning plan for the Medzamor Nuclear Power Plant on the basis of the 2007 decommissioning strategy. It completed a feasibility study for the construction of a new nuclear plant. *Ukraine* and the European Commission pursued their joint evaluation of the nuclear safety of Ukraine's nuclear power plants, with the involvement of the International Atomic Energy Agency. *Ukraine* further implemented projects at the Chornobyl site. *Egypt* and *Jordan* confirmed plans to progress the construction of nuclear power plants. Other ENP partners remain in principle interested in developing nuclear power production (*Algeria, Belarus, Libya, Morocco, Syria, and Tunisia*). The European Commission held technical meetings on

nuclear safety issues with *Egypt, Jordan and Morocco*. *Azerbaijan* announced its interest in building a nuclear research reactor. It should be recalled that the ENP partners are called upon to ensure a high level of safety and security of nuclear installations and ensure that the research, development and use of nuclear energy for peaceful purposes are carried out in compliance with the Treaty on the Non-Proliferation of Nuclear Weapons.

Egypt, Georgia, Tunisia and Ukraine benefited from allocations of the Neighbourhood Investment Facility (under the European Neighbourhood and Partnership Instrument) in the area of electricity infrastructure and electricity production from renewable energy sources.

There was some progress in implementing international **climate change** commitments. In the light of the significant challenges posed by adaptation to climate change, several partner countries either started to prepare or adopted strategy documents and studies on adaptation, such as *Armenia, Israel, Moldova, Morocco and Tunisia*. The European Commission continued to support the partner countries in implementing the Kyoto Protocol. Most partner countries are now in the final stages of preparing a second national communication, which in many cases includes a greenhouse gas inventory.

The majority of partner countries continued to prepare investment projects to promote the use of the Kyoto Protocol's Joint Implementation and Clean Development Mechanism which help the EU actors to meet the EU's climate obligations, reduce emissions of greenhouse gases, and attract state-of-the art investment to the partner countries. Progress in this respect was most notable in *Armenia, Azerbaijan, Egypt, Georgia, Israel, Moldova and Tunisia*. However, the vast majority of the projects have still not yet been formally registered at UN level. *Ukraine* announced its plans to set up a domestic emission trading scheme.

It is essential that the ENP partners actively engage in international discussions on post-2012 climate action, in order to complete the respective negotiations by the end of 2009.

As regards the **environment**, progress continued to be limited, reflecting the significant challenges in this sector. The overall environment situation in the *occupied Palestinian territory* deteriorated significantly. Some steps were taken to strengthen the environment administration in *Egypt, Israel, Jordan and Moldova*. However, strengthened administrative and implementation capacity, coupled with enhanced resources, is still required at all levels of partner countries, including co-operation and co-ordination between the different authorities. In the *occupied Palestinian territory*, the offices of the environment and water authorities in Gaza closed.

The reporting period was marked by several partner countries' increasing interest in converging with EU environment legislation and policy. Many partner countries took steps to adopt (*Armenia*), prepare (*Jordan and Ukraine*), review (*Moldova and Morocco*) and implement (*Azerbaijan, Jordan, Israel and Tunisia*) their overall environment strategies and action plans.

Some partner countries took steps to prepare (*Moldova* and *Armenia*) or review (*Egypt*) environment framework legislation. Limited progress can be noted in the adoption of issue-specific legislation. New legislation was adopted on air quality in *Israel*, as well as implementing legislation on waste management in *Morocco*. Many countries continued preparing new legislation, including on environmental expertise in *Armenia*, water in *Georgia*, monitoring and inspection in *Jordan*, waste and water in *Moldova*, nature protection in *Morocco*, and protected marine and coastal areas in *Tunisia*.

Some progress was noted in the adoption of sector-specific strategies, programmes and plans, such as on rural sanitation in *Egypt*, waste in *Morocco* and marine pollution in *Israel*. Preparation of new strategy documents and plans continued, such as on solid waste and water in *Jordan* and air quality and water in *Morocco*. Overall, partner countries took limited steps to integrate environment considerations into other policy sectors.

Many partners still need to fully establish or strengthen procedures for environmental impact assessment (EIA), in particular with regard to public participation. *Morocco* adopted implementing legislation on EIA.

State-of-the environment reports were published or finalised in *Egypt*, *Jordan*, *Tunisia* and *Ukraine*, and are under preparation in *Georgia* and *Morocco*. *Morocco* started preparing a new communication strategy.

Lebanon and *Syria* took steps to ratify the amendments to the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean. *Syria* also ratified the amendments to the Land-Based Sources Protocol. Otherwise there was overall limited progress in the ratification and signing of international and regional environment conventions and protocols. Furthermore, the implementation of the multiple already ratified agreements remains a challenge in most cases.

Partner countries participated actively in various regional initiatives, such as the Danube-Black Sea Task Force and the Horizon 2020 Initiative, which was given further impetus by the decision of the Mediterranean partners, at the July Summit of the Union for the Mediterranean, to launch a regional project for de-pollution of the Mediterranean. In December 2008, a Euro-Mediterranean Ministerial Conference on Water launched the preparation of a regional water strategy. Partner countries also participated in activities under the EU Water Initiative, including national policy dialogues in some countries.

The Regional Environmental Centre for the Caucasus (REC) covering *Armenia*, *Azerbaijan* and *Georgia* became fully operational based on its new charter at the beginning of 2009. REC *Moldova* continued to raise awareness, promote EU environment policy and legislation and encourage co-operation between various stakeholders. Discussions started on the re-establishment of a REC in *Ukraine*.

The European Commission held a further technical environment meeting with *Belarus* in July.

Egypt, Moldova, Tunisia and Ukraine benefited from allocations of the Neighbourhood Investment Facility (under the European Neighbourhood and Partnership Instrument) to support water supply and wastewater treatment related investments.

In the field of **civil protection**, the European Commission signed a new administrative arrangement on closer co-operation with *Ukraine* and discussed the possibility of negotiating bilateral administrative arrangements with *Georgia, Moldova* and *Morocco*. The Community Civil Protection Mechanism was mobilized in *Georgia* in the aftermath of the August 2008 conflict, in *Moldova* to combat flooding and for the consequences of the Ukraine/Russia gas crisis and in *Ukraine* to combat flooding. Cooperation on disaster prevention, preparedness and response continued with Mediterranean partner countries. The Mediterranean partners committed themselves, at the July Summit of the Union for the Mediterranean, to develop a regional civil protection programme on prevention, preparation and response to disasters, linking the region progressively closer to the EU Civil Protection Mechanism.

As regards **research and innovation** activities, most ENP partner countries were successful in increasing their participation in the 7th Research Framework Programme (FP7) compared to the previous FP6 programme. Significant progress in research and innovation was achieved in several Mediterranean partner countries, and most notably in *Egypt, Jordan, Morocco* and *Tunisia*, where science and technology (S&T) reforms have been underway. S&T cooperation was in general deepened with the ENP countries having an S&T Agreement with the EU (*Egypt, Morocco, Tunisia* and *Ukraine*). Negotiations with *Jordan* for an S&T Cooperation Agreement were successfully completed in 2008; the signature is expected to take place in 2009. Preliminary discussions with *Moldova* over a potential association to FP7 have taken place. In parallel, FP7 - through the International Cooperation part of the Capacity Programme offers a number of tools to support regional S&T dialogue. As regards the Africa-EU Strategic Partnership, the North African ENP countries play a substantial role in the implementation of the early deliverables for research on 'Water and Food Security in Africa', agreed at the AU-EU College-to-College Meeting in October 2008.

At the regional/multilateral level, the S&T International Cooperation Network for Eastern European and Central Asian countries (IncoNet EECA), was launched for a four-year period on 1 January 2008. The "Mediterranean Innovation and Research Co-ordination Action" ('MIRA') continued to strengthen the S&T dialogue with Mediterranean partner countries. BILAT tools³ were initiated with *Morocco, Jordan* and *Tunisia*.

Reforms in the **Information Society** field are well advanced in most ENP countries, although many of them have not yet achieved full market liberalisation. All countries continued to align progressively their regulatory framework in electronic

³ Under the FP7 Specific Programme 'Capacities'- Horizontal actions and measures in support of international cooperation, the Commission has launched a number of 'BILAT' calls supporting the development of S&T Partnerships based on bi-lateral dialogues and coordination of policy initiatives in jointly defined priority areas.

communications with that of the EU, although many of them need to complete the essential regulatory task of designating the operators with a dominant market position. *Israel and Syria* still have to set up independent national regulatory agencies. Several countries are promoting the deployment of broadband infrastructure for fast Internet access and the introduction of online services (e-government, e-business, etc.).

At the regional/multilateral level, the third Euromed Conference on the Information Society was held in February 2008 in Cairo. The second phase of the project ‘New Approaches to Telecommunications Policy’ (NATP2) was completed in June 2008 and the follow-up project NATP3 is under preparation. In July 2008, the Euromed group of electronic communications regulators (EMERG) was established in Malta and started to organise workshops for the Mediterranean regulatory authorities. In March 2008, the Black Sea Interconnection (BSI) project, the largest research network project in the region, was launched providing a boost to research internet capacity in the area. This EU-funded project is a regional research and education network that links the countries of the South Caucasus (*Armenia, Azerbaijan and Georgia*) with a backbone network and then connects them to the high bandwidth, pan-European GÉANT network, providing links to some further 40 countries (including *Belarus, Moldova and Ukraine*).

Partner countries made limited progress in the **audiovisual** sector. Many Mediterranean partners still need to set up the relevant regulatory agencies or strengthen their administrative capacities. Limited progress was made in the adoption of the relevant conventions in this sector by Eastern partner countries. While *Ukraine* ratified the Council of Europe Convention on Trans-Frontier Television, *Armenia, Azerbaijan and Georgia* still need to do so. A number of countries still need to ratify the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (see below).

Human capital and public health

Education and training

Higher Education

The Bologna Process provided the main policy reference framework for the reform of higher education in all partner countries⁴, with advances on national regulatory frameworks, accreditation structures, curricula modernisation and quality enhancement and monitoring. Most ENP partners began work on aligning their higher

⁴ Only Ukraine, Moldova, Georgia, Armenia and Azerbaijan are formal signatories to the Bologna Declaration. The Bologna Declaration of June 1999, signed by 29 European Ministers of Higher Education, provides for the establishment of a European Higher Education Area by 2010. The Bologna Process aims to put in motion the reforms necessary for its creation, namely: the introduction of a three-cycle system (bachelor/master/doctorate), quality assurance and mobility and recognition of qualifications and periods of study. Armenia, Azerbaijan, Georgia, Moldova and Ukraine joined the Bologna Process at the Bergen Conference in May 2005. Southern ENP partners adopted a declaration calling for the establishment of a Euro-Mediterranean Higher Education Area at the First Euro-Mediterranean Ministerial Conference on Higher Education and Scientific Research in Cairo in June 2007.

education systems under the Bologna process by establishing national university standards and accreditation procedures. Where a specific commitment to this effect has been given, certain ENP partners – in particular Bologna Declaration signatories *Armenia, Azerbaijan Georgia, Moldova and Ukraine* - have undertaken to complete by 2010 the introduction of the three cycle structure (Bachelor's, Master's, Doctorate) for the establishment of a European Higher Education Area. In this regard, a Bologna Process regional seminar 'Aligning National against European Qualifications Frameworks: the principles of self certification' was organized by the Council of Europe in Georgia in November 2008. Greater reference and use was also made of the European Credit Transfer System (ECTS) in discussions on academic credit transfer and recognition of qualifications in the context of the Bologna process and voluntary convergence and alignment to European approaches and standards. The European Quality Assurance Register in Higher Education (EQAR) was launched in March 2008 based on both the European Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG) and the Recommendation of the European Parliament and the Council of February 2006 on further European cooperation in quality assurance in higher education.⁵ EQAR aims to contribute to the acceptance of evaluation and accreditation systems which will facilitate indirectly the recognition of qualifications and mobility within the EU, EFTA – EEA, candidate countries and other countries involved in the Bologna Process.

A greater number of scholarships for students and scholars from all ENP partner countries were granted under Action 2 of the Erasmus Mundus programme (113 students and 42 scholars as compared to 80 and 17 in 2007) while student and academic mobility benefited from the Erasmus Mundus External Cooperation Window (EMECW), where a total of 867 mobility grants were allocated in its second year, across all partner countries (see annex). However, weak participation in Actions 3 (partnerships) and 4 (attractiveness of European higher education) of Erasmus Mundus was noted with regard to all partner countries, which is unfortunate, considering their close geographical proximity and common interest in international cooperation. In addition, 90 university graduates from ENP partner countries received scholarships to follow a master's degree in European Integration Studies in European universities under a special pilot project. The Jean Monnet Programme funded in 2008 two new Jean Monnet Chairs in *Ukraine* and *Georgia* and one Jean Monnet Information and Research Action in *Ukraine*.

The Tempus programme continued to support the reform of higher education across all partner countries by promoting voluntary convergence with developments in the EU deriving from the Lisbon Agenda and the Bologna Process. A first Call for Proposals was launched for Tempus IV with a greater response from all ENP partner countries than in earlier years, with increased interest shown in multi-country and inter-regional projects across the ENPI region (ENP and the Russian Federation) (see Table in Annex).

In early 2008, a team of higher education reform experts (HERE) was selected in ENP partner countries in coordination with National Tempus Offices and the relevant

⁵ Recommendation of the European Parliament and of the Council on further European cooperation in quality assurance in higher education, OJ L 64, 04/03/2006, pp. 60-62

Ministries. The experts will be responsible for supporting and promoting the process of convergence with the objectives of the Lisbon Agenda and the Bologna Process while respecting local needs and priorities. Two training seminars for HERE experts were respectively organised in Brussels and Zagreb (Croatia) in April and June 2008.

An inter-regional Tempus Conference on '*Quality Enhancement in Higher Education*' organised in Cairo in May 2008 served to highlight the need to develop customised internal and external quality-enhancement verification processes as an integral part of higher-education reform. Encouraging greater student participation and developing effective measures to combat corruption play an equally important role in this debate. The pursuit of social dialogue on higher education particularly with enterprises is equally critical to enhancing the academic quality and relevance of taught programmes. In this respect, ENP partners are encouraged to refer to the European Standards and Guidelines for Quality Assurance in Higher Education (ESG) and where applicable, to join the European Quality Assurance Register (EQAR) as government members.

Vocational Education and Training

Reform of vocational education and training progressed steadily in all partner countries. They implemented reform strategies, predicated on the gradual introduction of new competence-based training standards and the development of parallel quality monitoring mechanisms. ENP partners paid increased attention in this respect to the introduction of a life-long learning perspective and more integrated and coherent vocational education and training provision. *Armenia, Egypt, Georgia, Jordan, Moldova, Morocco* and *Ukraine* initiated pilot work on the design of agreed national qualification frameworks in line with or modelled on the European Qualifications Framework (EQF). However, the relevance of EQF in promoting education and training reforms would need to be further probed and examined in each specific case in consultation with all national stakeholders. All partner countries face significant challenges as regards the development of training to effectively meet future skills needs. Much more attention would need to be paid to ensuring the financial viability of agreed reforms as well as the establishment of effective mechanisms of social dialogue to ensure the labour-market relevance of training provision. In this respect, work continued on the development of social dialogue as part of EC financial assistance in *Azerbaijan, Armenia, Georgia, Moldova* and *Ukraine* with the technical support of the European Training Foundation (ETF).

All partner countries continued to promote **youth** exchanges and informal education as a means of enhancing understanding and intercultural dialogue as well as ensuring better social integration of young people. However, initial moves to develop national youth policies remain weak and uncoordinated. Integrating youth needs into wider reform plans in areas such as health, social welfare, justice and employment remains an important policy challenge.

Increased rates of young people and youth workers' mobility were registered in all partner countries under the Youth in Action Programme as compared to 2007, with only slight decreases in the numbers of volunteers from *Egypt, Israel, Morocco* and *Tunisia* (see annex table). Youth exchanges, voluntary service and other international youth activities in both directions as well as between the ENP partner countries of the

Mediterranean were also facilitated under the Euro-Mediterranean Youth III Programme which funded 85 projects reaching out to 1749 young participants and 490 youth workers. The themes of active citizenship and anti-racism/xenophobia were covered in 58% of selected projects in the period 2007 and 2008 (see annex table).

In October, the 8th Euromed Youth meeting took place in Amman, bringing together the representatives of the Euromed Youth Units and of the National Agencies of the Youth in Action programme. The meeting highlighted the results of both programmes over the past two years, a Euromed Compendium of good practices and the preliminary outcomes of youth policy studies in ten Mediterranean countries: *Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the occupied Palestinian Territory, Syria, Tunisia* and Turkey. Themes covered in the studies, to be published in 2009, included the role and impact of non-formal education, youth policy and legislation and young peoples' rights as citizens.

In November, a conference on overcoming religious prejudice amongst youth took place in *Azerbaijan*, resulting in the adoption of the Baku Youth Initiative to strengthen and consolidate youth work and education combating Islamophobia, Anti-Semitism and other forms of discrimination based on religion or belief. The conference, co-organised by the Council of Europe, the Ministry of Youth and Sport of Azerbaijan and the Islamic Educational, Scientific and Cultural Organisation, in co-operation with the European Youth Forum and the Islamic Conference Youth Forum for Development and Cooperation, involved the participation of youth organisations from 42 countries including *Belarus, Egypt, Georgia, Israel, Moldova, Morocco, the occupied Palestinian territory* and *Ukraine* as well as Iran, the Russian Federation and Turkey.

As regards cooperation in the area of **culture**, all partner countries except *Algeria, Azerbaijan, Israel, Lebanon, Libya, Morocco* and *Ukraine* have ratified the **2005 UNESCO Convention** on the Protection and Promotion of the Diversity of Cultural Expressions. For those partner countries that have ratified, implementation of its terms is now a priority in order to enhance cultural cooperation and advance policy dialogue.

Cultural policies in many partner countries suffer from a reticence on the part of the relevant Ministries and state agencies to engage with independent cultural actors and to encourage free association and expression as well as free circulation of cultural works and artists. The prevalence of monopolistic attitudes towards definitions of cultural activity as well as lack of transparency on the allocation of public funding act as an impediment to the development of future inclusive cultural policies.

Armenia, Azerbaijan, Georgia, Moldova and *Ukraine* began implementation of regional co-operation activities within the framework of the Council of Europe's Kyiv Initiative on cross-border cinema culture, supporting the updating of national cultural policies and legislation affecting the film industry as well as providing targeted professional training and exchanges. In order to add momentum to ongoing efforts in this sector, all participating countries should expedite, where applicable, the signature and ratification of the European Landscape Convention and the Council of Europe Framework Convention on the Value of Cultural Heritage for Society. The European

Convention for the Protection of Archaeological Heritage was ratified earlier by all five.

In May 2008, the Slovenian EU Presidency organised a conference on *New Paradigms, New Models – Culture in the EU External Relations* focusing on the European neighbourhood region and the Western Balkans and underlining the need to expand the role of culture in EU foreign policy. In addition, a third meeting of Euro-Mediterranean Culture Ministers took place in Athens in May launching a political process for the establishment of a new Euro-Mediterranean Strategy on Culture by 2010, focusing on dialogue between cultures and cultural policy.

In September, the European Commission signed a framework agreement and an Action Plan for 2008-10 with the UN Alliance of Civilisations focusing on promoting intercultural dialogue and cultural diversity, including educational and youth exchanges as a means to reinforce civil society contacts and prevent polarisation and radicalisation of opinions.

In the closing year of the Euro-Med Heritage III programme, regional projects were implemented on themes such as promotion of and capacity building in the preservation of shared Byzantine-Islamic cultural heritage and creation of a multi-media transversal data-base to valorise shared Mediterranean identities.

The Anna Lindh Euro-Mediterranean Foundation launched its ‘1001 Actions for Dialogue’ campaign on the occasion of the European Year of Inter-cultural Dialogue and the Euro-Mediterranean Year for Dialogue between Cultures. The initiative aimed to mobilise civil society groups across the region for collective action on inter-cultural dialogue as a means to combat discrimination and promote conflict resolution. The Foundation’s other activities focused on intercultural education, children’s literature and the empowerment of women thereby fully complementing the larger human development activities under the respective country Action Plans.

In terms of cooperation between **local and regional authorities**, cities and municipalities from *Algeria, Israel, Jordan, Lebanon, Morocco, the occupied Palestinian territory, Syria and Tunisia* participated in the regional Med-Pact programme⁶ which promotes better comprehension between civil society actors through the development of cooperation, exchanges and dialogue on good governance, improving municipal planning and environmental management. Municipalities located in regions bordering the EU in *Belarus, Georgia, Moldova and Ukraine* concluded project activities under the TACIS Cities Award Scheme (TCAS)⁷ addressing environmental protection and improvements to quality of life through better solid waste management. With regard to **Cross-Border Cooperation (CBC)**, eight of the ten planned CBC programmes relevant to ENP partners were adopted during 2008, including those for the Mediterranean and the Black Sea. However, adoption of the bilateral Spain-Morocco and of the Atlantic CBC programmes was delayed. *Belarus* participates in the Baltic Sea programme.

⁶ <http://www.med-pact.eu>

⁷ <http://www.tcas.rec.org>

The ENP partners pursued reform of the **health** sector. Both non-communicable and communicable diseases are on the reform agenda. HIV/AIDS, and to some extent tuberculosis, remain challenges for the Eastern partners, particularly *Ukraine*. Several ENP partners adopted new health strategy documents (*Azerbaijan, Jordan, Morocco, the Palestinian Authority*). The EU and its neighbours consolidated health cooperation and dialogue and continued to promote implementation of the Framework Convention on Tobacco Control⁸ and the International Health Regulations⁹. In 2008, the European Commission invited the ENP partners to the meetings of the EU Network of competent authorities on health information and knowledge. The Mediterranean ENP partners continued involvement in the EpiSouth Network for Communicable Diseases Control in Southern Europe and the Mediterranean. The network is a project under the EU's public health programme. The European Commission invited *Belarus, Moldova* and *Ukraine* to its HIV/AIDS Think Tank. The European Commission invited a *Moroccan* and a *Ukrainian* NGO to participate in its civil society forum on HIV/AIDS. Several ENP partners expressed interest in cooperating with the European Centre for Disease Prevention and Control (ECDC). The above-mentioned networks and the HIV/AIDS Think Tank provided opportunities to strengthen relations between the EU, the ENP partners, the ECDC and the World Health Organisation (WHO). In November 2008, the second Euro-Mediterranean ministerial health conference, held in Cairo and co-chaired by Egypt and the EU, opened new avenues for fostering regional health cooperation. The WHO also participated in the conference, which highlighted as priority areas the strengthening of health systems; non-communicable diseases; and communicable disease surveillance and response.

In 2008, the Neighbourhood Investment Facility, co-financed as a first-ever social project under the ENPI facility, the modernisation of a hospital in *Moldova* (Chisinau).

Operational aspects

During 2008, **TAIEX**¹⁰ was confirmed as a valuable support-instrument for advancing the transition and reform processes. As a demand-driven instrument, it enabled ENP partners, who so wished, to avail of its advice and technical assistance to complement and reinforce national efforts to approximate and converge with European practices and standards in a wide range of policies. As in 2007, the European Commission ensured consistency of TAIEX events with country-specific sectoral policy dialogue. The attached table and charts (Annex) reflect the extent to which ENP partner countries have made use of this instrument in the period up to 31 December 2008. The European Commission has also included them in multi-country TAIEX events on topics of common interest.

ENP partners benefitted, like last year, from the **twinning**¹¹ instrument under the European Neighbourhood and Partnership Instrument. The twinning of experienced

⁸ WHO FCTC: http://www.who.int/tobacco/framework/WHO_FCTC_english.pdf

⁹ http://www.who.int/gb/ebwha/pdf_files/WHA58/WHA58_3-en.pdf

¹⁰ TAIEX provides short-term technical assistance and advice on convergence with EU legislation, best practices and standards and on related administrative capacity needs, technical training and peer assistance, as well as a data base and information network that facilitates the monitoring of approximation measures, see also : <http://taiex.ec.europa.eu>

¹¹ http://ec.europa.eu/europeaid/index_en.htm

EU Member State officials (long-term experts) with their peers of a ministry or public institution in an ENP partner country contributed commensurately to sector reforms and to the transfer of legislative, regulatory and institutional experience gained within the EU. By the end of 2008, 87 twinning covenants had been established with ten ENP partner countries, whilst 97 covenants were still being prepared and under negotiation with eleven ENP partner countries. These 184 twinning projects are well spread between ENP partner countries and across a wide range of sector policies (see Annex).

In February 2008, another demand-driven programme, **SIGMA**, was extended to nine ENP partner countries: *Armenia, Azerbaijan, Georgia, Egypt, Jordan, the Republic of Moldova, Morocco, Tunisia, Ukraine* and the Russian Federation. A joint initiative by the OECD and the European Union, SIGMA draws upon longstanding experience in assisting public administration and governance reforms - in particular between 2004 and 2006 with what were at the time, candidate and potential candidate countries. The programme assists ENP partners' national reform teams by providing 'peer practitioner' expertise composed of either OECD staff or public servants from within Member State administrations. It also provides peer-based diagnostic studies¹². SIGMA focuses in its initial phase (2008-2010) on areas such as administrative law and administrative justice, public expenditure management, internal and external audit, public procurement, civil service reform and regulatory management. Preparatory activities in preparation for future civil service and public procurement reforms took place in *Armenia, Georgia, Moldova* and *Ukraine* in the period October-December 2008.

During 2008, the European Commission further developed its initiative to extend the possibility for ENP partners to participate in **Community programmes and Community agencies**¹³. Such participation provides an incentive as well as a reward for ENP partner countries' efforts to strengthen their administrative and regulatory capacities in a range of policy fields. ENP partner countries are eligible to participate or to cooperate in a wide range of Community programmes¹⁴. In February 2008, the Council approved the signature of an additional protocol with *Israel* enabling it to participate in the Entrepreneurship and Innovation Programme (under the Competitiveness and Innovation Framework Programme)¹⁵. The Protocol awaits the assent of the European Parliament before its formal conclusion. Negotiations on the conclusion of a similar additional protocol continued with *Moldova, Morocco* and *Ukraine*. Under the work towards a "statut avancé" agreed with the European Union in October, *Morocco* confirmed its interest in participating initially, in four Community programmes on competitiveness and innovation, customs, air traffic control and transport and in two Community agencies, the European Aviation Safety Agency (EASA) and the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and with Eurojust. Information seminars on participation in Community programmes and Community agencies were held in *Jordan, Moldova* and *Tunisia*.

¹² <http://www.sigmaweb.org>

¹³ COM (2006) 724 of 4 December 2006, see "Other relevant Commission Documents" at http://ec.europa.eu/world/enp/documents_en.htm

¹⁴ For a full list of these programmes, see "Other relevant Commission Documents" at http://ec.europa.eu/world/enp/documents_en.htm

¹⁵ Official Journal L129 of 17/05/2008, pp 39-43

In 2008 the **Neighbourhood Investment Facility (NIF)** became fully operational. Through the NIF grant support was provided to lending operations by the EIB, the EBRD, and other European finance institutions in support of projects in the European Neighbourhood region.

The NIF was established to pursue three objectives:

- Establishing better energy and transport infrastructure interconnections between the EU and neighbouring countries and among neighbouring countries themselves;
- Addressing threats to our common environment including climate change;
- Promoting equitable socio economic development and job creation through support for small and medium size enterprise and the social sector.

In order to accomplish these objectives the NIF uses a broad range of measures, encompassing co-financing through direct grants, loan guarantees, interest rate subsidies, and technical assistance for project preparation and supervision.

The EC Budget grant contribution amounted to EUR 100 million for the two years 2007 and 2008¹⁶. This was complemented by Member States grant funding contribution to the 'NIF Trust Fund', worth approximately EUR 37 million for the period 2008-2010 (see Annex for an overview of Member States' pledges in 2008).

In its first year of operations 15 projects were approved for financing with a total of EUR 71.03 million of NIF contributions (EUR 35 million in grants and EUR 36.03 million in Technical Assistance), leveraging loans from European Finance Institutions of EUR 1.65 billion.

Through the financing of these large projects, the NIF supports the reform priorities as agreed with ENP partner countries and contributes to the investments necessary to further integrate the EU and its neighbours. The full list of projects and an overview of the distribution of NIF contributions per country, sector and objective is presented in Annex.

¹⁶ For the 2007-2013 period, the European Commission has earmarked a total amount of EUR 700 million for the NIF

Overview of Annexes

- (1) Governance-related indicators (with sources) related to ENP partner countries, 2006, 2007 and 2008¹⁷
- (2) Table of international human rights' conventions binding ENP partner countries*
- (3) Main economic indicators regarding ENP partner countries*
- (4) Tables on mobility under (a) the Erasmus Mundus External Cooperation Window, (b) Erasmus Mundus Action 2, (c) Tempus IV, (d) Youth in Action, (e) Euro-Med Youth III, and (f) Scholarships in European Integration Studies in European Universities 2008
- (5) Tables on TAIEX events with ENP partner countries
- (6) Tables on twinning projects with ENP partner countries
- (7) Neighbourhood Investment Facility projects

¹⁷ These tables are annexed for illustration only. The progress reports are based on a much wider range of sources beyond these tables. The economic indicators table was compiled on the basis of various data sources (including the Economist Intelligence Unit, EUROSTAT, International Monetary Fund, United Nations, World Bank, national authorities and EC staff calculations) as presented in the European Economy Occasional Paper '*European Neighbourhood Policy: Economic Review of EU Neighbour Countries*', a yearly publication by the European Commission's Directorate-General for Economic and Financial Affairs.

Governance / Freedom of the Press / Human Rights & Fundamental Freedoms

	GOVERNANCE					FREEDOM OF THE PRESS					HUMAN RIGHTS & FUNDAMENTAL FREEDOMS					
	Transparency International CORRUPTION PERCEPTIONS INDEX			World Bank REGULATORY QUALITY		Reporters Without Borders WORLDWIDE PRESS FREEDOM INDEX			World Bank VOICE AND ACCOUNTABILITY		Freedom House POLITICAL RIGHTS			Freedom House CIVIL LIBERTIES		
	2006	2007	2008	2006	2007	2006	2007	2008	2006	2007	2006	2007	2008	2006	2007	2008
Armenia	2.9	3.0	2.9	59	60.2	25.50	23.63	22.75	26.9	30.3	5	5	5	4	4	4
Azerbaijan	2.4	2.1	1.9	34.1	31.1	47	55.40	53.63	14.9	14.9	6	6	6	5	5	5
Egypt	3.3	2.9	2.8	35.1	43.2	46.25	58	50.25	17.8	11.5	6	7	6	5	6	5
Georgia	2.8	3.4	3.9	44.4	58.7	21	20.83	31.25	44.7	42.3	3	3	4	3	3	4
Israel	5.9	6.1	6.0	78	82.5	12	13.25	8.83	70.2	69.7	1	1	1	2	2	2
Jordan	5.3	4.7	5.1	62.9	62.1	27.5	40.21	36	28.8	27.4	5	5	5	4	4	4
Lebanon	3.6	3.0	3.0	51.7	47.6	27	28.75	14	31.3	34.1	5	4	5	4	4	4
the Republic of Moldova	3.2	2.8	2.9	41.5	42.7	19.17	24.75	21.38	32.7	36.5	3	3	3	4	4	4
Morocco	3.2	3.5	3.5	47.9	51.0	24.83	33.25	32.25	28.4	29.3	5	5	5	4	4	4
Occupied Palestinian Territory				11.7		47	32	51.25	25		5	4	5	5	6	6
Tunisia	4.6	4.2	4.4	58	56.8	53.75	57	48.10	13.9	13.0	6	6	7	5	5	5
Ukraine	2.8	2.7	2.5	32.7	36.4	26.5	26.75	19.25	45.7	45.2	3	3	3	2	2	2

Explanation of scores

Freedom House:

Each country and territory covered in the survey is assigned two numerical ratings - one for political rights and one for civil liberties - on a scale of 1 (highest degree of freedom)

Reporters Without Borders:

The index reflects the degree of freedom that journalists and news organisations enjoy in a country. The score ranges from 1 (press freedom) to 100 (no press freedom).

A country or territory's CPI Score indicates the degree of public sector corruption as perceived by business people and country analysts, and ranges between 10 (highly clean)

Transparency International:

and 0 (highly corrupt)

The percentile rank of the governance indicators indicates the rank of a country amongst all the countries in the world. 0 corresponds to the lowest rank and 100 corresponds to

World Bank:

the highest rank

State of Ratification / Signature of selected Human Rights Conventions

State of ratification/ signature of major HR conventions *	ICCPR International Covenant on Civil and Political Rights OP1 OP2	ICESCR International Covenant on Economic, Social and Cultural Rights	CEDAW Convention on the Elimination of All Forms of Discrimination against Women OP	CAT Convention against Torture OP Right to Individual Complaint (Art.22)	CRC Convention on the Rights of the Child OP 1 or AC OP 2 or AC
ARMENIA	ICCPR 23/06/1993 OP1 - 23/06/1993 OP2 - NO	13/09/1993	CEDAW 13/09/1993 OP - 16/09/2006	CAT 13/09/1993 OP 14/09/2006 Art. 22 - NO	CRC 23/06/1993 OP-AC - 30/09/2005 OP-SC - 30/06/2005
AZERBAIJAN	ICCPR 13/08/1992 OP1 - 27/11/2001 OP2 - 22/01/1999	13/08/1992	CEDAW 10/07/1995 OP - 1/06/2001	CAT 16/08/1996 OP 15/09/2005 Art. 22 4/02/2002	CRC 13/08/1992 OP-AC - 3/07/2002 OP-SC - 3/07/2002
EGYPT	ICCPR 14/01/1982 OP1 - NO OP2 - NO	14/01/1982	CEDAW 18/09/1981 R OP - NO	CAT 25/06/1986 OP - NO Art. 22 - NO	CRC 6/07/1990 R OP-AC - 6/02/2007 OP-SC - 12/07/2002
GEORGIA	ICCPR 3/05/1994 OP1 - 3/05/1994 OP2 - 22/03/1999	3/05/1994	CEDAW 26/10/1994 OP - 30/07/2002	CAT 26/10/1994 OP - 9/08/2005 Art. 22 30/06/2005	CRC 2/06/1994 OP-AC - NO OP-SC - 28/06/2005
ISRAEL	ICCPR 3/10/1991 OP1 - NO OP2 - NO	3/10/1991	CEDAW 3/10/1991 R OP - NO	CAT 3/10/1991 R OP - NO Art. 22 - NO	CRC 3/10/1991 OP-AC - 18/07/2005 OP-SC - 23/07/2008
JORDAN	28/05/1975 OP1 - NO OP2 - NO	28/05/1975	CEDAW 1/07/1992 R OP - NO	CAT 13/11/1991 OP - NO Art. 22 - NO	CRC 24/05/1991 R OP-AC - 23/05/2007 OP-SC - 4/12/2006

LEBANON	3/11/1972 OP1 - NO OP2 - NO	3/11/1972	CEDAW 16/04/1997 R OP - NO	CAT 5/10/2000 OP - signed Art. 22 - NO	CRC 14/05/1991 OP-AC - 11/02/2002 OP-SC - 8/11/2004
REPUBLIC OF MOLDOVA	ICCPR 26/01/1993 OP1 - 23/01/2008 OP2 - 20/09/2006	26/01/1993	CEDAW 1/07/1994 OP - 28/02/2006	CAT 28/11/1995 OP 24/07/2006 Art. 22 - NO	CRC 26/01/1993 OP-AC - 7/04/2004 OP-SC - 12/04/2007
MOROCCO	3/05/1979 OP1 - NO OP2 - NO	3/05/1979	CEDAW 21/06/1993 R OP - NO	CAT 21/06/1993 R OP - NO Art. 22 19/10/2006	CRC 21/06/1993 R OP-AC - 22/05/2002 OP-SC - 2/10/2001
TUNISIA	18/03/1969 OP1 - NO OP2 - NO	18/03/1969	CEDAW 20/09/1985 R OP - 23/09/2008	CAT 23/09/1988 R OP - NO Art. 22 22/09/1988	CRC 30/01/1992 R OP-AC - 2/01/2003 OP-SC - 13/09/2002
UKRAINE	ICCPR 12/11/1973 OP1 - 25/07/1991 OP2 - 25/07/2007	12/11/1973	CEDAW 12/03/1981 OP - 26/09/2003	CAT 24/02/1987 OP - 19/09/2006 Art. 22 12/09/2003	CRC 28/08/1991 OP-AC - 11/07/2005 OP-SC - 3/07/2003

last update 28 October 2008

* **date of signature in bold**; date of ratification in standard

R: text adopted with reservations

State of ratification/ signature of major HR conventions *	CERD Convention on the Elimination of all Forms of Racial Discrimination Right to Individual Complaint (Art.14)	CMW Convention on Migrant Workers	Rome Statute International Criminal Court	CRPD Convention on the Rights of Persons with Disabilities
ARMENIA	CERD 23/06/1993 Art. 14 - NO	NO	1/10/1999	30/03/2007
AZERBAIJAN	CERD 16/08/1996 Art. 14 27/09/2001	11/01/1999	NO	9/01/2008
EGYPT	CERD 1/05/1967 Art. 14 - NO	19/02/1993	26/12/2000	14/04/2008
GEORGIA	CERD 2/06/1999 Art. 14 30/06/2005	NO	5/09/2003	NO
ISRAEL	CERD 3/01/1979 R Art. 14 - NO	NO	31/12/2000	30/03/2007
JORDAN	CERD 30/05/1974 Art. 14 - NO	NO	11/04/2002	31/03/2008
LEBANON	CERD 12/11/1971 R Art. 14 - NO	NO	NO	14/01/2007

REPUBLIC OF MOLDOVA	CERD 26/01/1993 Art. 14 - NO	NO	8/09/2000	30/03/2007
MOROCCO	CERD 18/12/1970 R Art. 14 19/10/2006	21/06/1993	8/09/2000	30/03/2007
TUNISIA	CERD 13/01/1967 Art. 14 - NO	NO	NO	2/04/2008
UKRAINE	CERD 20/06/1974 R Art. 14 28/07/1992	NO	20/01/2000	24/09/2008

last update 28 October 2008

* **date of signature in bold**; date of ratification in standard

R: text adopted with reservations

Main Macro Economic Indicators

	Real GDP growth (% change)		Inflation (period average)		GDP per capita (in EUR)		Unemployment (officially registered)		Central govt. balance % of GDP		Gross Public Debt (% of GDP)		Current Account Balance (% of GDP)		Trade Balance (% of GDP)		Foreign Direct Investment (net, % of GDP)	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Armenia	13.7	6.8	4.4	8.9	2081	2492	6.7	6.3	-2.2	-1.2	17.4	15.8	-6.2	-12.6	-15.5	-22.2	7.2	5.8
Azerbaijan***	25.0	10.8	16.7	20.8	2498	3228	6.5	6.1	0.2	0.2	6.7*	5.9*	30.7	41.1	51.8	62.0	-17.4	-3
Egypt	7.1	7.2	9.4	11.7	1289	1441	9.5	8.5	-7.5	-7.8	87.1	76.5	1.7	0.5	-12.5	-14.4	8.1	7.5
Georgia	12.4	2.1	9.2	9.6	1692	1961	13.3	13.3	-4.7	-6.0	25	28.5	-19.7	-16.6	-26.2	n.a.	15.5	n.a.
Israel	5.3	4.1	0.5	3.8	17337	19066	7.3	6.1	0.0	-2.1	80.6	80.0	3.6	1.3	-4.0	-4.8	1.9	1.4
Jordan	6.0	5.5	5.4	14.9	1915	2573	13.5	13	-6.2	-5	73*	62	-16.7	-24	-38.0	-44.7	11.5	11.8
Lebanon	7.5	6	9.3	5.5	4389	4586	n.a.	n.a.	-11.0	-10.2	171	162	-7.2	-10.9	-29.5	-36.8	10.8	24.7
the Republic of Moldova	3.0	6.5	12.4	13.0	956	1040	5.1	3.6	-0.2	0.0	28	20	-17.0	-16.5	-52.3	-50	10.2	11.1
Morocco	2.7	6	2.0	3.9	1885**	2045**	9.7	9.7	0.2	0.4	53.6	51.9	-0.1	-4.0	-19.2	-24	5.5	n.a.
Occupied Palestinian Territory	-3.1	2.0	2.7	9	1001**	1168**	21.3	23.9	-25	-23.6	n.a.	n.a.	-2.2	1.7	n.a.	n.a.	n.a.	n.a.
Tunisia	6.3	5.1	3.1	5.1	2440	2595	14.1	14.0	-2.9	-3	50.9	47.0	-2.6	-3.9	-8.2	-8.4	4.2	4.6
Ukraine	7.3	2.5	12.8	25.2	2218	2792	6.7	6.8	-1.5	-1	12.2	11.2	-4.2	-6.1	-5.6	-9.0	6.6	3.6

*) Azerbaijan, Jordan: data refers to 'NET public debt'

***) Currency conversion used: USD 1 = EUR 0,796 (March 2009)

****) For Azerbaijan, the Central government balance includes part of the total oil revenues from the Oil Fund. If it did not include it, the central fiscal balance would be -6.9% and -9.8% respectively. The figure for the net direct investments in 2008 is a projection based on the available in first three quarters.

The economic indicators table has been compiled on the basis of various data sources (including the Economist Intelligence Unit, EUROSTAT, International Monetary Fund, United Nations, World Bank, national authorities and EC staff calculations) as presented in the European Economy Occasional Paper 'European Neighbourhood Policy: Economic Review of EU Neighbour Countries 2009', a yearly publication by European Commission Directorate-General for Economic and Financial Affairs.

Tables on Mobility
situation on 1 April 2009

Erasmus Mundus External Cooperation Window 2008-2009

<u>ENP Country</u>	<u>Total Realised Mobility Flows for academic year 2008-9 *</u>
<u>ARMENIA</u>	<u>34</u>
<u>ALGERIA</u>	<u>69</u>
<u>AZERBAIJAN</u>	<u>34</u>
<u>BELARUS</u>	<u>67</u>
<u>EGYPT</u>	<u>55</u>
<u>GEORGIA</u>	<u>58</u>
<u>ISRAEL</u>	<u>59</u>
<u>JORDAN</u>	<u>36</u>
<u>LEBANON</u>	<u>23</u>
<u>REPUBLIC OF MOLDOVA</u>	<u>61</u>
<u>MOROCCO</u>	<u>94</u>
<u>OCCUPIED PALESTINIAN TERRITORY</u>	<u>53</u>
<u>SYRIA</u>	<u>22</u>
<u>TUNISIA</u>	<u>72</u>
<u>UKRAINE</u>	<u>130</u>
<u>GRAND TOTAL</u>	<u>867</u>

* Figures based on the 1 April lists being subject to possible adjustment

Erasmus Mundus Mobility Grants Action 2				
	Students		Scholars	
Country/Year	Academic year 2007-2008	Academic year 2008-2009	Academic year 2007-2008	Academic year 2008-2009
<i>Algeria</i>	5	8		6
<i>Armenia</i>	3	7	1	2
<i>Azerbaijan</i>	1	5		
<i>Belarus</i>	5	9		2
<i>Georgia</i>	5	10		1
<i>Egypt</i>	11	9		5
<i>Israel</i>	4	8	8	9
<i>Jordan</i>	1	1		
<i>Lebanon</i>	8	9		1
<i>Moldova</i>	5	6		
<i>Morocco</i>	5	8	3	7
<i>occupied Palestinian territory</i>	1	3		1
<i>Syria</i>	2	2	1	2
<i>Tunisia</i>	5	6	2	3
<i>Ukraine</i>	24	33	2	9
Overall Totals	80	124	17	48

Tempus IV- project status for ENP countries for 2008						
Country	Total Projects	National Projects	Multi Country Projects	Joint Projects	Structural Measures	As Grant Holder
<i>Algeria</i>	3		3	3		
<i>Armenia</i>	4		4	4		
<i>Azerbaijan</i>	3	1	2	3		
<i>Belarus</i>	4	1	3	4		
<i>Egypt</i>	7	3	4	7		2
<i>Georgia</i>	3		3	3		
<i>Israel</i>	2		2	2		
<i>Jordan</i>	3	1	2	3		
<i>Lebanon</i>	4		4	4		
<i>Moldova</i>	9	1	8	9		
<i>Morocco</i>	8	2	6	6	2	1
<i>occupied Palestinian territory</i>	2		2	2		
<i>Syria</i>	3	1	2	2	1	
<i>Tunisia</i>	6	1	5	4	2	
<i>Ukraine</i>	12	2	10	12		
Overall Totals	73	13	60	68	5	3

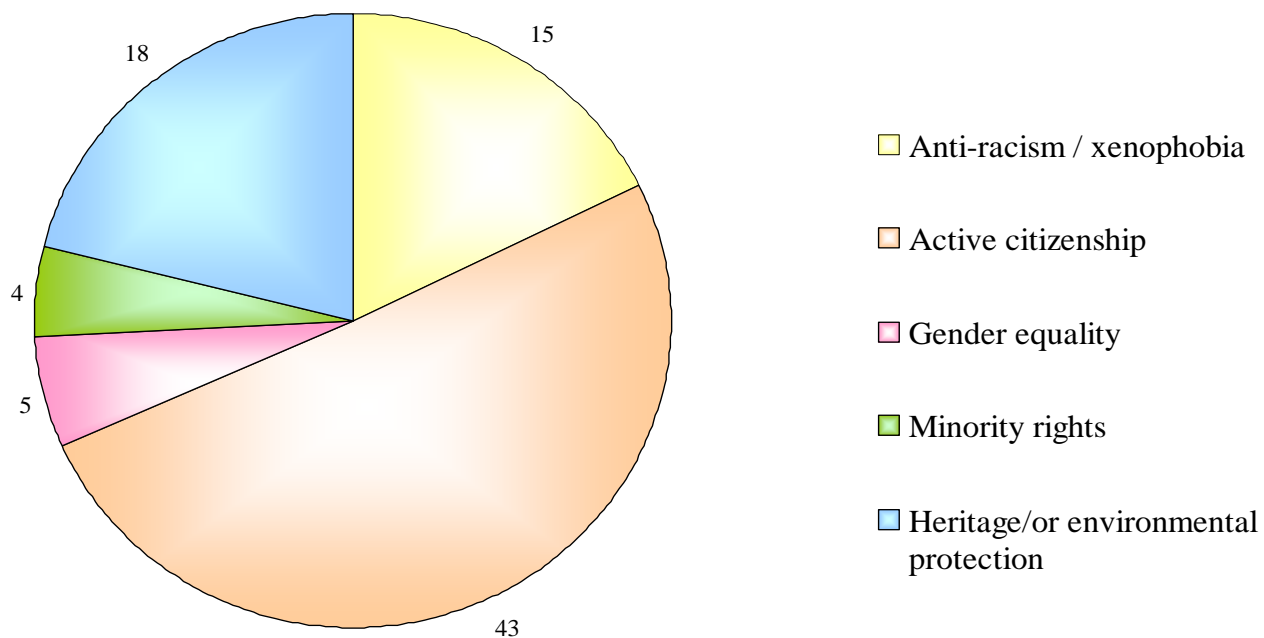
Youth in Action ¹⁸				
Country/Year	Youth Exchanges and Youth Workers' Mobility		Voluntary Service	
	2007	2008	2007	2008
<i>Armenia</i>	257	290	26	56
<i>Algeria</i>	79	88	1	1
<i>Azerbaijan</i>	228	237	7	25
<i>Belarus</i>	268	295	13	17
<i>Georgia</i>	383	340	27	40
<i>Egypt</i>	110	91	14	11
<i>Israel</i>	176	207	8	2
<i>Jordan</i>	70	95	7	10
<i>Lebanon</i>	95	102	0	1
<i>The Republic of Moldova</i>	238	303	8	28
<i>Morocco</i>	113	157	4	3
<i>occupied Palestinian territory</i>	180	129	1	9
<i>Syria</i>	10	49	1	2
<i>Tunisia</i>	77	116	10	4
<i>Ukraine</i>	585	684	31	61
Overall Total per Action	2591	3183	144	270

¹⁸ Approximate figures gathered at application level for projects submitted at decentralised level.

Distribution of Actions by Euro-Med Youth III (2007 – 2008)

Country	Youth exchanges	Voluntary Services	Support Measures	TOTAL
Israel	6	3	7	16
Jordan	3	0	3	6
Lebanon	3	0	4	7
Morocco	6	1	11	18
Occupied Palestinian Territory	5	1	4	10
Syria	2	0	2	4
Tunisia	6	1	7	14
Turkey	2	0	8	10

Selected thematic priorities Euro-Med Youth III (2007-2008)

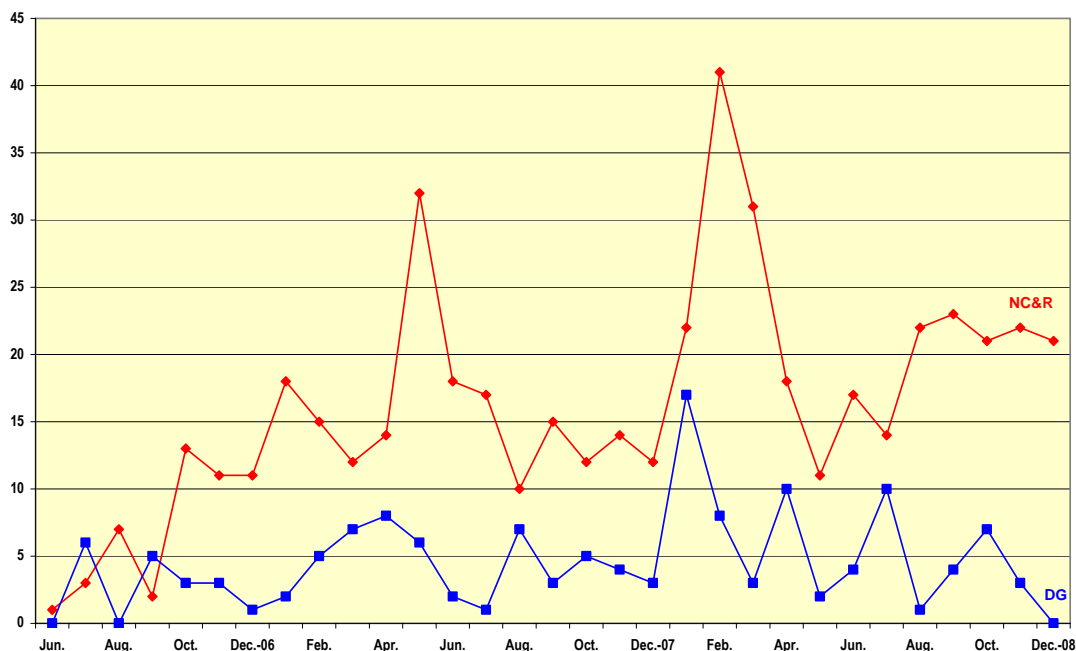


Scholarships in European Integration Studies in European universities 2008	
<i>Of the 102 applications received from all ENPI countries, 90 scholarship grants were awarded as follows</i>	
Country	Scholarships Awarded
<i>Algeria</i>	2
<i>Armenia</i>	12
<i>Azerbaijan</i>	5
<i>Belarus</i>	10
<i>Egypt</i>	4
<i>Georgia</i>	9
<i>Israel</i>	3
<i>Jordan</i>	3
<i>Lebanon</i>	3
<i>Libya</i>	1
<i>Morocco</i>	4
<i>Moldova</i>	9
<i>occupied Palestinian Territory</i>	2
<i>Syria</i>	3
<i>Tunisia</i>	2
<i>Ukraine</i>	18
Total for ENP countries	90

ANNEX

Breakdown of TAIEX requests received regarding ENP partner countries as well as the Russian Federation (global amount)

June 2006 – December 2008



	<i>PV&R</i>	<i>DG</i>	<i>Total</i>
<i>Requests TAIEX</i>	500	140	640
	78%	22%	100%
<i>Southern ENP partners</i>	46%	36%	
<i>Eastern ENP partners</i>	54%	64%	
<i>All ENP partners</i>	100%	100%	

Average number of monthly requests over 31 months 20.6

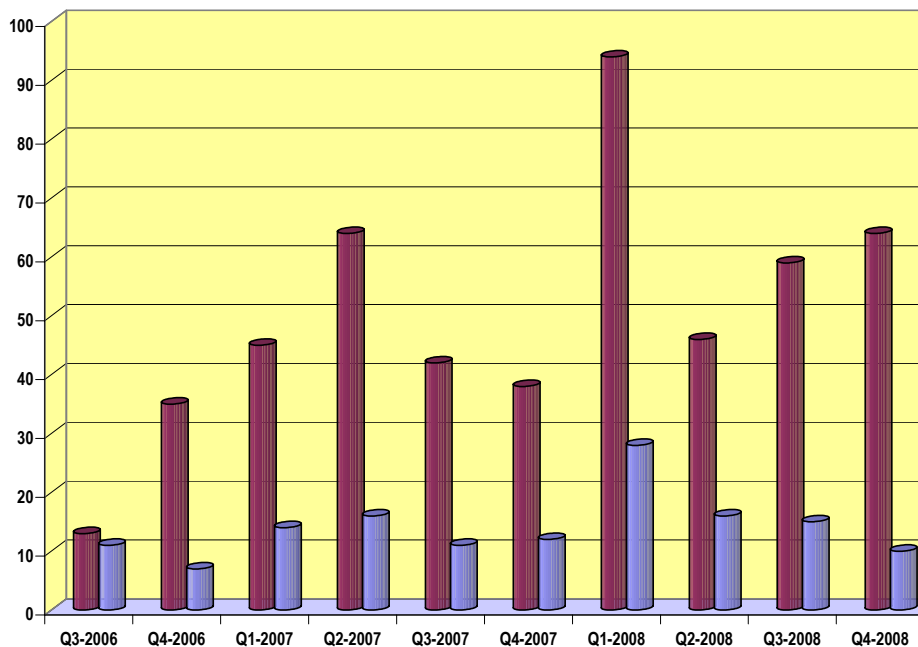
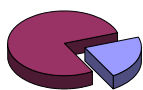
Avery number of monthly requests in 2006 (7 months) 9.4

Average number of monthly requests 2007 (12 months) 20.2

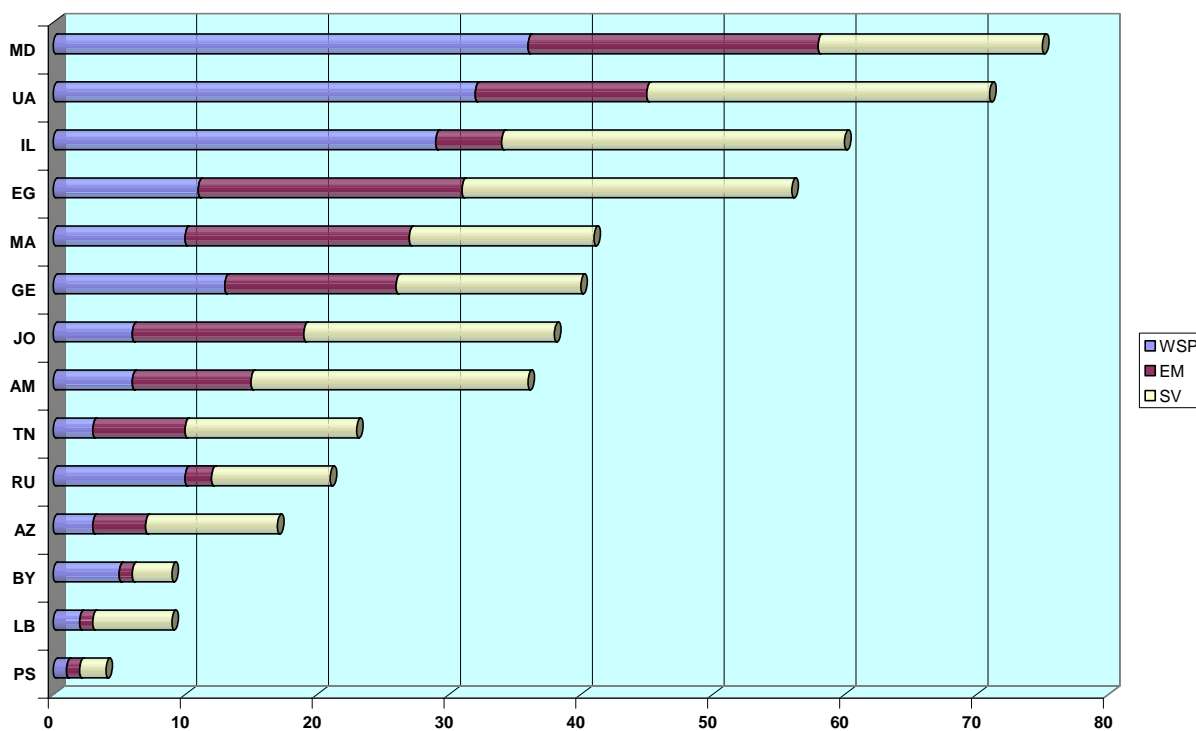
Average number of monthly requests 2008 (12 months) 27.7

Breakdown of TAIEX requests received from ENP partner countries (as well as the Russian Federation) and by Commission services (DG)

June 2006 – December 2008



TAIEX: breakdown per country of requests received from ENP partner countries (and the Russian Federation)



On average during 31 months:

More than 2 requests per month: 2 countries	Moldova and Ukraine
Between 1 and 2 requests per month: 6 countries	Armenia, Georgia, Egypt, Israel, Jordan and Morocco
Less than 1 request per month: 6 countries	Azerbaijan, Belarus, Russian Federation, Lebanon, occupied Palestinian territory and Tunisia

	Events in ENP partner countries (WSP)	Expert missions to ENP partner countries (EM)	Study visits from to EU Member States (SV)
Requests	37%	29%	41%
<i>Of which Southern</i>	<i>27%</i>	<i>27%</i>	<i>46%</i>
<i>Of which Eastern</i>	<i>39%</i>	<i>24%</i>	<i>37%</i>

Comment:

- More events in partner countries requested by Eastern ENP partners; more expert missions requested by Southern ENP partners
- 4 partners account for more than half (52%) of requests: Egypt, the Republic of Moldova, Israel, Ukraine
- 7 partner countries account for more than three quarters (76%) of requests: the four mentioned above, plus Georgia, Morocco and Jordan

Refusals:

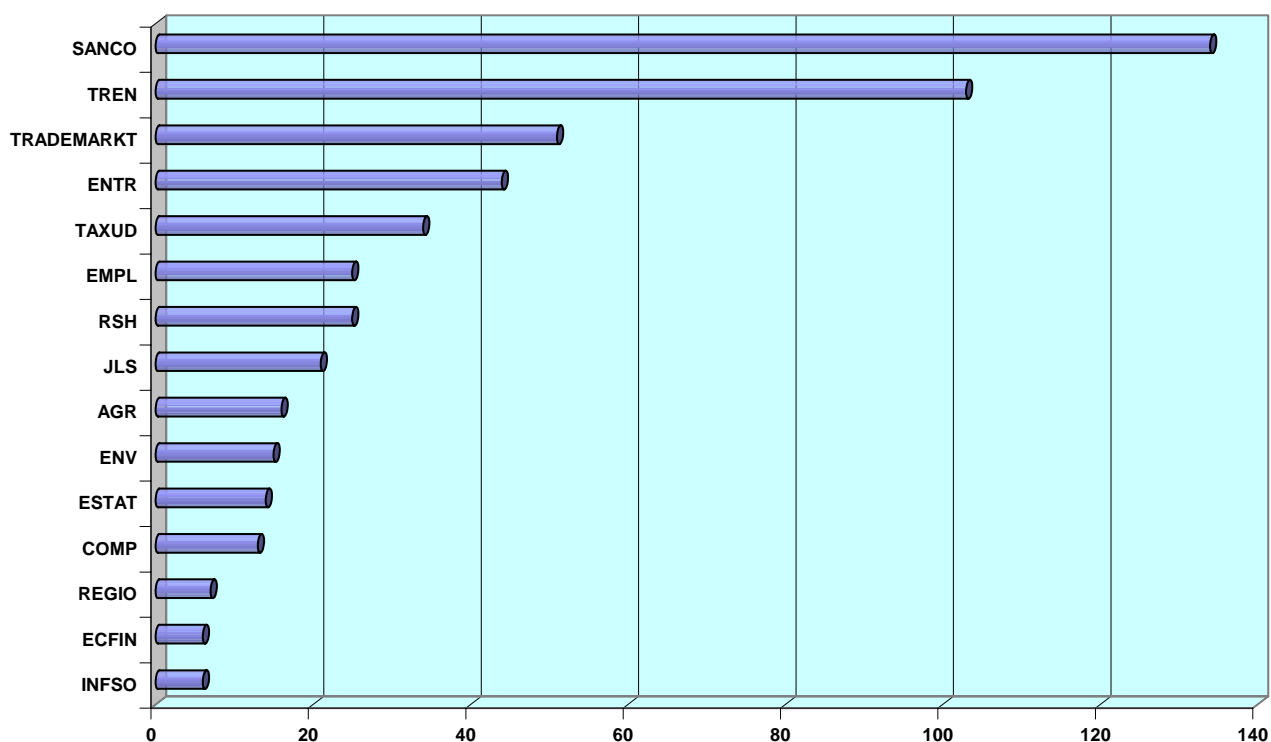
Overall, 19% of requests were refused (of which 56% for study visits), mainly for the following reasons:

- Duplication with twinning projects (no TAIEX support during the period of twinning projects in the same field)
- Weak link with Community norms and standards
- Request better suited for technical assistance
- Duplication with other TAIEX requests (for example, duplication between a request for an expert mission and for a study visit regarding the same subject)
- Request for TAIEX support for events unrelated to TAIEX

- Request for scheduling of successive TAIEX operations by the same institution
- Request for financing to attend events not linked with TAIEX
- Request for a study visit to the European Institutions

TAIEX: requests received from European Commission services

June 2006 – December 2008

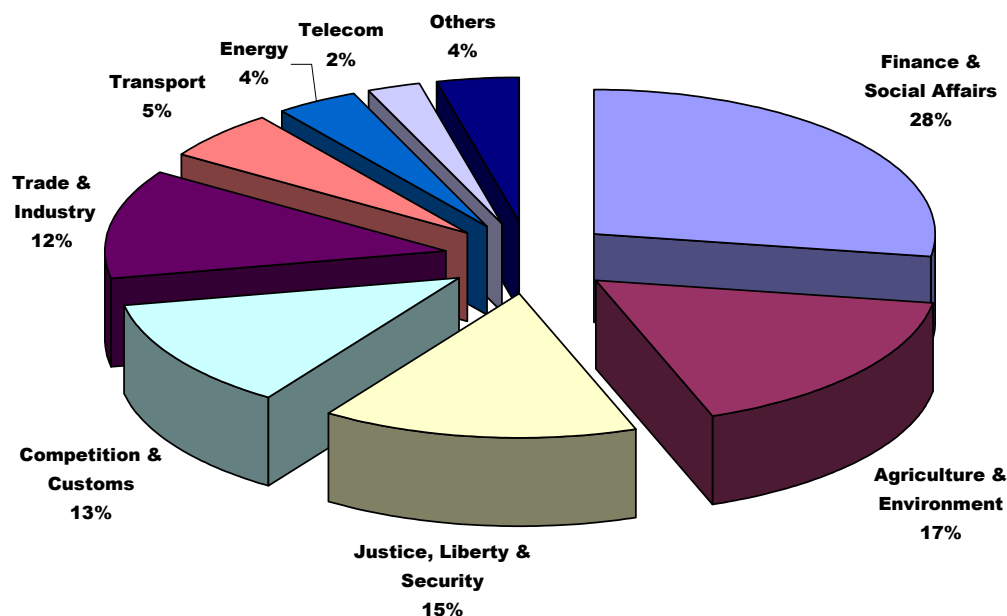


Comment:

- 4 Commission services account for more than half (56%) of requests: SANCO (Health and Food safety), TREN (Energy and Transport), and TRADE/MARKT, with SANCO having submitted most requests
- 6 Commission services account for three quarters (76%) of requests: the three above-mentioned plus ENTR, TAXUD and EMPL
- 64 % of request received from Commission services came from Eastern Neighbourhood countries and the Russian Federation
- 3 DGs account for more requests from the South than the East: ENTR, ESTAT and COMP

TAIEX: breakdown of requests from ENP partner countries (+ the Russian Federation and Croatia) by sector

June 2006 – December 2008



Comment:

60% of requests are concentrated in three sectors:

- Finance, Internal Market and Social Affairs
- Agriculture, Health & Consumers and Environment
- Justice, Freedom and Security

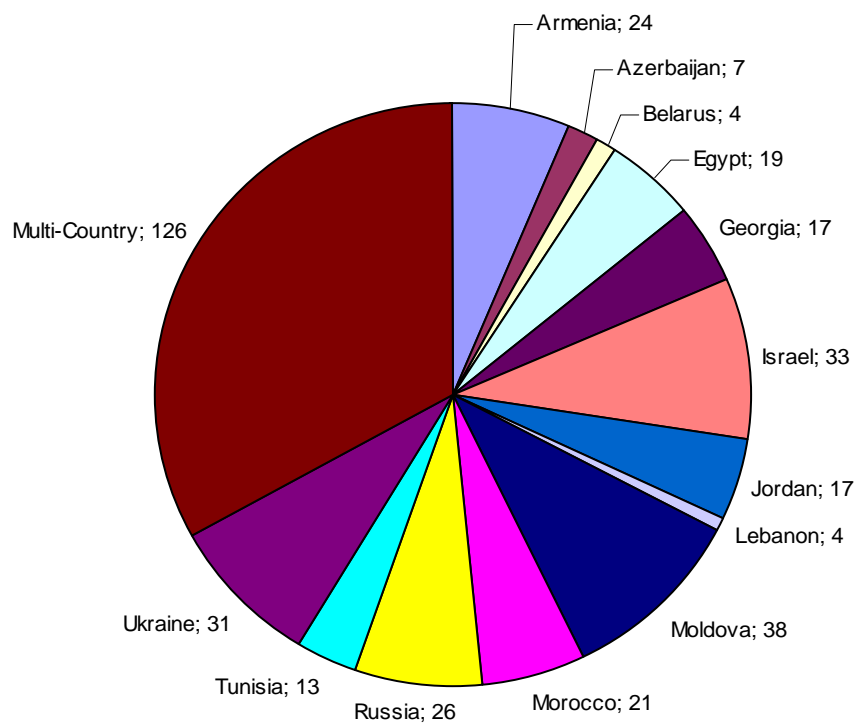
90% of requests are concentrated in six sectors:

- The three previous ones
- Competition and Customs
- Trade and Industry
- Transport

TAIEX ENP Events by Partner Country (& Russian Federation)

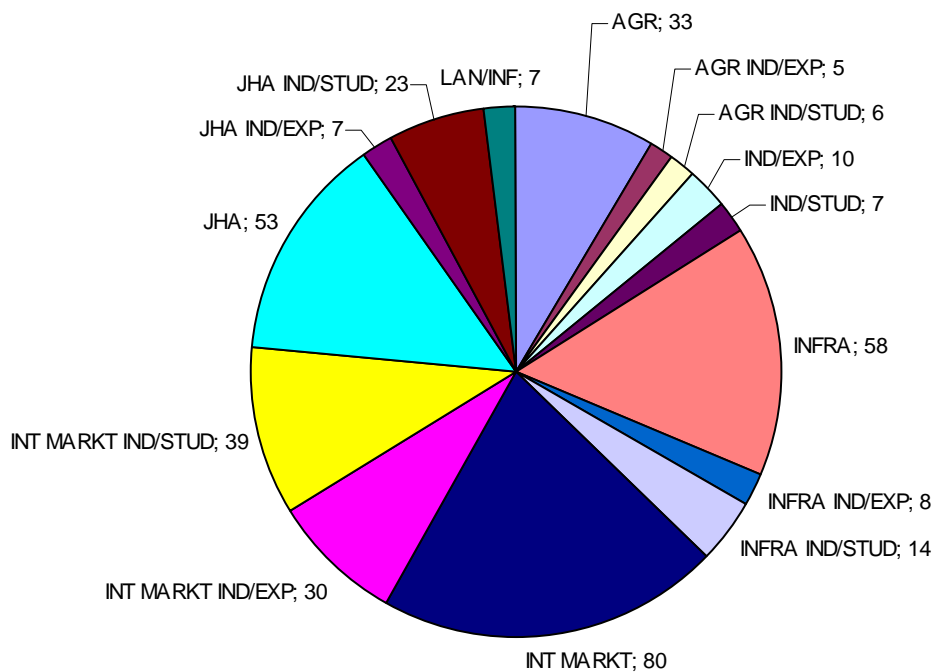
2006 - 2008

(Total: 380)



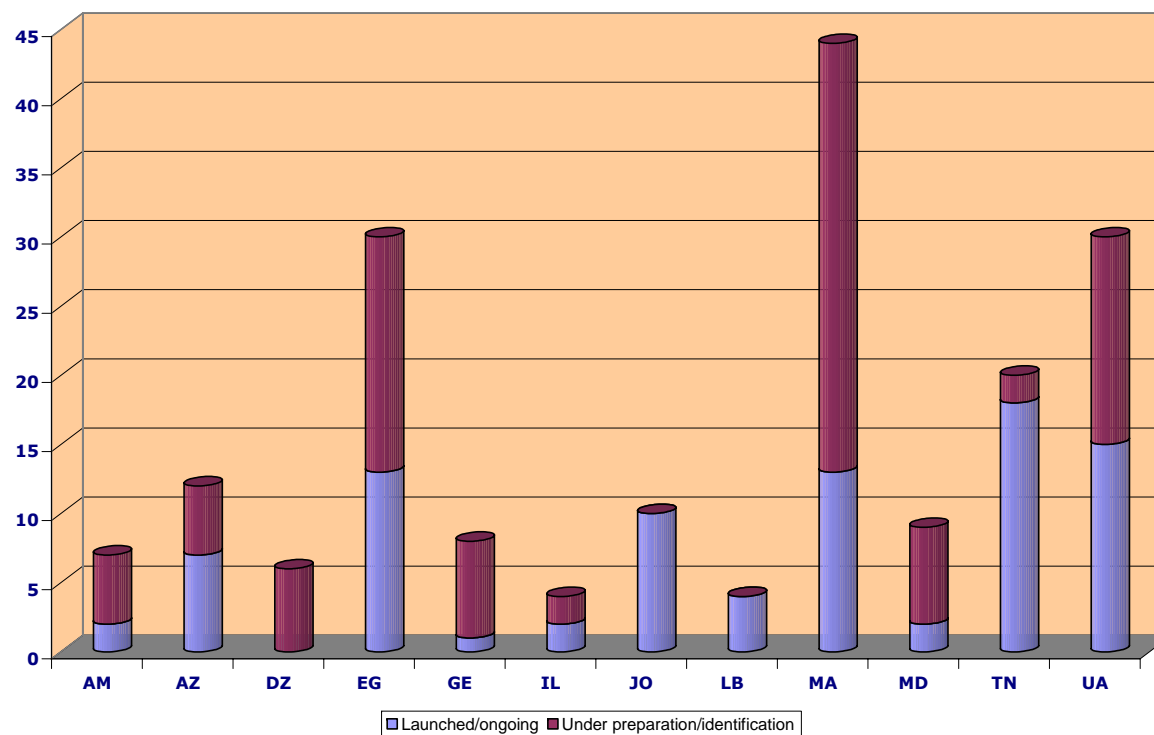
TAIEX Events by Sector 2006 - 2008

(Total: 380)



Twinning in the Neighbouring Countries Key Facts and Figures

**184 ENP-Twinning projects under preparation
or published – per country (2004-2008)**



Note: Future twinning pipelines for the Southern countries (except Algeria and Morocco) will be defined in the course of 2009

**Twinning projects
ENPI South (per country)**

Country	2004-2008 Launched/ongoing terminated	2004-2008 Under preparation/ identification/project ideas	TOTAL
Algeria		6	6
Egypt	13	17	30
Israel	2	2	4
Jordan	10		10
Lebanon	4		4
Morocco	13	31	44
Tunisia	18	2	20
TOTAL	60	58	118

**Twinning projects
ENPI East (per country)**

Country	2005-2008 Launched/ongoing	2005-2008 Under preparation/ identification/project ideas	TOTAL
Armenia	2	5	7
Azerbaijan	7	5	12
Georgia	1	7	8
Moldova	2	7	9
Ukraine	15	15	30
TOTAL	27	39	66

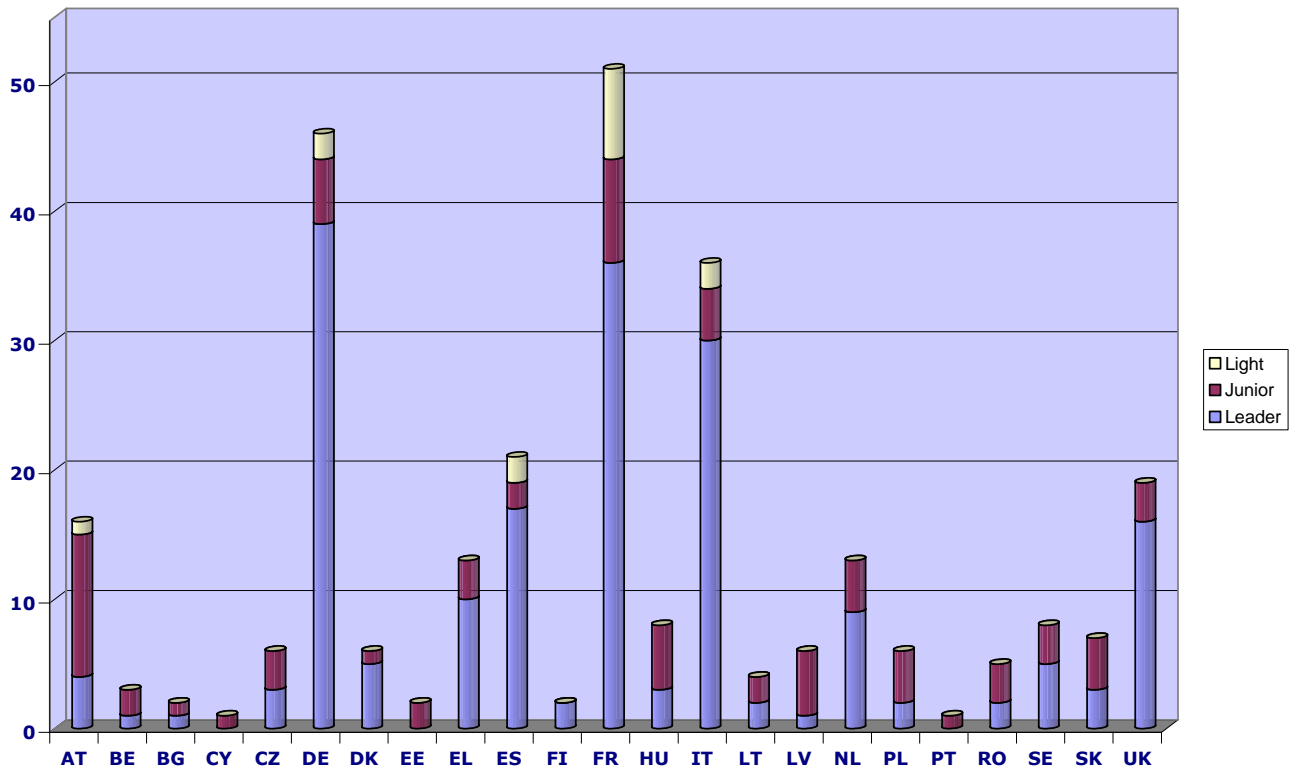
Twining projects ENP 2004-2008 (per sector)

Telecom	2
Competition	4
Statistics	6
Health & Consumer Protection	8
Customs	9
Employment & Social Affairs	10
Agriculture	11
Transport	12
Energy	12
Trade & Industry	13
Justice & Home Affairs	16
Environment	20
Finance & Internal Market	24
Other	37
TOTAL	184

Number of Twinning proposals by Member State 2004 – 2008

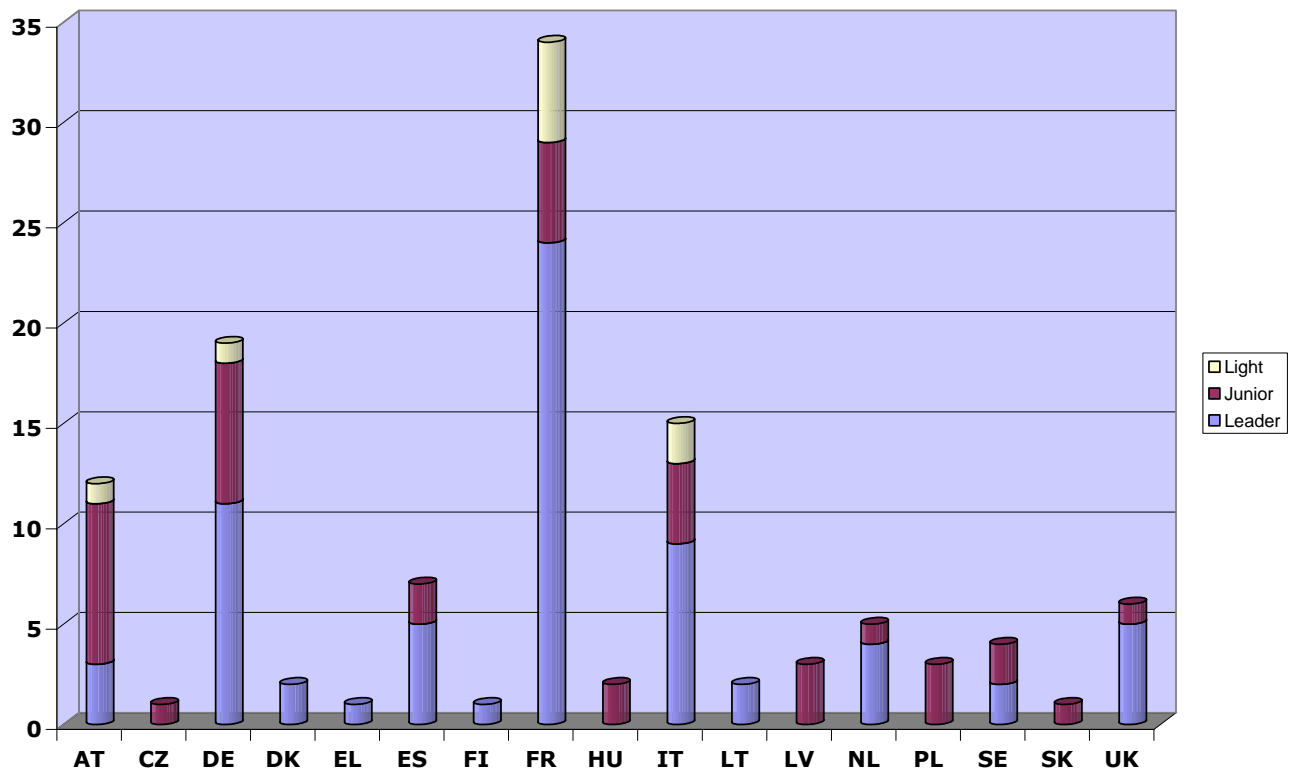
212 Proposals from 23 Member States for

81 ENP-Twinning Calls for Proposals (12/01/2009)

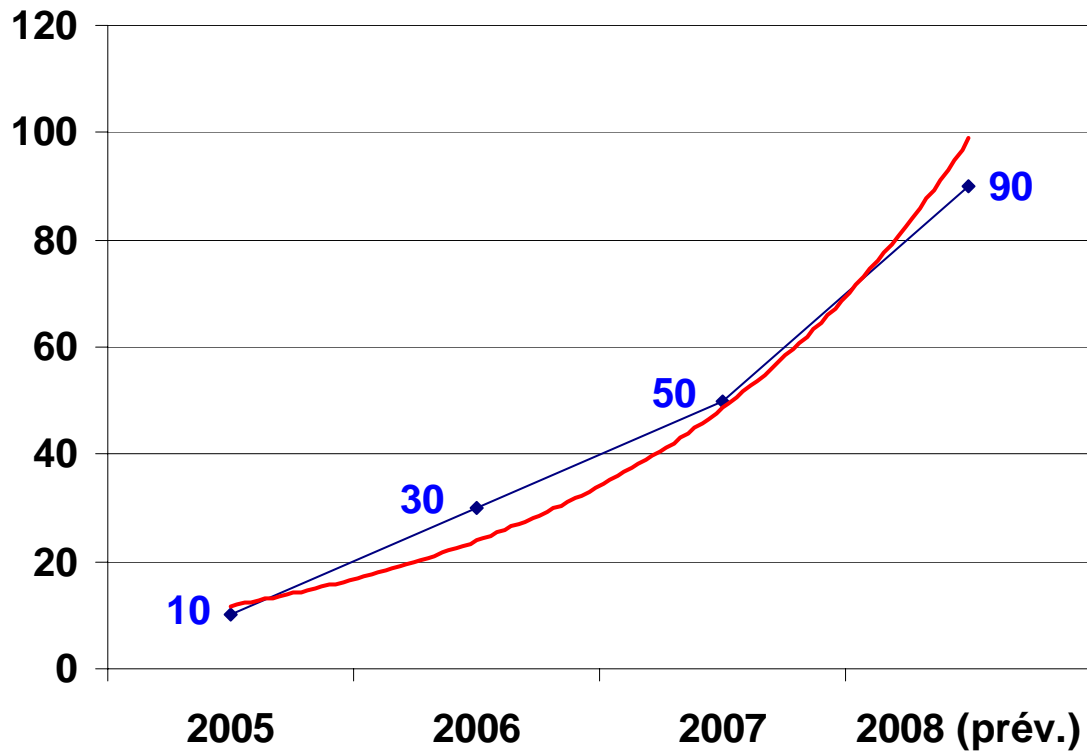


Member States selected in awarded Twinning projects 2004-2008

*17 EU Member States Selected for
81 attributed ENP-Twinning (12/01/2009)*



**Exponential Increase of Twinning Launched in
ENP Countries:
Cumulated 2005-2008**



Neighbourhood Investment Facility (NIF): List of projects that received final approval for a contribution in 2008

Projects in the ENP East region:

The NIF contribution to the nine projects approved for the East amounts to EUR 37.23 million. The total amount of these projects is worth approximately EUR 1.1 billion.

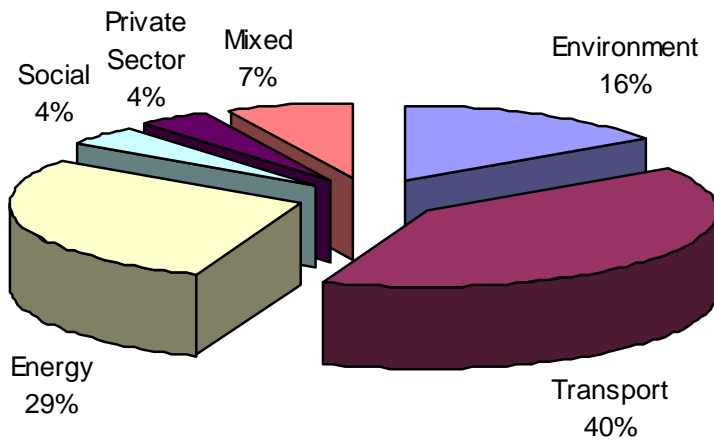
Country	Consortium of European Finance Institutions	Title of the project	Sector	Total Cost	NIF Contribution
Georgia	KfW, EBRD and EIB	Black Sea Energy Transmission System	Energy	220	8
Republic of Moldova	CEB	Capacity Assessment and Modernization of the Republican Clinical Hospital in Chisinau	Social	18	3
Republic of Moldova	EBRD and EIB	Road Rehabilitation project	Transport	92,5	12
Republic of Moldova	EBRD, KfW and EIB	Feasibility Study for the Improvement of the Water and Sanitation System in Chisinau	Environment	59	3
Republic of Moldova	EBRD and EIB	Technical Assistance for the Chisinau Airport Modernisation Project II	Transport	46,25	1,75
Ukraine	EBRD and EIB	Technical Assistance Support for Ukrainian Municipalities	Social / Transport / Energy (mixed)	135	5
Ukraine	EBRD and EIB	Technical Assistance for the Ukrenergo high voltage transmission networks	Energy	301,28	0,8
Ukraine	EBRD and EIB	Technical Assistance for Burshtyn TPP Rehabilitation and Efficiency Improvement	Energy	250,8	0,8
Regional	EBRD	Technical Assistance support to Financial Intermediaries	Private Sector	38,25	2,88

Projects in the ENP South region:

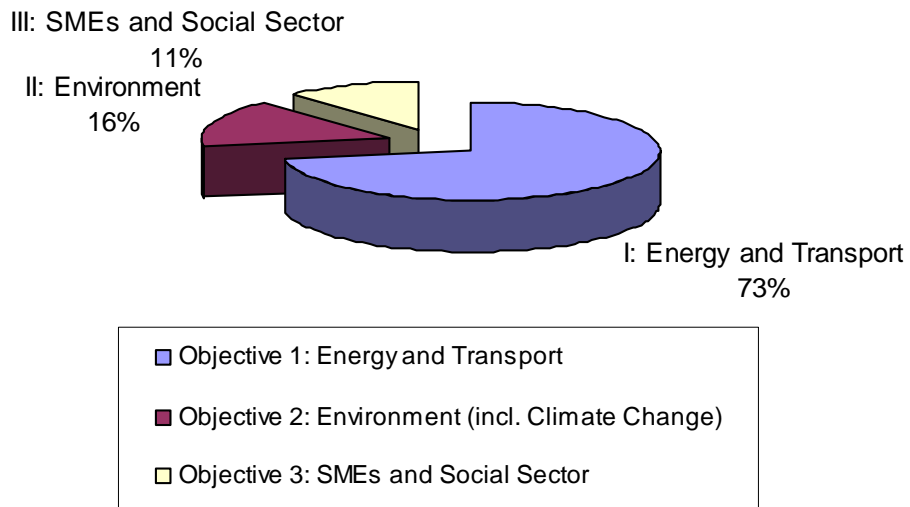
The NIF contribution to the six projects approved for the South amounts to EUR 33.8 million. The total amount of these projects is worth approximately EUR 1.6 billion.

Country	Consortium of European Finance Institutions	Title of the project	Sector	Total Cost	NIF Contribution
Egypt	KfW, AFD and EIB	Improved Water and Wastewater Services Programme	Environment	295	5
Egypt	KfW and EIB	Wind farm El Zayt	Energy	340	10
Morocco	EIB and AFD	Programme National de Routes Rurales (PNRR2)	Transport	397	9,8
Morocco	AFD and EIB	Tramway de Rabat / Salé	Transport	346	5
Tunisia	KfW and AFD	Réhabilitation station d'épuration (STEP) et de station de pompage	Environment	127	3
Tunisia	KfW, AFD and EIB	Centrale électrique thermosolaire (20 MW)	Energy	up to 120	1

Distribution of the NIF Contributions per Sector 2008:



Distribution of the NIF Contributions per Objective 2008:



NIF: Pledged Contributions of the Member States (as per 28/12/08):

Provisional List of Member State direct contributions (officially announced)	Pledge (2008-10)
Germany	10
France	10
Poland	3
Czech Republic	2
Spain	2
Austria	1
Bulgaria	1
Estonia	1
Finland	1
Greece	1
Italy	1
Luxembourg	1
Portugal	1
Romania	1
Sweden	1
	<u>37</u>