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COMMITTEE OF THE REGIONS**

Implementation of the European Neighbourhood Policy in 2014

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1. Introduction

Since its launch in 2004, the European Neighbourhood Policy (ENP) has been a crucial aspect of the EU's foreign policy. It addresses issues of strategic importance, such as security, stability, justice, freedom and prosperity in our Neighbourhood, by aiming to foster sustainable and resilient economies and free and inclusive societies. It is a policy of long-term engagement, based on mutually beneficial integration and cooperation.

However, in the light of the multiple crises and growing challenges in the neighbourhood, awareness of the need to adapt the ENP and its approach has grown. There have been calls for a major overhaul of the ENP's toolbox, to enable the EU to respond better to partners' differing aspirations, and more quickly to a fast-changing neighbourhood and broader global trends.

2014 has been a year of major challenges in the EU's neighbourhood. Events in Ukraine, as well as increasing Russian pressure on other eastern partners, put Europe's political realities into focus. Inside and outside Syria, millions of people fled because of the actions of the Assad regime and Da'esh, and remain in dire need of assistance. Atrocities and human rights violations and abuses were perpetrated as well by Da'esh, Jabhat al-Nusra and other terrorist groups in the region. Renewed hostilities in Gaza shattered livelihoods and devastated already fragile infrastructures. Libya's statehood remained at risk, and the absence of functioning public authorities, the increase of violence and the lack of control of migratory flows to and from the country created favourable conditions for criminal networks engaged in irregular migration and trafficking in human beings to Europe. Poverty in the neighbourhood was on the rise, affecting children in particular and other vulnerable groups in society.

At the same time 2014 saw some positive developments, with the signature of three Association Agreements with Georgia, the Republic of Moldova and Ukraine. This new generation of agreements includes provisions on a Deep and Comprehensive Free Trade Area (AAs/DCFTAs), putting in place the most ambitious contractual relations so far established with neighbourhood partners. In addition, relations with Morocco and Tunisia were strengthened and continue to reflect the depth and breadth of reform efforts in these countries. The democratic transition in Tunisia has been particularly positive. On migration and mobility, the Republic of Moldova successfully implemented all the benchmarks set in its Visa Liberalisation Action Plan (VLAP), which allowed Moldovan citizens to enjoy visa-free travel to the Schengen countries as of spring 2014. Tunisia and Jordan also signed a Mobility Partnership with the EU in 2014.

In 2014 the EU maintained a high level of engagement with partners, in which the instruments offered by the ENP played a central part. The new European Neighbourhood Instrument (ENI), adopted in 2014, provides EUR 15.4 billion for the period 2014-20. Financial assistance is more focused than before; civil society organisations (CSOs) and local authorities are better and more closely involved in preparing, implementing and monitoring EU support.

This Joint Communication and the accompanying progress reports examine how the EU and partner countries have implemented jointly agreed reform objectives and addressed particular challenges in 2014.

In recognition of the changing situation in the Neighbourhood, partners' differing aspirations for their relations with the EU under the ENP, and the difficulty for the ENP to respond to some of these changes, a **Joint Consultation Paper** was adopted by the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission (HR/VP) and the European Commission on 4 March 2015, launching a formal consultation process for the review of the ENP. The character of the EU's annual reporting forms will be examined as part of that review.

2. The implementation of the ENP in 2014

Democratisation and, in a broader sense, transition must be first and foremost home-grown processes. The success of a transition depends on a multitude of factors, from political will to the improvement of the rule of law, from economic circumstances to education, from improved social equality and human empowerment to active civil society. It requires a broad national consensus on basic political practices. It is in this respect that the EU has supported the drivers of positive political change in the neighbourhood.

While the ENP forms part of the EU's efforts to support successful transitions, these processes vary widely due to historical and societal circumstances specific to each country. As such, eastern and southern partners face individual challenges and opportunities in terms of their path towards reform. Transitions which lack inclusiveness and which are characterised by a 'winner-takes-all' approach have proved to be unsustainable in terms of a country's overall stability and prosperity. The success of a transition demands that government, civil society, and economic actors cooperate actively on ongoing democratisation efforts.

This feature of positive political change is common to both eastern and southern partners that are undergoing transition. The ENP continued to support relevant developments in 2014.

2.1. Democracy and good governance

The EU is committed to promoting democracy and good governance in the Neighbourhood. While the EU remains convinced that work in this important area is key for its foreign policy, the realities in the Neighbourhood paint a very nuanced picture of developments in democratisation and good governance.

On a positive note, Tunisia demonstrated that inclusive and domestically driven **democratic transition** in the southern Neighbourhood can work, namely through the commendable steps taken by holding legislative and presidential elections and the adoption of a new Constitution.

These marked a milestone in terms of establishing fundamental rights and allowing further democratic reforms to take place. Morocco also continued its democratisation and modernisation process, as shown by its progress in ongoing reforms in the areas of justice, regionalisation and the media. Democratisation processes in the Republic of Moldova and in Georgia also continued steadily. The Republic of Moldova held parliamentary elections, which were generally considered free and fair by the Organisation for Security and Cooperation in Europe's Office for Democratic Institutions and Human Rights (ODIHR) election observer mission, although the exclusion of one electoral contestant a few days before the day of elections raised concerns. The Republic of Moldova made further progress on its European agenda, including through the signature of the AA/DCFTA. Georgia also continued its democratisation process, not least through the signature of the AA/DCFTA. Local elections in June and July 2014 were considered overall to be in compliance with international standards.

The EU helped Ukraine by mobilising an unprecedented financial package of over EUR 11 billion for the period 2014-20. Restrictive measures against individuals and entities responsible for the crisis, for misappropriations and for the violation of fundamental rights, as well as relevant Common Security and Defence Policy (CSDP) tools, were deployed. But the political situation remained overshadowed by an ongoing military crisis in the eastern part of the country and the Russian Federation's illegal annexation of Crimea and Sevastopol, where Russian and *de facto* local authorities significantly reduced human rights protection since February 2014. Ukrainian citizens residing in Crimea and Sevastopol were compelled to become Russian citizens or, if they refused, to be deemed foreigners. Intimidation and harassment of Crimean citizens who opposed the actions of the Russian Federation on the peninsula increased, directed in particular at Crimean Tatars and journalists. The media could not operate freely. Similar trends were also recorded in eastern Ukraine, in addition to the dire humanitarian impact of the conflict and the rising number of people affected.

These developments had a negative impact on the reform process in Ukraine. Constitutional reform was delayed and the Venice Commission of the Council of Europe assessed draft proposals on the reform as not being fully in line with international standards. The fight against corruption started slowly. Preparations for a single national reform programme were slow and fragmented, even though the new government has a clear reform orientation. Urgent and sustained action will be required to deliver results in the near term and to maintain the impetus for reform in the years to come, and to ensure AA/DCFTA implementation. The EU set up a Support Group for Ukraine to help the country in implementing its reform programme.

Other parts of the neighbourhood were characterised by stagnation in terms of democratisation. In Egypt, the space for debate in general — and activities by CSOs in particular — was narrowed through enhanced controls. The democratisation and human rights environment in Azerbaijan worsened over the past year, with systematic restrictions on the space for public discourse and civil society. In Belarus, the lack of progress on human rights, the rule of law and democratic principles persisted.

Political developments in Israel and Palestine¹ were significantly influenced by the regional situation, a more conflictual political atmosphere, and hostilities in Gaza. The State of Israel is based on the values of democracy, respect for human rights and the rule of law and basic freedoms. Nevertheless, there were concerns in 2014 as regards the protection of minority rights, including of Bedouins. In Palestine, key legislation on democratic structures, such as legislation outlining the responsibilities of judicial institutions, still needs to be adopted. Concerns about the respect for human rights remained to be addressed, in particular with regard to the death sentence: it continued to be carried out in Gaza by the *de facto* authorities and executions were resumed in Egypt and Jordan after moratoria had applied in both countries in the years before.

Ongoing armed conflicts, sectarian or ethnic polarisation and external factors, such as terrorism, impeded progress on the ENP agenda. In Libya, the poor security situation even put the country's statehood in jeopardy. The Syria crisis has become the largest humanitarian and security disaster in the world. Lebanon and Jordan, on the other hand, showed remarkable resilience faced with regional refugee flows and political and security spill-over effects from the Syrian crisis, also putting additional strain on already scarce natural resources. Despite these challenges, both countries contributed to stability and security in the region, striving for further progress on the ENP agenda.

Some positive developments were observed on **elections**. Presidential and parliamentary elections in Tunisia and in Ukraine, presidential elections in Israel and parliamentary elections in the Republic of Moldova were generally well administered. As regards Ukraine, elections could not be held in Crimea and Sevastopol; most of the regions of Donetsk and Luhansk remained under the control of illegal armed groups and were prevented from participating in elections in Ukraine. The local elections carried out by the *de facto* authorities of both regions are considered illegal and illegitimate, and are therefore not recognised by the EU. The EU took good note of the overall peaceful and orderly conduct of presidential elections in Egypt, although there were some misgivings about the conduct of the electoral campaign, which saw an ever-narrowing space for dissent and debate.

Developments were mixed regarding **freedom of expression, freedom of press and media, freedom of association and freedom of religion or belief, rights of people belonging to a minority and fight against discrimination**. Tunisia, Lebanon, Morocco and the Republic of Moldova partly put in place relevant legislation, but no major development was recorded in Azerbaijan, Belarus, Egypt and Palestine.

The **rights of women and children** remained problematic in most partner countries. Child labour, the recruitment of child soldiers, the use of children for terrorist activities or trafficking,

¹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

underage marriages and ill-treatment in the youth justice system continued to be issues of grave concern. Children were particularly affected by poverty that is growing across the whole region. Tunisia's new Constitution granted women equal socio-economic and political rights, in addition to requiring measures against discrimination and gender-based violence.

There were encouraging signs on **justice sector reform**, with an improvement of the independence and effectiveness of the sector in Tunisia, Morocco, Lebanon and Jordan. The new Constitution in Tunisia established a base for many fundamental rights and will allow justice reform to move forward. A strategic document on justice reform was adopted in May and a related action plan for 2015-19 was being discussed. Ukraine's parliament adopted a 'Law on the Restoration of Trust in the Judiciary'. The Republic of Moldova implemented laws on judicial reform. Significant challenges on the lack of judicial independence remained in Azerbaijan and in Egypt.

Uneven and limited developments were noted in partner countries on **penitentiary facilities** and related conditions. **Torture and ill-treatment** continued in several countries and it remained often linked to the problem of poor detention conditions and deficiencies in penitentiary systems. Some improvements were noted in Jordan and Tunisia, for instance the establishment of a national prevention mechanism against torture in Tunisia. Substantial efforts were made in the Republic of Moldova, which has launched new penitentiary facilities and reforms concerning young offenders.

The role of **civil society** and of **social partners** in the transition and reform processes is crucial. CSOs play an important role in monitoring and giving advice to parliaments, governments and political parties on human rights issues, including holding authorities account for their actions. They are often well connected at international level, allowing lessons learnt to be easily transferred and shared. CSOs encountered rather negative trends in 2014 across the region. Some countries took measures to limit their activities by passing laws or introducing costly administrative procedures, such as heavy tax burdens, leading in some cases to CSOs ceasing their activities. In Azerbaijan and Egypt, CSO activity was particularly affected by such developments. Civil society developed positively and quickly in Ukraine and Tunisia. While CSOs generally operated freely in the Republic of Moldova, they were severely restricted in the Transnistrian region. CSOs were able to operate in the West Bank with fewer restrictions than in Gaza, where their work continued to be impeded. Work on **EU Country Roadmaps** for engagement with civil society continued throughout 2014. These Roadmaps set out a strategic framework for engagement with civil society on a country-by-country basis. EU Delegations led the process of developing the roadmaps, working with local authorities and CSOs, to identify long-term objectives on dialogue and operational support. By the end of 2014, most of these roadmaps had been adopted by the partner countries.

2.2. Political and security cooperation

Successful transitions need security for societies and economies to develop. In 2014, however, security-related challenges in the neighbourhood rose exponentially. Threats emanating from terrorist groups such as Da'esh, protracted conflicts, organised crime, and crises arising from the redrawing of borders by force cast a shadow over Europe's neighbourhood. The level of instability of some partner countries contributed to irregular migratory flows and security threats with a direct impact on the EU.

In spite of these negative developments, the EU worked to provide security and stability in the neighbourhood. The EU assisted partners in addressing their political, security and economic challenges by drawing on a number of EU instruments and mechanisms such as political and human rights dialogues, CSDP missions, and related financial assistance aiming, amongst others, at strengthening the rule of law and supporting justice reform. Currently the EU is present in the neighbourhood with several missions, namely the monitoring mission in Georgia (EUMM Georgia), a police mission in Palestine (EUPOL COPPS), border assistance missions (EUBAM) to the Republic of Moldova and Ukraine², in Libya (EUBAM Libya³), at the Rafah (Gaza) Crossing Point (EUBAM RAFAH), and the EU advisory mission for civilian security sector reform in Ukraine (EUAM Ukraine).

Developments in the eastern Neighbourhood were particularly affected by the situation in Ukraine. The EU strongly condemned the illegal annexation of Crimea and Sevastopol by the Russian Federation and the destabilising crisis in Ukraine's eastern regions, which had a significant humanitarian impact on the civilian population. The EU called upon Russian authorities to prevent any movement of military equipment, weapons or fighters from its territory into Ukraine and to exercise their influence over the separatists and illegal armed groups in order to de-escalate the situation. To this aim, the EU supported the work of multilateral fora, such as the Organisation for Security and Co-operation in Europe (OSCE). In addition to its efforts made in 2014 to contribute to a solution of the crisis in eastern Ukraine, the EU has now called on all parties to build on the positive momentum behind the Minsk agreements of 12 February 2015 and to fully implement them.

In addition to its diplomatic engagement, the EU assisted Ukraine on the path to reform of its **security sector** by launching a civilian advisory mission (EUAM Ukraine). The mission will provide strategic advice to Ukraine on developing effective, sustainable and accountable security services to help strengthen the rule of law in Ukraine.

² Not a CSDP mission.

³ Deterioration of the political and security situation in Libya in July 2014 required temporary relocation of the mission to Tunis. The future direction of the mission is the subject of a strategic review to be considered shortly by the EU Member States.

Large parts of the neighbourhood continued to be affected by **armed conflict or crises**. In the eastern Neighbourhood, the EU continued to promote confidence-building measures in Nagorno-Karabakh. Georgia's engagement policy towards its breakaway regions was challenged by the Russian Federation's signing of a 'Treaty on Alliance and Strategic Partnership' with the breakaway region of Abkhazia. A political settlement on Transnistria was hampered by Tiraspol reasserting its ambitions for greater autonomy, in spite of calls for territorial reintegration in the context of the '5+2' process of the Organisation for Security and Co-operation in Europe (OSCE) for the settlement of the Transnistria conflict.⁴

In the southern Neighbourhood, the situation in Syria remained a major source of instability, heavily affecting neighbouring countries, in particular Jordan and Lebanon. The EU and its Member States mobilised nearly EUR 3 billion in assistance for the people affected in Syria and neighbouring host countries, which is the biggest humanitarian effort ever undertaken by the EU. It is a comprehensive regional response that includes humanitarian aid, structural support and other assistance to countries that host refugees and displaced persons.

The worsening security and political situation in Libya had repercussions beyond its immediate neighbours, including making irregular migration one of the major new international challenges. Renewed hostilities in Gaza shattered livelihoods and devastated already fragile infrastructure and scarce natural resources, adding to the overall instability of the region.

The region continued to be subject to the **threat of terrorism**, including atrocities and human rights violations committed by Da'esh, Jabhat al-Nusra and other terrorist groups. The EU remained committed to tackling this issue, in coordination with regional and international partners.⁵

On a positive note, Georgia, the Republic of Moldova and Ukraine continued to contribute to **EU-led CSDP operations** (EUTM operation in Mali, EUNAVFOR Atalanta and EUFOR RCA in the Central African Republic). Such engagement exemplifies these partners' awareness of the importance of contributing to regional security efforts. The EU will examine further ways of how to reflect such important engagement in CSDP operations in an ENP context.

EU support for **security sector reform** (SSR) in the Neighbourhood contributes for the creation of accountable security services in partner countries, respecting democratic controls and the rule of law. EU activities support capacity building, institutional support, training, advisory activities

⁴ Ministerial Statement of 5 December 2014 on the Negotiations on the Transnistrian Settlement Process in the '5+2' format.

⁵ In February 2015, the Joint Communication on the Syria/Iraq and the Da'esh threat was adopted. It proposes a strategy in response to the crisis and includes a mix of political and practical measures including diplomatic engagement, anti-radicalisation programmes, fight against terrorist financing and better border controls.

and enhancing border management. In 2014, the EU supported civilian cooperation in the framework of SSR in Jordan, Palestine and Tunisia. In Ukraine, the EU launched a civilian advisory mission (EUAM Ukraine) to provide strategic advice for the development of effective, sustainable and accountable security services that contribute to strengthen the rule of law in Ukraine. In Lebanon and in the Republic of Moldova, the EU focused on enhancing border and custom management capacities to address the cross-border challenges of these partner countries. Such a task proved more challenging when it came to Libya.

Against the backdrop of global trends and increasing threats to security and stability in the neighbourhood, the EU's actions in the region require further attention. As a possible way of addressing challenges in a long-term and sustainable way, and in addition to complementary efforts led under CSDP proper and other fora, security-related components of the ENP could be further reinforced. The EU has an interest in helping neighbouring countries to become stronger and more resilient states, increasing security in the region and protecting people and their fundamental rights and freedoms.

2.3. Economic integration with the EU

The EU is the main economic and trading partner for most of the ENP countries. Its economic and social model remains attractive for some partners, as their continued efforts towards political association and economic integration have shown.

The Association Agreements, including Deep and Comprehensive Free Trade Areas (AAs/DCFTAs) with Georgia, the Republic of Moldova and Ukraine were signed in 2014. The AAs/DCFTAs are the ENP's core achievements and represent a milestone in the EU's relations with some of its closest partners, upgrading these ties to a significantly higher level. The AAs/DCFTAs are expected to have a positive effect on growth and employment in partner countries, creating welfare and making their economies more sustainable and resilient.

Provisional application of major parts of the AAs/DCFTAs began in Georgia and the Republic of Moldova on 1 September 2014. These countries started to implement the agreements: import duties were reduced or abolished, and the commitments to approximate to the EU *acquis* began to gradually apply.

As far as Ukraine is concerned, 2014 showed some improvement in bilateral trade relations, as previous trade irritants were removed or were being phased out. However, the Ukrainian authorities reacted to the critical macroeconomic situation by adopting new trade restrictions and other measures which risk reversing the improvements in trade relations and worsening the business climate. The **Autonomous Trade Measures** (ATMs), adopted in April 2014, eliminated 94.7% of current EU tariffs on imports of industrial goods from Ukraine and all EU tariffs on Ukraine's agricultural exports to the EU, while reducing tariffs on certain chemicals and other

products originating in Ukraine. Following the decision to delay the provisional application of the DCFTA part of the EU-Ukraine Association Agreement until 1 January 2016, the ATMs were prolonged until that date. Ukrainian authorities are preparing the implementation of the DCFTA in close cooperation with the EU.

While the EU continued to be Armenia's main trading partner in 2014, on 10 October 2014 Armenia, Russia, Kazakhstan and Belarus signed a treaty with a view to include Armenia in the **Eurasian Economic Union** starting from 2015. The EU respects choices made by sovereign states. Armenia continued to benefit from the EU's GSP+ tariff preferences and exploratory talks were initiated in November 2014 on a new possible contractual relationship between the EU and Armenia.

Trade relations were also under intensified discussion with southern partners. Regulatory reforms continued to address economic development in terms of job creation, support to sustainable growth, and prosperity. Furthermore, the opportunities of enhanced regional cooperation loom large. The EU remained ready to support such efforts, if and when partners have been ready to do so.

Negotiations of a DCFTA continued with Morocco. An agreement on geographical indications was being negotiated. First fishing activities under the agreement on a Protocol to the Fisheries Partnership Agreement for the years 2014-18 started, in addition to EU financial support to the sector in Morocco providing direct and tangible benefits to economic actors. The preparatory process for the DCFTA negotiations with Tunisia advanced, including consultations with civil society and between experts and concluding that there are no technical obstacles to the launch of negotiations. Preparatory talks on a DCFTA with Jordan also progressed and sustainability impact assessments on possible DCFTAs with Egypt and Jordan were carried out.

However, economic integration with the EU is broader than trade relations per se. The ENP connects the EU with its neighbours through creating **transport and energy** networks, and these measures go hand in hand with increasing trade flows. Regulatory approximation and the provision of relevant infrastructure are crucial for establishing and maintaining efficient connections between the EU and partner countries, and amongst themselves.

Yet the overall picture for 2014 is mixed in both areas. Some countries carried out regulatory approximation with EU rules and standards in the area of **transport**, such as Morocco, Tunisia and Ukraine. Despite the conflicts, some countries (e.g. Jordan, Lebanon and Palestine) pursued their reform efforts in the area of transport.

As regards **energy**, the integration of neighbouring countries into the EU internal energy market continued. Some policy decisions were also taken to promote renewable energy, including solar energy in Morocco. Ukraine and Jordan had a worrying accumulation of debts as a result of importing energy from third countries, in particular gas and petroleum products. In this respect,

the trilateral gas accord of 30 October 2014, mediated by the European Commission, with Ukraine and the Russian Federation was a major achievement. In parallel, the progressive integration of the Ukrainian energy market with the EU market continued.

There were other positive developments regarding energy infrastructure measures and projects. On 20 September 2014, the Southern Gas Corridor from Azerbaijan to South-East Europe was launched, to supply the EU with gas from Azerbaijan starting in 2020. On 27 August 2014, the inauguration of the Iasi-Ungheni gas interconnector between Romania and the Republic of Moldova took place. Work on this project needs to continue, based on support and cooperation with the EU, International Financial Institutions (IFIs) and Romania.

Cooperation with neighbouring countries in the field of **nuclear safety** continued to produce tangible results. Ukraine updated its National Action Plan for the follow up of the stress tests carried out in cooperation with the European Commission. The Commission also received Armenia's stress test report on the Medzamor nuclear power plant, with a view to it being peer reviewed. This is in line with EU objectives in this policy area, which is the promotion of the highest nuclear safety standards and safety culture worldwide.

Regional projects such as the ones to reinforce electricity interconnection in South Caucasus are helpful in creating more interconnectivity, initially within the neighbourhood and then between partner countries and the EU. The link between Georgia and Turkey was completed, while the strengthening of the Georgia-Armenia interconnection is in the planning phase.

The evaluation and training performed in 2014 based on the **Small Business Act for Europe** mobilised hundreds of stakeholders from Small and Medium-Sized Enterprises (SMEs) in the southern Neighbourhood. This helped partner countries align their SME policies with EU policies and to strengthen economic integration.

Cooperation in the area of **environment** contributed to improve the quality of life of citizens in partner countries by providing access to basic environmental services such as water supply, wastewater treatment or solid waste management. Environmental cooperation remained a tool for civil society empowerment.

The development of a Common Knowledge and Innovation Space (CKIS) advanced in 2014, linking up the EU and partner countries through policy dialogue and cooperation on **research and innovation**. By the end of 2014, Israel and the Republic of Moldova signed with the EU association agreements for 'Horizon 2020', the EU's Framework Programme for Research and Innovation.

2.4. People-to-people contacts, migration and mobility

Enhancing mobility in a secure and well-managed environment and strengthening the human dimension through increased people-to-people contacts have become guiding principles of the

ENP. Mobility fosters trade ties and economic growth, encourages cultural and social developments and promotes fundamental rights and the rule of law. Passenger and migration flows between the ENP region and the EU have consistently increased. In 2014, increasing flows of legal migration into the EU originated mostly from Morocco and Ukraine.

To set up a solid basis for a successful transition and economy, countries need to invest in future generations. The implementation of a well performing and efficient **education** system is therefore highly relevant to medium to long-term development. Overall, neighbourhood countries' cooperation with the EU on education increased and even continued with countries directly affected by armed conflicts. Several Tempus, Erasmus Mundus and eTwinning projects were launched and implemented. Several ENP countries (Azerbaijan, the Republic of Moldova, Ukraine, Egypt, Jordan and Tunisia) adopted in 2014 reforms to improve the quality of education at all levels. Some countries set up policy frameworks or strategies specifically focused on **young people**, e.g. Ukraine's '2016-20 State Programme for Youth'.

A strong **cultural** sector also contributes to political reforms and socio-economic development. Some countries adopted a national strategy for culture, such as the Republic of Moldova's 'Culture 2020' Strategy.

The influx of refugees from Syria continued to be a challenge for the education systems in Jordan and Lebanon. There were approximately 390 000 Syrian children of school age (5-17 years old) in Lebanon among the Syrian refugees registered by the United Nations High Commissioner for Refugees (UNHCR) by the end of 2014 as well as an estimated 10 000 school age Palestinian refugees from Syria, of which around 7 000 were enrolled in schools of the United Nations Relief and Works Agency for Palestine refugees in the near east (UNRWA).

Cooperation on migration and mobility was a major element in the EU's relations with partner countries in 2014. **Mobility Partnerships** were key elements of these discussions. In line with the EU's Global Approach on Migration and Mobility, these partnerships aimed to strengthen cooperation in this important policy area. At the end of 2014, Armenia, Azerbaijan, Georgia, Jordan, the Republic of Moldova, Morocco and Tunisia had signed Mobility Partnerships with the EU. Negotiations continued with Belarus on a Visa Facilitation and Readmission Agreement. The EU-Lebanon Dialogue on Migration, Mobility and Security was launched in December 2014.

With some eastern partners work concentrated on the perspective of establishing visa-free regimes. Moldovan citizens – following a successful conclusion of the visa liberalisation dialogue - have been able to travel **visa-free** to the Schengen area since 28 April 2014, if they hold biometric passports. Other partner countries have stepped up their efforts to reach the same goal, in particular Georgia, and also Ukraine.

In the southern neighbourhood, Morocco ensured better integration of **regular migrants**. The Moroccan and Tunisian governments are also in the process of adopting a legal and institutional framework for asylum and to fight against trafficking in human beings. In January 2015, the EU and Morocco started the negotiations on a Visa Facilitation Agreement and a Readmission Agreement. The EU is ready to start such negotiations with Tunisia in 2015 following the adoption of its negotiating directives for both agreements in December 2014.

However, increasing flows of **irregular migration** continued following a general trend primarily related to political developments in the southern Neighbourhood since 2011. In 2014, more than 277 000 irregular migrants entered the EU. Trafficking in human beings also increased.

The terrible loss of life in the Mediterranean Sea during 2014 showed that coordinated policy formulation of the EU with its partner countries in the South and beyond is indispensable. As ENP partner countries are mostly transit countries for irregular migration, the EU includes the ‘neighbours of neighbours’ in relevant discussions, e.g. authorities from West and Central Africa in the framework of the ‘Rabat Process’. Similarly, a regional dialogue process was launched in November with countries along the East African migratory route (‘Khartoum Process’). Most of the EU’s southern partner countries lack a comprehensive, sustainable legal and administrative system to deal with this issue. Libya, in particular, was very vulnerable to flows of asylum-seekers, irregular migration and human trafficking following the deteriorating security situation and the conflict in the country.

EU assistance to the region focused on strengthening partners’ criminal justice systems in their fight against smuggling and trafficking through capacity building for border controls. Such assistance has had some positive effects in Morocco, Algeria, Tunisia and Egypt. EU assistance was granted to Jordan to carry out a survey of migration, covering also conditions for refugees. Plans are in place to carry out similar surveys in other countries in the region.

2.5. Financial cooperation

The European Neighbourhood Instrument (ENI) is the main vehicle for supporting EU political priorities in the neighbourhood. The ENI has a budget of EUR 15.4 billion for 2014-20. The ENI provides a predictable, long-term envelope to support the reform priorities agreed in each country. Countries where substantial democratic reforms are being introduced may also receive additional funding under an umbrella programme worth up to 10% of the value of the ENI. Substantial support for regional and cross-border initiatives is also provided through the ENI. Blending of EU funding with IFIs plays an increasing role, though the Neighbourhood Investment Facility (NIF).

The NIF supports projects in the areas of energy and transport interconnections, climate change and environment and for SMEs. A **DCFTA Facility** has been prepared in order to support the adaptation and reorientation of businesses, so as to increase the access to benefits foreseen by the agreements. With this facility, the EU aims to mobilise EUR 150 million of grants from 2015 to 2017 through the NIF to leverage up to EUR 1.5 billion of investment from IFIs in the three countries, i.e. Georgia, the Republic of Moldova and Ukraine.

Funding for civil society has also substantially increased. The EU continued to support civil society through the **Civil Society Facility (CSF)** covering regional and national level with the aim to strengthen and promote the role of civil society in processes related to reform and democratic change.

The current dynamic situation in the neighbourhood requires a flexible approach to planning and implementation and the EU has used all the flexibility available to it. The EU moved with unprecedented speed and fast tracked approval processes to meet crisis needs in Ukraine, combining major ENI support, Macro-Financial Assistance and technical support from the Ukraine Support Group. An EU **Regional Trust Fund** was created in December 2014 to provide a coherent and reinforced aid response to the Syrian crisis on a regional scale. The Trust Fund will focus on current priority needs and may also be adapted to reconstruction needs in a future post-conflict scenario.

But the ENI is not suitable or sufficient for all needs, especially where a crisis response requires substantial additional funding at short notice. ENI funding is therefore complemented by support from other instruments, such as the Instrument Contributing to Stability and Peace (IcSP), EU humanitarian funding (ECHO) or the European Instrument for Democracy and Human Rights (EIDHR). Additional funds may need to be mobilised, through these or other instruments, as required by the evolving situation in the region — the responses in Syria and Ukraine are examples of this.

2.6. The ENP beyond bilateral cooperation

Many of the security, economic and social challenges in the Neighbourhood are directly linked to low levels of regional integration. Regional cooperation is essential in tackling complex common challenges such as irregular migration, terrorism and arms trafficking, or cross-border pollution, which require a coordinated response. The strengthening of regional cooperation in the region therefore remains high on the ENP's agenda. This applies to both the eastern dimension of the ENP, as embodied by the Eastern Partnership (EaP), and the southern dimension as conducted through the Partnership for Democracy and Shared Prosperity as well as in the context of the Union for the Mediterranean (UfM).

The overall political climate in the southern Neighbourhood remained tense, affecting the possibilities for regional cooperation. While southern partner countries continued to develop their

bilateral relations with the EU, the region as such remained one of the least integrated in the world. Parts of it continued to experience severe political, economic and humanitarian crises, along with armed conflicts and significant deteriorations in the security situation. The implementation of reforms and regional integration proved to be difficult in such circumstances.

To address potential spill-over effects of the Syrian conflict and the associated foreign fighters' phenomenon, the EU stepped up its cooperation with southern partners on counter-terrorism. A project on counter-terrorism with Arab partners, funded by the ENI, started in March 2014, implemented by the UN Office of Drugs and Crime (UNODC) and the UN Counter-Terrorism Committee Executive Directorate (UNCTED), with participation of EU institutions and Member States.

The EU and southern partner countries continued to address the critical need for closer integration. Partners were eager to engage in regional activities with the EU, especially through the Union for the Mediterranean (UfM) and the League of Arab States (LAS). The efforts for further cooperation of the EU with the Maghreb countries and with the Organisation of Islamic Cooperation (OIC) continued.

On the Eastern Partnership, significant progress was made on engaging relevant partner countries through the AA/DCFTAs, which involve ambitious reform agendas in political, economic and social areas. The four Eastern Partnership thematic platforms have continued to meet twice a year to review and discuss next steps in the policy dialogue between the EU and EaP countries. The Eastern Partnership Summit in 2015 is expected to review implementation of agreed commitments and progress achieved.

In 2014, against the background of the Ukrainian crisis, the EU initiated unprecedented support programmes to help stabilise Ukraine's economic and financial situation, assist with transition, encourage political and economic reforms and support inclusive development. Support was also stepped up in a number of ways for the Republic of Moldova and Georgia, in light of the pressures they have been subject to as a result of their decision to sign the Association Agreements.

3. Conclusion

President Juncker has made reviewing the ENP a priority for the first year of his mandate.

The **Joint Consultation Paper** 'Towards a New European Neighbourhood Policy', adopted on 4 March 2015, outlines the major questions and issues that the EU and its partner countries are currently facing. Stakeholders are invited to react to this Paper, which launches a thorough consultation procedure on the ENP. The results of this consultation will be announced in autumn 2015, through the adoption of a Joint Communication on a renewed ENP.