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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)/Council
Subject:	Draft Council conclusions on Pakistan

1. The Asia/Oceania Working Party reached agreement on the draft Council conclusions on Pakistan on 7 July 2016.
2. At its meeting of 12 July 2016, the Political and Security Committee confirmed the agreement reached in the Asia/Oceania Working Group.
3. Coreper is accordingly requested to approve these draft Council conclusions and submit them to the Council for adoption.

Draft Council conclusions on Pakistan

1. The Council endorses the 2016 implementation report on the EU-Pakistan 5-year Engagement Plan¹ and welcomes the fact that relations with Pakistan have expanded in scope and intensity during the implementation thereof.
2. Migration is a key priority for the EU in its relations with Pakistan and the EU will remain closely engaged with the country and expects the full implementation of the EU-Pakistan Readmission Agreement. Effective implementation of the Agreement is critical *for the continued development of EU-Pakistan relations*. The EU stands ready to support Pakistan in managing migration, including on prevention of migrant smuggling and the reintegration of returnees. In addition, through its development cooperation, it continues to address root causes of irregular migration.
3. The EU recalls its concerns with regard to the situation of human rights in Pakistan, especially the freedom of religion or belief, the rights of persons belonging to minorities, the rights of women, and the rights of children. The EU welcomes Pakistan's adoption of a Human Rights Action Plan and its decision to strengthen its Human Rights Institutions. The Council calls for these to be translated into tangible progress in terms of respecting, protecting and promoting all human rights, as well as through strengthening the rule of law. The Council recalls that effective implementation of international conventions is an essential requirement under the GSP+ scheme, while the EU stands ready to support Pakistan in its implementation of international obligations, including those related to genuine elections.

¹ See ANNEX 1

4. The EU welcomes the Government's condemnation of violence against women, including "honour" related violence, and supports further efforts to ensure equal rights and opportunities for men and women. The empowerment of women and girls, including the end of child marriages, constitutes an integral part of inclusive development. Furthermore, the EU encourages Pakistan to develop and adopt a National Action Plan on the implementation of UN Security Council Resolution 1325 on Women, Peace and Security.
5. The EU remains committed to supporting Pakistan in attaining the Sustainable Development Goals through its development programmes. In this framework, the EU calls on Pakistan to facilitate the registration and visa for its development/implementing partners, in particular for International Non Governmental Organisations.
6. The EU supports the role of democratic institutions and of civil society. The EU encourages Pakistan to follow up on the recommendations by several EU Election Observation Missions to further improve the electoral process, well in time before the next elections planned for 2018.
7. The EU is strongly opposed to capital punishment in all cases and has consistently called for its universal abolition. In light of this, it remains deeply concerned by Pakistan's decision to lift the moratorium on executions and the fact that executions continue at an alarming pace, as well as the reported shortcomings in the judicial proceedings. The EU strongly urges Pakistan to re-instate the moratorium as a first step towards the abolition of the death penalty. The Council calls on Pakistan to comply in full with its international obligations as stated in Human Rights Treaties, including the International Covenant on Civil and Political Rights, the Convention on the Rights of the Child and the Convention against Torture.

8. The EU acknowledges the significant efforts by the Government of Pakistan and the sacrifices made in the fight against terrorism. The EU reiterates its commitment to cooperate on a comprehensive approach to terrorism in compliance with human rights and to prevent and counter violent extremism, which remains a global challenge. To this end, the EU is committed to expanding and making more operational its Counter Terrorism cooperation with Pakistan. In this vein, the Council looks forward to holding a new edition of the EU-Pakistan staff talks to exchange on crisis management and defence cooperation.
9. The Council recalls the collective commitment to support peace, stability, and development in Afghanistan and recognises the important role Pakistan can play in advancing political, security, economic and trade relations, which can contribute to peace, stability and growth in the region. The EU encourages Pakistan to continue and intensify its cooperation with the Afghan Government, including in facilitating an Afghan-led and owned peace process. The EU calls on Pakistan to strengthen cooperation with Afghanistan to combat terrorism and disrupt terrorist infrastructure.
10. The EU commends Pakistan for hosting an estimated three million Afghan refugees and encourages Pakistan to continue providing protection, including proof of registration cards. The EU also recognises the pressing need to help Pakistan care for these refugees and when appropriate to assist their voluntary return and provide support to host communities.
11. The Council also encourages comprehensive dialogue between Pakistan and India and supports further development of regional trade links, which would strongly benefit the whole region.
12. The EU remains committed to its dialogue with Pakistan and to making it more strategic through the follow-up of the Engagement Plan. Depending on the progress achieved, not least in the areas of human rights, migration including readmission, this may lead to a third EU-Pakistan Summit in 2017.

13. The Council invites the High Representative and the European Commission to initiate consultations with Pakistan on a framework for engagement beyond the EU-Pakistan 5-year Engagement Plan, with particular priority given to human rights, the strengthening of democracy, rule of law and governance, as well as migration including readmission.
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**EU-PAKISTAN 5 YEAR ENGAGEMENT PLAN
IMPLEMENTATION REPORT 2016**

I. INTRODUCTION

1. Since its adoption in 2012, the EU-Pakistan 5-Year Engagement Plan has provided the overall framework for the European Union (EU)'s engagement with Pakistan, building on the EU-Pakistan Cooperation Agreement (2004). It is intended to strengthen EU-Pakistan relations by intensifying dialogues across priority areas including: political cooperation; security; governance, human rights; migration; trade and energy.
2. In the reporting period, the EU and Pakistan continued to make progress on the priorities of the Engagement Plan, notably in the areas of trade, human rights and democracy, which is reflected in a high number of dialogues and official visits both held in Brussels and Islamabad, the release of the first GSP+ (Generalised Scheme of Preferences Plus) progress report and the visit to Pakistan of an EU Election Follow-up Mission (EFM) to the 2013 EU Election Observation Mission.
3. The EU and Member States also maintained a strong engagement in development cooperation in the reporting period. The total amount of funding for development activities is €887,647,141² in 2016, almost all of which is allocated to areas covered in the Engagement Plan.

² See table in Annex 2.

II. EU-PAKISTAN ENGAGEMENT

2.1 Strategic and political

4. Since the adoption in 2012 of the 5-Year Engagement Plan, the EU's relations with Pakistan have further strengthened and the EU's visibility has improved, to a large extent connected with the granting of GSP+. Regular high level interactions between the EU and Pakistan have taken place, including a meeting of the EU-Pakistan Joint Commission and its Sub-Groups on Trade, Governance and Human Rights, and Development Cooperation in September 2015, the Political Dialogue in June 2016, a number of sectoral dialogues, including on Counter-Terrorism and Non-Proliferation and Disarmament, as well as meetings of the Joint Readmission Committee in June 2015 and February 2016. In addition, a number of high level visits took place, including those of the Commissioner for Home Affairs and the EEAS Deputy Secretary General for Political Affairs to Pakistan. The HR/VP also had a bilateral meeting with the Advisor to the Prime Minister on Foreign Affairs in the margin of the ASEM meeting in Luxembourg in November 2015. The EU received high-level visits of the Minister of Commerce, the Special Assistant to the Prime Minister for Law, Justice and Human Rights and a visit led by the Chairman of the Senate Defence Committee.

2.2 Security

– Counter-Terrorism (CT) Dialogue and Cooperation

5. The fifth EU-Pakistan CT Dialogue took place in Brussels on 20 April 2016 between the Additional Secretary for the United Nations and Economic Cooperation of the Ministry of Foreign Affairs and the EEAS Deputy Secretary General for CSDP (Common Security and Defence Policy) and Crisis Response. The EU CT Coordinator also participated. At this occasion, both sides agreed to continue their cooperation in this field and a Joint Declaration, setting the direction for the cooperation was adopted. Both sides agreed on the urgent need for a comprehensive approach to counter terrorism and to step up cooperation to prevent and counter violent extremism (CVE), radicalisation and recruitment and to address the root causes of these problems.

6. On the operational side, the EU continued to support the efforts on rule of law, including CT. At federal level, the EU has continued to make the case for a strengthened civilian justice system, and an end to the use of military courts to try civilian terrorism cases after the expiry of their two year mandate in January 2017. In Khyber Pakhtunkhwa, the programme "Citizens' Justice and Peace" started in 2015, aimed at improving policing and justice service delivery and relations with the public at community level. In Punjab, actions are ongoing to support provincial capacity to deal with terrorism, increase availability of legal services at community level and enhance the judicial process. Three new peacebuilding projects were contracted under a Call for Proposals launched in March 2015, focusing on peace building and CVE.

– **Disarmament and Non-proliferation**

7. The second EU-Pakistan dialogue on Disarmament and Non-Proliferation took place in Brussels on 18 April 2016 between the EU Special Envoy for Disarmament and Non-proliferation and the Additional Secretary for the United Nations and Economic Cooperation of the Ministry of Foreign Affairs. A number of issues were discussed, among which cooperation in peaceful uses of nuclear energy, the conference on disarmament, conventional arms and weapons of mass destruction, the fissile material cut-off treaty and the Amendment to the Convention on Physical Protection of Nuclear Material. It is also worth noting that Pakistan hosted the Annual meeting of the International Network on for Nuclear Security Training and Support Centres in March 2016.

– **Staff talks**

8. Since the first EU-Pakistan Staff talks in Brussels on 18-19 April 2013 and the visit of the EU Chairman Military Committee on 16-18 June 2013, the parties have been discussing how to continue this cooperation. Regular contacts between the EU Delegation and the Pakistani security establishment have been taking place as well as regular information exchanges between the EU Member State' Military Attaches. However, while this dimension of the EU-Pakistan relationship faces the challenge of identifying clear cooperation deliverables from both sides, efforts will continue to expand cooperation, including by holding the second round of Staff Talks as soon as possible.

2.3 Democracy, Governance, Human Rights and Socio-Economic Development

– **Democracy**

9. The EU has a longstanding commitment to democracy in Pakistan and has been invited to observe three Parliamentary elections in 2002, 2008 and 2013. The 2013 EU Election Observation Mission (EOM) made a number of recommendations for further strengthening the electoral framework in Pakistan and the EU has since then consistently advocated for their implementation, including in the framework of the recently established parliamentary reform committee and underlined its readiness to support the process. Following-up on the 2013 EU Election Observation mission, an election follow-mission (EFM) led by former Chief Observer Michael Gahler visited Pakistan in February 2016 and produced a report with recommendations about the status of the electoral reform process and the state of play of previous EOM recommendations. The report was handed over to the Government and the Election Commission, both welcoming the EU's input and support to the process. The EU delegation, supported by the EU Member States' missions in Pakistan, will continue to encourage the Pakistani side to implement EOM recommendations and needed reform to promote a more inclusive, credible and transparent election process well in time before the next elections in 2018.

10. In parallel, the EU is providing technical support for electoral reform and strengthening parliamentary institutions. Election assistance has covered the demand side (domestic election observation, work on electoral reform and advocacy with parliamentarians, politicians and the media) and the supply side (support to the Election Commission of Pakistan and capacity development and technical assistance to the Parliament). This has enabled the EU to position itself strategically as a committed donor. The on-going EU supported programme with the Parliament concentrates on improving strategic planning, transparency and access, enhancing performance of selected committees and promoting cross party collaboration.

– **Governance**

11. The EU continued to provide assistance via the Public Financial Management Support Programme for Pakistan (PFM-SPP) to the Government of Sindh and the Federal Government. The programme supports Public Financial Management (PFM) reform strategies and action plans, budgeting reforms, macroeconomic forecasts and other selected PFM areas. It uses the latest findings of Public Expenditure and Financial Accountability assessments for the Federal Government and the Government of Sindh. In Sindh, the programme is led by the provincial Government and EU support is aligned with World Bank assistance. At Federal level PFM reforms are being developed by the Federal Government with EU assistance. At the same time, DFID is supporting PFM reforms in the provinces of KP and Punjab. This Programme should be extended mid-2016 to also cover PFM technical assistance in Balochistan, as a component of the Annual Action Plan 2015 for the Balochistan Rural Development Programme.

– **Human Rights**

12. The EU has continued to engage with the Pakistani authorities and civil society on human rights. Issues such as freedom of religion or belief, protection of vulnerable minorities and abuse of blasphemy laws are discussed through the regular human rights dialogue with Pakistan. The EU has also continued to express its strong concern over the worrying situation regarding the application of death penalty, reiterating its principal opposition thereto and has repeatedly urged Pakistan to reinstate a moratorium on executions in place until 2014, with the ultimate aim of abolishing capital punishment.
13. The granting of GSP+ has provided the EU with increased leverage to engage with the Pakistani Government in the field of human rights, including the impact of commitments under GSP+ on electoral reform. In January 2016 the first GSP+ progress report was published, highlighting areas where some progress had been made as well as a number of human rights concerns. The EU has in its dialogue with Pakistan continued to stress the need for Pakistan to demonstrate progress in effectively implementing its commitments under the Conventions listed in the GSP Regulation. Reported breaches of the international obligations when it comes to the application of the death penalty have been followed closely by the EU.
14. The EU supports several ongoing human rights initiatives via its European Instrument on Democracy and Human Rights (EIDHR). The EU also provided three new grants under EIDHR in 2015, two concerning women's empowerment and participation in public life and one on freedom of religion and interfaith harmony. Ongoing grants under EIDHR included actions related to violence against women and children and freedom of religion or belief. Another worldwide call of proposals will take place in 2016 and a national call in 2017.

– **Socio-Economic Development**

15. The EU Bilateral Development Cooperation for the period 2014-2020, with a total amount of 653 M€ has Education and Human Resource Development, Rural Development and Good governance and Human Rights as focal sectors. Programmes in these areas are also helping to address some of the root causes of irregular migration.
16. The current ongoing support to education in Pakistan focusing on primary and secondary education is being provided to Sindh, Balochistan and KP provinces. The on-going programme in KP will not be extended after the completion of the activities in 2017. Focus will be given to support for education in Sindh and Balochistan. In Sindh, support continues using country systems through budget support. In Balochistan, cooperation has been agreed to start and a Financing Agreement was signed in November 2015.
17. The EU is also currently supporting two Technical and Vocational Education and Training (TVET) programmes in Pakistan aiming at developing related national policies, improving governance, building capacity of relevant stakeholders and providing relevant training programmes in rural areas. Both programmes will end in 2016. Together with the co-donors Netherlands, Germany and Norway, the EU has agreed to further roll out of the recently developed TVET policy, to support its adaptation and implementation at provincial level, and, in the future, to enhance the linkages of TVET provision – employment- private sector engagement and economic growth.
18. The EU provides support for community driven local development and technical assistance to Provincial and District level authorities, thereby strengthening the new local government system, as well as grants to the local NGOs in Khyber Pakhtunkhwa, Sindh and Balochistan. Within its rural development activities, the EU also funded a project aimed at refugee affected and hosting areas (RAHA) in Khyber-Pakhtunkhwa and Balochistan, implemented by UNDP. Implementation of this project ended in 2015. Through a regional envelope, the EU has also prepared a similar project, co-financed together with Germany, to take place in FATA to facilitate the return of the Internally Displaced Persons after the military operations.

19. Within the rural development sector, one of the three specific objectives is to improve rural livelihoods by promoting economic growth and employment opportunities through SME development and investment in renewable energy. Within this context a new initiative supporting Pakistan Rural Employment and Business Opportunities Programme is currently in the identification phase. The EU is also funding a nutrition programme in Sindh.

2.4 Trade and Investment

20. Trade between the EU and Pakistan increased by 10% in 2015. The largest increase has been in Pakistan's exports to the EU, primarily in the areas of textiles, leather and agriculture. This can largely be attributed to the improved market access through GSP+. EU's exports to Pakistan have also increased although at a more modest level. In general, there is considered to be a potential for increased EU investments in Pakistan, but this is made difficult by real and perceived security challenges, power shortages and a difficult regulatory and business environment. The EU has continued its dialogue with Pakistan on economic and trade related issues, including through annual meetings of the trade subgroup of the Joint Commission. In this context, efforts are made to address long-standing trade irritants, such as an import ban on certain bovine products from the EU, discriminatory sales tax, export taxes as well as sanitary and phytosanitary and pharma issues. The EU's programme for trade related technical assistance came to an end in 2016, but the EU will examine how it may support this area in the future. In the reporting period, the EU has also funded a new programme focused on the International labour and environmental standards, which is expected to positively contribute to the GSP+ implementation in Pakistan.

2.5 Energy

21. The energy crisis remains highly acute in Pakistan, as illustrated by the still long hours of 'load-shedding' (more or less planned power cuts) and a general shortage of gas essential for industrial production. Given the critical importance of this issue and the increasing engagement of the EU and Member States in this field, an EU expert mission visited Pakistan towards the end of 2015, to assess the scope for closer cooperation between the EU and Pakistan on energy related issues. It is planned to hold an Energy meeting in 2016 in Brussels to discuss how such cooperation may be taken forward. This will offer an opportunity to discuss the Government's policy on energy reform, regional energy projects, how to address obstacles to private investment of European companies, enhance coordination of funding for energy related projects and provide technical assistance on the running of an efficient and clean energy market. Discussions related to climate change are also envisaged in the framework of the meeting.
22. Under the blending instrument (Asia Investment Facility) the EU is co-financing two projects to promote and facilitate hydropower in Pakistan. The first in Punjab, Mangla Hydropower Training Institute and the second in FATA, the Warsak Hydropower Plant Rehabilitation, together with France and Germany, to improve operational practices by enhancing the operation and maintenance capacity of Water and Power Development Authority (WAPDA). Following the signing last year of a European Investment Bank €100 million credit for a hydro-electric project in Khyber-Pakhtunkhwa co-funded with Germany, further investments in Pakistan in the field of wind and hydro-electricity could be expected.

2.6 Sectoral cooperation

– Migration

23. Following the entry into force of the EU Readmission Agreement (EURA) with Pakistan on 1 December 2010, a number of Member States have continued to experience delays in the processing of applications and the issuance of Pakistani travel documents to the returnees which hamper the possibility to return persons, including those for whom the readmission had been accepted. Following a visit of Commissioner Avramopoulos in November 2015 and the holding of a fifth meeting of the Joint Readmission Committee (JRC) in February 2016, there was agreement on operational conclusions and efforts have been stepped up in order to resume readmission, including through FRONTEX return flights. However, despite concessions made by the EU in the application of the provisions of the EURA, serious difficulties still persist and more efforts are required on the side of Pakistan to ensure full and effective implementation of the Agreement. In this regard, the EU will keep monitoring the implementation of the Agreement by Pakistan and will keep raising outstanding issues with the Pakistani Authorities, seeking the latter's full engagement into implementing the Agreement. The next JRC, planned for July 2016, will need to take stock of progress and discuss ways to ensure this. At the same time, efforts will continue to develop a migration dialogue and to assist the Pakistani authorities on migration management, including in the context of regional cooperation under the Silk Route Project. In this framework, two Migrant Resource Centres (MRCs) were recently established in Islamabad and Lahore, and a broader information campaign, in particular on the risks and consequences of irregular migration is expected to be launched in 2016. EU is ready to support reintegration of the returnees into Pakistani society through the preparation of a new programme.

– **Science and Technology**

24. The EU Delegation has concluded a partnership with the Pakistan Science Foundation (PSF) to promote the HORIZON 2020 Programme in Pakistan. Two promotional seminars were organized in Karachi (University of Karachi) and in the Ministry of Science and Technology in Islamabad to promote Horizon 2020. Further seminars in Lahore, Peshawar and Quetta are foreseen.

– **Higher education**

25. The Erasmus+ Programme consists of credit mobility (3-12 month scholarships), degree mobility (MA and PhD degrees) and capacity building. In 2015 the number of scholarships awarded to Pakistani students and staff was 103 (compared to 241 in 2014). There were no applications for the capacity building component from Pakistan in 2015. The Delegation is currently planning to enhance its promotion activities on Erasmus+. The focus this year will be on institutions, to increase the number of applications for capacity building and credit mobility action.

– **Humanitarian assistance**

26. The humanitarian aid of the EU is programmed on a yearly basis and the ECHO's total humanitarian assistance to Pakistan since 2007 amounts to a total of 537.5 Million Euro. For the period 2012-2015, €188.8 million have been spent in Pakistan. The principal beneficiaries are populations affected by natural disasters or suffering from under nutrition, Internally Displaced People and Afghan Refugees. Programmes are implemented by UN organisations, INGOs and the Red Cross / Red Crescent family movement. The most vulnerable population are targeted in a principled manner through health, nutrition, WASH, protection, education in emergencies, shelter and food interventions. For 2016, the DG ECHO has committed €22 million for humanitarian programmes. One of the main challenges remains the lack of humanitarian space in all of the conflict affected areas that affects significantly international NGOs as well as UN implementing partners. At present, only 24 out of 130 international NGOs have received an MoU that allows them formally to operate in Pakistan.

III. CONCLUSIONS AND WAY FORWARD

27. Thanks to the 5-Year Engagement Plan, the scope of EU-Pakistan relations has expanded and matured.
28. The GSP+ is an EU policy instrument, with both trade and development objectives, to support and inspire countries such as Pakistan to pursue a rights-based and sustainable development path. The GSP+ monitoring mechanism will continue to follow progress in Pakistan in the effective implementation of Pakistan's commitments under the Conventions listed in the GSP Regulation. The new Human Rights Action Plan in Pakistan should facilitate a more structured dialogue with the EU.
29. The EU has been a staunch supporter of democracy and consolidation of Rule of Law in Pakistan and more needs to be done for electoral reforms well in time before the next elections in 2018. This would contribute to increase the confidence of the citizens in the system and ensure compliance with international obligations.
30. Migration has become a key priority for the EU in its overall relations with Pakistan and the EU will continue to be closely engaging with Pakistan to improve the effective implementation of the EURA. High level engagement, particularly on migration, will continue to be important in achieving our objectives.
31. Dialogues and visits will continue in 2016 and 2017. In addition discussions on the replacement of the EU-Pakistan 5-year Engagement Plan once this expires in 2017 are being initiated.

Planned Programming for Pakistan (2016)

Action Plan Area	EC	AT	BE	BG	HR	CY	CZ	DK	EE	FI	FR	DE	EL	HU	IE	IT	LV	LT	LU	MT	NL	PL	PT	RO	SK	SI	ES	SE	UK	Total per Action Plan Area
Strategic and Political Dialogue																														
Security											1,500,000																			1,500,000
Democracy and Governance	34,600,000							3,625,000				2,350,000				1,950,000					760,000								42,660,367	85,945,367
Effective Delivery of Basic Public Services								2,000,000																				15,558,418	17,558,418	
Strengthening Cooperation on SSR and Rule of Law																												18,229,918	18,229,918	
Human Rights	9,600,000							625,000								1,450,000					760,000									12,436,000
Local Governance	10,000,000							1,000,000				2,350,000																7,065,771	20,915,771	
Other (including Electoral Reform and Parliamentary Strengthening)	15,000,000																											1,806,260	16,806,260	
Socio-Economic Development											300,000	6,000,000			25,150	19,000,000													185,458,970	210,784,120
Trade and Investment												7,150,000																93,160,396	100,310,396	
Energy											175,000,000	12,650,000																		187,650,000
Sectoral Cooperation	62,500,000						10,000	3,870,000			285,994	13,900,000			210,850	44,075,000					1,400,000	36,000	2,000				8,570,000	166,397,414	301,457,258	
Migration	6,500,000											2,500,000			50,000	1,100,000														10,150,000
Culture											84,194					700,000						18,000	2,000						1,804,194	
Education, Vocational Training, Research	13,000,000							2,700,000			201,800			160,850		20,400,000					1,400,000	18,000					89,797,347		127,677,997	
Rural Development (including Agriculture)	3,000,000														21,225,000														24,225,000	
Water management and Humanitarian Aid															650,000												8,570,000	25,257,859	34,477,859	
Health	40,000,000						10,000					11,400,000																51,542,208	102,952,208	
Other								170,000																						170,000
Total per EU Donor	€37,100,000	€0	€0	€0	€0	€0	€10,000	€7,495,000	€0	€177,085,994	€42,050,000	€42,38,000	€0	€238,000	€0	€35,025,000	€0	€0	€0	€0	€2,160,000	€36,000	€2,000	€0	€0	€0	€0	€8,570,000	487,877,147.00	€387,647,141
																														Total