

# focus

News and views

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Finding out about...

## Neighbourhood Policy

Established in 2004, the European Union's Neighbourhood Policy is intended to avoid new dividing lines between the enlarged EU and neighbouring countries to the east and on the southern and eastern shores of the Mediterranean.

The policy applies to 16 countries: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine.

All 16 are invited to engage in a "privileged relationship", based on "a mutual commitment to common values" and to "move beyond existing cooperation to deeper economic and political, cultural and security cooperation - strengthening stability, security and well-being for all concerned."

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Last December, the Commission published its latest progress report on the European Neighbourhood Policy and Commissioner Benita Ferrero-Waldner announced proposals for strengthening and developing it.

### Background

The impetus for the creation of a European Neighbourhood Policy (ENP) was the Union's 2004 'big bang' enlargement, which saw the addition of 10 new Member States and a significant expansion of its borders, many of which

were now with countries with relatively poor economies and/or unstable political regimes.

The idea was initially outlined in March 2003 by the Commission in its Communication 'Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours' (COM (2003) 104). The document considered "how to strengthen the framework for the Union's relations with those neighbouring countries that do not currently have the perspective of membership of the EU", arguing that "enhanced interdependence - both political and economic - can itself be a means to promote stability, security and sustainable development both within and without the EU."

The Commission therefore proposed that the Union should aim to develop "a zone of prosperity and a friendly neighbourhood - a 'ring of friends' - with whom the EU enjoys close, peaceful and co-operative relations."

In June 2003 the Council welcomed the Commission's Communication "as a good basis for developing a new range of policies towards these countries" and made its own contributions which were endorsed by the Thessaloniki European Council. >>

**"The European Neighbourhood Policy is just two years old, and is already bearing fruit."**



In July 2003 the Commission set up a Wider Europe Task Force and issued a further Communication 'Paving the Way for a New Neighbourhood Instrument' (COM (2003) 393) which proposed possible funding mechanisms to support the Neighbourhood Policy.

In October 2003, the Council asked the Commission to present, early in 2004, detailed proposals for action plans "in order to take this matter forward by June 2004." In May 2004 the Commission published 'Communication ... European Neighbourhood Policy: Strategy Paper' (COM (2004) 373), which set out more detailed proposals, including action plans.

The Commission's approach was approved by the General Affairs Council of 14 June 2004 and a few days later the Brussels European Council agreed "that ENP action plans be developed with all Euro-Mediterranean partners that have association agreements in force." The General Affairs Council of 21 February 2005 "adopted Decisions ... with a view to implementing the Action Plans envisaged by the European Neighbourhood Policy".

On 4 December 2006, Benita Ferrero-Waldner, Commissioner for External Relations and European Neighbourhood Policy, announced that the first 18 months of implementation had produced good results - an assessment based on progress reports for the countries for which ENP Action Plans started in 2005 (see 'Communication ... on strengthening the European Neighbourhood Policy', published as COM (2006) 726). The Commission has proposed additional assistance for those countries willing to reform, as well as more incentives for those which are still reluctant to participate. Possible incentives include: increased trade of products of particular importance to the partner countries; easier access to visas for some visitors such as students and journalists; more cooperation on issues such as energy, transport and the environment.

## How it works

For each neighbour, the process starts with the Commission preparing a Country Report - an

assessment of the political and economic situation and of when and how it might be possible to develop relations with the country concerned. The Country Report is submitted to the Council for a decision on whether to proceed with developing an ENP Action Plan.

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**"Just at a time when we have ended the division of our continent, it is important that the outer perimeter of the EU should not become a new dividing line."**

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The Action Plan is an agenda of political and economic reforms, jointly agreed by the two parties, such as security, trade, environment, transport, energy, and scientific and cultural cooperation. Each Action Plan will be implemented over a period of three to five years, with progress monitored by sub-committees dealing with the relevant issues.

In return for progress in the areas identified, the neighbouring country is offered improved access to EU markets, programmes and networks, and financial and technical assistance with implementing the measures required.

ENP Action Plans were agreed for seven countries at the end of 2004: Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia and Ukraine. An initial progress report was published in November 2005 and a second in December 2006 ('Communication ... Implementing and promoting the European Neighbourhood Policy' - SEC (2005) 1521, and 'Communication ... on strengthening the European Neighbourhood Policy' - COM (2006) 726).

Autumn 2006 saw Action Plans agreed with Armenia, Azerbaijan, Egypt, Georgia and Lebanon. Implementation of the Plans for Armenia, Azerbaijan and Georgia is expected to begin shortly.

An Association Agreement with Algeria entered into force in September 2005; in December

2005, the Brussels European Council invited the Commission to draw up a Country Report on Algeria "with a view to negotiating an action plan."

Because there are currently no Association Agreements or Partnership and Cooperation Agreements between the EU and Belarus, Libya or Syria, ENPs for those countries have not yet been implemented.



## Russia

Russia is not covered by the ENP: since December 1997, the Union's relations with Russia have been covered by a Partnership and Cooperation Agreement (PCA). The PCA "sets the principal common objectives, establishes the institutional framework for bilateral contacts, and calls for activities and dialogue in a number of areas."

In 2003, the EU and Russia agreed to supplement the PCA by creating four 'common spaces', covering: economics; freedom, security and justice; external security; and research, education and culture.

More details at: [ec.europa.eu/comm/external\\_relations/russia/intro](http://ec.europa.eu/comm/external_relations/russia/intro)

## Funding

Financial assistance in support of the Neighbourhood Policy was initially provided under a mixture of programmes, including TACIS (Technical Assistance to the Commonwealth of Independent States), MEDA (Mediterranean Development Assistance) and EIDHR (European Initiative for Democracy and Human Rights). For 2000-2006, MEDA provided some € 5.3 billion and TACIS some € 3.1 billion.

In September 2004, the Commission published a formal 'Proposal for a Regulation ... laying down general provisions establishing a European Neighbourhood and Partnership Instrument' (COM (2004) 628). The Regulation was adopted in October 2006 (1638/2006).

From 1 January 2007, therefore, the mix of funding sources was replaced by a single financial source - the European Neighbourhood and Partnership Instrument (ENPI). For the period 2007-2013, ENPI will have a budget of approximately € 12 billion.

ENPI will use a 'Structural Funds' approach, based on multi-annual programming, partnership and co-financing. 'Joint programmes' for regions of Member States and partner countries which share a common border will be funded under ENPI and co-financed by the European Regional Development Fund (ERDF).

## Information sources

As mentioned above, the main policy documents are:

- ▶ 'Communication ... Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours' (COM (2003) 104)
- ▶ 'Communication ... European Neighbourhood Policy: Strategy Paper' (COM (2004) 373)
- ▶ 'Communication ... on strengthening the European Neighbourhood Policy' (COM (2006) 726)
- ▶ 'The Northern Dimension'
- ▶ 'The Euro-Mediterranean Partnership'
- ▶ 'The EU's Mediterranean & Middle East Policy'
- ▶ 'EU environment co-operation with Russia, Ukraine & NIS'
- ▶ 'EU Trade bilateral relations'

All these, together with Country Reports and more, can be found in the 'Reference documents' section of the Commission's 'European Neighbourhood Policy' website ([ec.europa.eu/world/enp](http://ec.europa.eu/world/enp)). Divided into five main sections, it offers:

- ▶ background to the ENP (including 'How does it work?', 'Funding' and a FAQ)
- ▶ links to relevant documents (e.g. 'Reference documents', 'Speeches & articles')
- ▶ 'What's new?' (with a link also to older news items)
- ▶ links to the websites of Commission Delegations in the 16 countries concerned
- ▶ ENP-related materials for each country (available by clicking the map in the centre of the page)

The ENP inevitably cuts across other areas of interest, and a 'Links' section at the top of the ENP page helpfully provides access to other relevant Commission sites, including:

- ▶ 'The EU's relations with Eastern Europe & Central Asia'

The broader context is also apparent from the content of the page 'Activities of the European Union - External Relations' (select 'External Relations' from the 'Activities' tab of Europa's main page, [europa.eu](http://europa.eu)).

In addition to providing access to relevant Commission websites, this page also has links to the European Parliament's Committee on Foreign Affairs (AFET) and to the General Affairs and External Relations Council (that is, to press releases summarising Council meetings).

The 'Summaries of legislation' pages (formerly SCADPlus) include a chapter entitled 'Neighbourhood Policy - Strategy paper' (which usefully notes that the application of the ENP differs between the East and the Mediterranean region). The pages can be accessed direct at [europa.eu/scadplus/leg/en/lvb/r17007.htm](http://europa.eu/scadplus/leg/en/lvb/r17007.htm) or via [europa.eu/scadplus](http://europa.eu/scadplus) - 'External relations' - 'Relations with third countries' - 'Eastern Europe and Central Asia'.

In the *Europe on the Move* series, the 2004 booklet 'A world player: The European Union's external relations' includes brief information on



the ENP. It can be accessed via [ec.europa.eu/publications/booklets/index\\_en.htm](http://ec.europa.eu/publications/booklets/index_en.htm) or from the 'Easy Reading Corner' on the main page of Europa ([europa.eu](http://europa.eu)).

Section 6.3.3 of the European Parliament's Fact Sheets also provides an introduction to the ENP ([www.europarl.europa.eu/facts/default\\_en.htm](http://www.europarl.europa.eu/facts/default_en.htm) or via [www.europarl.europa.eu](http://www.europarl.europa.eu) - then 'Parliament' - 'Archives' - 'Fact sheets on the EU').

The General Report on the Activities of the European Union summarises developments ([europa.eu/generalreport/en/welcome.htm](http://europa.eu/generalreport/en/welcome.htm)). In the 2005 Report, the relevant pages are located in Chapter V - 'Europe as a global partner' - 'Section 1' - 'Presence of the European Union in the global economy' - 'Neighbourhood policy'; in 2006, they are in Chapter V - 'Europe as a global partner' - 'Section 1' - 'Proximity ties' - 'European neighbourhood policy (ENP)'.

Section 31 of the monthly Bulletin of the European Union ([europa.eu/bulletin/en/welcome.htm](http://europa.eu/bulletin/en/welcome.htm)) is 'European neighbourhood policy', but there are not always sufficient developments each month to warrant anything being published. ■