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Programming of the European Neighbourhood Instrument (ENI) - 2014-2020

**Regional South Strategy Paper (2014-2020)
and Multiannual Indicative Programme (2014-2017)**

ENI Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)

Introduction

This document presents the strategy for the regional, multi-country cooperation which will be implemented under the European Neighbourhood Instrument (ENI) over the period 2014-2020. It also identifies a multiannual indicative programme (MIP) of activities for 2014-2017 including an indicative level of funding broken down by priority.

The paper presents an analysis of the current situation and main challenges in the Southern Mediterranean region and recalls the EU policy framework for EU cooperation. It draws lessons from past cooperation. The document then defines the strategic objectives for cooperation in 2014-20 and the resulting actions to be undertaken under the MIP 2014-17.

The Strategy has been developed in consultation with European Union (EU) Member States, Southern Mediterranean partners, international financial institutions and civil society.

Priorities of the Multi-annual indicative programme 2014-2017 were identified taking account of the focus and coverage of other instruments, in particular the bilateral cooperation programmes and the global thematic instruments.

1. Current situation and challenges

Recent changes in the Arab world marked a historical milestone in the countries of the Southern Mediterranean. While the call for dignity, democracy, respect for human rights and more inclusive growth has permeated the entire region, each partner has undergone a different process of transition in the last three years.

Democracy, good governance and stability trends: Since 2011, good progress was witnessed towards free and fair electoral processes in some countries of the region, often resulting in a change of government. The development of political parties and of civil society signals the emergence of a democratic culture, and in a few countries public debates have been initiated, in some cases around constitutional reform, on key societal issues such as the role of religion in the new democratic set up and the protection of human rights. However, the risk of crisis or set back is real in a context of polarization of political forces and of the absence of an agreement among political actors on a joint vision for the political transformation process. Embedding deep democracy in the future will rely upon robust democratic institutions, in particular an independent, fair, accessible and efficient justice system and an accountable and democratic security sector. This will take time, while the respect for the rule of law and human rights, in particular gender equality, freedom of expression (including freedom of the media), of association, religion and belief will remain key challenges in the years ahead for Mediterranean partners and their successful cooperation with the EU. A thriving civil society supported by media that are both independent and professional, able to contribute to public debate and accountability will be essential to ensure the full participation of citizens in shaping their collective future and authorities should favour its

development rather than attempt to restrict it, as it is often the case. Similarly, accountable local authorities are key to providing services that respond to local needs.

Ensuring peace and stability in the region remains an objective that can only be addressed through renewed efforts at the peaceful resolution of protracted conflicts, such as the Israeli-Palestinian conflict and Western Sahara issue, as well as new crises (Syria) and security risks (Libya, Sahel). In this regard, the need for more effective regional mechanisms and institutions able to prevent, manage and solve crises and foster regional integration has been highlighted by recent events.

Against this background, a strengthening of the regional organisations can also be observed, especially through the revived sectoral activities of the Union for the Mediterranean. After a long break, the Union for the Mediterranean (UfM) resumed the holding of Ministerial meetings, sending a positive signal expressing a shared objective in establishing deeper regional cooperation both between EU and Southern countries and South–South cooperation. There has also been an intensification of actions by the League of Arab States or under the “5+5 Dialogue”.

In this context the main **challenges** can be summarised as follows:

- To address policy and institutional issues, including the fight against corruption, which hamper entrepreneurship, in support of inclusive growth, jobs creation, decent work and protection of vulnerable groups; foster the development of integrated employment strategies and encourage labour market reforms, eliminate skill mismatches through education reforms, improve social dialogue and integration of all social actors in economic decision processes.
- To ensure well targeted social safety nets and better social services, in particular in education, vocational training and health.
- To encourage the development of the private sector, including thorough initiatives aimed to facilitate access to finance.
- To develop progressive trade integration both regionally and with the EU.
- To improve regional sector cooperation, in particular the development of infrastructure networks and market integration in energy and transport, ICT, and innovation.

Economic and social development trends:

The 2008 economic crisis affected the Southern Neighbourhood in many ways: through lower external demand, the worsening of terms of trade for non-oil producers, and the decline of tourism, remittances and foreign direct investment. Since 2011, domestic political uncertainties and the euro area crisis have continued to put a drag on economic activity while social demands have put pressure on public finances. Ensuring a return to sustainable public finance, including through growth-enhancing infrastructure investments and more efficient provision of social services and public subsidies is a necessity.

Despite years of economic reform and trade liberalisation, the benefits of growth have tended to go mainly to groups linked to the political elite. Corruption, lack of transparency and unfair competition are important impediments to inclusive growth, while the business climate remains unfavourable to small and medium enterprises (SMEs) development. The lack of south-south

trade opening limits competition and investment opportunities, including for EU operators who could benefit from a more integrated and dynamic neighbouring market and optimise the value chain. The impact of policies on vulnerable groups has not been sufficiently assessed. Social protection and services, particularly in health and education, remain insufficient to ensure both social justice and competitiveness, while there are increasing regional and urban disparities. As a consequence, despite a reduction in absolute poverty in recent years, growth has not been sufficiently inclusive and conducive to the creation of jobs for the youth and women. Unemployment particularly among these groups remains very high across the region and national education, training and employment strategies have failed to generate opportunities matching expectations of job seekers. To address this and given the constraints facing the public sector, itself in need of bold reform steps, the development of a dynamic innovative SME sector, less dependent on State support is paramount. In a context of aggravating water shortage due to climate change and persistent rural poverty, reform of agriculture and rural development are also important challenges. In order to develop market opportunities, regional integration needs to be developed through trade and infrastructure networks.

In this context the main socio-economic **challenges** can be summarised as follows:

- To address policy and institutional issues, including the fight against corruption, which hamper entrepreneurship, in support of sustainable and inclusive growth, jobs creation, decent work and protection of vulnerable groups; foster the development of integrated employment strategies and decent work, improve social dialogue and integration of all social actors in economic decision processes.
- To address the urgent need for decent and sustainable job creation, particularly among youth
- To ensure a social protection floor and better social services, in particular in education, vocational training and health.
- To develop progressive trade integration both regionally and with the EU.
- To improve regional sector cooperation, in particular the development of infrastructure networks and market integration in energy and transport, information and communication technologies (ICT), innovation, SME development and industrial cooperation.

Climate change and environment trends:

The ability of Southern Partners to tackle climate change and environment degradation is limited by the inadequate administrative capacity and the lack of enforcement of relevant provisions and of implementation of multilateral environmental agreements, weak sustainable water resource management and limited cooperation on climate change and environmental issues among the partner countries. New threats such as rapid population growth and urbanisation and unsustainable production and consumption patterns are exacerbating the environmental and climate challenges of the region. Therefore, urgent action is required to tackle pollution, the growing pressure on biodiversity and natural resources, as well as increasing desertification across the region and degradation of the marine and coastal environment, and to address climate change mitigation and adaptation issues, including improving knowledge base and research and innovation aspects.

The **challenges** are:

- To ensure sustainable development and support switching to a green, resource efficient and low carbon economy at regional level;
- To address climate change mitigation and prepare transition to low carbon and climate resilient paths;
- To address water resource management and pollution issues;
- To address marine pollution and biodiversity challenges and to develop an integrated maritime policy;
- To preserve biodiversity, fight desertification and secure the benefits from ecosystem services;
- To mainstream environment and climate into sectoral policies, address capacity and data needs, and integrate the research and innovation dimensions in addressing the above challenges; and to implement multilateral environmental agreements, in particular the Barcelona Convention and its Protocols for the marine and coastal environment.

While many of the challenges identified for all the above themes cut across the region, the context in each country calls for a specific domestic response as reflected in the national development strategies in particular. Consequently, the EU will support Southern Partners in addressing these challenges mainly through the bilateral cooperation programmes as well as through thematic instruments (see section 6).

The regional programme will complement bilateral support and foster closer regional cooperation and integration in areas reflecting a regional dimension; where the impact of country-based support strategies will benefit from broadening the geographical scope and the set of institutional or non-institutional interlocutors; where in particular cross fertilisation, exchanges of best practices and knowledge transfer will provide a boost to the countries' reform and modernisation efforts; and where added value is expected in promoting dialogue among partners of the region. The EU regional strategy will also aim to complement actions undertaken through the Global Public Goods and Challenges" thematic programme under the Development Cooperation Instrument (DCI) as well as actions undertaken through the dedicated instruments for security and conflict prevention and resolution challenges, such as Common Foreign and Security Policy (CFSP) and the Instrument contributing to Stability and Peace, and in close cooperation with the activities of relevant regional organisations, including the UfM and the League of Arab States. Cross-Border Cooperation programmes will also complement actions at regional level. In addition, EU internal instruments and programmes with external cooperation windows will also complement activities supported by this Strategy, namely the Framework Programme for Research. It is also important to ensure that EU bilateral Action plans are coherent and work in synergy with the present EU regional strategy, including with regard to financing aspects.

2. The Policy framework

EU multi-country cooperation with Southern partners is set in the framework of the European Neighbourhood Instrument Regulation and the main documents outlining the EU policy towards the Southern Mediterranean.

The ENI Regulation¹ (Article 2) sets the following policy objectives of EU cooperation:

- Promotion of human rights and fundamental freedoms;
- Progressive economic integration and enhancing sector cooperation;
- Well managed mobility of people, in line with the EU's Global Approach to Migration and Mobility (GAMM);
- Sustainable and inclusive development;
- Promoting confidence building contributing to security and conflict prevention;
- Enhance regional and sub-regional cooperation as well as cross-border cooperation (CBC).

Stemming from EU overall interest in having a well-governed, prosperous and secure Neighbourhood, **the policy framework** for the Southern Mediterranean is outlined in the following documents:

- The Barcelona declaration of 1995;
- The Paris and Marseille declarations of 2008 and Council Conclusions of March 2012²
- The European Neighbourhood Policy;
- The Communication on Partnership for Democracy and Shared Prosperity of 8/3/2011;
- The Communication on "A new Response to a Changing Neighbourhood" of 15/5/2011;
- The Communication of "Delivering on a new Neighbourhood Policy" of 15/5/2012 and its Working Document outlining a Roadmap for future action;
- The Communication on "Supporting closer cooperation and regional integration in the Maghreb: Algeria, Mauritania, Libya, Morocco, Tunisia" of 18/12/2012;
- The Communication on Increasing the impact of EU Development Policy: an Agenda for Change of 13/10/2011,

completed by specific policy instruments notably the Communication on "A dialogue for migration, mobility and security with the southern Mediterranean countries" of 4/5/2011, the "Communication on the work of the Task Force Mediterranean" of 13/12/2013 and the Sahel Strategy of December 2012³.

The Communication on "Partnership for Democracy and Shared Prosperity" stipulates that the partnership is built upon the following main objectives:

- democratic transformation and institution-building, with a particular focus on fundamental freedoms, constitutional reforms, reform of the judiciary and the fight against corruption;

¹ Regulation (EU) No 232/2014, published in: Official Journal of the European Union L 77/27, 15.3.2014

² On the Northern co-presidency of the Union for the Mediterranean

³ Documents are: http://www.eeas.europa.eu/euromed/docs/bd_en.pdf, EURO-MED 1/08, SEC(2008) 2798, COM(2011) 200FINAL, COM(2011) 303, JOIN(2012) 14 final, SWD(2011) 121 final, JOIN (2012) 36 final, and COM(2011) 637 final

- a stronger partnership with the people, with specific emphasis on support to civil society and on enhanced opportunities for exchanges and people-to-people contacts with a particular focus on the young;
- sustainable and inclusive growth and economic development, especially support to Small and Medium Enterprises (SMEs), industrial cooperation, vocational and educational training, improving health and education systems and development of the poorer regions.

Thus, in addition to outlining thematic and sectoral objectives for regional cooperation, the “Roadmap for future action” set as objectives:

- To make the Union for the Mediterranean an effective instrument promoting policy dialogue and sector co-operation at regional level. To promote sub regional co-operation, in particular in the Maghreb involving the EU and the relevant partner countries on issues of common concerns.
- To develop a structured dialogue between the EU and other relevant regional organisations, in particular the League of Arab States.

Agreed by all UfM members, the conclusions of the various UfM Ministerial meetings having been held over the past year also provide an important and inclusive policy framework for developing the regional interventions.

All the above priorities are guiding this programming exercise.

3. Lessons from past cooperation

The different evaluations and monitoring of the European Neighbourhood Regional programmes, have confirmed the high relevance of regional interventions for achieving ENP objectives and regional priorities.

In this respect, the evaluation of the European Union’s Support to two European Neighbourhood Policy Regions (East and South) over the period 2004-2010 published in June 2013 provides evidence of positive achievements of the regional programmes, as well as shortcomings to be addressed:

- The approach of adapting its intervention strategy in the two regions has been quite effective and relevant both with regards to its main cooperation objectives and in meeting the needs of the partner countries.
- The provided support has stimulated regional policy dialogue and has contributed to regional stability, which is a critical achievement given the difficult regional contexts in both ENP regions.
- The establishment of regional networks has been a key instrument successfully used to strengthen or support the creation of regional capacities and cooperation mechanisms in different areas.
- Regional cooperation, notably through the Neighbourhood Investment Facility, has acted as a catalyst for the mobilisation of other financial resources (e.g. European Investment

Banks - EIB). Finally, significant improvements have occurred in terms of foreign investment attraction, notably in the South, and expansion of trade with the EU.

Key challenges to be addressed, affecting results at sector level:

- Need to increase the level of commitment and ownership by the partner countries, which is closely linked to the impact sustainability of regional activities, as well as on their effectiveness and efficiency.
- Need to enhance the coordination, complementarity and synergy with bilateral interventions to address the perception of a disparity among the actions put in place in the Southern region.
- Need to raise awareness on regional integration and trade liberalisation efforts in services and investments in the framework of the Agadir agreement and to enlarge the scope of support made available to private sector.
- Need to strengthen the capacity of national and sub-national administrations in sustainable development, in particular in climate change issues, and support relevant joint initiatives in the region across borders and sectors.
- Regarding relations with civil society, need to build and reinforce dialogue encompassing partnerships with organisations that are independent from the State, which also require creating an enabling environment for civil society operation.
- Enhance policy dialogue and coordination in support of private sector development, innovation and industrial cooperation

The above recommendations of the evaluation have been thoroughly considered in the drafting of the present programming document with regard both to its approach and the specific priority setting.

4. Coherence and additional value of multi-country cooperation

Coherence with other EU policies

A number of EU policies are highly relevant to the region, including the Common Foreign and Security Policy (CFSP), Common Security and Defence Policy, (CSDP), development cooperation, justice, freedom and security, trade, ICT and information society, energy, transport, media, environment, climate change, research and innovation, education, youth and culture, integrated maritime policy and maritime security strategy. Concerning research and innovation, the Horizon 2020 Programme on Research and Innovation is open to and promotes the participation of Southern Mediterranean countries. The Euro-Mediterranean Group of Senior Officials (former MoCo) in Science, Technology and Innovation launched work on a common research and innovation agenda, and Member States and Mediterranean Partner Countries are discussing the integration of their national research programme in the context of a potential renewed EURO-MED partnership in Research and Innovation. With the aim of realizing the objectives to help developing countries to provide access to sustainable energy services to 500 million people by 2030, the necessary strategies, including the use of innovative financial instruments, for meeting the targets of Sustainable Energy for All need to be put in place. The EU

commitment to dedicate 20% of its budget to climate related issues will also have to be taken into account by an appropriate contribution under this program.

The specific context and relations of each partner with the EU calls for a tailor-made approach. A detailed presentation of the “policy mix” for each partner is outlined in the respective ENI bilateral programming documents. The regional strategy has been designed to work in complementarity with the bilateral ones, with a view, notably, to upscale the cooperation in specific areas beyond the national scope to a regional level, or to work on topics not directly addressed through the bilateral cooperation. It has been developed in full synergy with initiatives of the Union for the Mediterranean and the work of its Secretariat. It takes account of the specific ambitions of the EU towards closer cooperation with the Maghreb region, and in this context will be closely coordinated with the Pan-African development cooperation programme, which also covers these countries.

Consultations with stakeholders

The ENI Southern Mediterranean Regional Strategy has been developed in consultation with EU Member States, the authorities of the partner countries and other donors as well as stakeholders. Donor coordination, at bilateral and regional level, will ensure that shared objectives will create synergy for the desired impact on the ground. The EU is open to joint programming, when appropriate. The principle of policy joint ownership with the region will be respected and where appropriate the contribution of the partner countries will be ensured.

Principles governing multi-country cooperation

In order to ensure coherence with other policies and ENI programming documents, in particular bilateral cooperation programmes, the multi-country cooperation should respect four principles: providing added value, seeking the comparative advantage of EU regional intervention, ensuring economies of scale, and subsidiarity. In line with these principles, this regional strategy will complement bilateral and thematic cooperation by focusing on areas where there is a need to:

- foster political dialogue and co-operation between the EU and partner countries multilaterally.
- facilitate regional and sub-regional economic integration through regional market integration for goods and services and improved sector cooperation in particular on infrastructure development.
- ensure coherent sectoral approaches across the region to improve long term aid effectiveness and impact as well as promote cost-effective provision of certain support (economies of scale).
- promote regional cooperation on themes which cannot be sufficiently addressed by countries individually (common public goods and cross-border issues) or impact on regional societal challenges such as marine resources, water issues and migration.
- raise awareness on, and catalyse activities in policy areas where sharing of experience and peer review are important for advancing reforms. Regional cooperation will

provide tools for enhanced dialogue with the EU on progressive social, political and economic integration issues linked to the EU *acquis* and EU policies

5. Strategic objectives

The following strategic objectives will be pursued in enhancing EU's regional and sub-regional cooperation with the Southern Mediterranean Partners:

Objective 1: BUILDING A PARTNERSHIP FOR LIBERTY, DEMOCRACY AND SECURITY

The challenges related to building deep democracy in a context of transition require home-grown, country specific responses. An important share of the bilateral support strategies will be focused on these priorities, which the regional, multi-country programme will aim to complement and reinforce. Actions in this framework will notably enhance coherence and economies of scale of EU support; foster regional exchange of best practices in the areas of human rights, justice, democracy and good governance, including local governance, social dialogue, and the rule of law. Of particular relevance in the present regional context, issues related to migration and mobility (including asylum and border management), security, and civil protection will feature as a priority for the regional programmes.

Objective 2: BUILDING A PARTNERSHIP FOR INCLUSIVE AND SUSTAINABLE ECONOMIC DEVELOPMENT

The need for economic policies, conducive to sustainable and more inclusive growth, investment and private sector development, innovation and job creation is a critical issue across the region. The required reforms will be supported by partners and constitute a key priority for the EU and the broader donor community. Bilateral assistance will be complemented through regional actions, backed up by regular policy dialogue. These could support notably regional trade integration, including convergence towards EU policies, regulations and standards, the mobilisation of funds and investments for the region, cooperation on developing major trans-national infrastructure and industrial cooperation with a particular focus on MSMEs promotion in key sectors and the shift towards a resource efficient economy (including sustainable consumption and production). Policy analysis, exchange of best practice and regulatory cooperation at regional level in related sectors of development will also provide additional value and be effective in complementing bilateral support. Environment challenges, including management of natural resources (including biodiversity) and marine pollution will be addressed as a priority at regional level in close complementarity with actions at national level. Biodiversity and climate change mitigation and adaptation aspects will feature as a priority among regional ENI funded actions. Cross-sectorial tools such as the integrated maritime policy that seeks to provide a more coherent approach to marine and maritime issues, increase coordination between different policy areas and support blue economy could be supported as appropriate.

Objective 3: BUILDING A PARTNERSHIP WITH THE PEOPLE

Changes in the region have highlighted the key role of civil society as agents for change and key actors in the democratic and societal transformation of the countries. The EU, in turn, has drawn lessons from the evolving scenarios. Parallel to its commitment to enhancing civil society capacities, the EU will support efforts towards the creation of mechanisms for structured, sustainable dialogue between civil society, authorities and the EU at a regional level. Through these dialogue mechanisms civil society will have the opportunity to effectively contribute to transition in partner countries and shape regional cooperation. EU support to civil society includes support to social dialogue both at national and regional level and support to building and strengthening the capacities of social partners to fully participate to policy making and implementation. Adopting an inclusive approach with this regional initiative, the EU will also seek to reinforce the role and capacities of other actors such as parliamentarians, regional and local authorities, academia and cultural stakeholders across sectors to enable their contributions to regional dialogues and cooperation.

Women and youth, who are key actors in the transition, have a major contribution to make to the economy and society. The EU will complement actions at national level by supporting regional cooperation and exchanges targeting these groups.

Enhancing a better knowledge and respect of each other's culture and a better understanding of others' perception of the modern world and trends are essential, often overlooked foundations of a real regional cooperation. Under the regional cooperation, in complementarity with bilateral and thematic programmes, the EU will support activities promoting freedom of expression, cultural diversity, mutual knowledge, exchanges and dialogue across sectors between various actors in the region.

Objective 4: SUPPORT TO REGIONAL AND SUBREGIONAL INSTITUTIONAL COOPERATION

The EU will support the capacity of regional institutions in fostering regional and sub-regional political cooperation, including crisis prevention, management and resolution and economic integration and dialogue with the EU. This may include support to the UfM Secretariat, as well as to closer cooperation at sub regional level, notably in the Maghreb region, addressing topics of priority for the countries concerned and the EU.

6. Instruments and means

The main instruments for implementing the objectives of the regional strategy will be the regional dialogues developed with Southern Mediterranean partners and the programmes of assistance under the European Neighbourhood Instrument.

The definition of the right 'policy mix' is of the utmost importance when providing EU financial assistance. In order to support the EU's strategic objectives, policy coherence will be ensured with all EU foreign policy available instruments dealing with this region.

Beyond the regional support, EU assistance to the Southern Neighbourhood provided under the ENI also comprises Single Support Frameworks for each partner, the European Neighbourhood Policy-wide programme, cross-border cooperation and thematic components in a comprehensive approach to address cooperation. The Regional Strategy links with these other elements under the ENI Regulation.

The activities and initiatives described in this Strategy will be implemented both through the MIP 2014-17 and through the ENP-wide Programme which will focus on activities that are best implemented at inter-regional level for reasons of coherence or administrative efficiency, such as the Neighbourhood Investment Facility, TAIEX, SIGMA and Erasmus+ for its international dimension in the fields of higher education and youth.

The other instruments which the EU can also bring to bear in support of the objectives of this Regional Strategy encompass: the Development Cooperation Instrument (DCI) namely, “Global public goods and challenges”, the Pan-African Programme and the Partnership Instrument (PI); certain measures, particularly in the area of conflict prevention and crisis management and resolution including specific climate change and environmental threats, may be supported under the Instrument contributing to Stability and Peace which aims at providing an effective, timely, flexible and integrated response to situations of crisis, emerging crisis or continued political instability. In the area of human rights and democracy, support will also be provided under the European Initiative for Democracy and Human Rights (EIDHR) and the European Endowment for Democracy (EED) and the actor-oriented programme "Civil Society Organisations and Local Authorities". Thematic instruments such as the, the Instrument for Nuclear Safety Cooperation (INSC) or in Research and Innovation are also of relevant and activities funded under these thematic programs must be fully consistent with the regional strategy. The volume of activity of the European public Finance Institutions will grow in the coming years, in particular for EBRD, which has recently started its operations in the region. A significant share of this overall increased lending will take place within the frame of the NIF.

Regional activities will continue to be undertaken in close collaboration and synergy with the Union for the Mediterranean Secretariat, supporting in particular the implementation of jointly agreed UfM Ministerial Conclusions, and in line with the mandate of the UfM Secretariat.

7. ENI Regional South multiannual indicative programme (2014-2017)

Indicative allocation foreseen (2014-2020)

<i>Indicative allocation 2014-2020</i>	€74,000,000- €24,000, 000
<i>Indicative allocation for the 1st period (2014-2017)</i>	€71,000,000-€453,000,000
<i>Building a partnership for sustainable and liberty, democracy and security</i>	20%
<i>Building a partnership for inclusive and sustainable economic development</i>	20%
<i>Building a partnership between the people</i>	25%
<i>Support regional and sub-regional institutional cooperation</i>	15%
<i>Complementary support</i>	20%

The ENI Regional South multiannual indicative programme (2014-2017) will contribute to implement the regional strategy through the following actions to be carried out over the period 2014-2017.

In addition to the priorities and programmes set out below, funds will be provided under a “global allocation” to cover expenditures associated with the activities necessary for the implementation of the indicative programme and the organisation of regional ministerial meetings, working groups and related conferences as well as pilot activities in new areas of cooperation.

Objective 1: BUILDING A PARTNERSHIP FOR LIBERTY, DEMOCRACY AND SECURITY

Potential areas of intervention:

- a. Support to democratic consolidation, good governance, rule of law and Justice reform, including through the possible extension of EU support for the Council of Europe actions in the region.
- b. Development of media cooperation
- c. Support to regional dialogues through exchange of best practices, analysis and capacity building in particular on migration and mobility, justice, police, security, and civil protection.
- d. Support for conflict prevention, management or resolution actions in which the EU is a stakeholder, building on initial contributions of the Instrument for Stability; support to the confidence building through civil society and science diplomacy actions under the Partnership for Peace Programme.

Objective 2: BUILDING A PARTNERSHIP FOR INCLUSIVE AND SUSTAINABLE ECONOMIC DEVELOPMENT

Potential areas of intervention include the following:

- Support private entrepreneurship and employment through actions in favour of:
 - a. Regional trade integration and regulatory/institutional convergence including through possible further support to the Agadir Agreement, and by supporting the development and integration of quality infrastructure (standardisation, metrology, accreditation, conformity assessment) at both national and regional level.
 - b. Private sector development towards better employment opportunities for youth and women including improving investment climate, support to the development of micro, small and medium enterprises (MSMEs), promoting access to finance for MSMEs; fostering innovation, creativity and technological upgrades in particular with the emphasis on sustainable development .
 - c. Socio-economic and policy analysis; establishment or strengthening of existing policy dialogues, exchange of best practices, and capacity building in particular in the fields of trade, investment climate, statistics, energy and climate change, transport, information society, cultural and creativity, agriculture/rural development, blue economy and environment; regulatory cooperation, industrial cooperation both across sectors (e.g. SME

promotion) and in sectors of common interest (e.g. tourism, crafts and textiles design and clothing).

- Develop sector cooperation in:

e. Energy: promoting market integration, security and diversification of energy supplies; increasing energy efficiency and the use of renewable energy sources, including by contributing to the implementation of the Mediterranean Solar Plan and reducing the environmental impact of the energy sector.

f. Transport: focusing on the coherent regulatory and physical development of the trans-Mediterranean transport networks and its connection with the Trans-European Transport network, via all modes of transport within the context of the future Regional Transport Action Plan (RTAP) 2014-2020.

g. Information Society: facilitate the creation of a more harmonized and investment friendly environment in the area of electronic communications.

h. Space applications: promote uptake of GMES and EGNOS satellite based augmentation systems and multi-sector applications.

i. Environment: support to integrated water management, protection of the marine and coastal environment, the implementation of the Horizon 2020 road map for the de-pollution of the Mediterranean, the development of sustainable consumption and production; and sustainable fisheries as appropriate. Biodiversity and climate change issues may be addressed under all the above themes.

j. Common Knowledge and Innovation Space and human capital development targeting in particular youth employability: education, (including informal and non-formal education), vocational training in particular in the tourism, cultural and creative sector, research and innovation; strengthen cooperation on bridging the gap between research, education and innovation and addressing in comprehensive manner the mismatches between the supply and demand of skills; development of research infrastructures, support to national and regional research-driven clusters as well as capacity-building of public and private entities to foster the above in complementarity with the foreseen bilateral actions.

k. Climate change: focusing on low-carbon development and enhancing the resilience of the region against the negative impacts of climate change, in addition to addressing climate change under the above relevant themes.

l. Develop cross-sector cooperation in the field of marine and maritime affairs: the development and implementation of integrated maritime policy and its tools.

Objective 3: BUILDING A PARTNERSHIP BETWEEN THE PEOPLE

Potential areas of intervention:

- a. Support to the development of civil society, reinforcing civil society organizations (CSO) capacities and advocacy role, and of civil society networks and dialogue structures at regional level notably through the Civil Society Facility;
- b. Support regional exchange of best practice, actions and networking towards the fight against discrimination against women and promotion of women's empowerment.
- c. Support regional exchange of best practice, actions and networking towards the development of social dialogue across sectors, including on climate change and environment;
- d. Developing dialogue and exchanges between youth and strengthening the capacity of youth organizations, including through Erasmus+.
- e. Regional cooperation on culture and inter-cultural dialogue including through support to the Anna Lindh Foundation⁴.

Objective 4: SUPPORT REGIONAL AND SUBREGIONAL INSTITUTIONAL COOPERATION

Potential areas of intervention:

- a. Support to the activities of the Union for the Mediterranean Secretariat in synergy with EU cooperation activities in the region.
- b. Support to development of cooperation with other regional organisations, including the League of Arab States and other regional and sub-regional organisations and initiatives, in coherence with the strategic objectives set for the South Mediterranean.
- c. Support to the implementation of initiatives targeting the Maghreb in line with the Joint Communication on “Supporting closer cooperation and regional integration in the Maghreb: Algeria, Mauritania, Libya, Morocco, Tunisia” of 18 December 2012⁵.

8. Risks and assumptions

To be successful, this Strategy and its 2014-17 MIP will require a high level of commitment to multilateral cooperation from partner countries, continuous support by EU institutions, EU Member States, other stakeholders, particularly civil society and relevant regional organisations. The transition to democracy and inclusive growth is not a linear process. There is a risk that South Mediterranean partner countries encounter setbacks, affecting the relation with the EU and its contribution to the transition.

While Southern partners have tended to privilege bilateral cooperation with the EU, they have remained committed to the multilateral dimension of the Southern Partnership which has proved resilient to political crises affecting the region in the past. There is a risk that such support may weaken over time, due to the persistence of conflicts in the region and differences between partner countries' vision of policy reform and political commitment to closer relations with the EU. The associated risk is assessed as medium to low. The EU will need to keep the Partnership for Democracy and Shared prosperity a viable and inclusive proposition for all partner countries.

⁴ The Anna Lindh Foundation was established in 2005 by the governments of the Euro-Mediterranean Partnership (Euro-Med) as an inter-governmental institution to promote cultural dialogue and mutual respect among people in the region. ALF supports a network of 3000 civil society organisations and is financed by the European Union and members of the Union for the Mediterranean.

⁵ Document JOIN (2012) 36 final

The effectiveness of EU support to regional cooperation frameworks will depend on the political commitment of the Member States to fully cooperate within these regional fora and on the regional institutions efficiency in designing and carrying common policies.

Risks linked to the implementation of the Strategy will be mitigated through carrying out in 2017 a mid-term review to be preceded by a similar evaluation in 2016 of the MIP. Such reviews will provide opportunities to adjust the EU response in terms of Strategy and MIP, in the light of changing circumstances.

Annex I Template for Sector of intervention framework

The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period.

Where missing, baselines referring to the indicators below will be introduced in Action documents at the latest.

Objective 1: BUILDING A PARTNERSHIP FOR LIBERTY, DEMOCRACY AND SECURITY		
<u>Expected results</u>	<u>Indicators</u>	<u>Means of Verification (MoV)</u>
<i>a) Domestic reform efforts towards democratic transition, rule of law, peace are sustained and reinforced through cooperation at regional or sub regional level and enhanced capacity of stakeholders.</i>	<i>a1) Number of targeted, sub regional events held (Maghreb) funded directly or indirectly by ENI South projects on subjects related to governance, rule of law and peace</i> <i>a2) Number of countries participating to the above meetings (sub regional events on subjects related to governance, rule of law and peace)</i> <i>a3) Number of recommendations made that are implemented/translated into national laws/etc by each partner country or regional organisation (League of Arab States or others)</i> <i>a4) Number of institutional stakeholders benefiting from capacity-building activities, peer reviews and exchanges funded directly or indirectly by ENI South projects</i>	<i>Ad hoc reports, letters on events, media monitoring, ENP progress reports</i>

Objective 2: BUILDING A PARTNERSHIP FOR INCLUSIVE AND SUSTAINABLE ECONOMIC DEVELOPMENT

<u>Expected results</u>	<u>Indicators</u>	<u>MoV</u>
<p><i>b) Domestic reform efforts towards developing opportunities for private sector development and investments benefit from further encouragement through regional exchanges of best practices and political impetus</i></p> <p><i>c) Increased degree of convergence of domestic policies on environment, climate change, water, energy, and integrated maritime approach in the region</i></p>	<p><i>b1) Number of targeted events on private sector development and investments with sub regional scope (Maghreb) funded directly or indirectly by ENI South projects;</i></p> <p><i>b2) Number of participants attending meetings, seminar and trainings on private sector development and investments promotion supported by the EU per year</i></p> <p><i>b3) Number of high level (including ministerial) meetings related to private sector development resulting in policy recommendations to the region per year;</i></p> <p><i>b4) Number (%) of recommendations made in high level meetings translated into national laws/regulations per year</i></p> <p><i>b5) Number (%) of SMEs/MSMEs receiving capacity development on business-to-business (B2B) by ENI South projects per year;</i></p> <p><i>b6) Number (%) of women entrepreneurs registered as owners of SMEs/MSMEs (yearly)</i></p> <p><i>b7) Number (%) of SMEs/MSMEs exporting to the region</i></p> <p><i>c1) Number of laws/regulations/strategies approved by national governments per year showing an increased degree of convergence (regional) on environment, climate change, water, energy</i></p> <p><i>c2) Number of projects and measures designed to reduce GHG emissions and/or build resilience at various levels of governance in the region</i></p>	<p><i>Event reports ; UFMS or other regional for a activities and reports ; independent reports (doing business, TI, ...)</i></p>

	<i>c3) Number of cross-sectoral committees or coordination groups/exchanges established and operational on climate change policies at various levels of governance</i>	
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Objective 3: BUILDING A PARTNERSHIP BETWEEN THE PEOPLE

<u>Expected results</u>	<u>Indicators</u>	<u>MoV</u>
<i>d) Civil society in the region further empowered to participate in policy dialogue and policy making.</i>	<i>d1) Number of civil society actors benefiting from regional capacity building events/programmes funded directly or indirectly by ENI South projects yearly in any sector; d2) Number of platforms for dialogue between civil society and government yearly held in the region on any policy. d3) Number of policy issues addressed in any platform for dialogue as part of a Regional South civil society agenda . d4) Number (%) of women and youths participating in the above mentioned events.</i>	<i>Event reports, civil society reports, Anna Lindh Foundation report, reports from national institutions, ENP progress reports</i>

Objective 4: SUPPORT REGIONAL AND SUBREGIONAL INSTITUTIONAL COOPERATION

<u>Expected results</u>	<u>Indicators</u>	<u>MoV</u>
<i>e) Closer regional or sub regional cooperation between EU and Mediterranean and between Mediterranean countries is enhanced</i>	<i>e1) Number of UFM Ministerials held in key sectors of Euro-mediterranean cooperation per year; e2) Number of joint declarations agreed in UFM Ministerials ([per year) e3) Number of european and Mediterranean diplomats benefiting from trainings on any subject with EU support per year e4) Degree (%) of implementation of the EU Maghreb Action plan – focusing particularly on the actions involving a role for the UMA; e5) Number of meetings related to policy dialogues on security involving Sahel funded directly or indirectly by ENI projects per year</i>	<i>Declarations; ad hoc reports</i>