

# **Contribution to the**

## **EU JOINT CONSULTATION**

### ***Towards a new European Neighbourhood Policy***

#### **Observatoire Méditerranéen de l'Energie**

Non for profit association under Loi des associations, 1901, France.

32 bis, Boulevard Hausman

75008 Paris France

[www.ome.org](http://www.ome.org)

*Contact :*

Dr Houda Allal Ben Jannet

Director General

[Houda.allal@ome.org](mailto:Houda.allal@ome.org)

+33 (0) 1 70 16 91 03

**OME has been founded twenty-five years ago** in the spirit of regional cooperation, by Mediterranean companies providing energy services and has been supporting every initiative in this direction since.

From the OME members' perspective, OME has developed a regional cooperation on energy in the Euro Mediterranean region. From this cooperation lessons have been learnt which serve as the basis of this contribution.<sup>1</sup>

## **II. Lessons Learned and Questions on the Future Direction of ENP**

1. The importance of building deeper relationships with the EU's partners is not in Neighbourhood Policy question.

*Should the ENP be maintained? Should a single framework continue to*

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<sup>1</sup> The contribution of OME is presented in the framework of the ENP questionnaire to ease the consultation process.

*cover both East and South?*

The recent development in the Euro-Mediterranean region has made regional cooperation a necessity to overcome the socio-economic challenges. Such cooperation should be considered for the benefit of every member, each in its own perspective and as a contribution to a co-development, taking into account “north-south” cooperation and “south-south” cooperation equally.

Therefore, the **ENP should be maintained** as a tool to strengthen the relationship between the EU and its neighbours in this perspective.

Given the remarkable differences between Southern and Eastern countries as well as among countries belonging to the same region, a **“one size fits for all” framework has proven not to be effective**. Instead, a **tailor-made approach**, based on countries’ specificities and needs, on their ambitions vis-à-vis their partnership with the EU, while taking into account the evolution of the social, economic and political context, should be considered.

The partnership **should not be presented – and therefore perceived – as a tool for the EU to impose its rules** to neighbouring countries but rather as a framework for dialogue and mutual opportunities. From the perspective of economic actors it should help **improving local business environment, promote best practices and legal certainty**.

2. The current framework of the ENP covers **16 neighbouring countries**. However, many of the challenges that need to be tackled by the EU and its neighbours together, cannot be adequately addressed without taking into account, or in some cases co-operating with, the **neighbours of the neighbours**.

*Should the current geographical scope be maintained? Should the ENP allow for more flexible ways of working with the neighbours of the neighbours? How can the EU, through the ENP framework, support its neighbours in their interactions with their own neighbours? What could be done better to ensure greater coherence between the ENP and the EU’s relations with Russia, with partners in Central Asia, or in Africa, especially in the Sahel and in the Horn of Africa, and with the Gulf countries?*

Establishing a **constructing dialogue and undertaking joint actions with the “neighbours of the neighbours”** is key for the success of the ENP. The current geographical scope needs to be maintained to correctly reflect the neighbourhood policy. However, this should not create any limitation in the cooperation with additional relevant partners and stakeholders as the “neighbours of the neighbours”.

It is important to convey the message that the ENP does not aim to create competition with other international actors, especially those that are strategic partners for the EU neighbourhood, such as Russia, Central Asia and Northern African countries, but rather to engage them in the process. Moreover, a **closer interaction with relevant regional organizations**, such as the Eurasian Union, the Gulf Cooperation Council, East African Community, could favour the development of more coherent relations with third parties.

An open, constructive and mutually beneficial (trilateral) dialogue with the neighbouring of the neighbours should **focus, in first place, on strategic areas such as energy or trade issues**.

3. While the ENP is conducted through the EU institutions, greater Member State involvement could lead to greater results.
- 4.

*How could a more comprehensive approach with more active involvement*

*by Member States give the policy greater weight? Would stronger co-ownership of the policy be preferred by partners?*

Within the organisation of the EU, some of the issues of interest for the ENP normally fall under national competence, **closer cooperation between EU institutions and the Member State is fundamental** to give the ENP greater leverage. Stronger involvement of MS would help reaching results but this action should be always carried out within clear boundaries set at EU level, in order to have a concerted and balanced strategy, not skewed towards single MS interests. As example, several programmes like the MEDA, Life Third countries, etc. (now closed) envisaged the involvement of MS within the umbrella of the ENP.

For a policy to deliver results it should involve the actors of its implementation. Therefore, it is essential to mobilize institutional actors, local governments and other relevant public and private economic actors to yield concrete results of the ENP.

Finally, overall, greater coordination among different EU policies and institutions, including EEAS, on matters related to the EU neighbourhood is advisable.

5. The ENP has developed and applied tools for closer political association and economic integration of partners aspiring towards this goal, including far-reaching agreements such as the Association Agreements and the Deep and Comprehensive Free Trade Areas (AAs/DCFTAs).

*Are the Association Agreements and DCFTAs the right objective for all or should more tailor-made alternatives be developed, to reflect differing interests and ambitions of some partners?*

Association agreements and DCFTAs are good approaches and stimulating objectives for countries looking at a close relationship with the EU and a progressive integration with the European area. However, they may not be equally interesting for those countries, which do not seek closer ties with the EU. **Different ambitions and different levels of engagement should be associated to a diversified set of agreements.** Once again, one size does not fit all. On this regards, **a scalable approach** could be a solution to stimulate countries to enhance and boost the economic partnership with the EU if and when in their interests.

6. **ENP Action Plans** have framed the development of relationships between the EU and most ENP partners.

*Are the ENP Action Plans the right tool to deepen our partnerships? Are they too broad for some partners? Would the EU, would partners, benefit from a narrower focus and greater prioritisation?*

For **countries with limited interest in the EU, Action Plans could be too broad.** In these cases, a new ENP framework should give priority to sectors and areas of strategic significance for the country and for the benefit of the partnership. Commercial and business links as well as energy interests might be a fruitful starting point to steer the partnership.

As far as energy issues are concerned, National Renewable Action Plans, Energy Efficiency Action Plans could be used as a model to develop such Thematic Plans.

Finally, the size of the action plan is an important element: too big, a project may hamper the flexibility gained by smaller projects, coordinated in a global results oriented approach.

7. **ENP Progress Reports** have helped the EU monitor closely progress with each of the ENP partners that have Action Plans, against the jointly agreed objectives set out in those Plans.

*Is this approach appropriate for all partners? Has it added value to the EU's relations with each of its partners? Can EU and/or partner interests be served by a lighter reporting mechanism? Should the reporting be modulated according to the level of engagement of the ENP partner concerned? How can we better communicate key elements?*

ENP Progress Reports are very interesting documents to monitor the progress of the partnership implementation. Yet, a more harmonized structure with templates clearly indicating the status of implementation and distance-to-target would be beneficial and would allow better communication of key findings.

Depending on countries and contexts, **differentiated strategies and approaches** could be useful for different partners, depending on their level of engagement. Where a more advanced and consolidated partnership with the EU is already in place, reporting should be detailed, with full description of the reforms implemented by the partners, and take place on an annual basis. For other partners, lighter reporting mechanisms can be followed.

8. The ENP has provided a **framework for sector cooperation** across a broad range of areas (including energy, transport, agriculture and rural development, justice and home affairs, customs, taxation, environment, disaster management, research and innovation, education, youth, culture, health, etc.).

*Can partnerships be focussed more explicitly on joint interests, in order to increase ownership on both sides? How should the ENP accommodate the differentiation that this would entail? Are new elements needed to support deeper cooperation in these or other fields?*

The comprehensive approach of the ENP framework is very valuable and commendable as strengthening regional dialogue and cooperation requires encompassing several topics which are distinct yet interrelated. But this overarching framework and approach should be supported by sector-specific strategies and action plans on the identified thematic priorities, where more emphasis should be put on the allocated budget, roles and responsibilities, objectives, targets, deadlines, etc.

Furthermore, some issues such as energy are transverse issues important for social development, industry, city and human dwellings, etc. Thus, a transverse and global approach is needed to tackle such issues involving demand and supply, technical development model and economics, regulation...

9. **Visa liberalisation** and visa facilitation processes have eased travel and cemented reforms; mobility partnerships have furthered contacts, with programmes supporting these processes.

*What further work is necessary in this area, which is regarded as key by all ENP partners? How can the ENP further support the management of migration and help to draw the benefits of mobility?*

Visa liberalisation and visa facilitation processes give a strong political signal to the EU's neighbours, facilitating travel and cooperation. This is **particularly important for the business**, as these processes enhance the mobility of experts and employees, developing capacity building, and shared perspectives on projects.

10. The EU seeks to promote **prosperity** on its borders. Prosperity in the partner countries is negatively affected by structural weaknesses such as inequalities, poverty, the informal economy and deficiencies in democracy, pluralism and respect for the rule of law. In addition, much of the ENP partners' economic and social development has been disrupted by turbulence due to conflict or rapid internal change.

*How can the EU do more to support sustainable economic and social development in the ENP partner countries? How can we empower economically, politically and socially the younger generation? How to better promote sustainable employment? And how can these objectives be better linked to indispensable reforms in the fields of anti-corruption, judicial reform, governance and security, which are prerequisites for foreign direct investment?*

The industrial sector can play a great role in this field. Long-term industrial development has to consider implementation of actions in an economic and socially sustainable manner. Therefore it is as important to work “for” as to work “with” the concerned entities. It **can create value and contribute to improve the social and economic development** of the countries and the communities where they operate. A **fair business environment** that - in line with the goals of leading international organizations (UNCTAD, OCDE, etc.) - can allow and encourage the business sector to operate is essential.

The establishment of foreign business activities in neighbouring countries can favour local employment, facilitate the transfer of technology and know-how, while developing competencies and shared operating standards.

Such a context will contribute to a co-development.

11. The EU seeks to promote **stability** on its borders. To address existing challenges effectively, the EU has to draw on all its cooperation instruments. Activities under the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP) have until now been conducted outside of the ENP framework. The level of instability in some partner countries not only disrupts progress towards democracy but also threatens the rule of law, violates human rights and has serious impacts on the EU, such as irregular migratory flows and security threats.

*How should the ENP address **conflicts and crises in the neighbourhood**? Should CFSP and CSDP activities be better integrated in the ENP framework? Should it have a greater role in developing confidence-building measures and post-conflict actions as well as related state- and institution-building activities?*

*Should the ENP be given a strengthened focus on working with partners on the prevention of radicalisation, the fight against terrorism and organised crime?*

*Should security sector reform be given greater importance in the ENP?*

The security sector reform constitutes a key element for States recovering from conflict and strengthening of the rule of law. The EU partnership should help countries in linking the security sector reform to other important factors of **stabilization and reconstruction such as developing a reliable business environment**. Peace and economic development are closely interlinked: the business needs political stability and predictability while promoting trade and business generates growth, employment and therefore peace.

12. The ENP includes a clear objective to promote **regional cooperation**. Together with partners, the EU has pursued such cooperation through the Union for the Mediterranean (UfM) in the South and the Eastern Partnership (EaP) in the East.

*Is the multilateral dimension able to deliver further added value? Are these formats fit for purpose? How can their effectiveness be strengthened? Can we more effectively use other, more flexible frameworks? Can we better cooperate with other regional actors (Council of Europe, OSCE, League of Arab States, Organisation of the Islamic Conference, African Union)?*

OME has developed a regional “neighbourhood” cooperation on energy in the Euro Mediterranean region of which lessons can be drawn.

- A regional cooperation is of interest because it is the pertinent “natural basin” to have a global and systemic approach;
- A regional cooperation should be considered for the benefit of every member, each in its own perspective and building a co-development;
- A regional cooperation develops on the basis of concrete questions around which all stakeholders develop common perspectives in bottom-up, peer to peer debate, and thus solutions;
- A regional cooperation is an opportunity to share long term vision to answer the energy challenges, thus the development challenges;
- A regional cooperation should be set in a stable, predictable and transparent framework. For the regional cooperation to deliver, it should be cost effective, system oriented and promote sustainable long term investment.
- A regional cooperation should be based on a fact and analysis based approach, in order to develop proposition for actions or policies.

The recent development in the Euro-Mediterranean region has made regional cooperation a necessity to overcome the socio-economic challenges, taking into account “north-south” cooperation and “south-south” cooperation equally. However, to be more effective, the formats should be adjusted to take into account the fast changing political, security and economic context as well as the exiting diversities among countries. Regional cooperation should focus on **shared priorities** notably on trade and **energy**.

Finally, one should underline that the recent development of sub-sectoral Euro-Mediterranean energy cooperation initiated by the European Commission and some Mediterranean countries in the framework of the UfM are a promising form of cooperation which includes a peer to peer, transparent and inclusive approach from expert of government and industry altogether, a factual basis, a clear identification of key challenges, and a non-prescriptive solution oriented roadmap.

More globally, the Union for the Mediterranean has the merit of having clearly indicated the need for stronger regional cooperation on six thematic priorities. In order to be more effective it should be given a less political and more executive role to implement solutions.

13. The ENP works extensively with governments, but also seeks to engage with **civil society**, including enhancing its monitoring function, particularly in countries where civil society is free, or largely free, to operate.

*How should the ENP further develop engagement with civil society in its widest sense? Can more be done to network different parts of the partner populations?*



The ENP should allow the development of tools such as informal platforms of dialogue with civil society organisations, local government and economic actors on the ENP in general, its policies, its projects, its results. Such platforms should be developed in common between the EU and neighbour country authorities.

The ENP could stimulate training programs, exchanges (students), twinning universities, organisation of seminars.

*What more can be done to promote links between business communities? With and between Social Partners (trade unions and employers' organisations) and to promote social dialogue? What can be done to promote links between scientific communities, universities, local authorities, women, youth, the media?*

Events attended by business or trade union representatives and political leaders – for instance conferences and working meetings – are good opportunities for steering dialogue and exchanging information and best practices.

14. The ENP seeks real partnership with the EU's neighbours, and this must reflect and embrace diversity.

*How can the ENP do more to foster religious dialogue and respect for cultural diversity, and counter prejudice? Should increasing understanding of each other's cultures be a more specific goal of the ENP and how should this be pursued? How can the ENP help tackle discrimination against vulnerable groups?*

### **III. Towards a Partnership with a Clearer Focus and More Tailored Cooperation**

#### **1. The Challenges of Differentiation**

*Should the EU gradually explore new relationship formats to satisfy the aspirations and choices of those who do not consider the Association Agreements as the final stage of political association and economic integration?*

Close dialogue on clearly identified areas of interest between the EU and its neighbours that chose not to follow the option of Association Agreements should be pursued.

*How should the EU take forward the tasking of the 2013 Eastern Partnership Summit in Vilnius of the long-term goal of a wider common area of economic prosperity based on WTO rules and sovereign choices throughout Europe and beyond?*

*Is there scope within the ENP for some kind of variable geometry, with different kinds of relationships for those partners that choose different levels of engagement?*

[See previous answers](#)

## 2. Focus

*The review is an opportunity to establish a firm understanding between the EU and our partners of those areas of strongest common interest. This will be the basis for a stronger partnership forwards.*

*In that regard, we would propose to focus the consultations on the following questions:*

*Do you agree with the proposed areas of focus? If not, what alternative or additional priorities would you propose?*

In addition to the proposed focus areas, **energy** mentioned under the issue of connectivity should be addressed on its own, because of the importance of the energy service for development, and its regional role.

*Which priorities do partners see in terms of their relations with the EU? Which sector or policy areas would they like to develop further? Which areas are less interesting for partners?*

*Does the ENP currently have the right tools to address the priorities on which you consider it should focus? How could sectoral dialogues contribute?*

Sector dialogues could be of great help to identify key strategic priorities of the ENP partnership with different countries and regions.

*If not, what new tools could be helpful to deepen cooperation in these sectors?*

Before introducing new tools the existing ones should be adapted to the evolution of the ENP framework.

*How can the EU better support a focus on a limited number of key sectors, for partners that prefer this?*

## 3. Flexibility – Towards a More Flexible Toolbox

*How to streamline Action Plans to adapt them better to individual country needs and priorities?*

They should be based on further dialogue between local government, civil society and the economic actors.

*Is annual reporting needed for countries which do not choose to pursue closer political and economic integration?*



**A lighter reporting mechanism could be considered per country.** In some cases, a country report based on a yearly approach might not be enough, especially if the countries are keen to be more involved in the EU framework.

*How should the EU structure relations with countries that do not currently have Action Plans?*

The multilateral and regional dimensions of the ENP can offer the right framework to create a structured dialogue with countries that are not implementing Action Plans.

*How can the EU adapt the 'more for more' principle to a context in which certain partners do not choose integration, in order to create incentives for respect of fundamental values and further key reforms?*

The EU could emphasize the economic and social advantages of sharing common values and standards although belonging to different regions and contexts.

*How to assess progress against jointly agreed reform targets when a partner country experiences significant external pressure, for instance armed conflict or refugee flows?*

When assessing process in extreme situations, a certain degree of **flexibility** can be applied.

*How can the EU engage more effectively and respond more flexibly to fast-changing developments in partner countries affected by conflict situations?*

*What tools would the EU need to respond more effectively to fast-changing developments in its neighbourhoods?*

*Are the choice of sectors and mechanisms for delivery of EU financial support appropriate? How could its impact and visibility be enhanced?*

#### 4. Ownership & Visibility

*What do partners seek in the ENP? How can it best accommodate their interests and aspirations?*

*Can ways of working be developed that are seen as more respectful by partners and demonstrate a partnership of equals? How should this impact on annual reporting?*

*Can the structures of the ENP be made more cooperative, to underline the partners' own choices and to enable all civil society actors across partner countries to take part?*

**The ENP could be more open to the private sector**, and as such, contributing to the economic and social development of partner countries.

*Can the ENP deliver benefits within a shorter timeframe, in order that the value of the policy can be more easily grasped by the public? What would this require from the EU? And from the partner country?*

*How can the EU financial support be recast in an investment rather than donor dynamic, in which the partner country's active role is clearer?*

*How can EU Member States be involved more effectively in the design and implementation of the policy, including as concerns foreign policy and security related activities? How can the activities in EU Member States be better coordinated with the ENP?*

See previous responses.