Strengthening the European neighbourhood policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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